

Zoning Text Amendment



Modifying the Density Requirements of the Lionshead Mixed Use 1 Zone District



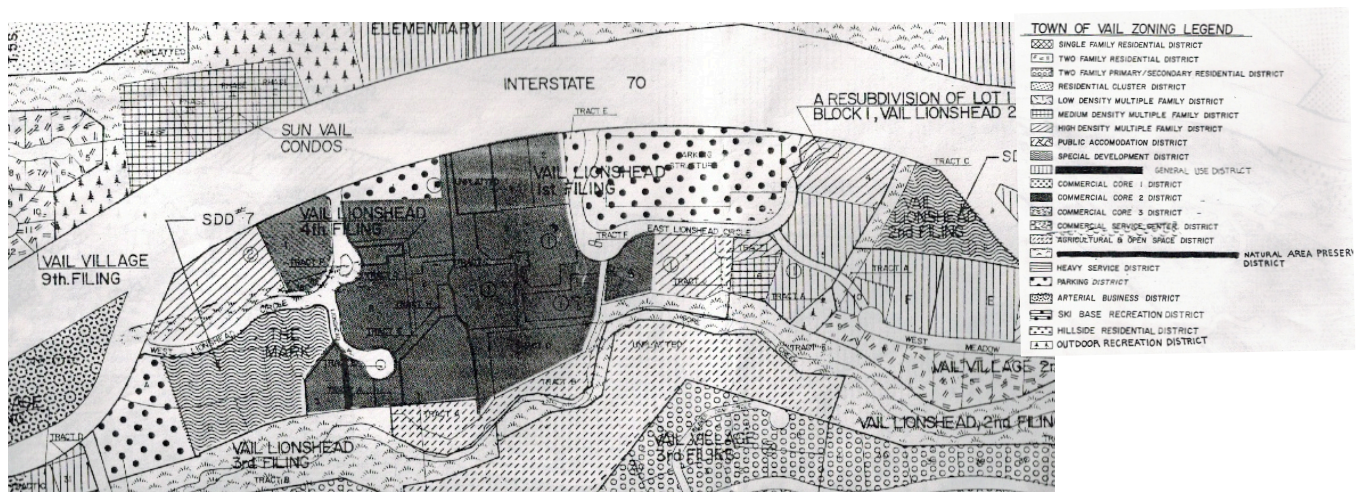
Submitted: November 2018

Introduction

Mauriello Planning Group is representing the Treetops Condominium Association which is requesting a text amendment to the Zoning Regulations to amend Section 12-7H-12: Density (Dwelling Units Per Acre). Specifically, the amendment would amend the allowable density in the Lionshead Mixed Use 1 (LMU-1) Zone District. This section currently allows for 35 dwelling units per acre or a 33% increase over the existing number of dwelling units. The applicant is requesting that density be unlimited. No other changes are proposed, so all other development standards, including building height, GRFA, site coverage, parking, etc., remain the same. As a result, the amendment has no impact upon the bulk and mass of a structure.

Background

Prior to 1999, the Lionshead Area was zoned a mixture of Commercial Core 2, High Density Multiple Family, and Special Development Districts, as shown on the following Zoning Map from 1995.



Town visionaries recognized that the redevelopment of Lionshead was critical for Vail to remain a competitive four-season resort, and in the mid-1990s, the Town undertook a master planning process to complete the Lionshead Redevelopment Master Plan (LRMP), which was to guide development over the next 15 to 20 years. The LRMP was adopted in December of 1998 by Resolution No. 13, Series of 1998, and subsequently two new zone districts were created by Ordinance No. 3, Series of 1999: Lionshead Mixed Use 1 (LMU-1) and Lionshead Mixed Use 2 (LMU-2). These zone districts were intended to create more cohesive standards for development across Lionshead and to implement the vision of the LRMP.

The Town then passed Ordinance No. 4, Series of 1999 which rezoned most of the Lionshead core to LMU-1, as indicated on the following current zoning map:



The area known as West Lionshead, consisting of the VR Maintenance Yard and former BP Gas Station site, was zoned LMU-2, which is not subject to this proposed text amendment.

