

## **Regulatory Tools Applicable to the Commercial Sector**

Between 2006 and 2008, City staff and a consultant explored a wide range of regulatory tools used in other cities and towns that could be applicable in Aspen's commercial sector. While numerous work sessions and public feedback meetings were held, none of these tools have been adopted.

As the joint P&Zs discuss goals and action items for the commercial sector, staff felt a review of this recent exploratory process would be helpful. The following is a review of various regulatory tools, and non-regulatory methods. This review includes public feedback and some staff evaluation of their appropriateness and effectiveness.

The tools examined include:

- Prohibition
- Quota
- Conditional Use
- Performance Zoning Standards
- Traditional Zoning Solutions
- Commercial Rent Control
- Commercial Mitigation
- Growth Management Incentives
- Public-Private Partnership
- Publicly-Owned Space
- Succession Planning / Community Cooperatives

### **PROHIBITION / QUOTA/ CONDITIONAL USE**

The most significant trend regarding the regulation of commercial mix in the United States in recent decades has been the establishment of prohibitions, quotas and conditional use reviews. As shown in Table 1 below, these tools have been used to regulate chain or "formula" stores, and chain or "formula" restaurants.

Many cases cited in Table 1 are from resort areas, or areas where tourism is important. For example, a political controversy erupted in Portland, Maine in August 2006 when word got around that a Hooters wanted to open in downtown Portland, a historic area of the city with many unique shops and restaurants. One member of the local chapter of the National Organization for Women (NOW) called the prospect "just icky."

### **Table 1: Prohibitions, quotas and conditional uses in other cities and towns**

<b>Regulatory Tool</b>	<b>Prohibition</b>	<b>Quota</b>	<b>Conditional Use</b>
<b>Summary</b>	If a certain type of business applies for a business license, the license would not be granted.	If a certain type of business applies for a business license, <u>and the quota is filled</u> , a license wouldn't be granted.	If a certain type of business applies for a business license, a hearing would be held requiring the applicant to meet review standards.
<b>Statement of Public Policy</b>	This type of use does not belong in our town; or, this use does not belong in a certain area of town.	This is an appropriate use for our town, but we are saturated or oversaturated with this type of use.	This is an appropriate use, but only if certain conditions are met.
<b>Cities and towns using this tool</b>	Prohibits formula retail: <i>San Juan Batista, CA</i> <i>Martha's Vineyard, MA</i>	Quota for certain types of retail: <i>Berkeley, CA;</i> <i>Gift shops etc.</i> <i>Carmel, CA;</i> <i>Jewelry stores etc.</i>	Conditional Use for Formula Retail: <i>Coronado, CA</i> <i>Calistoga, CA</i> <i>San Francisco, CA</i> <i>Sausalito, CA</i> <i>Laguna Beach, CA</i>
	Prohibits formula retail in certain parts of town: <i>Nantucket, MA</i> <i>Port Townsend, WA</i>	Quota on formula retail in certain part of town instituted, and was later rescinded: <i>Portland, ME</i>	
	Prohibits formula restaurants: <i>Ogunquit, ME</i> <i>San Juan Batista, CA</i> <i>York, ME</i> <i>Calistoga, CA</i> <i>Sanibel, FL</i>	Quota on formula restaurants: <i>Arcata, CA</i>	

In November 2006, after a local group emerged called Keep Portland Real, the City Council voted to adopt a quota that limited “formula businesses” to 23 in the downtown, which was the amount that existed at the time. The following year, a new City Council rescinded the rule and opted instead for a Task Force on Economic Diversity.

When a PetCo gained approval in 2000 to open in downtown Coronado, Calif. – an island off San Diego – the City adopted a Conditional Use Review requirement for formula stores and formula restaurants. Coronado residents feared their historic downtown would ultimately be dominated by chains, rather than small, unique and locally-owned businesses. The town recently approved a Panera Bread “formula” restaurant in the downtown, after a conditional use review process found that it met the required criteria.

### **An Over-saturation of ‘High-End’ Stores?**

If the overriding concern in the City of Aspen was the proliferation of chain stores, a prohibition, quota or conditional use could be implemented. However, staff believes the concern regarding commercial mix in Aspen is more complex. Staff believes the community does not want to regulate chain retail stores across the board. i.e. the Gap or Banana Republic. Paradise Bakery is a chain that started in Aspen.

