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**Memorandum**

TO: Planning and Environmental Commission

FROM: Community Development Department

DATE: September 11, 2017

SUBJECT: A request for final review of an amendment to a conditional use permit, pursuant to Section 12-9C-3, Conditional Uses, Vail Town Code, in accordance with Title 12, Chapter 16, Vail Town Code, for an existing healthcare facility, amending the development plan to allow for the reconstruction of the east wing, including healthcare facilities, ambulance district facilities, heliport building and associated structured parking located at 180 South Frontage Road West (Vail Valley Medical Center)/Lots E, and F, Vail Village Second Filing, and Lots 2E-1 and 2E, Block 1, Vail Lionshead Filing 1. (PEC17-0022)

Applicant: Vail Valley Medical Center, represented by Davis Partnership and  
Braun and Associates

Planner: Jonathan Spence

## **I. SUMMARY**

The applicant, Vail Valley Medical Center (VVMC), represented by Davis Partnership and Braun and Associates, is requesting a public hearing with the Planning and Environmental Commission (PEC) for a final review of an amendment to a conditional use permit, pursuant to Section 12-9C-3, Conditional Uses, Vail Town Code, and Title 12, Chapter 16, Conditional Use Permits, Vail Town Code, for an existing healthcare facility, amending the development plan to allow for the reconstruction of the east wing, including healthcare facilities, ambulance district facilities, heliport building and associated structured parking located at 180 South Frontage Road West. This is the fifth and proposed final meeting with the PEC to review the criteria for approval and request final action. Staff and the applicant will also be presenting the final information concerning employee housing, frontage road improvements and design changes.

Upon review of the applicable elements of the Town's planning documents and adopted criteria for review, the Community Development Department is recommending the Planning and Environmental Commission **approve, with conditions**, the applicant's request for an amended conditional use permit to facilitate the redevelopment of the East Wing of the VVMC. A complete summary of Staff's review is provided in Section VII of this memorandum.

Please find the following included as Attachments to assist in the review of the project:

- A. Approved VVMC Site Specific Redevelopment Master Plan, (hereafter Master Plan), 03-17-2015
- B. Project narrative, May 2017
- C. Revised project plan set, 08-30-2017
- D. Preliminary Environmental Impact Report, undated
- E. East Wing Employee Generation Memorandum, 08-30-2017
- F. VVMC Plan for Managed Parking Program, August 2017
- G. Summary of changes to plan set, 08-30-2017

## II. DESCRIPTION OF REQUEST

### General Overview

The East Wing currently consists of +/-34,715 square feet of medical and related uses and 207 structured parking spaces. Medical and other uses are located in buildings that date back to the 1960s. Existing uses in the East Wing include the Steadman Philippon Research Institute, IT, Environmental Services, meeting rooms, Imaging, Administration, Mountain Surgical Associates, In-Patient Pharmacy, and a variety of small VVMC departments (e.g. public safety, materials management, patient relations, and property management).

The redevelopment of the East Wing will involve the demolition of the existing medical building and the parking structure and the construction of approximately 344,440 square feet of new space. When considering the demolition of existing medical space, this redevelopment will result in a net increase of 110,225 square feet of medical space:

344,440	Total new square footage (Includes Parking Structure and Medical Uses)
<u>-199,500</u>	New Parking Structure square footage
144,940	Medical/Related Uses square footage
<u>-34,715</u>	Existing square footage to be demolished
110,225	Net New Medical/Related Use square footage

Of the 110,225 square feet of new space, 28,040 square feet is designated as “shell space”. Three areas in the East Wing have this designation. As proposed, these spaces, available for future growth, will be constructed but not finished to the point where they can be occupied. These spaces will not be finished until such time VVMC demonstrates how parking and employee housing obligations can be satisfied. Restrictions on the occupancy of this space will be memorialized via a separate agreement with the Town of Vail. When considering these shell spaces, the total net new square footage to be occupied upon completion of the East Wing is reduced to 82,185 square feet, as shown below.

110, 225	Net New Medical/Related Use square footage
<u>-28,040</u>	Unfinished/Un-Programed Shell Space square footage
82,185	Net New Occupied square footage upon East Wing completion

## **Previous Topical Discussions with the Planning and Environmental Commission**

Over the course of four previous meetings with the Planning and Environmental Commission (PEC), the applicant and staff have provided information and directed dialogue on the following topics:

- Emergency Helipad
- Loading and Delivery
- Onsite Parking and the Parking Management Plan
- Frontage Road Improvements and General Circulation
- Architecture and Development Standards
- Construction Site Management and Interim Hospital Operations
- Interior Layout and Programming
- Overall Mass and Scale
- Exterior Design Considerations
- Employee Housing

## **New Information**

### **Employee Housing**

The applicant has finalized the revisions to the employee generation estimate for the East Wing and provided planned mitigation measures. Please see a discussion of this topic in Section VII under Criteria #1.

### **Frontage Road Improvements**

The applicant has finalized the scope of planned improvements that are the responsibility of VVMC concerning the Frontage Road and the proposed Transportation Impact Fee. Please see a discussion of this topic in Section VII under Criteria #1 and #2.

### **Design Changes**

The applicant has provided a brief narrative on the changes as a result of staff and PEC feedback that has been included in the revised plan set. This narrative is included as Attachment G. It should be noted that additional architectural revisions may occur during the DRB process.

## **III. BACKGROUND**

On March 17, 2015, the Vail Town Council approved Resolution No. 3, Series of 2015, The Vail Valley Medical Center Site Specific Redevelopment Master Plan. This plan, a component of the Vail Comprehensive Plan, is the guiding document for the redevelopment of the hospital campus. In tandem with this approval, the Vail Town

Council also approved Resolution No. 4, Series of 2015, which established a new land use category for the Vail Land Use Plan that corresponds with the Redevelopment Master Plan.

The first phase of the hospital redevelopment, the west wing addition and associated improvements, was approved by the Planning and Environmental Commission on March 23, 2015 and is nearing completion.

#### **IV. APPLICABLE PLANNING DOCUMENTS**

##### VVMC Master Plan

Please see Attachment A.

