

AGENDA

JOINT WORK SESSION

CITY OF ASPEN PLANNING AND ZONING COMMISSIONS & PITKIN COUNTY PLANNING AND ZONING COMMISSION

**Courthouse Meeting Room (1st Floor – Jury Room; Former BOCC Meeting Room)
Aspen, Colorado**

August 25, 2009

4:30 PM WORKSESSION

1. Review of the Aspen Area Community Plan update
 - a. Review of Managing Growth

7:30 PM ADJOURN WORKSESSION

MEMORANDUM

TO: City of Aspen Planning and Zoning Commission; Pitkin
County Planning and Zoning Commission

FROM: Ben Gagnon, City Special Projects Planner
Ellen Sassano, County Long Range Planner

THRU: Chris Bendon, City Community Development Director
Cindy Houben, County Community Development
Director

DATE OF MEMO: August 20, 2009

MEETING DATE: August 25, 2009, 4:30pm in Courthouse Meeting Room
(1st Floor – Jury Room; Former BOCC Meeting Room)

RE: Managing Growth Open Discussion

SUMMARY: The joint meeting on August 18 was extremely productive in terms of the intent and philosophy sections on Managing Growth, and we have a good head-start on more specific issues with regard to lodging. (For a meeting summary, see Exhibit A.)

Based on the Aug. 18 meeting, staff is adjusting the questions for P&Z to address at the Aug. 25 and Sept. 1 meetings. With regard to an ultimate conversation about balancing different uses and populations in the Aspen Area, staff fully understands the value of estimating segments of the population, such as commuters, affordable housing, 2nd homeowners, lodging etc. Staff will provide this information for the Sept. 1 meeting.

Staff also heard the joint P&Zs place a strong emphasis on the long-term sustainability of the tourism economy (“the golden goose”), and we heard a significant concern that the construction and real estate economy can damage the long-term prospects of “the golden goose.” It appears there is enough of a consensus that the construction and tourism economies have grown out of balance to further delve into this topic on Aug. 25. More specifically, the P&Zs reached consensus in February that the pace of construction should be addressed (this was reiterated on Aug. 18), and that the question of house size should be addressed as well.

We understand there is a short turnaround, but it would be helpful to prepare for the Aug. 25 meeting by reviewing some of the findings of The Aspen Economy white paper, and the Managing Growth chapter in the State of the Aspen Area Report: 2000-2008. The white paper focused largely on the growth of the development economy, compared to the more traditional tourist economy (pgs 2-10), while the Managing Growth chapter of the

State of the Aspen Area Report includes extensive information on construction activity as well as build-out information that was compiled by staff last year.

Considering that city and county budgets are growing tighter each quarter, we were very fortunate to have extensive funding to produce these two reports. We understand that it may have been many months since P&Z members reviewed these reports, and strongly encourage you to take a look through them in preparation for the Aug. 25 meeting. (Please see Exhibits B and C: Provided electronically only.) The reports are also available at www.aspencommunityvision.com, but please don't hesitate to contact staff if you need another hard copy.)

In addition to the build-out information in the State of the Aspen Area Report, staff has recently completed important new research on the potential for residential redevelopment in the future (please see Exhibit D).

There is also extensive public feedback on these subjects from both the "Core Beliefs" "clicker" sessions in July 2006 and as part of the AACP update process. (This was part of the packet for the Aug. 18 meeting.)

AUGUST 25: Questions for the P&Zs to address include:

- The 1976 Growth Management Plan, the 1993 AACP and the 2000 AACP identified pacing annual development through some kind of building permit quota system, yet such a system has never been implemented. Why do you think this goal has never become a reality? If the P&Zs wish to pursue such a goal, how can the AACP update provide a strong and compelling rationale?
- A proposed new chapter of the city land use code called "Development Pacing System" was drafted in 2007, reviewed by Council but not adopted. The "Purpose" section of this chapter may be a helpful starting point for the P&Zs to discuss a rationale for a pacing system (please see Exhibit E).
- Both the City and the County have required mitigation for redevelopment projects for many years. The City offers options such as payment-in-lieu for affordable housing or construction of an ADU as well as numerous impact fees, and the County requires a variety of mitigation as part of the building permit process. Should the City and County increase mitigation requirements for redevelopment? Why?
- Should there be changes to house size limits in the City? In the County? Why?