However, staff perceives a consistent concern that Aspen is over-saturated with “high-end” retail stores. While staff could find no examples of cities or towns that define retail uses based only on price, there may be an effective regulatory approach to the problem of over-saturation of certain types of high-end uses.

### **Two Kinds of ‘High-End’**

Staff found there are two fundamentally different kinds of high-end retail store in the City of Aspen: One tended to open up shop in the 1980s and ‘90s, and are owned and operated locally; the second are national and/or international luxury designer brand chains that opened in the mid- to late-1990s and up to the present. A 2007 inventory of downtown stores showed that about 60 of all the high-end, tourist-oriented stores are locally-owned, and another 25 are national or international designer-brand chains.

City of Aspen business license records show a distinct trend toward more national/international designer/luxury brand stores since 1994. Staff found that such stores could be defined in the following way:

**Retail: Exclusive designer/luxury brand merchandise.** Formula retail stores with a focus on national/international designer/luxury brand management and marketing, typically catering to an exclusive clientele.

Using this definition, the City could adopt new regulations to regulate this kind of retail store. One reason why cities and towns have been able to regulate “formula” stores is that their method of operation reflects a standard and unchangeable corporate formula that can be defined. This is also true of high-end chain outlets. The terms “designer,” “luxury” and “brand” are specific terms that such stores use to describe themselves. The fundamental question is: Should this kind of store be regulated in Aspen?

### **Quotas: How Much is Too Much?**

One challenge of implementing a quota is determining the *quota ceiling*. What is the magic number? Staff recognizes that planning is not such a scientific tool that it can determine exactly the number of stores in a certain category as the perfect amount for the most appropriate commercial mix.

Typically, cities and towns in the United States have counted the number of “chain” stores and set the quota at that level – effectively finding that the town is saturated with a certain type of use, and not allowing any more.

### **Quota Implementation**

Implementation of the quota system would be administered by the Community Development Department. The Finance Department would refer Business License applications to Community Development, according to current practice, and the Community Development Director would make a finding as to whether an applicant meets quota requirements. Appeals could be made to City Council, but only to determine if the ComDev Director has abused his/her discretion.

### **Public Feedback on Prohibitions and Quotas**

More than 90 people participated in a September 2007 instant voting keypad session at the Jerome Hotel, with 45% of participants in this open meeting identifying themselves as Aspen business owners.

Only 38% strongly agreed/agreed that the City should prohibit chain retail stores, and only 37% were in favor of prohibiting chain restaurants. A somewhat higher percentage (46%) strongly agreed/agreed with establishing a quota on “national/international chain stores that sell designer/luxury brand merchandise.” Forty-three percent favored a quota on jewelry stores (there were 24 such stores in the downtown at the time).

In a survey returned by 92 ACRA members in January 2008, only 33% favored a prohibition on chain restaurants, while 41% favored a cap on “national/international chain stores that sell designer/luxury brand merchandise.” Only 32% favored a cap on jewelry stores.

In May 2007, an Aspen Daily News on-line poll showed that 52% supported a “quota on high-end retail businesses downtown,” with 30% opposed and 17% choosing the “who cares?” option. A total of 448 people voted on-line.

### **Conditional Use Reviews**

Another potential regulatory tool is conditional use, which establishes criteria that are reviewed by a local board or commission before final approval is granted. A typical conditional use might be a drive-through restaurant, so the operation meets certain criteria for traffic circulation. In Aspen, staff explored the possibility of requiring a conditional use review for new retail stores opening on the Pedestrian Malls.

One could argue that the pedestrian malls are a unique sub-area within the Commercial Core (CC) zone district, and it is important to encourage commercial uses that promote a high level of pedestrian use, activity and general vitality suited to this sub-area of the city’s central business core, and to establish the pedestrian malls as a unique destination both within the city and the region.

When staff initially reported on potential regulatory tools in 2007, the ratio of restaurants to retail on the Pedestrian Malls was lower than the rest of the Commercial Core, with the only new appearances since that time being Ruth Chris and Mustang, this summer. The

Red Onion has closed but is required to be a restaurant when it reopens, according to an agreement with the City of Aspen.

One possibility is to continue allowing restaurants on the pedestrian malls by right, while imposing a conditional review on new retail uses, requiring them to meet a set of review standards. Some possible standards might be:

- The retail use recognizes and complements the pedestrian nature of the Pedestrian Malls and contributes to the vitality of this unique area.
- The retail use contributes to the diversity of the pedestrian mall, thereby enhancing the pedestrian mall as a destination.
- The retail use demonstrates uniqueness and/or local/regional origination with regard to merchandise, thereby contributing to the pedestrian mall as a destination.

