



Memorandum

TO: Vail Town Council

FROM: Community Development Department

DATE: April 5, 2022

SUBJECT: First reading of Ordinance No. 4, Series of 2022, an ordinance repealing and reenacting Ordinance No. 21, Series of 2017, providing for a major amendment to Special Development District No. 36, Four Seasons Resort, in accordance with Chapter 12-9A, Special Development (SDD) District, Vail Town Code, to allow for reconfiguration of existing accommodation units, fractional fee units and dwelling units, and to amend the Employee Housing Plan to relocate a portion of the existing onsite employee housing offsite, located at 1 Vail Road/Lots A-C, Vail Village Filing 2, and setting forth details in regard thereto. (PEC21-0059)

Applicant: Four Seasons Resort, represented by Andrew Sellnau
Planner: Jonathan Spence

I. SUMMARY

The applicant, Four Seasons Resort, represented by Andrew Sellnau, is requesting a first reading of Ordinance No. 4, Series of 2022, an ordinance repealing and reenacting Ordinance No. 21, Series of 2017, providing for a major amendment to Special Development District No. 36, Four Seasons Resort, in accordance with Chapter 12-9A, Special Development (SDD) District, Vail Town Code, to allow for reconfiguration of existing accommodation units, fractional fee units and dwelling units, and to amend the Employee Housing Plan to relocate a portion of the existing onsite employee housing offsite located at 1 Vail Road.

On March 14, 2022, the Town of Vail Planning and Environmental Commission (PEC) held a public hearing on the request for a recommendation to the Vail Town Council for a major amendment to Special Development District No. 36, Four Seasons Resort, pursuant to the requirement of Section 12-9A, Special Development (SDD) District, Vail Town Code. At the conclusion of the public hearing, the PEC voted 5-0-1 (Gillette abstained) to forward a **recommendation of denial**, to the Vail Town Council.

II. ACTION REQUESTED OF THE TOWN COUNCIL

The Vail Town Council shall approve, approve with modifications, or deny Ordinance No. 5, Series of 2022, upon first reading.

III. DESCRIPTION OF REQUEST/BACKGROUND

The applicant, Four Seasons Resort, is requesting a major amendment to SDD No. 36, Four Seasons (Ord. No. 21, Series of 2017), in order to change the unit mix within the resort and to relocate a portion of the existing on-site employee housing to down-valley communities.

Following the 2017 approval, the Four Seasons completed some of the proposed conversions, opted not to move forward with others, and moved forward with other conversions that were not part of the approval. The following chart shows the approved, existing, and proposed unit mixes:

Approved Unit Mix 2017	Existing Unit Mix 2021	Proposed Unit Mix 2022	Net Change from 2017 approval
130 AUs	117 AUs	123 AUs	-7 AUs
28 Dwelling Units (with 18 AAUs)	28 Dwelling Units (with 15 AAUs)	32 Dwelling Units (with 15 AAUs)	+4 DUs - 3 AAUs
6 FFUs	6 FFUs	6 FFUs	-
28 EHU	28 EHU	12 EHUs	-16 EHUs

The current proposal includes the following components:

- Replacing up to 16 underutilized onsite deed-restricted employee housing units (EHUs) with offsite deed-restricted employee housing;
- Reconfiguring the underutilized dorm-style employee housing units into 13 additional hotel accommodation units (AUs); and
- Reclassifying seven existing accommodation units into four dwelling units.

As all the conversions occur within the existing structure, with the exception of the existing EHU balconies that will be converted to AU square footage; there are no changes to development standards such as setbacks, building height, site coverage, and landscaping.

Parking:

The existing SDD (Ord. No. 21, Series of 2017) demonstrated a total parking capacity of 230 spaces serviced via a 24-hour valet service. The staff analysis of the approved, completed, and proposed work indicates that the net effect on parking is negligible with

an overall effect of a reduction in the requirement of 1.4 spaces. Please see page 12 of the applicant's narrative.