The LRMP recognized that to incentivize redevelopment, additional development potential was necessary, and in that spirit, the purpose statement of the LMU-1 zone reads as follows:

12-7H-1: PURPOSE:

The Lionshead mixed use 1 district is intended to provide sites for a mixture of multiple-family dwellings, lodges, hotels, fractional fee clubs, timeshares, lodge dwelling units, restaurants, offices, skier services, and commercial establishments in a clustered, unified development. Lionshead mixed use 1 district, in accordance with the Lionshead redevelopment master plan, is intended to ensure adequate light, air, open space and other amenities appropriate to the permitted types of buildings and uses and to maintain the desirable qualities of the zone district by establishing appropriate site development standards. This zone district is meant to encourage and provide incentives for redevelopment in accordance with the Lionshead redevelopment master plan.

This zone district was specifically developed to provide incentives for properties to redevelop. The ultimate goal of these incentives is to create an economically vibrant lodging, housing, and commercial core area. The incentives in this zone district include increases in allowable gross residential floor area, building height, and density over the previously established zoning in the Lionshead

redevelopment master plan study area. The primary goal of the incentives is to create economic conditions favorable to inducing private redevelopment consistent with the Lionshead redevelopment master plan. Additionally, the incentives are created to help finance public off site improvements adjacent to redevelopment projects. With any development/redevelopment proposal taking advantage of the incentives created herein, the following amenities will be evaluated: streetscape improvements, pedestrian/bicycle access, public plaza redevelopment, public art, roadway improvements, and similar improvements.

As the purpose of LMU-1 suggests, development standards were adopted with the intent of providing incentives for properties to redevelop. The standards of the LMU-1 zone district are provided below:

Lot Area and Site Dimensions:	10,000 sq. ft. of buildable area
Setbacks:	10 ft. unless otherwise specified by the LRMP
Height and Bulk:	Maximum average of 71 ft. with maximum height of 82.5 ft.
Density (Dwelling Units Per Acre):	Up to a 33% increase over the existing number of dwelling units on a property or 35 dwelling units per acre, whichever is greater, shall be allowed. For the purpose of calculating density, employee housing units, accommodation units, attached accommodation units, timeshare units, and fractional fee club units shall not be counted as dwelling units. Additionally, a "lodge dwelling unit", as defined herein, shall be counted as 25% of a dwelling unit for the purpose of calculating density.
Gross Residential Floor Area:	Up to 250 sq. ft. of gross residential floor area shall be allowed for each 100 sq. ft. of buildable site area, or an increase of 33% over the existing GRFA found on the property, whichever is greater.
Site Coverage:	70% unless otherwise specified by the LRMP
Landscaping and Site Development:	20% unless otherwise specified by the LRMP
Parking and Loading:	In accordance with Chapter 10

As mentioned previously, the applicant is proposing to amend only the "Density (Dwelling Units Per Acre)" for the entire Lionshead Village area. The LRMP and LMU-1 zoning was successful in spurring the redevelopment of many projects in Lionshead. Projects, such as the Antlers, redevelopment of the core site into the Arrabelle, along with the Ritz Carlton and Gore Creek Residences were able to take advantage of the flexibility and incentives of the LMU-1 zone district not long after the zone district was adopted. Other projects, such as Vail Spa, Vail 21, and the Enzian have done major exterior upgrades without adding new units. The following table indicates all existing levels of development within the LMU-1 zone district and the density associated with each property. This information was gathered from the Eagle County Assessor's office

and Town records. Density has been calculated per Section 12-74-12: *Density* of the Vail Town Code:

Existing Density in Lionshead

Name of Development	Dwelling Units	Lodge Dwelling Units	EHUs	Hotel	Fractional Timeshare	Lot Size	Density (DUs / Acre)
Antlers	96	0	9	0	0	1.21	79.34
Arrabelle	67	0	0	36	0	2.93	22.87
Concert Hall Plaza	0	0	0	0	0	0.26	0.00
Enzian	12	0	0	0	0	0.30	40.00
Elevation (proposed)	9	0	3	0	0	0.31	28.66
Evergreen Lodge	19	0	0	128	0	2.45	7.76
First Chair	0	0	32	0	0	0.75	0.00
Landmark	73	3	2	0	0	1.51	48.84
Lift House	1	45	0	0	0	0.44	27.84
Lion Square Lodge North	36	0	0	0	0	0.94	38.30
Lion Square Lodge South and East	66	2	0	31	0	1.81	36.74
Lions Pride Building	0	0	0	0	0	0.83	0.00
Lionshead Arcade	14	0	0	0	0	0.32	43.75
Lionshead Centre	25	0	0	0	0	0.90	27.78
Lodge at Lionshead I, II, III	48	6	0	0	0	2.69	18.40
Mark Lodge	13	0	0	42	0	0.89	14.61
Montaneros	40	0	0	0	0	1.01	39.60
The Lion	53	4	1	0	10	1.57	34.39
Tree Tops	29	0	0	0	0	0.90	32.22
Vail 21	21	0	0	0	0	0.36	58.33
Vail International	56	0	0	0	0	1.83	30.60
Vail Spa	55	0	0	0	0	3.21	17.13
Vantage Point	47	9	0	0	9	1.53	32.19
West Day Lot Subdivision (Marriott, Ritz, Gore Creek Residences)*	122	0	0	276	45	6.82	17.89
Westwind	35	0	0	0	0	0.87	40.23
TOTAL	937	69	47	513	64		