##### Town of Vail Zoning Code

##### **General Use District (in part)**

12-9C-1: Purpose:

*The general use district is intended to provide sites for public and quasi-public uses which, because of their special characteristics, cannot be appropriately regulated by the development standards prescribed for other zoning districts, and for which development standards especially prescribed for each particular development proposal or project are necessary to achieve the purposes prescribed in section [12-1-2](#) of this title and to provide for the public welfare. The general use district is intended to ensure that public buildings and grounds and certain types of quasi-public uses permitted in the district are appropriately located and designed to meet the needs of residents and visitors to Vail, to harmonize with surrounding uses, and, in the case of buildings and other structures, to ensure adequate light, air, open spaces, and other amenities appropriate to the permitted types of uses.*

12-9C-3: Conditional Uses:

*A. Generally: The following conditional uses shall be permitted in the GU district, subject to issuance of a conditional use permit in accordance with the provisions of [chapter 16](#) of this title:*

*Child daycare centers.*

*Equestrian trails.*

*Golf courses.*

*Healthcare facilities.*

*Helipad for emergency and/or community use.*

*Major arcades.*

*Plant and tree nurseries, and associated structures, excluding the sale of trees or other nursery products, grown, produced or made on the premises.*

*Public and private parks and active outdoor recreation areas, facilities and uses.*

*Public and private schools.*  
*Public and quasi-public indoor community facilities.*  
*Public buildings and grounds.*  
*Public parking structure.*  
*Public theaters, meeting rooms and convention facilities.*  
*Public tourist/guest service related facilities.*  
*Public transportation terminals.*  
*Public unstructured parking.*  
*Public utility and public service uses.*  
*Religious institutions.*  
*Seasonal structures or uses to accommodate educational, recreational or cultural activities.*  
*Ski lifts, tows and runs.*  
*Water and sewage treatment plants.*

#### 12-9C-5: Development Standards:

- A. Prescribed By Planning And Environmental Commission: In the general use district, development standards in each of the following categories shall be as prescribed by the planning and environmental commission:*
- 1. Lot area and site dimensions.*
  - 2. Setbacks.*
  - 3. Building height.*
  - 4. Density control.*
  - 5. Site coverage.*
  - 6. Landscaping and site development.*
  - 7. Parking and loading.*
- B. Reviewed By Planning And Environmental Commission: Development standards shall be proposed by the applicant as a part of a conditional use permit application. Site specific development standards shall then be determined by the planning and environmental commission during the review of the conditional use request in accordance with the provisions of [chapter 16](#) of this title.*

## V. SURROUNDING LAND USES AND ZONING

	<u>Existing Land Use</u>	<u>Zoning District</u>
North:	Mixed use	Lionshead Mixed Use 1District
South:	Residential	Two-Family District
East:	Residential	High Density Multiple-Family
West:	Streamtract	Outdoor Recreation District

## VI. SITE ANALYSIS

Address: 181 West Meadow Drive

Legal Description: Lots E, and F, Vail Village Second Filing, and Lots 2E-1 and 2E,  
Block 1, Vail Lionshead Filing 1 and Medical Professional Building (MPB) parcel

Existing Zoning: General Use

Land Use Designation: Vail Valley Medical Center Site Specific Redevelopment Master  
Plan

Mapped Geological Hazards: None

Lot Area: Approximately 3.82 acres/ 166,269 square feet

Development Standard	General Use District Existing	Proposed
Minimum Lot Size	Prescribed by PEC – Per approved development plan currently 4.54 acres/ 197,583 sf.	No change (Includes MPB parcel)
Minimum Setbacks	Prescribed by PEC – Per approved Development Plan currently South – 3.5 ft. West – 23 ft. East – 16 ft. North – 28 ft.	<b>South - 1.5 ft.</b> <b>West - 0.5 ft.</b> East – 20.2 ft. <b>North- 2.1 ft.</b>
Maximum Height	Prescribed by PEC – Per approved development plan currently 66.5 ft.	<b>107 ft. (Helipad Elevator Overrun)</b> <b>75 ft. (Helipad)</b> <b>39 ft. West Meadow Drive façade</b> <b>58 ft. S. Frontage Road West façade</b>
Density Control Units/acre and GRFA	Not applicable	Not applicable
Site coverage	Prescribed by PEC – Per approved development plan currently 85,000 s.f. (51.1%)	<b>124,390 (62.9%)</b> <b>Includes MPB parcel.</b>
Minimum Landscaping	Prescribed by PEC – Per approved development plan currently 23,981 s.f. (14.4%)	<b>24,157 (12.1%)</b>
Required Parking	Prescribed by PEC – Existing	<b>Required: 707 spaces after multi-use credit</b>

	Surface Lot 91 spaces Structure 103 spaces Total of 209 spaces Site deficient ~175 spaces	<b>Provided: 56 West Lot</b> <b>468 new structure</b> <b>4 misc. spaces</b> <b><u>76 MPB</u></b> <b>604 Spaces</b> <b>103 space deficit</b>
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## VII. REVIEW CRITERIA

Before acting on an amendment to conditional use permit application, the PEC shall consider the following factors with respect to the proposed use:

### 1. Relationship and impact of the use on the development objectives of the Town.

The redevelopment of the VVMC campus is governed by the VVMC Master Plan and Vail Town Code. The Master Plan identifies the goals and implementation strategies to be employed to achieve a redevelopment in keeping with the development objectives of the town. Within the Master Plan (page 9) there is a list of 13 development objectives the Town identified as needing to be addressed with any proposed redeployment on the campus. Those development objectives which are applicable to the East Wing sequence of the overall redevelopment are:

#### 1. Helipad/emergency air service to the hospital site.

An established goal of the Master Plan relates to the relocation of the helipad from its current location within the I-70 ROW adjacent to the Vail municipal site to a location within the VVMC campus. This goal was articulated as follows:

Establish an emergency helipad within the VVMC campus that is located to provide a direct internal connection to the new Emergency Department and with sensitivity to the surrounding neighborhood.

During the formulation of the Master Plan, a number of on-site helipad location alternatives were evaluated with the following considerations:

- Safety
- Patient transfer requirements
- FAA and NFPA standards
- Aircraft performance
- Community impact

The evaluation of the alternative locations for the emergency helipad and a recommendation for the preferred location was completed with the assistance of HeliExperts International, LLC and Caycee Batterson of CLB Enterprises. The

Preliminary Heliport Feasibility & Design Study Report, completed by HeliExperts International, LLC and dated January 15, 2015 can be found as an attachment to the Master Plan.