Commercial Linkage and Inclusionary Zoning:

The amendments to the unit mix accomplished through the 2017 amendments resulted in an increase in the employee mitigation requirements which was addressed with a housing deed restriction for at least one two-bedroom dwelling unit with a minimum of 788 square feet, located within the Town of Vail.

Staff analysis of the approved, completed, and proposed work, not including the repurposing of 16 dorm rooms (EHUs) to Accommodation Units, has a relatively negligible effect on the overall employee mitigation requirement for the Four Seasons Resort. As shown on pages 13 and 14 of the applicant's narrative, the net increase in employees is 1.6 with a mitigation requirement of 20% or .32 employees. **With the inclusion of the repurposing of the existing EHUs, the total mitigation requirement for the proposed amendments to SDD No. 36 is 32.32 employees.**

Existing On-Site Employee Housing Program

The existing dormitory-style EHUs, comprised of 28 rooms for an occupancy of 56 employees, make up the bulk of the required mitigation measures. The Town has consistently received notarized annual verification forms from the Four Seasons indicating compliance with the deed restrictions. Town of Vail deed restrictions require that units are continuously occupied by qualified residents. Accompanying the signed verification has been lists of employees utilizing the on-site EHUs. Staff has learned from the applicant's team that the intention of providing the list of names was not only to demonstrate that the occupants were qualified residents, as required, but also to demonstrate that the units were not being occupied at 100% capacity. As this intention is contrary to the verification form (a copy of which has been included as Attachment C.), town staff has not been aware of the ongoing noncompliance with the requirements of the deed restriction. Staff is concerned that the remaining dormitory-style rooms will continue to function with less than 100% occupancy, as required by the deed restriction.

Proposed Mitigation

The applicant is proposing to meet the mitigation requirement through the purchase of deed restrictions on existing homes in down-valley communities. Please see the applicant's narrative for details on this approach. The proposal will result in a net increase in restricted square footage in comparison to the existing dorm rooms but equates to the same number of employees mitigated per the code requirements outlined in Table 23-2 and shown below:

TABLE 23-2

SIZE OF EMPLOYEE HOUSING UNITS

Type Of Unit		Minimum Size (GRFA)			Number Of Employee s Housed
Dormitory		250			1
Studio		438			1.25
1 bedroom		613			1.75
2 bedroom		788			2.25
3 or more bedroom		1,225			3.5

The applicant's provided slide, Attachment B to the applicant's narrative, shows the potential estimated square footage achieved through this approach. The proposed receiving areas for the new deed restrictions includes the communities of Eagle Vail, Avon, and Edwards with the western terminus of the area being generally the Lake Creek Apartments area, as shown on the provided map included as Attachment B.

Deed Restriction Exchange Program

The applicant is intending to accomplish the off-site deed restrictions through the Special Development District amendment process. Section 12-3-5 of the Vail Town Code provides a mechanism for the removal of a deed restriction on a property. (Please see Section IV, Applicable Planning Documents for this section of the Vail town Code.) As the applicant is proposing an Amendment to the SDD, this section shall only serve as a guide. Per this section, the relocation of a deed restriction is subject to a ratchet effect determined by the location of the existing restriction and the location of the proposed restriction. In this case, the Four Seasons is located within the Commercial Job Core, as defined, and the proposed down valley receiving areas are located outside of the Commercial Job Core. Per Section 12-13-5 D.3.b. of the Vail Town Code, the exchange rate would be three (3) times the GRFA requirement of the existing EHUs. It should be noted that at this time exchanging in town restrictions for out of town restrictions is not permissible under the exchange program.