- * West Day Lot Subdivision includes the Ritz Carlton Residences, Gore Creek TH, and western portion of the Marriott Hotel. It is considered one development site for zoning purposes.

The LMU-1 zone district does not count EHUs, hotel rooms or accommodation units, or timeshare units towards density. The thought in 1998 was that this policy would encourage the construction of these unit types as they were considered to be similar to hotel or warm beds, meaning they would have higher occupancy than dwelling units. As indicated in the table, few projects have built timeshare or fractional units, especially recently. The Ritz Carlton Residences, which is part of the West Day Lot Subdivision, is one of the few to have successfully sold fractional ownership. The Lion has 10 fractional units, of which none have yet sold. Since the adoption of the LRMP, the economics of redevelopment have changed. The trend in the late 1990s of timeshare and fractional ownership has largely disappeared.



The Lion, at 701 W. Lionshead Circle, was approved in 2007 but construction was not completed until 2017. It included the construction of 10 fractional units, which have been challenged by a declining fractional market following the recession.

Timeshare units have similar if not greater impacts than dwelling units. Timeshare units are similar to dwelling units in a short-term rental program, from a use standpoint. Often the design and/or layout of a timeshare unit is the same as a dwelling unit. The difficulties of the timeshare market mean that they are not a favored development option, and dwelling units would simply replace timeshare, meaning the effects on the community would be minimal. As a result, impacts to infrastructure, roads, water, sewer, etc. remain unchanged by having dwelling units constructed instead of timeshare units. Impacts to the economy are improved because there is a market for dwelling units and because they are simple to short term rent.

As another method of encouraging the construction of warm beds, the LRMP outlined the idea of lodge units as follows:

New Unit Definition

The master plan recommends that the zoning regulations be modified to include "lodge unit" as an additional definition of a residential unit. This product is defined as a small condominium dwelling unit with limited kitchen and floor area. (The floor area usually averages less than 650 sq. ft.) Units of this small size are most likely to be in short-term rental pools, with occupancy rates similar to

those for hotel rooms. Because an increase in the short-term bed base in Lionshead is a key objective, the planning team recommends that lodge units count as one-quarter of a normal dwelling unit (i.e. 4 lodge units count as one dwelling unit). Further, it recommends that units of this size in existing properties be treated as lodge units for the purpose of calculating density.

The LMU-1 zone district included the creation of a new unit type, “lodge dwelling units” (LDU). These units are defined as:

LODGE DWELLING UNIT: A small dwelling unit with limited kitchen and floor area and which contains six hundred fifty (650) square feet or less of floor area and is intended to be rented on a short term basis.