SEPTEMBER 1: Although the P&Zs have already begun a productive discussion on the lodging sector, staff is asking that this discussion – and a discussion on the retail sector – take place on September 1. This will allow staff the time to compile more background material on both lodging and retail.

Also for the Sept. 1 meeting, staff will have compiled population estimates for various segments of the Aspen Area population, as noted at the top of this memo. Questions to address on September 1 include:

- Within the category of a lodge use, there are different types of lodging. For example, the city land use code was amended twice in the last five years to provides a sliding scale of incentives for lodge projects with small rooms (as small as 300 square feet). Should we attempt to further define types of lodging, such as high-amenity lodging versus low-amenity lodging?
- Are there appropriate locations for luxury lodging versus moderate or economy lodging?
- Public-private partnerships and/or public financing of new hotels has become increasingly common in the United States. Should we consider such partnerships in an effort to provide a more diverse lodging base?
- Within the category of retail stores, there are different types of retail. Should we attempt – for the first time in the City of Aspen – to define different types of retail, such as “local-serving retail” versus “tourist-oriented retail,” or “international designer brand luxury merchandise chains”?

After reviewing population estimates by segments of population at the Sept. 1 meeting, such as commuters, lodging populations, people who live and work in the Aspen Area, 2nd homeowners etc., the P&Zs should be in a strong position to answer the questions that are critical to subsequent amendments to the Growth Management Quota System:

- What types of uses do we want to encourage, and why?
- What types of uses do we want to limit, and why?

ATTACHMENTS: Exhibit A: Summary of Aug. 18 meeting.

Exhibit B: The Aspen Economy white paper (provided electronically via PDF)

Exhibit C: Managing Growth chapter of State of the Aspen Area Report (provided electronically via PDF)

Exhibit D: “City of Aspen: Potential for Future Residential Redevelopment”

Exhibit E: “Development Pacing System,” **Purpose** section. (2007)

Exhibit A

Summary of Joint Planning and Zoning Commissions Meeting

Courthouse Meeting Room / August 18, 2009

The following is not intended to serve as minutes, but to summarize discussion on major issues. Under each topic, this bullet- summary attempts to reflect consensus in some areas, as well as areas where consensus has not yet been reached.

Purpose of Managing Growth.

- Maintain quality of life.
- Preserve high quality of recreation, including backcountry opportunities.
- Maintain a “metropolitan” level of cultural amenities.
- Preserve a built environment that reflects small town character.
- Maintain and rebuild a real sense of year-round community.
- Development as an industry is unsustainable.
- Tourism is sustainable.
- Too much development can degrade long-term sustainability of tourism.
- Growth/redevelopment should be environmentally sustainable.
- Pacing construction maintains quality of life for residents and visitors.
- A balanced economy is sustained by a broad and diverse economic base.
- By maintaining high quality of life, we create the challenges of attracting many people and the pressure of growth.
- There is consensus that we are not opposed to all free market growth.

Defining ‘Character’ and ‘Quality of Life.’

- Carrying capacity can always be increased by expanding infrastructure. But just because we could expand infrastructure and accommodate a much higher population, that doesn’t mean we should do that.
- We need to determine when quality of life starts to deteriorate for us and our guests as well.
- We should talk about maintaining certain characteristics. It’s important that it is somewhat subjective. Carrying capacity could be a statement like, “we have enough people in town.”
- This plan is about character and not necessarily an ultimate number.
- An ultimate population ceiling has to be flexible, but we could identify a number that is not going to be exceeded.
- When have we used up our natural capital?

A Balanced Population.