The preferred location for the helipad is adjacent to the South Frontage Road on a portion of the property not encumbered by any restrictive covenants. This location is approximately 200 feet from the existing helipad location adjacent to the Vail municipal site. The Master Plan identified a number of steps and provisions related to the future review of the CUP application. These steps and provisions included additional work on the part of VVMC related to the design of the facility and coordination with outside review agencies, most notably the Federal Aviation Administration (FAA). Also included within these steps were the following items required in relation to the CUP application:

- An Environmental Impact Report (EIR) related to the operation of the helipad and its effects on neighboring properties (Attachment D)
- Installation and operation of an approved, on-site automated weather observing system (AWOS)
- Install an aviation approved wind sock, lighting, etc. atop the new helipad building.
- Preparation and use of pilot briefing sheets and an operational training and reference manual for the VVMC emergency helipad to ensure that the emergency helicopter pilots using the emergency helipad are informed in advance of any unique conditions, circumstances, or factor that must be considered when flying in or out of Vail.
- Preparation of an “Emergency Action Plan” that is prepared in cooperation with the Vail Fire and Police Department.
- VVMC will establish operating procedures via an Operation Agreement with helicopter providers that will ensure that designated flight paths are used unless weather or other considerations determined by the pilot necessitates the use of alternative flight paths.

Please see pages 15-17 of the Conditional Use Permit narrative, included as Attachment B, and its appendices for a detailed description of the proposed helipad and the applicant’s response to the before listed items of consideration. The applicant has submitted a Preliminary Environmental Impact Report as required by the Master Plan, included as Attachment D. Staff has determined that this submittal has adequately addresses this requirement.

## 2. On-site loading and delivery facilities.

As a companion to the goal of removing the vast majority of VVMC generated traffic from West Meadow Drive, the Master Plan included the following goal related to Loading and Delivery:

*Design and manage loading and service facilities and functions to meet the needs of VVMC while at the same time minimizing potentially adverse impacts on the surrounding residential neighborhood and on West Meadow Drive.*



It was through the formulation of the Master Plan that an enclosed delivery facility, accessed via West Meadow Drive, was determined to be the most appropriate balance between the operational needs of VVMC and the community benefit of relocating much of the VVMC generated traffic to the Frontage Road. Page 21 of the Master Plan contains a number of required design and operational parameters for the new facility that must be met through the CUP submittal. As indicated in the Master Plan, it will be up to the determination of the PEC if these parameters have been met through the approval process. In addition, it should be noted that all aspects of the facility management plan will be enforceable by the Town of Vail as an element of the Conditional Use Permit. Please see pages 20-22 of the Conditional Use Permit narrative for a detailed description of the proposed facility, its operational characteristics and its conformance with the design and operation parameters included in the Master Plan.

### 3. Ambulance access to and from the site.

An established goal of the Master Plan relates to the removal of the bulk VVMC generated traffic, including ambulances, from West Meadow Drive. This goal was articulated as follows:

*Remove the majority of VVMC-generated traffic from West Meadow Drive.*

Upon completion of the East Wing sequence of redevelopment ambulance access will occur off of the South Frontage Road at the VVMC's new "front door". During the redevelopment of the East Wing, ambulances will continue to utilize West Meadow Drive for access to the emergency room. When completed, all ambulances will enter the site via the main entry and then access the ambulance facility via a short spur. Ambulances will exit the site through a dedicated one-way exit from the facility directly onto the South Frontage Road.

### 4. Vehicle access that uses South Frontage road for primary access.

An established goal of the Master Plan relates to the removal of the bulk of VVMC generated traffic from West Meadow Drive by utilizing the South Frontage Road as the primary access point. This goal was articulated as follows:

*Remove the majority of VVMC-generated traffic from West Meadow Drive.*

Upon completion of the East Wing sequence of redevelopment ambulance, employee, visitor, and patient access will occur off of the South Frontage Road at the VVMC's new "front door". The only remaining vehicular traffic on West Meadow Drive generated by the VVMC will be loading and delivery vehicles. Similar to the construction period for the West Wing expansion, VVMC is committed to a managed solution that recognizes the challenges posed and the need for an adaptive approach. Please see additional details of these measures under Criteria #3.

##### 5. Minimize vehicle trips on West Meadow Drive.

An established goal of the Master Plan relates to the removal of the bulk VVMC generated traffic from West Meadow Drive. This goal was articulated as follows:

*Remove the majority of VVMC-generated traffic from West Meadow Drive.*

Upon completion of the East Wing sequence of redevelopment ambulance, employee, visitor, and patient access will occur off of the South Frontage Road at the VVMC's new "front door". The only remaining vehicular traffic on West Meadow Drive generated by the VVMC will be loading and delivery vehicles. This results in a reduction in the number of trips generated by the VVMC on West Meadow Drive from approximately 1,400 to 56 daily peak trips.

##### 6. North/South Pedestrian circulation through the site.

An established goal of the Master Plan related to the North/South pedestrian circulation was articulated as follows:

*To provide safe and efficient pedestrian circulation within and through the VVMC campus that meets the needs of the hospital users and the broader community.*

Under the pedestrian circulation goal, the Master Plan focusses on the following three considerations:

- Relocating the hospital's main entrance to the South Frontage Road to improve the safety and aesthetics of West Meadow Drive through the significant reduction in traffic volumes.
- The inclusion of a dedicated pedestrian entrance along West Meadow Drive in the vicinity of the existing bus stop.
- A north/south pedestrian corridor constructed along the east end of the campus providing a new pedestrian connection between the South Frontage Road and West Meadow Drive, preferably ADA compliant.

As a component of the East Wing expansion, the project proposes a north/south pedestrian connection at the east end of the VVMC property. This connection consists of a sidewalk along the east side of the main vehicular drop-off, transitioning through an interior stairwell to a wider pedestrian connection to West Meadow Drive. The stairwell is necessary because of the +/- 24' of grade change between the South Frontage Road and West Meadow Drive and as a result this connection is not ADA compliant. An ADA compliant route utilizing internal lobby elevators will be available to assist pedestrians with mobility concerns between Levels 1 and 3. The applicant has offered that numerous concepts were investigated to possibly provide an ADA compliant connection. Staff recognizes the challenges present in designing this connection as a result of the grade change and the activities planned in the vicinity.

It should be noted that an additional north/south pedestrian connection between the South Frontage Road and West Meadow Drive is anticipated with the redevelopment of the Evergreen Lodge.

8. Provide on-site parking in full compliance with parking requirements.

The Master Plan acknowledged that on-site parking at VVMC has for many years been inadequate. As a result, the following goal was included:

To increase the supply of onsite parking to an amount that when coupled with managed parking solutions meets the needs of patients, visitors and employees of VVMC.