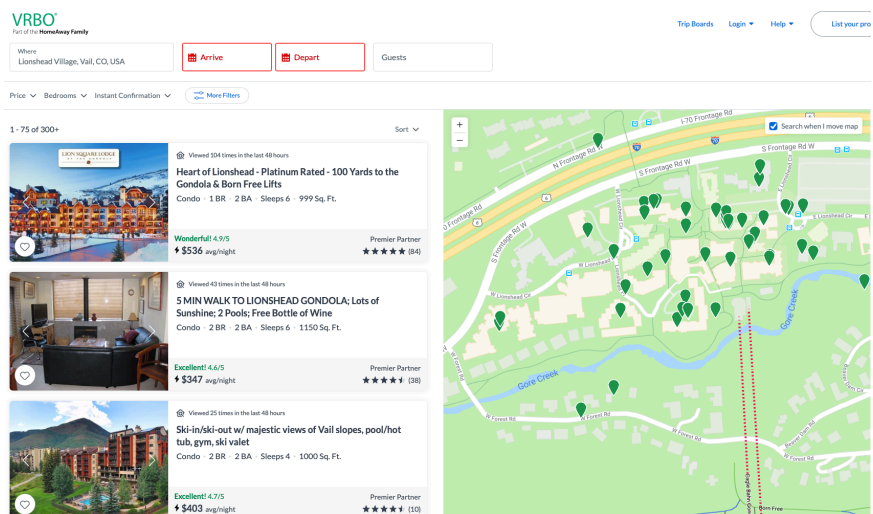
At the time, it was thought that LDUs, as smaller dwelling units, would be more likely to be placed in a short-term rental pool. To encourage the development of them, they only count as 25% of a dwelling unit, for the purpose of calculating density. Unfortunately, the market did not support the development of LDUs, and only The Lion constructed new LDUs under LMU-1. A few projects were originally constructed with small unit types that fall into this category, most notably Lift House and Vantage Point. In the past 20 years, only 4 new lodge dwelling units have been constructed which is not a great success for the LDU concept recommended by the LRMP.

Since the 1990s, the market has seen a dramatic increase in the short-term rental of dwelling units, due to three primary factors:

- Use of the internet and smart phones
- Increase in the use of on-line short-term rental sites, such as AirBnB and VRBO
- Rental management companies

This has allowed many owners of units that may not have on-site rental management and services to short-term rent their properties. In summary, while neither timeshare units nor LDUs were popular development methods, the short-term rental of dwelling units throughout the town has been extremely successful in the creation of warm beds.

The Town's goal of increasing



A simple search of VRBO for rentals available in “Lionshead Village, Vail, CO yields over 300 results, indicating the success of on-line short-term rental sites.

the bed base through the provision of hotel rooms as part of new development projects has also been challenging. Many of the developments in Lionshead are not necessarily structured to be able to manage a hotel operation. As a result, new hotel rooms in Lionshead have only been constructed by Vail Resorts at the Arrabelle.

Most projects have needed and will continue to need new dwelling units to fund redevelopment projects. This was a fact identified in the LRMP in the 1990s, and was based on economic modeling that was adopted as part of the appendices of the LRMP. The modeling at the time identified a need for a 33% increase over existing density to be able to fund redevelopment of existing buildings. The LRMP stated:

Density (Dwelling Units Per Acre):

The allowable density of development in the study area should be increased to provide ample incentive and create the financial mechanism for redevelopment of properties. Additional consideration must be given to existing properties that currently exceed the density limitations. A model developed during the master planning process showed that an increase of at least 33% over existing zoning or existing dwelling units on a given site would be needed to make redevelopment an attractive option.

In order to encourage the development of live beds or warm beds in Lionshead, the master plan recommends that accommodation units, hotel rooms and fractional ownership units not be counted in the calculation of density. Further, because it is a community goal to increase the number of permanent residents in Lionshead, employee housing units that are deed restricted for local employees should not count toward density.

While this increase in density spurred new development in Lionshead, it could be argued that the substantial increase in GRFA also played a role. CC2, which was the zone district that most of Lionshead was previously zoned, only allows for 80 sq. ft. of GRFA for each 100 sq. ft. of buildable area. LMU-1 allows for 250 sq. ft. of GRFA for each 100 sq. ft. of buildable area. This is almost over a 200% increase in allowable GRFA in Lionshead. This is a result of the recommendation of the LRMP with regard to GRFA:

Gross Residential Floor Area (GRFA)



Redevelopment of the core site into the Arrabelle at Vail Square, included 67 dwelling units and 36 hotel rooms.