- We need to pay attention to the components that comprise the population ... what is the reasonable amount of commuters, of people in lodging, of people visiting 2nd homes, of people living in affordable housing?
- We need balance, but we need to have at least good estimates of these numbers.
- Population should include a balanced, diverse group, including the middle class.

Demographic Mix & Lodging.

- We've converted 27% of our lodges to other uses. Most of what was lost were economy lodge units.
- Do we need more hotel rooms at all? If we build more will they come?
- What do we want to encourage to achieve "balance?"
- Low-priced lodging will bring in a greater diversity of people.
- We are surrounded by government land, and that's public land – it should not be reserved just for the top 5% of people, it should be for everyone. There is a way for people to come into town and not have to spend a huge amount of money. We need broaden the attraction.
- The less super wealthy guests help the type of business that the locals (we) want to go to.
- There is an opportunity to bring diverse lodging, but not on Aspen Mountain.
- You have to respond to the demand that's out there.
- If you want more middle class people, are you willing to put a KOA at Cozy Point?
- Which choice do we want to make: More people in the middle or upper middle class who spend less money, or fewer people who spend more money? What's the quality of life decision there?
- It's impractical to engineer visitor-ship, we just don't have much control over that.

Demographic Mix & Residential Units.

- We need to separate the resident from the visitor.
- It's not practical to engineer our visitor-ship. This is an expensive place, it's a destination resort that costs money to get to, and there is little we can do about that.
- We need to keep focusing on keeping our year-round community alive, keep the vitality. If we are to do any sort of social engineering we need to do so that people can live here.
- There are at least two motivations behind the influx of wealth into the Aspen Area: There are people who share the values of enjoying scenic beauty, recreation, cultural amenities and a built environment that reflects a small town; as well as those who view a home in Aspen as a smart investment, as a commodity. There are probably many people who have some mixture of both motivations.
- One longstanding conflict is the desire of some who wish to maximize their investment through building large homes, with the desire of others who want to retain a built environment that retains small town character. When do we say, "How big of a house is too big? This is a castle, and it doesn't feel like a small town?"

Infrastructure.

- If we grow, we need the infrastructure to sustain it.
- Managing growth should require an accounting for and mitigation of the impacts from that growth.
- Infrastructure should not just include things like transportation, water and sewer – affordable housing should be seen as required infrastructure.
- The tools needed to protect our environment should be seen as required infrastructure.

Changes to the Urban Growth Boundary (UGB).

- The UGB should remain largely the same, although we can address small areas where there is an anomaly.

Potential for Future Residential Redevelopment: City of Aspen

In order to estimate future residential redevelopment in the City of Aspen, Community Development Department staff conducted a sampling study in the summer of 2009, relying on records from the Pitkin County Assessor's Office.

The study identified two criteria to determine the existing residential structures that are most likely to be redeveloped and expanded. The two criteria were: the age of the existing structure and the amount of un-built square footage allowed by the current Land Use Code.

Sampling Method & Margin of Error

Due to time constraints, staff was unable to evaluate each existing residential structure in the City of Aspen, and instead relied on a sampling of single family residential parcels in the City of Aspen. The single-family homes in the sampling study came from five zone districts: R-6, R-15, R-15A, R-15B and R-30. (Staff had previously evaluated the build-out potential of residential units in the commercial and lodging zone districts; this separate information can be found in the Managing Growth chapter in the State of the Aspen Area Report.)

Due to time constraints, staff was unable to evaluate each existing single-family home in the City of Aspen, and instead relied on a sampling of approximately fifty-percent (50%). This sampling can be used to extrapolate an accurate estimate for the potential redevelopment of all single family homes in the city with a 3.5% margin of error, according to Venturoni Surveys and Research, based in Dillon, Colo. The study sample was collected using a randomizing function of the Excel computer program.

Potential for Duplexes

With the exception of R-15B, all residential zone districts allow for the redevelopment of single-family homes into duplexes, if the size of the residential lot in question meets eligibility requirements. The tables in this study include redevelopment and expansion potential for single-family lots, as well as the potential for converting and expanding single-family homes into duplexes. When there was potential for an existing single-family structure to redevelop into a larger single family home or a duplex, it was assumed the building would be redeveloped as a duplex. This assumption was made because the allowable floor area for duplexes is larger than single family buildings, and because this has historically been the trend.

