



**ATTACHMENT E - PLANNING AND ENVIRONMENTAL
COMMISSION RESULTS OF MAY 8, 2017**

**PLANNING AND ENVIRONMENTAL COMMISSION May 8, 2017, 1:00 PM
Vail Town Council Chambers
75 S. Frontage Road - Vail, Colorado, 81657**

(Note: This is not a copy of the full results of the entire meeting of May 8, 2017. These results are provided only for the review of the proposed Transportation Impact Fee. Please contact the Community Development Department for a complete copy of the results of this meeting, which includes other projects and applications.)

5. A request for a recommendation to the Vail Town Council for a zoning text amendment pursuant to Section 12-3-7 Amendment, Vail Town Code, to amend Title 12 of the Vail Town Code to add a new Chapter 26, Traffic Impact Fee, and setting forth details in regard thereto. (PEC17-0008)

Applicant: Town of Vail, represented by Tom Kassmel
Planner: Chris Neubecker

Motion #1: Table to May 22, 2017

First: Gillette Second: Stockmar Vote: 2-5
(Opposed: Rediker, Lockman, Perez, Hopkins, Kurz)

Motion #2: Forward recommendation of approval, with condition to amend the language as previous suggested by Perez, to exempt remodels on residential units, and the fee shall be set by Town Council "on a rational basis".

First: Lockman Second: Kurz Vote: 3-4
(Opposed: Rediker, Perez, Gillette, Stockmar)

Motion #3: Forward recommendation of approval, as the ordinance is currently proposed in staff memo.

First: Lockman Second: Kurz Vote: 4-3
(Opposed: Gillette, Stockmar, Perez)

Neubecker introduced the application. This item was heard a few weeks ago, and tabled to today to allow more research. He presented a development fees matrix showing all of the fees and taxes paid in the development review process. He also discussed why the fee is not based on parking, as suggested by the PEC. Draft ordinance has been modified to simplify, and removing some definitions already in the code. Recommendation is to proceed as previously presented.

Lockman: Asked how the fees will be set.

Neubecker: Fees are adjusted each year by resolution, rather than require it to be amended by ordinance. This process saves time.

Tom Kassmel, Town Engineer, reintroduced the project. Codifying the fee was requested by Town Council. For the past 17 years, the Town has been working with developers on agreements to pay the fee on development in limited zone districts (LMU-1 LMU-2, PA-1

PA-2), for only limited types of development. State law requires a rational nexus study, and requires the fees to be applied equally to all zone districts. The fee has been simplified to be based on number of new units, not based on square feet. The sales tax increase that would be required to collect the same amount of revenue would be 0.13%.

Gillette: What is current sales tax? What is process to change the tax rate?

Kassmel: Current Town of Vail sales tax rate is 4%. To change this would require a vote of the public.

Stockmar: Asked about difference in the table on Page 7, which requires no fee for EHUs. This does not match table on page 9.

Kassmel: Differences are based on the fee that would be required, if EHUs were required to pay a fee. Town Council decided to waive that fee. The waived fee can not be spread out and paid by other development types. Staff also researched basing the fee on parking. TishlerBise recommended against this fee basis. Parking rates are different in different zones, and single family developments would have to pay significantly more.

Stockmar: The shape of Vail is odd. Other communities don't have the same transportation issues, based on the shape of our town.

Kassmel: Fee is based on the Town of Vail, based on study by TishlerBise. He compared other communities' fees. Pitkin County is most similar to Vail. Fees are based on what revenue is needed to complete Vail's needed transportation projects.

Gillette: He compared the proposed fees to those in Eagle County. We are shoving this fee down the throats of those that have not yet developed. We should be more comparable to Eagle County.

Kassmel: If we allow no more development than we have today, there would be no need for these transportation projects.

Gillette: What did The Lion pay, and what would be due under the proposed fee?

Kassmel: The Lion valuation was \$90 million, and paid total fees of \$3 million. Actual traffic impact fee was \$273,000. Proposed fee would be \$45,000, based on number of new units. Solaris was \$142 million project; total permit fees were about \$2 million, plus employee housing fees. Solaris paid about \$20,000 in traffic impact fee. New fee would be about \$360,000. This is based on "net new" development.

Lockman: Why the disparity between what was paid at Solaris, versus what would be due?

Kassmel: Proposed fees are based on net new. The previously development at Solaris had a larger theater, many of the restaurant uses were reduced in size. Previous development at this location also had a grocery store. It's helpful to developer to have a fee schedule that is predictable. Discussed the fees paid at various other developments, including single family.

Lockman: A prescriptive fee basis is easier for everyone to understand.

Perez: Why is 12% of revenue shown coming from employee housing, but you propose to exempt employee housing? Why are we exempting employee housing? It still has an impact on transportation. This creates a larger burden on the developments.

Kassmel: Town Council requested to subsidize employee housing. We have a difficult enough time getting employee housing built.

Gillette: State law limits the types of project that can be exempt. Employee housing is one of them.