The Master Plan included a discussion on different methodologies for obtaining estimated parking requirements for the hospital campus. Using an employee based methodology; the existing parking requirement prior to the multi-use credit was determined to be 782 spaces or 645 spaces after the 17.5% credit.

Utilizing a parking formula based on actual provided parking, including on-site, off-site and managed solutions, the existing provided parking is 672 spaces, including 173 spaces that are currently handled through off-site leased spaces and through the purchase of TOV parking passes. These 173 spaces are considered a parking deficit by the Master Plan.

The West Wing CUP confirmed an additional parking demand of 41 spaces related to the West Wing improvements. The applicant has proposed that the East Wing project will result in 89 additional required spaces, based on an employee based approach. This estimate includes an additional 5 employees for security, housekeeping, maintenance, etc.

Utilizing the pre-development, employee based parking requirement of 782 spaces, the West Wing CUP approved 41 spaces and the applicant's estimate of an additional 89 spaces for the East Wing, the total parking demand for the VVMC campus is 912 spaces prior to the multi-use credit and **707 spaces** after the application of the 22.5% credit.

Proposed on-site parking, post-development, will be **604 spaces**; an increase of 197 spaces over what existed prior to the redevelopment of the campus. This increase is largely a result of increased garage capacity and programming (valet) as the spaces in the Medical Professional Building (US Bank) and on the west surface lot, are reduced.

The 103 space differential between demand and on-site supply is proposed to be handled through managed solutions. These managed solutions include employee shuttles from Gypsum, Leadville and Summit County and the ECO bus passes provided to employees. VVMC believes that employees utilizing these options have averaged 90-95 employees over recent years.

VVMC believes that the managed solutions, coupled with the increase in on-site parking, are adequate in addressing the historic parking deficiencies and the new parking demand resulting from the redevelopment of the hospital campus. The applicant has provided a *Plan for Managed Parking Program (August 2017)* that is included as Attachment F. This plan provides for specific enforcement measures if the managed parking program fails to meet its desired outcomes. This plan is considered a part of the Conditional Use Permit approval as is referenced in the proposed conditions of approval.

A fundamental question, perhaps not fully answered through the master plan, is what percentage of the overall parking demand should be accommodated onsite versus handled through a variety of managed solutions. Additional onsite parking will increase automobile traffic entering Vail when compared to managed solutions that remove private automobiles from the roadway system. Staff believes that VVMC has proposed an appropriate balance between onsite parking and managed solutions, including demand reduction strategies.

9. Define appropriate location for vehicle access off of South Frontage Road.

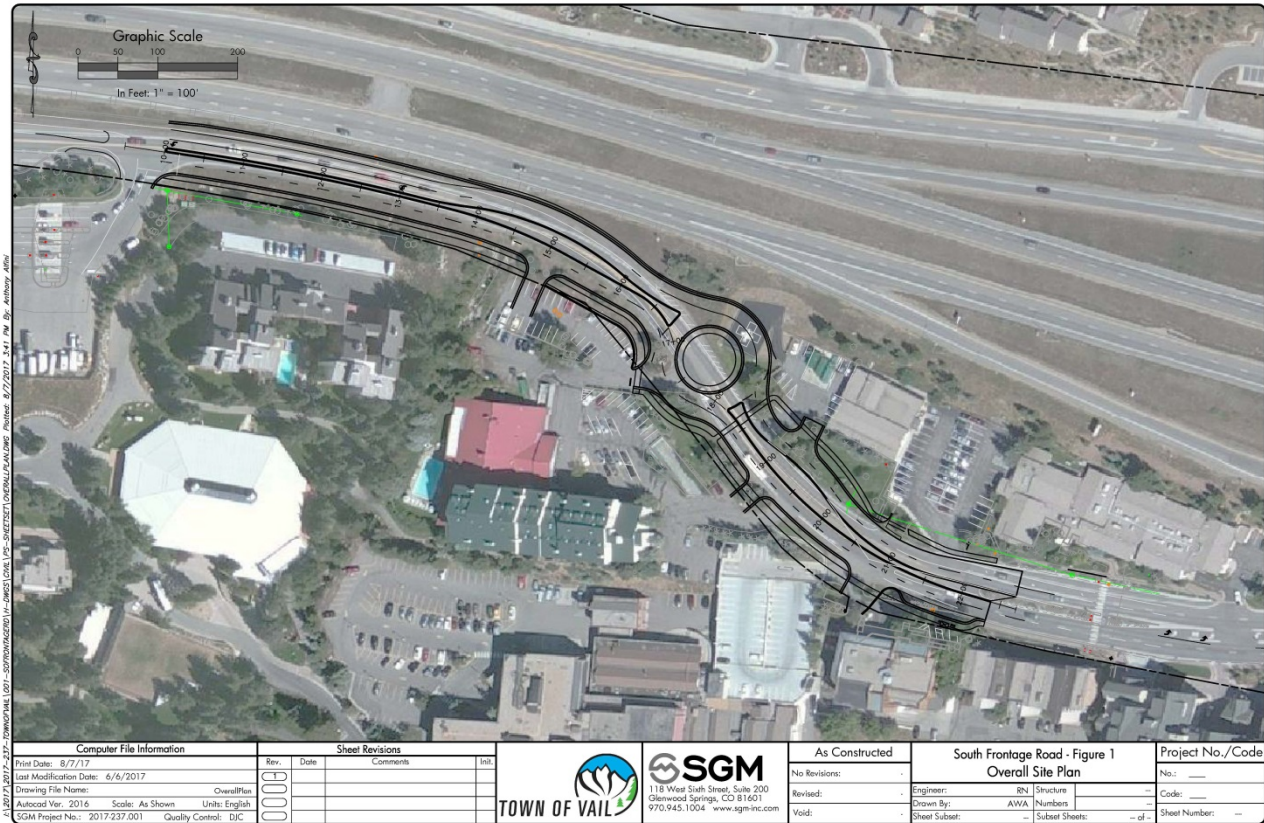
An established goal of the Master Plan relates to the necessary improvements to the South Frontage Road. This goal was articulated as follows:

*Collaborate with neighboring properties to define and implement improvements to the South Frontage Road that will provide safe and efficient site access to VVMC, the Town Hall site and the Evergreen Lodge.*