Another method of encouraging restaurants on the pedestrian malls is some combination of waiving City fees (building permit, liquor license, mall right of way lease) or some level of employee mitigation waiver. (The City code currently allows a commercial space to expand up to 250 square feet without mitigation.)

#### **Public Feedback on Restaurants, Malls, Conditional Use**

At the September 2007 keypad session, 64% wanted the City to “encourage more restaurants and nightclubs on the pedestrian malls,” but only 47% favored “a set of review standards for new retail stores on the pedestrian malls.”

#### **PERFORMANCE ZONING STANDARDS**

Another tool used in other communities, including Carmel, Calif., is a “performance zoning standard.” Finding its downtown dominated by art galleries, the City of Carmel adopted a performance zoning standard requiring new art galleries to provide on-site studio space for an artist during at least six (6) months of the year.

The concept was approved as an attempt to bring vitality to the local art scene, and to provide opportunities for local and regional artists to gain a foothold in the art world. Implementing Performance Zoning would be an administrative exercise, requiring applicants for a new art gallery to demonstrate their ability to meet this standard, and requiring evidence that the standard is met on an annual basis. This idea was never tested as part of public feedback sessions in Aspen.

#### **TRADITIONAL ZONING SOLUTIONS**

In the 1960s and 1970s, the heart of downtown Aspen included tourist-oriented stores such as Extraordinary Usuals and Roaring Fork Gift Shop, as well as gas stations, office supply stores, drug stores, a grocery store, a lumber yard and hardware stores. More light industrial uses were located in the Puppy Smith area and what is now Rio Grande Park and Obermeyer Place. These included everything from Porto Mix Concrete, Aspen Ski Doo and Bishop Garage.

### **The Morphing of Aspen**

As the City of Aspen began using zoning tools in the mid-1960s and 1970s, the Lodge Zone District (L) was established at the base of Aspen Mountain and the Commercial Core Zone District (CC) in the heart of the downtown area. The Neighborhood Commercial Zone District (NC) and Service/Commercial/Industrial Zone District (SCI) were established in outlying areas in 1975 – two NC districts at the City Market block and in the area of Clark’s Market, with two (non-retail) SCI districts in the Puppy Smith Street area and what is now Obermeyer Place.

The overall intent was similar to larger metropolitan centers – locating neighborhood serving businesses somewhere between the main employment center (in our case, at the base of the mountain and the downtown core) and surrounding residential neighborhoods.

In the 1980s and ‘90s, Aspen’s downtown core became the primary location for tourist-oriented shops and restaurants, while most businesses offering basic products and services moved either to the edges of the downtown in the Mixed Use Zone District (MU), such as Monarch, Hunter, and Spring streets, or north of Main Street. Some so-called “sundries” located on Main Street between Monarch and Galena, including Carl’s Pharmacy, the Miner’s Building, a dry cleaner, gas stations and a convenience store.

### **Traditional Zoning Options**

Perhaps the most typically used zoning approach is re-zoning from an existing zone district to a new one, with a new list of permitted and conditional uses. When staff explored the potential for re-zoning, one major underlying challenge presented itself: Exactly how do we define “local-serving business?”

The #1 action item in the Commercial Sector chapter of the 1993 Aspen Area Community Plan asked for an “enforceable, acceptable definition of local-serving business.” Aside from the functions of the NC and SCI districts, the City has never come up with such a definition.

Considering the feedback from numerous meetings with Council, ACRA members and others from 2006 to 2008, staff grew increasingly concerned about whether a locally-serving business use could be adequately defined. And for zoning solutions to work, a definition of “local-serving” would be needed – and perhaps also a specific list of uses that might be permitted in such a zone district.

Staff initially asked: Could clothing stores be a “locally-serving business?” After all, one of the phrases used in this long-running debate has been that you “can’t buy underwear in Aspen.”

If “clothing store” was listed as a permitted use in a new Locally-Serving Business Zone District, that use *could allow for ‘high-end’ clothing*. The only method of preventing this outcome would be to further define uses through “price-points” -- a tool that staff believes would result in a rash of complaints from consumers and competitors, and a bloated bureaucracy of enforcement officers checking price tags.

So as we try to define a local-serving business, we are left with retail uses offering products that are inherently affordable by their nature.

