

**From:** [Matt Fitzgerald](#)  
**To:** [Chris Neubecker](#); [Council Dist List](#)  
**Cc:** [Dominic Mauriello](#)  
**Subject:** Letter of Support for Lionshead Zoning Amendment  
**Date:** Monday, January 28, 2019 9:23:44 AM  
**Attachments:** [image001.png](#)

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Planning and Environmental Commission  
Town Council  
Town of Vail  
75 South Frontage Road  
Vail, CO 81657

**Re: Lionshead Zoning Amendment**

Dear Commissioners and Councilmembers:

I am writing in support of the Amendment of the Lionshead Mixed Use -1 zone district as proposed by the Treetops HOA. As a real estate professional and the managing Branch Broker for the Slifer, Smith and Frampton Lionshead Office I am writing to share my perspective on the Fractional Market today.

In the early 2000's fractional ownership was attractive to a certain segment of real estate buyers because the units offered a consistent resort experience and buyers were able to purchase part of a unit in a premier location at a "fraction" of the price of the comparable whole ownership unit. During this time we would see that a number of units, particularly larger units were not actively rented thus the void of luxury rental inventory bolstered the sales of fractional/timeshare residences. Since this time much has changed with both the technology of renting and marketing of rental properties. A number of rental management companies have targeted luxury and ultra-luxury rental properties. We now see high value properties regularly available in rental programs. These factors have combined to provide great choice and flexibility for our visitors to the point that I believe these dynamics have impacted the values of fractional properties in general and acutely in Lionshead.

A quick review of the Vail Board of Realtors Multiple List Service shows that fractional properties average days on market is over 600 days which indicates a current lack of demand. In looking at the Ritz Carlton Club Vail property in Lionshead, Sellers of Fractional Residences have had to heavily discount to affect a sale. This trend of depreciation in conjunction with fractional units associated annual fees makes rental of a property a relatively risk free proposition with a plethora of property rental options. I also know that the "rotating weeks" calendar of fractional usage is a challenge with the schedules of our guests which again underscores the ease of renting rather than being locked into a fractional unit.

With regards to building programming the inclusion of a fractional residence program can serve to limit the number of lenders that will lend on the property as financing of fractional residences is

extremely limited and it is also impactful in the loan underwriting for whole ownership unit loans as a number of lenders will not lend in buildings with a fractional component.

The Town should encourage HOA's and Developers to redevelop and put as many dwelling units into a building that comply within the current dimensional and square footage standards. This flexibility will enable parties contemplating redevelopment flexibility to design building programming that will remain current with market demands. I encourage the town to continue with the revitalization of Lionshead and approve this amendment.

Thank you for your consideration.

Matt Fitzgerald | Branch Broker Lionshead  
Slifer Smith & Frampton Real Estate  
970.390.1290 | [myvailbroker.com](https://myvailbroker.com)  
Vail Real Estate App:[Click To Download](#)

*Please Note: Slifer, Smith and Frampton will never email you wire instructions, please call me if you are asked to wire money.*

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# *Lionshead Centre Condominium Association*

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520 W. Lionshead Mall \* Vail, CO 81657 \* (970) 476-3651

Planning and Environmental Commission

Town Council

Town of Vail

75 South Frontage Road

Vail, CO 81657

Re: Lionshead Zoning Amendment

Dear Commissioners and Councilmembers:

I am writing on behalf of the Lionshead Centre Board of Directors in support of the amendment of the Lionshead Mixed Use -1 zone district being proposed by the Treetops HOA.

The Town did a great job in 1998 when it adopted the Lionshead Redevelopment Master Plan and the zoning that implemented the plan. The regulations put in place 20 years ago to encourage the redevelopment Lionshead were valid back then. Those regulations were based on construction costs and the minimum density necessary to encourage a condominium building to redevelop. The thought was that a 33% increase in density (dwelling units) would generate sufficient revenue and profit to allow redevelopment to occur. It worked for several properties early on. Today the 33% increase model no longer holds true.

The desire for hot beds drove most of the thinking in 1998. The Town was experiencing vacancies in condominium units and the thought was to encourage fractional and timeshare units, which were theorized as having better occupancy rates. The fractional or timeshare market has waned in Vail and it's difficult to convince an existing condominium HOA to get into the business of running a fractional or timeshare program and developers are not willing to take the risk to build fractional or timeshare units. Something clearly needs to happen.

The good news is that with the progression of the internet and the introduction of platforms like AirBNB, HomeAway, and VRBO condominium occupancy has increased and the short term rental market has replaced the need for fractional and timeshare units.

It makes sense that the Town should encourage HOAs to redevelop and put as many dwelling units into a building as reasonably fits given the dimensional and square footage standards given the new real estate realities in 2019. Restricting the number of units almost guarantees that only larger units will be developed.

We encourage you to take the next step in the revitalization of Lionshead and allow this amendment to be approved. Thank you for your consideration.

Sincerely,

*Jeffrey Babb*

Jeffrey Babb

President, Lionshead Centre Condominium Association

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