Kassmel: These are the maximum fees. Council could cut the fees across the board. We could exempt certain fees, but then Town would have to come up with the revenue from another source.

Rediker: Do these fees automatically increase each year?

Neubecker: No. Staff will need to take this to Town Council each year as a resolution to change the fees.

Perez: In the ordinance, it does not exempt remodels. Redevelopment implies a remodel. Want to ensure that residential remodels are exempt. Can we add a line to clarify this? Also, want to add language that states that the fee is set by resolution of the Town Council "on a rational basis". Also, clarify that no transportation impact fee shall be assessed on a residential remodel. Also, concerned that the definitions of residential development, commercial development and project were removed from the ordinance.

Kassmel: Those definitions are already in the code.

Gillette: Fee is based on adding a dwelling unit. If it's not broken, don't fix it. This is a community wide problem, and should be spread-out over the entire community. \$20 million over 25 years is nothing for this community, but it's a big impact on a developer.

Stockmar: This is a regressive fee, paid only by a small number of people in the community. The answer is probably a sales tax. It would be fair, and paid by people including visitors.

Hopkins: What are some of the projects this revenue will be used for?

Stockmar: Can't be used for maintenance. Sales tax would not limit how we use the money.

Kassmel: Money can only be used for infrastructure projects.

Gillette: We don't need this fee. It has worked up until now. Some of the projects we have done are not necessary. Lionhead bus shelter on Frontage Road does not get used. This is money we don't need.

Rediker: Why distinguish between inside and outside the core?

Kassmel: Fee is based on the Transportation Master Plan. It's based on the amount of traffic generated by different types of uses. It considers multi-modal uses and trips. People

in the core can walk to more shops and restaurants.

Rediker: People from the core still drive to the grocery store.

Kassmel: This is based on ITE trip rates. On average, people who stay in the core drive less.

Perez: What about those that stay at the Ritz and ride the shuttle? They probably take more trips.

Kassmel: This is based on averages. Based on what we see from a traffic generation standpoint.

Public Comment – None

Neubecker: If there is a motion for approval, please include any suggested change to the ordinance in your motion.

Stockmar: Why was Town Council reticent to use a sales tax?

Kassmel: Not sure if sales tax was discussed. This method of collecting fees is widely used. Perception is that new development causes the need for these projects. This method of revenue has been in discussions with Council for several years to codify this fee, and legally we should follow the recommendations of study.

Gillette: Asked if we could just codify the fee as it is in place today. Asked how much revenue could be collected if we codified current fee in the zone districts where the fee exists today. The revenue proposed is not enough compared to the animosity this will create. If it's not broke, don't fix it.

Kassmel: Depends on how much new development happens in those few districts that currently have the fee.

Stockmar: Let's look at the rational relationship to the fee and impacts. Because of the geography and shape of the Town, a huge burden is placed on the transportation system from those living in East Vail. Would like to find more rational way to find the funding. Frustrated that state law does not allow revenue to be used for maintenance. Would like to look into this more thoroughly, or would support a sales tax which is more equitable.

Gillette: If proposed legislation more mirrored the system we have in place, that should satisfy the town attorney. We have always found the money needed in the past. Don't burden the developer more that we already have.

Kassmel: Suggested that the PEC could make a recommendation, with an alteration to the ordinance. For example, you could recommend exempting single family and duplexes, in addition to employee housing. Council would need to agree to subsidize these uses.

Gillette: System is working now. Town looks great, staff does a great job. That's how I know that it's working now.

Kurz: I was previously involved in looking into this issue, in another role in this room. I'm

not yet at a point to recommend approval.

Perez: Not ready to go to Council; still lot of work to be done. Need to research inside fees inside core vs. outside core, and if it should apply to single family development.

Lockman: Agree with proposal as-is. The due diligence has been done. This has already been worked to death. Council wants a fee, not a sales tax. As proposed, net new development pays for the impacts. Other Town revenue will be used for other projects. This will codify a fee that has been vague.

Rediker: Agree with Lockman. We are ready to send this forward to Council. Burden on development is minimal compared to impacts of new growth. Not in favor of increasing sales tax. Colorado legislature has determined that this is a fair and equitable way to raise revenue.

Perez: Not sure we should have different fees inside the code vs. outside the core. Why do we distinguish? Assumption is that people in the core take public transportation

Neubecker: This is based on traffic studies by traffic engineers. In a walkable situation like Vail Village, people drive less. Study is based on national studies and averages.

Kassmel: Study is based not on specific properties in Vail, but for example based on resort hotels in general, for example.

Stockmar: Is there any community in county, similar to Vail in geography? That layout impacts trips and how the revenue is raised. Others have likely faced a similar situation. I'm on the fence, and need more information.

Kassmel: We are OK with tabling. We want to get you the information you need.

Lockman: How many undeveloped residential lots are in the core area?

Kurz: My concerns have largely been answered. I will move forward to recommend approval.

Perez: We have a motion on the table.

Rediker – Voted against the motion (#2), because I do not believe the proposed ordinance needs to be revised.