How about *a record, or music store*? The last store selling music in Aspen (in the form of CDs) was the Great Divide, and it was recently converted into a nostalgia clothing store. There was no great uproar at this transformation. People may simply assume that the advent of Internet downloads and I-Pods are largely responsible for this nationwide trend of disappearing “record stores.”

What about *a bookstore*? When Explore Booksellers was threatened with closing in 2007, there were letters to the editor, but not enough pressure for the city to step in the way it did to preserve the Isis Theatre just a year before. Ultimately, a philanthropic buyer bought the property and continues to operate it as a bookstore.

### **What does “local-serving” mean?**

Judging from public feedback staff has experienced since 2006, it appears that the phrase “locally-serving business” may be less about the ability to buy underwear and socks than it is about the loss of beloved restaurants, bars and other businesses – businesses that have often been replaced by new stores that, as one volunteer firefighter said, “I have no business being in.”

At a meeting of the Commercial Core and Lodging Commission (CCLC) in the summer of 2009, the group reached consensus that the debate over “local-serving business” is “probably largely driven by nostalgia rather than by a real need.” So how do we define “local-serving business?” The CCLC consensus was that, “everyone has something different in their heart that they want to protect.”

In a city of 6,000 year-round residents, about 8,000 commuters, perhaps 6,000 short-term visitors and 9,000 people staying in 2<sup>nd</sup> homes at peak season, what is an example of a locally-serving business that is not also frequented by visitors? Ute Mountaineer, Aspen Velo, Cleaner Express, The Gap, The Cantina, Polar Revolution, Explore Booksellers, Jour de Fete, The Aspen Store, Butcher’s Block, Paradise Bakery, Little Annies – it seems that all of these businesses serve both locals and visitors.

### **Unintended Consequences**

There are other concerns about creating some kind of locally-serving zone district: Does anyone know how much aggregate demand there is for certain basic products? What if we have one pet supply store in town, and a new zone district allows for pet stores. Isn’t it possible that there’s only enough demand for one pet store, and all we have done is encouraged a new one to open, resulting in the existing pet store that was owned locally for 40 years being driven out of business?

In addition, there is a zoning enforcement issue that should be considered. When a zone district such as the Commercial Core includes a generalized list of uses, such as

“retail/restaurant,” an individual business profile may change over time without the need for zoning enforcement oversight.

However, in a zone district with a list of specifically-permitted uses – such as the S/C/I Zone District – a business may open with a profile that meets requirements, but then might change its profile and suddenly be out of compliance. Staff has experienced a great deal of pressure for businesses to fit into the specific list of uses in the S/C/I Zone District. For example in the 1980s, a local architect convinced the City Council he qualified as an “artist’s studio,” and architects subsequently proliferated in the S/C/I Zone District. Staff would expect even more pressure for a new zone district that is located closer to, or inside, the downtown area.

What if the city re-zoned the two blocks of Main Street between Monarch and Galena to Local-Serving Business, or Community Commercial? After all, this is where the last pharmacy is located, the last electronics outlet (Radio Shack in the Miner’s Building) one of two hardware stores, our only two gas stations, our only true convenience store and our only dry cleaning business are located.

The list of uses for this block would have to include lodging, restaurants and newspaper office – or we would make the Hotel Jerome, The Aspen Times, the Cantina, Matsuhisa and several other restaurants into non-conforming uses. Thus, our last pharmacy could turn into a restaurant, as could the dry cleaning business.

If the list of uses simply included “retail,” then the pharmacy could become a clothing store or the gas station could become a jewelry store. The list of uses would have to be fairly specific -- something like: pharmacy, dry cleaning, hardware, electronics, kitchenware (upstairs at the Miners Building), gas station, convenience store, lodging, restaurant, carpet sales (Jill’s Carpets) and media office. This approach would effectively limit the uses to the uses now existing in this two-block area.

But again, it would not prevent the city’s last pharmacy, or the Miner’s Building etc. from turning into something other than what they are now. Staff’s conclusion is that zoning is too blunt a tool when it comes to preserving essential businesses.

#### **Public feedback on New Zone District**

At the September 2007 “clicker” session, 45% agreed or strongly agreed that the City should “establish a Community Commercial Zone District limited to locally-serving uses, along with a specific list of permitted uses.”

Asked the exact same question in the ACRA survey, 47% either agreed or strongly agreed.

## **COMMERCIAL RENT CONTROL**

There is no precedent for imposing commercial rent control on private property in the State of Colorado, and the city's consultant could not find an example of commercial rent control in the United States. The City Attorney advised that property owners would certainly take legal action, noting that there is no case law on the subject in the State of Colorado.