The applicant has worked closely with the Town of Vail Public Works Department to design improvements to the VVMC frontage that will accommodate the anticipated roundabout and expansion of the travel way to four lanes. The Master Plan discusses the extensive study, with over ten alternatives, that has taken place to determine the most appropriate and efficient design solution for the South Frontage Road between the Lionshead Parking Structure and the eastern end of the VVMC campus. This design includes a four way travel section proceeding east from the Lionshead Parking Structure, transitioning through a two lane roundabout just west of the existing municipal building's east parking/recycling area, and culminating with a four lane section, including turn lanes, that joins the exiting four lane section in front of the Scorpio Building. Also included is the relocation of the existing bus stop from within the travel way to a pull-off area, a \$15,000.00 contribution to a new shelter in the vicinity of the MPB frontage and an eight (8) foot snow-melted sidewalk along the frontage. Due to constraints on the proposed boilers, snow melt for the portion of the sidewalk in front of the MPB is proposed to be delayed until the anticipated redevelopment of that site. At this time, the town is recommending that the surface material be concrete unit pavers consistent with the sidewalk to the east and the anticipated sidewalk to the west. The applicant has expressed concerns related to safety for patrons, especially those requiring walkers, crutches or other assisted devices. Staff is supportive of investigating other decorative surfaces that may provide greater safety but is unsupportive of a non-decorative,

uncolored concrete finish. This design feature will be addressed further during the DRB review of this project.

A diagram of the proposed site plan for the South Frontage Road from the Lionshead Parking Structure to the Scorpio Condominiums is shown below:



Both the Master Plan and the applicant's original submittal contemplated a period of time between the completion of the East Wing project and the construction of the roundabout, necessitating an interim plan with associated improvements. Because of the current construction schedules for both the hospital and the roundabout, this interim plan is no longer considered necessary. The proposed improvements, and their timing, will be coordinated between the Town of Vail and the VVMC in such a way as access and traffic flow will be maintained.

### 13. Screening of mechanical equipment.

The applicants have proposed to screen the roof top mechanical equipment with a metal panel screen wall inset from the perimeter of the hospital façade similar to the efforts employed in the design of the West Wing expansion. The Design Review Board will be tasked with reviewing the adequacy of the proposed mechanical screening.

### Other Considerations

In addition to the established 13 development objectives, the Master Plan contains a section titled *Other Considerations* that contains discussions around Employee Housing, Zoning and Future Expansion Potential. A goal pertaining to Employee Housing is articulated as follows:

*To provide employee housing consistent with the provisions of Chapter 23 of the Vail Town Code.*

During the review of the West Wing expansion, the PEC granted the VVMC request to allow all housing mitigation to occur offsite or through a fee in lieu payment. Subsequently, the PEC approved the 2015 Employee Housing Estimate (hereafter Estimate) which provided proposed estimates in increases in employee levels for both the West Wing expansion and the East Wing replacement. VVMC entered into a Development Agreement (hereafter Agreement) with the Town of Vail whereby the mitigation requirements for both phases were handled through an initial fee in lieu payment. The Agreement provided language whereby the estimate for the East Wing phase would be further reviewed by the PEC through the approval process for the East Wing. At such time, the fee in lieu amount would be amended based on the current formula. In addition, in recognition of the difficulties in estimating future employment as a result of the redevelopment of the VVMC campus, the Agreement included a clause requiring the Town to conduct an audit of West Wing to determine how many new employees were actually generated, two years following the issuance of the first certificate of occupancy for the West Wing. Staff will be recommending a similar condition of approval requiring an audit related to the East Wing replacement.

The Estimate provided anticipated increases in employees of 56 for the West Wing and 34.2 employees for the East Wing. The net number of employees for the East Wing was based on a projection of 78.6 total employees minus 44.4 employees (resulting from demolished square footage). The Estimate utilized generation rates for different hospital uses as approved by the PEC during the West Wing expansion review.

Based on a review of the floor plans, the applicant has revised the anticipated employee generation attributed to the East Wing. The projection has been increased from 78.6 to 104.3 employees largely as a result of the inclusion of two new operating rooms at the Vail Valley Surgical Center. With this change in the prediction, VVMC has an additional 25.7 employees which equates to a mitigation requirement of 5.14 employees (20% of 25.7). VVMC has indicated their intent to address this requirement through the purchase and deed restricting of dwelling units located within the Town of Vail. As required by the code and as conditioned, these units will be required to be available prior to the issuance of the first Certificate of Occupancy for the East Wing Phase. A memorandum addressing this issue, with revised projections based on the floor plans, has been provided by the applicant and is included as Attachment E.

Staff finds the East Wing redevelopment meets this criterion.

**2. The effect of the use on light and air, distribution of population, transportation facilities, utilities, schools, parks and recreation facilities, and other public facilities needs.**

Although the redevelopment of the East Wing is a project of considerable scope, the applicant has worked successfully to integrate, with improvements, the proposal into the Town's existing infrastructure. To offset the community impacts of traffic generated by the development, the applicant has agreed to pay the Traffic Mitigation Fees for the net new increase in development traffic, which has been calculated at \$470,534.00 based on new square footage. This agreement to pay is based on the Town Council adopting the proposed Transportation Impact Fee as currently proposed. As conditioned and consistent with the development agreement, the final amount is dependent on what, if any, fee is formally adopted.

Staff does not believe there will be any impact upon the distribution of population, transportation facilities, utilities, schools, parks and recreation facilities, and other public facilities needs as a result of this redevelopment.

Staff finds that the East Wing redevelopment meets this criterion.

**3. Effect upon traffic with particular reference to congestion, automotive and pedestrian safety and convenience, traffic flow and control, access, maneuverability, and removal of snow from the street and parking areas.**

Staff's response to Criterion 1 addresses the interim and overall impact to traffic trip generation, circulation, and site access during the East Wing sequence of redevelopment and upon completion of the redevelopment. The VVMC campus redevelopment will ultimately result in a significant decrease in VVMC generated traffic trips on West Meadow Drive. As anticipated the VVMC will have a new "front door" with access directly off of the South Frontage Road for all user groups with the exception of loading and delivery vehicles.

Additionally, upon construction of the East Wing, pedestrian circulation routes will be established to allow for a north/south connection between West Meadow Drive and the South Frontage Road.