IV. ZONING / SDD NO. 36 ANALYSIS

Address:	1 Vail Road
Legal Description:	Vail Village Filing 2, Lot A - C
Existing Zoning:	Public Accommodation (PA)
Existing Land Use Designation:	Resort Accommodations and Services
Mapped Geological Hazards:	Steep Slope > 40% (Man-Made)
View Corridor:	None

Development Standard	Allowed / Required	Existing	Proposed	Change
Site Area	10,000 SF	2.32 acres (101,140 SF)		No Change
Setbacks	As set forth in the Approved Development Plan referenced in Section 4 of Ord. No. 20, Series of 2005, Four Seasons SDD			No Change
Building Height	89'	N/A		No Change
Density	AUs: 130 DUs: 28 (+15 AAUs) FFUs: 6 EHUs: 28		AUs: 123 DUs: 32 (with 15 AAUs) FFUs: 6 EHUs: 12	AUs: +7 DUs: +4 FFUs No Change EHUs: -16
GRFA	177,609 SF			No Change
Retail SF	2,386 SF			No Change
Restaurant SF	5,946 SF			No Change
Conference SF	11,139 SF			No Change
Health Club	18,577 SF			No Change
Site Coverage	85,091 SF (71%) (Below Grade) 70,150 SF (59%) (Above Grade)			No Change
Landscaping	35,268 SF (30%)			No Change
Parking & Loading	230 Spaces	235 Spaces	235 Spaces	No Change

V. PLANNING AND ENVIRONMENTAL COMMISSION RECOMMENDATION

On March 14, 2022, the Town of Vail Planning and Environmental Commission (PEC) held a public hearing on the request for a recommendation to the Vail Town Council for a major amendment to Special Development District No. 36, Four Seasons Resort, pursuant to the requirement of Section 12-9A, Special Development (SDD) District, Vail Town Code. At the conclusion of the public hearing, the PEC voted 5-0-1 (Gillette abstained) to forward a recommendation of denial, to the Vail Town Council.

Staff would encourage the Town Council to consider remanding the application back to the Planning and Environmental Commission for further review.

Should the Vail Town Council choose to approve Ordinance No. 4, Series of 2022, upon first reading, the Planning and Environmental Commission recommends the Town Council passes the following **motion**:

“The Vail Town Council approves on first reading Ordinance No. 4, Series of 2022, an ordinance repealing and reenacting Ordinance No. 21, Series of 2017, for a major amendment to Special Development District No. 36, Four Seasons, to allow for reconfiguration of existing accommodation units, fractional fee units and dwelling units, and to amend the Employee Housing Plan to relocate a portion of the existing onsite employee housing offsite, located at 1 Vail Road/Lots A-C, Vail Village Filing 2, and setting forth details in regard thereto.”

Should the Vail Town Council choose to approve Ordinance No. 4, Series of 2022, upon first reading, the Planning and Environmental Commission recommends the Town Council include the following **conditions**:

1. *The exterior building changes associated with this major amendment to SDD No. 36, Four Seasons, are contingent upon the applicant obtaining Town of Vail approval of an associated design review board application for all exterior changes to the property;*
2. *Prior to issuance of a certificate of occupancy for the conversion of any of the existing dorm rooms in the subject property, the applicant shall record with the Eagle County Clerk and Recorder a Town of Vail employee housing deed restriction corresponding to square footages per Table 23-2 for each employee. Each dormitory room repurposed equated to two employees for the purposes of mitigation.*

Should the Vail Town Council choose to approve Ordinance No. 4, Series of 2022, upon first reading, the Planning and Environmental Commission recommends the Town Council makes the following **findings**:

1. *That the SDD complies with the standards listed in Section 12-9A-8-A, Vail Town Code, or the applicant has demonstrated that one or more of the standards is not applicable, or that a practical solution consistent with the public interest has been achieved;*
2. *That the SDD is consistent with the adopted goals, objectives, and policies outlined in the Vail comprehensive plan and compatible with the development objectives of the town;*
3. *That the SDD is compatible with and suitable to adjacent uses and appropriate for the surrounding areas; and*
4. *That the SDD 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.”*

VI. ATTACHMENTS

- A. Draft Ordinance No. 4, Series of 2022
- B. PEC Memorandum, with attachments, dated March 14, 2022
- C. PEC minutes, March 14, 2022