An important component of the Lionshead Master Plan process was the analysis of GRFA's effectiveness as a tool for insuring the quality of architecture and the built environment within Lionshead. In short, the masterplan team found that GRFA was not effective as a primary means of providing for architectural quality. Based on this finding it is the conclusion of the master plan team that GRFA should not be the primary means of regulating building size. To accomplish this, one of two options must be pursued. First, GRFA could be eliminated. Secondly, the GRFA ratio could be increased so that it functions as a safety valve to insure that buildings do not exceed the maximum residential floorplate area that would otherwise be allowed according to the criteria of the architectural design guidelines. If this second course of action is pursued, the following recommendations are made:

- a. The ratio of Gross Residential Floor Area (GRFA) to lot area should be increased on all properties within Lionshead, excluding the residential properties south of Gore Creek, so that the site and architectural design guidelines, not GRFA, are the primary building size and mass constraint.*
- b. The method of calculating GRFA should be greatly simplified and changed to include common space so that basic floor plate area calculations will suffice.*

The substantial increase in GRFA, but minimal increase in density had one major possible consequence: encouraging the construction of larger dwelling units. In order to maximize profits, developers are actually encouraged to build larger dwelling units using available GRFA within a small pool of dwelling units. Modifying the density requirements could encourage the construction of more, smaller units. These are more likely to be included in a short-term rental program.

Effects of Increase Density in LMU-1

The additional dwelling units have the potential to increase traffic within the Town of Vail. However, the real impact is negligible as the number of timeshare units allowed is currently unlimited and the traffic impacts of a timeshare unit and a dwelling unit are the same. The Frontage Roads and roundabouts have been designed to absorb this additional traffic.

The proposed increase in density from 35 dwelling units per acre to an unlimited number of dwelling units will improve the ability to redevelop properties in Lionshead. However, it is also prudent to review what will not be affected by the proposed amendment:

1. **Building Height.** The LMU-1 zone district prescribes the height limitation of buildings in Lionshead. The height limit is a maximum average of 71 ft. with maximum height of 82.5 ft. Furthermore, the LRMP has the most prescriptive Design Guidelines of all of the Town's planning documents. For example, the LRMP provides the following for buildings in Lionshead:

Primary Retail Pedestrian Frontages

On any property edge fronting a retail pedestrian street or mall (see site design guidelines for definition and locations), at least 50% of a building face shall have a maximum 16' initial eave height, at which point that face must step back a minimum of 12'.

The remaining percentage of building face may have a maximum 36' initial eave height, at which point the building face shall step back a minimum of 12'. Eave height is defined as the distance from finished grade to the initial primary eave of the structure. Gable faces of buildings are also measured to their eaves,

excluding the actual wall area which comprises the gable. The intent of this retail/pedestrian street requirement is to present a dynamic, fragmented streetfront to outdoor spaces, rather than uniform blocks of building mass (see Section 8.4.2.2).

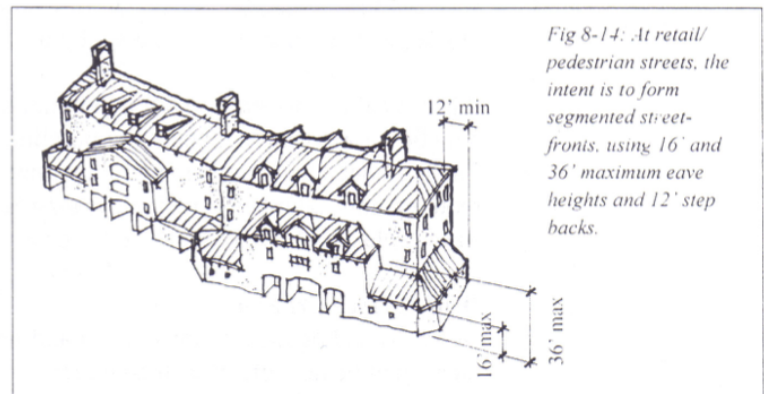


Fig 8-14: At retail/pedestrian streets, the intent is to form segmented street-fronts, using 16' and 36' maximum eave heights and 12' step backs.

Remaining Building Frontage

Building faces that do not meet the special site criteria of the sections above may have a maximum initial eave height of 60', at which point those faces must step back a minimum of 12'. To the extent possible, all new and redeveloped buildings in Lionshead should avoid "turning their backs" on other buildings or important pedestrian corridors. However, it must be acknowledged that very few buildings have prime frontage on all sides and almost all buildings will have different programmatic requirements and visual characteristics on their different faces. Toward that end, a building's greatest vertical mass and "back of house" functions should occur on the frontage with the least volume of pedestrian traffic. In addition, components of a building with the greatest vertical mass should be oriented north-south to minimize the blockage of southern views and sunlight.

It is critical to note that the 60' maximum initial eave height does not allow for an unarticulated, flat building face from grade to 60'. The horizontal and vertical maximum unbroken building face requirements, all other guidelines

contained in this chapter and the Master Plan, and DRB review and approval, shall still apply.