Local and Non-Local

In order to provide other relevant information, the study also identifies residential structures according to local or non-local ownership. This distinction was made based on the mailing address of each parcel in the study, as identified in Assessor's Office records. This is not an exact data set, as some local owners may have tax bills mailed to out-of-area accountants, and some non-local owners may have tax bills mailed to in-town accountants. However, this has been used in surveys in the past and has a 5% margin of error, according to Venturoni Surveys and Research.

Analysis by Neighborhood

In order to compare the results with past residential redevelopment trends, the study also identifies the residential structures by neighborhood. The neighborhood boundaries are identical to those identified in the Managing Growth Chapter of the State of the Aspen Area Report, which includes residential redevelopment data on a neighborhood-by-neighborhood basis since 2000.

Historic Properties

The study includes a number of homes that are designated by the City of Aspen as historic, meaning they can't be demolished. However, properties designated historic can obtain approval for additions, and some can split their lots and build a new home. While existing historic structures can't be totally redeveloped, this study calculates the square footage that is available for expansion on-site or in the case of a lot split.

Study Results

The study results begin with a table showing the number of single-family homes with no square footage available for expansion versus the number of single-family homes that do have square footage available for expansion. The total sample size is 326 homes, with over seventy-five percent (75%) with floor area available for redevelopment/expansion.

Availability of additional FAR on all Cases				
	No FAR Left	Single Family and no Duplex Available FAR	Duplex Available FAR	Totals
Total Number	76	118	132	326
Percent of Total	23.31%	36.20%	40.49%	100.00%

In order to identify the single-family homes with the highest potential for future redevelopment and expansion, the subsequent tables show the number of homes that have remaining allowable square footage in the following categories:

- 1,001-1,500 square feet
- 1,501-2000 square feet
- More than 2,001 square feet

This narrowed the number of cases to 151. Just over fifty percent (50%) of these cases have more than 2,000 square feet of available floor area.

Total # of Cases with Single Family FAR available				
	1001 - 1500 Sq Ft	1501 - 2000 Sq Ft	>2001 Sq Ft	Totals
Total Number	20	20	17	57
Percent of Total	35.09%	35.09%	29.82%	100.00%

Total # of Cases with Duplex FAR available				
	1001 - 1500 Sq Ft	1501 - 2000 Sq Ft	>2001 Sq Ft	Totals
Total Number	14	21	59	94
Percent of Total	14.89%	22.34%	62.77%	100.00%

To further define the single-family homes with the highest potential for future redevelopment and expansion, existing homes with more than 1,001 square feet of allowable expansion were cross-referenced with the “Effective Year Built” of each home in the study. The “Effective Year Built” categories are:

- Pre-1960
- 1961-1970
- 1971-1980
- 1981-1990

This narrowed the cases to 118. Fifty-five percent (55%) of these cases have more than 2,000 square feet of un-built floor area.

Total # of Cases with more than 1000 sq. ft. of Single Family FAR Left Cross-Referenced with Effective Year Built					
	Pre-1960	1961 - 1970	1971 - 1980	1981 - 1990	Total
1001 - 1500 Sq Ft	0	1	6	8	15
1501 - 2000 Sq Ft	1	1	9	8	19
>2001 Sq Ft	0	4	7	5	16
Totals	1	6	22	21	50

Total # of Cases with more than 1000 sq. ft. of Duplex FAR Left Cross-Referenced with Effective Year Built					
	Pre-1960	1961 - 1970	1971 - 1980	1981 - 1990	Total
1001 - 1500 Sq Ft	0	1	1	2	4
1501 - 2000 Sq Ft	1	2	5	7	15
>2001 Sq Ft	2	7	17	23	49
Totals	3	10	23	32	68

“Effective Year Built” is identified by the Assessor’s Office by taking into account the date of the last renovation of the house as well as the general condition of the house, including the age of infrastructure such as foundations, HVAC systems etc.