The applicant has proposed a series of measures to lessen the impact of the construction period on hospital operations and the community at large. The measures include:

- Construction sequencing and logistics to minimize impacts.
- Utilization of the Gypsum facility for the offloading of deliveries where they are to be transferred to smaller trucks for delivery to the West Lot as an interim loading and delivery area.
- Access to the MPB via West Meadow Drive utilizing existing access easements from the Alphon and Scorpio properties.
- A parking management program that includes:

- Leased spaces within Vail
- A park and ride shuttle program with ±127 spaces in Edwards
- Remote shuttles to Gypsum/Summit County/Leadville
- Eco bus passes
- Car-pool incentive program.
- Valet operations in the West Lot for patients and guests to maximize this parking resource.
- A potential secondary emergency access drive for Ambulance Service

As a Conditional Use Permit, the Town of Vail will require that these measures be maintained and modified as necessary to reduce the impact of the East Wing on the Town of Vail, its residents and visitors. It should be noted, however that these measures are being provided to the PEC for informational purposes only as construction management and its impacts are handled administratively.

Staff finds that the East Wing redevelopment meets this criterion.

**4. Effect upon the character of the area in which the proposed use is to be located, including the scale and bulk of the proposed use in relation to surrounding uses.**

The Master Plan contains three goals related to this criterion that are discussed on pages 12-17. An analysis of each goal and the application's efforts in meeting their objective can be found below.

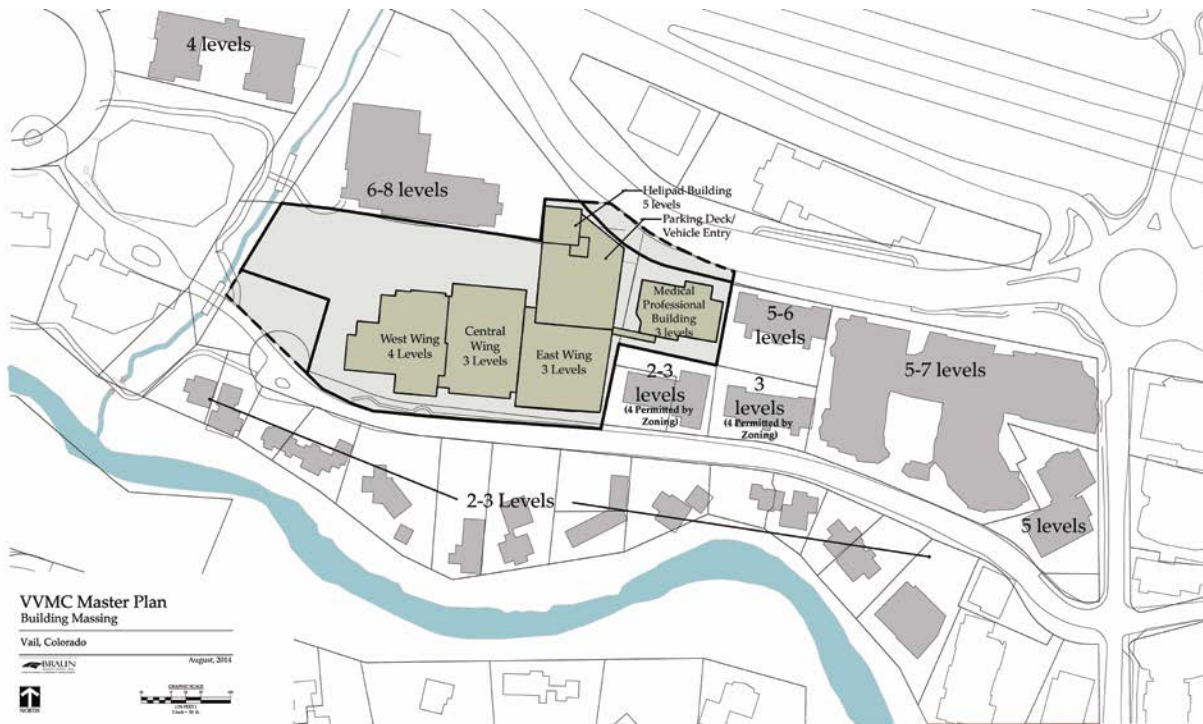
*The massing (and scale) of hospital expansions to be responsive and sensitive to the surrounding neighborhood.*

The Master Plan acknowledges that there are many factors that influence design options available to VVMC concerning massing of the building expansions. These include:

- Structural capacity of existing buildings.
- Internal spatial relationships of existing and future hospital uses
- Relationships to surrounding buildings in the neighborhood.
- Applicable town standards including adopted fire and building codes.
- Existing covenant restrictions

The Master Plan states that the building height and massing of the VVMC campus should be consistent with the existing and potential building heights in the immediate proximity and in the vicinity. To this end, the Master Plan provided an illustrative guide to the building footprints and massing of buildings contemplated. This diagram is shown below.





In addition to the diagram, the Master Plan contains a conceptual massing illustration that can be found on page 15 of the plan, included as Attachment A.

The Master Plan indicates that the mass and scale of the new East Wing should be consistent with the building heights allowed by the existing zoning of the surrounding properties and that architectural techniques including fenestration, roof forms, variations in wall planes, use of building materials and building stepbacks should be used to achieve compatibility with the neighborhood and to soften the buildings' relationship to the street. Surrounding zone districts include Lionshead Mixed Use 1 (LMU-1), Commercial Service Center (CSC), High Density Multiple-Family (HDMF) and Two-Family Residential (R). Maximum heights in these zone districts range from 33' to 82.5'. The Master Plan acknowledges that the building containing the helipad is anticipated to be +/- 75' in height and can accommodate 4 floor levels of hospital uses. In order to reduce the scale of this building, a "stepped building form" of varied building height is encouraged.