The increase in density will not impact the height, setbacks, or vertical mass of buildings in Lionshead. These standards remain as prescribed by both the LRMP and the LMU-1 zone district, meaning the all development will have to occur within the three dimensional building envelope, or “box,” prescribed by the standards.

2. **Site Coverage.** This site coverage standard of “70% of site area or as prescribed by the LRMP,” is not proposed to be amended. This means that the footprint of buildings within Lionshead will not be affected by an increase in density. This further limits the “box” of development.
3. **GRFA.** No change is proposed to the current allowance of GRFA at 250 sq. ft. per each 100 sq. ft. of buildable area. In LMU-1, GRFA includes all square footage within dwelling units, fractional units, and hotels. It only exempts EHU square footage from the GRFA calculation. As a result, the square footage that can fill the “box” remains as it is today.
4. **Setbacks.** Setbacks requirements, which are 10 ft. or as prescribed by the LRMP, are not proposed to be amended.
5. **Parking.** Lionshead is within the Commercial Core Area for parking requirements. The parking requirements are not proposed to be amended. All new dwelling units will need to be parked per Chapter 12-10 of the Vail Town Code. These requirements are as follows:

Dwelling Unit	1.4 spaces
Dwelling Unit with one attached accommodation unit	1.4 spaces
Dwelling Unit with more than one attached accommodation unit	1.4 spaces plus .7 space per each additional attached accommodation unit

Because these development standards will not change with the increase in density, the “box” of buildings also will not change. Developers will need to meet this standards, or need to be granted variances by the Town to change the “box.”

Treetops Vision for Redevelopment

While this amendment affects all properties within the LMU-1 zone district, the applicant who is spearheading this proposal, Treetops Condominium Association, is considering a redevelopment project. This section is provided for information only, is

not part of this application, and will require future applications for review by the Town of Vail.

The Treetops property currently consists of 28 dwelling units and one on-site manager's unit, which is not deed-restricted. Two units were combined into one at some point in the past. With the current density limitations, Treetops could add 9.57 new dwelling units under the 33% increase allowance. Available GRFA is approximately 60,500 sq. ft. The existing units are approximately 1,200 sq. ft. on average. Treetops is proposing average unit sizes of approximately 1,300 sq. ft., which equates to approximately 45 additional units.

This unit type and density will allow for the redevelopment of Treetops in such a manner as to achieve the desired outcomes of the LRMP. Any redevelopment of Treetops will also include commercial floor area, employee housing, and underground parking. Treetops will be developed in compliance with all other development standards of the LMU-1 zoning and the LRMP, including building height and bulk and mass standards.



Treetops Condominiums, located at 452 E. Lionshead Circle, was originally constructed in 1972.

Criteria for Review of Text Amendment

The review criteria for a text amendment are provided in Section 12-3-7 and are listed below. The Applicant's analysis of conformance with the criteria follows:

A. Factors Enumerated: Before acting on an application for an amendment to the regulations prescribed in this title, the planning and environmental commission and town council shall consider the following factors with respect to the requested text amendment:

1. **The extent to which the text amendment furthers the general and specific purposes of the zoning regulations**

Applicant Analysis: Chapter 12-1-2: provides the general and specific purposes of the Zoning Regulations:

- A. *General: These regulations are enacted for the purpose of promoting the health, safety, morals, and general welfare of the town, and to promote the coordinated and harmonious development of the town in a manner that will conserve and enhance its natural environment and its established character as a resort and residential community of high quality.*
- B. *Specific: These regulations are intended to achieve the following more specific purposes:*
 - 1. *To provide for adequate light, air, sanitation, drainage, and public facilities.*
 - 2. *To secure safety from fire, panic, flood, avalanche, accumulation of snow, and other dangerous conditions.*
 - 3. *To promote safe and efficient pedestrian and vehicular traffic circulation and to lessen congestion in the streets.*
 - 4. *To promote adequate and appropriately located off street parking and loading facilities.*
 - 5. *To conserve and maintain established community qualities and economic values.*
 - 6. *To encourage a harmonious, convenient, workable relationship among land uses, consistent with municipal development objectives.*
 - 7. *To prevent excessive population densities and overcrowding of the land with structures.*
 - 8. *To safeguard and enhance the appearance of the town.*
 - 9. *To conserve and protect wildlife, streams, woods, hillsides, and other desirable natural features.*
 - 10. *To assure adequate open space, recreation opportunities, and other amenities and facilities conducive to desired living quarters.*
 - 11. *To otherwise provide for the growth of an orderly and viable community.*