It's important to consider that even if the city imposed rent control in some downtown zone districts, it would still be the property owner's decision regarding what business would locate in their building. In other words, there would still be no guarantee that the commercial mix would change – especially in an environment where property owners would be in a highly polarized relationship with the city. There would also be a need for new bureaucracy to implement rent control, and additional space to house this bureaucracy.

## **COMMERCIAL MITIGATION**

This planning tool would require any net increase in commercial space -- as part of new development or redevelopment -- to provide a certain percentage of space for some kind of local-serving business. The 1993 AACP included an action item to explore “deed-restricted commercial space.” There was no appreciable follow up conducted at the time.

As staff explored various tools in recent years, the City Attorney advised that this planning tool could be legally defensible. The general argument would be that trends in commercial uses are tending to erode the unique character, commercial diversity and vitality of downtown Aspen, thus damaging its position in a competitive resort industry.

Some entity would have to determine what businesses can move into the space that is provided for mitigation. If the city could adopt either a definition of “local-serving,” and/or a list of permitted uses, the property owner could presumably find a tenant that met the requirements. Or some entity could take managerial control of the space and decide what business could move in, much as APCA manages affordable housing. A set of criteria would still be required to determine what business would move into the space, presumably at a below-market lease rate.

Under this scenario, we would be inviting a debate over whether the city is giving a certain store an unfair advantage over its competitors. Regardless, this would result in the need for more local government staff in one form or another.

A comprehensive build-out study of the commercial zone districts in Aspen in 2008 showed the potential for only 61,000 square feet of new commercial space in the Commercial Core Zone District, and 23,000 square feet in the adjacent Commercial-1 Zone District. Assuming that 25% of new commercial space could be required as local-serving space, a commercial mitigation program would deliver about 21,000 square feet. That's equal to just over three Gap stores in terms of size.

Considering the required supporting studies, potential legal challenges, the difficult task of establishing criteria and/or a list of permitted uses, the need for additional bureaucracy and the potential for creating unfair competitive advantages – staff advised Council that the amount of space gained would probably not be worth the effort.

**GROWTH MANAGEMENT INCENTIVES**

One method of encouraging a more balanced and diverse commercial sector is to incentivize the commercial use of space that typically leases for substantially less than prime, ground-floor commercial space.

There is a reason why many of Aspen’s important local entertainment businesses are underground, from the Belly Up to Club Chelsea, the Caribou Club, Fly Lounge, Parallel 15, Double Dog, the Big Wrap, Su Casa, the Cigar Bar, Campo de Fiore, the Regal and Aspen Billiards etc.

Growth Management incentives could be established to encourage additional commercial space on basement levels. The combination of lower mitigation requirements and lower lease rates should make such commercial spaces more attainable.

An initial investigation of the potential for using basement space was conducted in 2008 with the assistance of the Pitkin County Assessor’s Office. The initial results indicate a substantial potential for the future use of basement space in the downtown area, as indicated by Table 2.

**Table 2: Basement Areas in the Downtown**

Finished Basement	135,106 s.f.
Unfinished Basement	70,287 s.f.
Walk-Out-to-Grade	36,832 s.f.
Undeveloped basement	151,577 s.f.

Although there is a great deal of entirely undeveloped basement space, it is typically beneath existing buildings. There is a high cost to excavating under an existing building, and the relatively low lease rates may not be worth it. The only example of this occurring was under the historically designated Ute City building at the corner of Galena and Hyman.

The opportunity for creating basement space typically occurs when a building is redeveloped, and the option for creating underground parking is usually most attractive to developers. Some type of growth management incentive could help steer developers toward providing commercial space instead.

Finally, a study on the potential use of alley space in 2008 indicate that using basement space for retail-related office and storage rather than locating these functions in the 1<sup>st</sup> floor “back of house” could open up 1<sup>st</sup> floor alley commercial uses. A growth management incentive could be devised for partial use of basements in addition to alley space.

### **Public feedback on Growth Management Incentives**

At the September 2007 “clicker” session, 66% either agreed or strongly agreed that the “City should use Growth Management to establish incentives so that redevelopment could create commercial space in basements, alleys and/or the 2<sup>nd</sup> floor.”

### **PUBLIC-PRIVATE PARTNERSHIPS**

In recent years, the City has been part of several public-private partnerships. After the Stage III Cinema announced it was closing and the Isis Theatre owners started talking about a redevelopment, there was considerable public pressure to save the Isis.