The proposed East Wing expansion is a multi-use structure that spans the eastern portion of the campus from Meadow Drive to the South Frontage Road. The East Wing is comprised of the following components:

- A Multi-level Below-grade Parking Garage
- Internal Loading Dock and associated operations
- Medical Office space
- Central Utility Plant
- Emergency Department
- Surgical Suites

- Lobby/Administration/Retail/Pharmacy
- Ambulance Facility including garage
- Imaging Center
- Un-programmed space

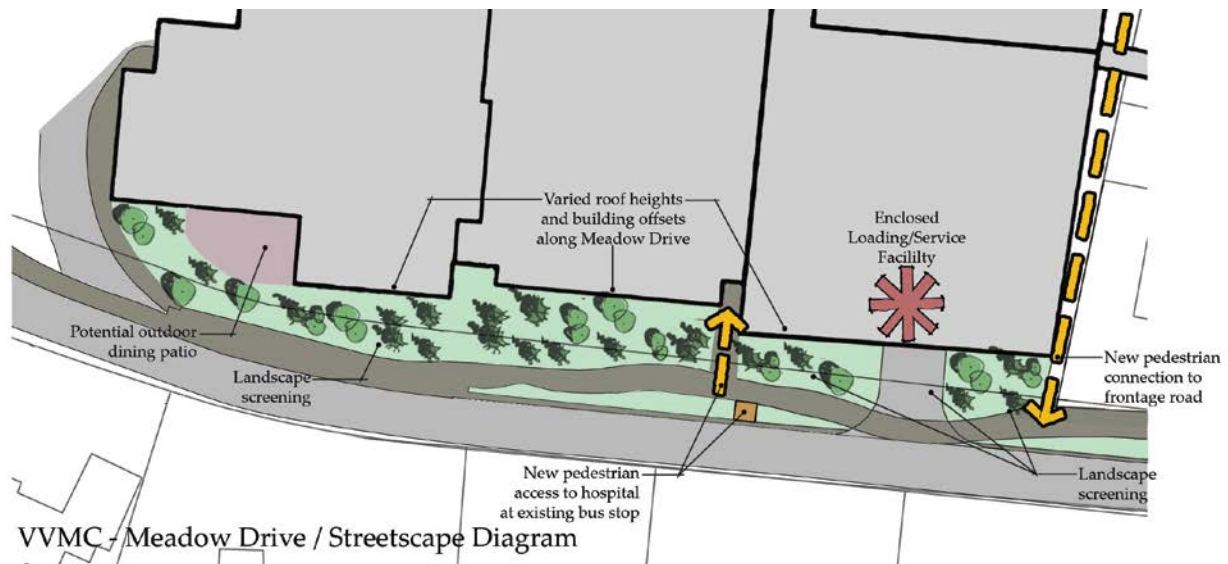
Although a very large building, the mass and scale of the structure is perceived to be much less because of the collection of components. The taller helipad component transitions southward to what reads as a single story element before transitioning again to a two and three story component along West Meadow Drive. Although the building's façade along the South Frontage Road is prominent, the break provided by the vehicular access and new VVMC Front Door provides significant permeability and maintains views through and over the site to Vail Mountain. The two and three story component along West Meadow Drive provides an appropriate massing for the largely residential neighborhood context and is consistent with the Master Plan. Overall, the East Wing expansion's mass and scale appears to be consistent with the direction and recommendations of the Master Plan.

*To establish an appropriate physical and visual relationship between the hospital and the pedestrian corridor along West Meadow Drive by use of effective building design, architecture and landscape improvements.*

The Master Plan recognizes the importance of the public edge that VVMC shares with West Meadow Drive. As such, the Master Plan provides a list of design considerations to be addressed in the design of this portion of the campus to ensure that the building expansions enhance the relationship with West Meadow Drive. These considerations are:

- Offsets in building facades along West Meadow Drive and the East Wing to avoid continuous wall planes.
- Variation of building heights.
- Maintain and enhance where appropriate, landscaping between VVMC buildings and the street and adjacent properties.
- Introducing outdoor spaces (such as seating areas) in order to create interest and activity along the street.
- Maintaining the existing West Meadow Drive sidewalk and enhancing this corridor where appropriate.
- Public art.
- Potential relocation of Town bus stop.

The master plan includes this diagram as an illustrative guide to the streetscape:



During the planning process for the Master Plan, it was acknowledged that including access to the loading and service facility off of Meadow Drive would require tradeoffs to a certain degree. While allowing access, the process recognized that Meadow Drive was not the rear of the VVMC campus nor would the back of the house uses dictate to any degree more than necessary the relationship between the East Wing and West Meadow Drive. The perspective below from the applicant's revised submittal demonstrates the interaction between the building and the street/sidewalk.



Although the elevation does contain a public building entrance, staff has expressed concerns that the loading dock uses may not have been effectively masked in previous submittals, resulting in a somewhat industrial feel in this residential neighborhood. In response the applicant has proposed architectural revisions to the loading dock doors and increased landscaping to soften the building's interaction with the public realm.

As stated previously, the building's mass along West Meadow Drive is two and three stories and includes a rooftop terrace that will assist in activating the building from the street below. Staff is in agreement with the applicant that the massing is appropriate. The southern façade of the East Wing is broken into three distinct modules with independent architectural treatments that provide some interest to pedestrians and motorists.

The building's proposed setbacks from the southern property line vary from zero to four feet, leaving minimal locations for landscaping to soften the building's pedestrian edge. Although recognizing the site constraints and the internal programming that dictate many dimensions, staff has expressed concerns that this lack of landscaping may read as too urban and somewhat inconsistent with the neighborhood. In response the applicant has augmented the landscape plan with additional planting areas and taller plant species.

*To integrate the design of new buildings and expansion areas with existing portions of the hospital so as to create a varied but unified architectural expression.*

The Master Plan recognizes the opportunity for the VVMC campus to become more integrated architecturally through the multiple building expansions. Prior to the work on the West Wing, the campus consisted of three different architectural approaches as a result of the period in which each phase was developed. These range from the somewhat alpine character of the original hospital building on the east, the nondescript 1980 West Wing and finally to the more Vail-appropriate 2001 Central Wing addition that included natural stone with complementary metal panel detailing. The West Wing became more closely related to the Central Wing through the approved expansion that utilized natural stone, metal paneling and stucco.

The proposed East Wing continues the architectural approach used on the West Wing with the same materials, primarily natural stone, metal and stucco. Extensive glazing (windows) is proposed that has the effect of lightening the appearance, especially on taller building elements. Staff is generally supportive of this approach and finds it consistent with the recommendations of the Master Plan but has expressed concerns about how the broad use of glass will affect the community during the evening or nighttime hours. While exterior lighting is proposed to be dark sky compliant, interior lights may be impactful. In response to these concerns, the applicant has proposed increasing the width of the architectural bands and utilizing spandrel glass. Ultimately this issue will be addressed by the DRB with the PEC's comments and concerns relayed.

The applicant placed an emphasis on creating a design which through articulation, material application, landscaping, etc. creates an appropriate relationship with adjacent the neighborhood. The result has been a design-based performance approach to addressing bulk, mass, height, and setbacks to accomplish relationships with the neighborhood and maintain the character.

Staff finds that the East Wing redevelopment meets this criterion.