The proposed amendment to the LMU-1 zone district to allow for unlimited dwelling units is consistent with the purposes listed above. The amendment encourages density within existing core areas, where density is appropriate and desired. The LRMP Design Guidelines work in tandem with the Zoning Regulations to ensure that structures have appropriate height, setback, and step-backs to ensure that the architectural fabric of the Lionshead pedestrian character is enhanced and preserved. In addition, parking requirements, traffic impacts, and public facilities are addressed in the

development review process. The proposed amendment furthers the general and specific purposes of the Zoning Regulations and is therefore consistent with this criterion.

2. The extent to which the text amendment would better implement and better achieve the applicable elements of the adopted goals, objectives, and policies outlined in the Vail comprehensive plan and is compatible with the development objectives of the town

Applicant Analysis: Lionshead is governed by the Lionshead Redevelopment Master Plan, which was adopted in 1998. In 1996, the Town Council adopted six policy objectives to provide a framework for the master plan process. These were:

Renewal and Redevelopment

Lionshead can and should be renewed and redeveloped to become a warmer, more vibrant environment for guests and residents. Lionshead needs an appealing and coherent identity, a sense of place, a personality, a purpose, and an improved aesthetic character.

Vitality and Amenities

We must seize the opportunity to enhance guest experience and community interaction through expanded and additional activities and amenities such as performing arts venues, conference facilities, ice rinks, streetscape, parks and other recreational improvements.

Stronger Economic Base Through Increased Live Beds

In order to enhance the vitality and viability of Vail, renewal and redevelopment in Lionshead must promote improved occupancy rates and the creation of additional bed base ("live beds" or "warm beds") through new lodging products. Live beds and warm beds are best described as residential or lodging rooms or units that are designed for occupancy by visitors, guests, individuals, or families on a short term rental basis. In order to improve occupancy rates and create additional bed base in Lionshead, applications for new development and redevelopment projects which include a residential component shall provide live beds in the form of accommodation units, fractional fee club units, lodge dwelling units, timeshare units, attached accommodation units (i.e, lock-off units), or dwelling units which are included in a voluntary rental management program and available for short term rental. Further, it is the expressed goal of this Plan that in addition to creating additional bed base through new lodging products, there shall be no net loss of existing live beds within the Lionshead Redevelopment Master Plan study area.

Improved Access and Circulation

The flow of pedestrian, vehicular, bicycle and mass transit traffic must be improved within and through Lionshead.

Improved Infrastructure

The infrastructure of Lionshead (streets, walkways, transportation systems, parking, utilities, loading and delivery systems, snow removal and storage capacity) and its public and private services must be upgraded to support redevelopment and revitalization efforts and to meet the service expectations of our guests and residents.

Creative Financing for Enhanced Private Profits and Public Revenues

Financially creative and fiscally realistic strategies must be identified so that adequate capital may be raised from all possible sources to fund desired private and public improvements.

For private development and redevelopment of properties within Lionshead, two of these are of utmost importance: "Renewal and Redevelopment" and "Stronger Economic Base Through Increase Live Beds." It was recognized that only through the redevelopment of Lionshead could it become a more vibrant environment for residents and guests, and that the provision of live and warm beds was paramount for redevelopment projects. It is important to note that the policy objectives regarding live beds was amended in 2006 to provide stronger language on the provision of live beds within Lionshead.

In Chapter 7 of the LRMP, the Town recognized that density (dwelling units per acre) needed to be increased to encourage redevelopment. In the mid-1990s, the economic model indicated that a 33% increase over existing zoning or existing number of dwelling units was needed to make redevelopment possible. In addition, fractional, timeshare, and hotel units were exempt from the density calculation, as it was thought that this would encourage the development of live beds. A 33% percent may have been appropriate for some properties in the 1990s but that limitation on density no longer holds true in today's economy and given the cost of construction in this region. The LRMP provided the following on density:

Density (Dwelling Units Per Acre):

The allowable density of development in the study area should be increased to provide ample incentive and create the financial mechanism for redevelopment of properties. Additional consideration must be given to existing properties that currently exceed the density limitations. A model developed during the master planning process showed that an increase of at least 33% over existing zoning or existing dwelling units on a given site would be needed to make redevelopment an attractive option.