The City responded by entering into a public-private partnership that resulted in a reduction of theatre space, but the retention of most of the Isis Theatre. The partnership also resulted in the creation of new commercial space. The City hired a broker to find tenants, but provided relatively vague criteria as part of this process.

In recent years, the City partnered with Klaus Obermeyer regarding the redevelopment of Obermeyer Place – the city’s role was to include several slivers of public land in the development in exchange for 20 underground parking spaces. Some have criticized the outcome, but it is indisputable that the redevelopment resulted in local service commercial businesses being able to buy their space for the first time. A range of businesses now operate at Obermeyer Place, including ski repair, glass repair, a primary care medical office, a dog groomer, a gym and many others.

Regarding Cooper Street Pier, a lawsuit challenging the city’s initial denial of the redevelopment proposal resulted in a settlement that requires the property owner to lease the basement to a restaurant/bar in the future. This was by no means a public-private partnership, but it does demonstrate that negotiations regarding redevelopment can result in specific community benefits. By the way, one element of this agreement is that the food sold at this future restaurant/bar must be sold in the bottom-third of the price range compared to other restaurants in town.

The recent partnership to preserve the use of the Isis Theatre may be the most instructive. The City might adopt a policy that if an “Essential Public Service” is threatened, the City could evaluate whether an Isis-like partnership is appropriate. This might apply if the last pharmacy in town were going to close, or some other commercial use deemed essential by Council were going to depart the area.

On a case-by-case basis, the Council could determine whether the City might enter into a financial arrangement with a business operator to continue the use in question. These could include public financing, tax breaks or some other model. No formal code amendment would be required to maintain such a policy.

### **Public feedback on Public-Private Partnerships**

The tool that attracted the most support in all public feedback sessions since 2006, and from groups like ACRA and CCLC, was public private partnerships.

An overwhelming 82% percent of respondents at the September 2007 “clicker” session strongly agreed/agreed that the “City should explore public-private partnerships to preserve essential commercial uses that are threatened in the future, to be determined on a case-by-case basis.”

In the 2008 ACRA survey, 56% strongly agreed/agreed that the “City explore public-private partnerships to preserve essential commercial uses.” Twenty-six percent were “neutral” on this question.

When ACRA asked if “the City should play a role to preserve and maintain some essential businesses, i.e., grocery stores, drug stores, Laundromat, shoe repair, movie theatre, dry cleaner, that serve year-round residents,” 72% agreed or strongly agreed.

At the July 2006 “Core Beliefs” clicker session, 63% either agreed or strongly agreed that “government should have a role in helping preserve and maintain some essential businesses that serve year-round residents.” Asked the exact same question at the 2007 “clicker” session, 63% again agreed or strongly agreed.

#### **USE OF PUBLICLY-OWNED SPACE**

Adopted in December 2006, the Civic Master Plan recommended developing the parking lots next to Rio Grande Park in the future, with Neighborhood Commercial zoning on the first floor and affordable housing above. Some type of decision-making process would need to be adopted to determine what businesses would locate there.

Where the city currently leases commercial space, to Bentleys and the adjacent art gallery, the city offers lease rates that are comparable to the market.

#### **SUCCESSION PLANNING / COMMUNITY COOPERATIVES**

During 2008, city staff and consultant Mark White began to focus more closely on businesses that provide sundries, or “necessities,” such as pharmacies, dry cleaning, hardware, gas etc. The overriding concern became avoiding the scenario in which the downtown could lose its last gas station, as almost occurred in Snowmass Village several years ago.

The new focus built on the apparent community support for public-private partnerships and was termed “the three-legged stool,” made up of:

- Identifying stores that provide necessities;
- Exploring “succession planning” with such business owners, exploring options to ensure their continuation;
- Exploring options for creating space or raising revenues to ensure the continuation of such businesses needed by the local community.

One concept for continuing needed commercial uses is a community-owned store, if it comes to that. This widely-used model can bring the community to a decision point regarding what it really wants and needs. In order to get such a cooperative off the

ground, a *show of proof* is required – a demonstration of financial commitment via community “shareholders.”

Council was receptive to these concepts. Towards the end of commercial mix discussions in 2008, Council appeared to shift its perspective away from regulatory tools and appeared more interested in public-private partnerships and some version of the “three-legged stool” as described above.

### **SUMMARY**

This overview is not intended to be an official recommendation of city staff, but is intended to describe the work that was done on this subject in recent years.