**5. Such other factors and criteria as the commission deems applicable to the proposed use.**

**VIII. STAFF RECOMMENDATION**

The Community Development Department recommends the Planning and Environmental Commission **approves, with conditions**, an amendment to a conditional use permit, pursuant to Section 12-9C-3, Conditional Uses, Vail Town Code, in accordance with Title 12, Chapter 16, Vail Town Code, for an existing healthcare facility, amending the development plan to allow for the reconstruction of the east wing, including healthcare facilities, ambulance district facilities, heliport building and associated structured parking located at 180 South Frontage Road West (Vail Valley Medical Center)/Lots E, and F, Vail Village Second Filing, and Lots 2E-1 and 2E, Block 1, Vail Lionshead Filing 1., and regard thereto. Staff's recommendation is based upon the review of the criteria described in Section VII of this memorandum and the evidence and testimony presented.

Should the Planning and Environmental Commission choose to **approves, with conditions**, this request; the Community Development Department recommends the Commission pass the following **motion**:

*"The Planning and Environmental Commission approves, with conditions, an amendment to a conditional use permit, pursuant to Section 12-9C-3, Conditional Uses, Vail Town Code, in accordance with Title 12, Chapter 16, Vail Town Code, for an existing healthcare facility, amending the development plan to allow for the reconstruction of the east wing, including healthcare facilities, ambulance district facilities, heliport building and associated structured parking located at 180 South Frontage Road West (Vail Valley Medical Center)/Lots E, and F, Vail Village Second Filing, and Lots 2E-1 and 2E, Block 1, Vail Lionshead Filing ,, and setting forth details in regard thereto."*

Should the Planning and Environmental Commission choose to **approve, with conditions**, this request; the Community Development Department recommends the Commission include the following **conditions**:

1. *This Conditional Use approval is contingent upon the applicant obtaining Town of Vail approval of an associated design review application(s).*
2. *VVMC provides a construction management plan for review and approval by town staff prior to the issuance of building permit for the East Wing.*

3. *Prior to the issuance of a building permit for the East Wing, the applicant shall provide an updated drainage study for review and approval.*
4. *Prior to the issuance of a building permit for the East Wing, the applicant shall provide an updated Traffic memo for review and approval.*
5. *Prior to the issuance of the first certificate of occupancy for the East Wing, the applicant shall demonstrate compliance with the required employee generation mitigation.*
6. *Prior to the issuance of the first certificate of occupancy for the East Wing, the applicant shall provide the town with the necessary easement or other legal instrument for public access through the property from the South Frontage Road to West Meadow Drive (the north/south pedestrian connection). A public easement for those portions of the West Meadow drive public walk that extend onto VVMC's property shall also be provided.*
7. *During the restoration of the W. Meadow Drive paver sidewalk, the Art Flow Line shall be restored back to its original configuration and alignment. A detailed survey of the flow line shall be completed prior to demolition, so that the flow line can be restored in the exact alignment and width. Contact Public Works department prior to reinstalling the Art Flow Line.*
8. *Prior to the occupancy or use of any of the identified shell space, the applicant shall have obtained an amendment to this conditional use permit, per 12-16-10, Amendment Procedures, Vail Town Code.*
9. *Prior to the issuance of a building permit for the East Wing, the applicant shall amend the existing development agreement with the Town of Vail to:*
  - *Outline roles and responsibilities of VVMC related to the South Frontage Road improvements including:*
    - *The snow melting, operation and maintenance of the South Frontage Road and West Meadow Drive sidewalks with a recognition that the snow melting in front of the MPB may be delayed until its redevelopment.*
    - *All improvements shown on the provided plans related to improvements to the South Frontage Road that are located south of the flowline of the new curb and gutter including sidewalk, landscaping, irrigation and lighting.*
    - *A \$15,000.00 contribution towards the construction of a bus stop structure.*
    - *The construction of or the payment for a maximum of two storm water inlets and 75' of associated storm sewer piping*

*immediately adjacent to the property within the South Frontage Road ROW.*

- *Construction of a right turn lane if determined to be necessary through consultation with the Town of Vail and CDOT.*
  - *Update traffic fee mitigation requirements to reconcile the Transportation Impact Fee for the 118 net new trips or 110,225 net new square feet of development, in accordance with the pending new Vail Transportation Impact Fee*
  - *Require an employee generation audit for the East Wing*
  - *Address obsolete or unnecessary provisions.*
10. *The applicant shall adhere to the Plan for Managed Parking Program, August 2017, in all matters referenced unless amended per 12-16-10, Amendment Procedures, Vail Town Code.*
11. *The applicant shall adhere to the management plan for the operation of the loading facility, included on pages 20-22 of the application narrative, unless amended per 12-16-10, Amendment Procedures, Vail Town Code. Specifically, as outlined in the VVMC Site Specific Redevelopment Master Plan (pages 19-21), the allowance of loading and delivery utilizing West Meadow Drive is allowable only under a certain set of conditions. Principal among these conditions is that under no circumstances will vehicles be allowed to back in or out of the loading facility. Any vehicle unable to meet this required condition, due to size or other characteristics, shall use the West parking lot and shall at no times be permitted to access the loading facility.*

Should the Planning and Environmental Commission choose to approve this amendment to the Conditional Use Permit, the Community Development Department recommends the Commission makes the following **findings**:

*“Based upon the review of the criteria outlined in Section VII of the Staff memorandum to the Planning and Environmental Commission dated September 11, 2017 and the evidence and testimony presented, the Planning and Environmental Commission finds:*

1. *The Amendments to the Conditional Use Permit is are in accordance with the purposes of the Zoning Regulations and the General Use District;*
2. *The Amendments to the Conditional Use Permit and the conditions under which it will be operated or maintained are not detrimental to the public health, safety, or welfare or materially injurious to properties or improvements in the vicinity; and,*

3. *The proposed Amendments to the Conditional Use Permit comply with the applicable provisions of Chapter 12-16, Conditional Use Permit, Vail Town Code."*

## **VII. ATTACHMENTS**

- A. Approved VVMC Site Specific Redevelopment Master Plan, (hereafter Master Plan), 03-17-2015
- B. Project narrative, May 2017
- C. Revised project plan set, 08-30-2017
- D. Preliminary Environmental Impact Report, undated
- E. East Wing Employee Generation Memorandum, 08-30-2017
- F. VVMC Plan for Managed Parking Program, August 2017
- G. Summary of changes to plan set, 08-30-2017