In order to encourage the development of live beds or warm beds in Lionshead, the master plan recommends that accommodation units, hotel rooms and fractional ownership units not be counted in the calculation of density. Further, because it is a community goal to increase the number of permanent residents in Lionshead, employee housing units that are deed restricted for local employees should not count toward density.

The Vail Land Use Plan was adopted in 1986. It provides the following applicable goals and policies:

1. General Growth / Development

1.1. Vail should continue to grow in a controlled environment, maintaining a balance between residential, commercial and recreational uses to serve both the visitor and the permanent resident.

1.3. The quality of development should be maintained and upgraded whenever possible.

1.12. Vail should accommodate most of the additional growth in existing developed areas (infill areas).

4. Village Core / Lionshead

4.1. Future commercial development should continue to occur primarily in existing commercial areas. Future commercial development in the Core areas needs to be carefully controlled to facilitate access and delivery.

4.2. Increased density in the Core areas is acceptable so long as the existing character of each area is preserved through implementation of the Urban Design Guide Plan and the Vail Village Master Plan.

As indicated in these goals of the Vail Land Use Plan, increased density and additional growth is intended to occur within already developed areas, specifically realizing that growth should occur within the existing core areas. The proposed amendment is consistent with and furthers the applicable elements of the adopted goals, objectives, and policies outlined in the Vail comprehensive plan and is compatible with the development objectives of the town.

- 3. The extent to which the text amendment demonstrates how conditions have substantially changed since the adoption of the subject regulation and how the existing regulation is no longer appropriate or is inapplicable**

Applicant Analysis: The LMU-1 zone district, adopted in 1999, recognized that an increase in development potential was critical to encourage the redevelopment of properties in Lionshead. The density requirements of the zone district were crafted in such a way as to support this idea. Density was increased to 35 dwelling units per acre, or a 33% increase over existing density because many of the existing developments in Lionshead already exceeded 35 dwelling units per acre. Along with this, hotel and timeshare units did not count towards density limitations. At the time, timeshare was considered a viable and profitable development option, but the market for timeshare ownership has greatly diminished. The Town of Vail recently approved a reduction in the number of timeshare units as a result of this change in the market for timeshare at the Four Seasons, which had suffered from sluggish sales of the timeshare product. Many operators and developers have significantly reduced timeshare programs and are no longer involved in the development of new timeshare projects.

The 33% increase in density was also based on some economic modeling that was done as part of the LRMP, which used assumptions based on the economy of the 1990s. These models are no longer reflective of the actual costs of development, as construction costs have significantly increased. In addition, the Town's employee housing requirements, both Inclusionary Zoning and Commercial Linkage, have added substantial costs to developers. These additional costs were added in 2008, with no corresponding increase in density allowances to cover the cost of providing employee housing.

As a result of the issues outlined above, conditions have substantially changed since the adoption of the current density regulations.

4. The extent to which the text amendment provides a harmonious, convenient, workable relationship among land use regulations consistent with municipal development objectives

Applicant Analysis: Because the proposed amendment maintains all other development standards of the LMU-1 zone district, along with all of the design standards of the LRMP, the proposed amendment creates opportunities for redevelopment where the development parameters are the same, no matter what "fits in the box." The more dwelling units that go into the box means the smaller they will be and the more likely they will be rented. In addition, the parking requirement for all uses must be met.

5. Such other factors and criteria the planning and environmental commission and/or council deem applicable to the proposed text amendment

Applicant Analysis: Any other factors and criteria that the Planning and Environmental Commission deems applicable will be addressed by the Applicant if requested.

B. Necessary Findings: The Planning and Environmental Commission shall make the following findings before granting a conditional use permit:

1. **That the amendment is consistent with the applicable elements of the adopted goals, objectives and policies outlined in the Vail comprehensive plan and is compatible with the development objectives of the town; and**
2. **That the amendment furthers the general and specific purposes of the zoning regulations; and**
3. **That the amendment promotes the health, safety, morals, and general welfare of the town and promotes the coordinated and harmonious development of the town in a manner that conserves and enhances its natural environment and its established character as a resort and residential community of the highest quality.**