The study also identified the final 118 cases by ownership (local vs. non-local) and by neighborhood. Approximately forty percent (40%) of the cases list non-local addresses.

Total # of Cases with more than 1000 sq. ft. of Single Family FAR Left and Effective Year Built pre-1991 Cross-Referenced with Local or Non-Local Ownership	
Local	31
Non-Local	19
Total	50

Total # of Cases with more than 1000 sq. ft. of Duplex FAR Left and Effective Year Built pre-1991 Cross-Referenced with Local or Non-Local Ownership	
Local	39
Non-Local	29
Total	68

Cemetery Lane was the neighborhood with the most potential for future redevelopment/expansion, with thirty-two percent (32%) of the cases. The West End was the second highest, with almost twenty-three percent (23%) of the cases.

Total # of Cases with more than 1000 sq. ft. of Single Family FAR Left and Effective Year Built pre-1991 Cross-Referenced with Neighborhood	
Aspen Mountain	5
Cemetery Lane	2
East End	0
Main & Mill	2
Meadowood	0
Midland and Park	9
Mountain Valley	17
Riverside	3
Shadow Mountain	3
West End	9
Total	50

Total # of Cases with more than 1000 sq. ft. of Duplex FAR Left and Effective Year Built pre-1991 Cross-Referenced with Neighborhood	
Aspen Mountain	0
Cemetery Lane	36
East End	0
Main & Mill	0
Meadowood	3
Midland and Park	4
Mountain Valley	0
Riverside	5
Shadow Mountain	2
West End	18
Total	68

Finally, the study contains the total square footage allowable under current zoning. For the final 118 cases, there is 287,810 square feet of un-built floor area.

Total Square Footage Available					
Single Family		Duplex		Both Single Family & Duplex	
R-6	29,367	R-6	37,530	R-6	66,897
R-15	24,542	R-15	119,218	R-15	143,760
R-15A	2,189	R-15A	2,960	R-15A	5,149
R-15B	31,604	R-15B	0	R-15B	31,604
R-30	4,097	R-30	36,303	R-30	40,400
All	91,799	All	196,011	All	287,810

Extrapolating Study Results

The original number of cases in the sample was approximately fifty percent (50%) of existing single family homes in the city. Therefore, the estimate of total square footage available for redevelopment/expansion in single family homes in the five residential zone districts is approximately 575,620. A similar calculation shows the potential for 236 single family homes to be redeveloped and expanded.

For perspective, the city experienced the highest number of residential redevelopment/expansion projects (also known as scrape and replace) in 2005, when 45 homes were replaced and expanded. The conclusion of this sampling study is that there remains a very substantial potential for redevelopment and expansion of single-family homes in the City of Aspen.

Chapter 26.475

DEVELOPMENT PACING SYSTEM

Sections:

- 26.475.010 Purpose.
- 26.475.020 Authority
- 26.475.030 Applicability.
- 26.475.040 General.
- 26.475.050 Quarterly Reservation Limits – Single-Family and Duplex Development
- 26.475.060 Quarterly Reservation Limits – Commercial, Mixed-Use, Lodging, Multi-Family, and Public Facility Development
- 26.475.070 Accounting Procedure
- 26.475.080 Reservation Application Procedures
- 26.475.090 Reservation Issuance
- 26.475.100 Appeals

26.475.010 Purpose.

This Chapter is designed to ensure that the rate at which new development and redevelopment occurs does not exceed the community's ability to cope with associated public facility and service demands, the level of disruption within existing established neighborhoods, and accompanying changes to community character. The City finds and determines that the pace of construction has a significant impact on neighborhoods. The impacts of excessive new construction activity include:

- A. Increases in traffic and congestion on local and arterial streets;
- B. Increased demands for emergency services and fire protection, resulting in slower response times for emergency and fire services; and
- C. Reductions in air quality resulting from increases in traffic, construction activities, and dust; and
- D. Increases in noise and disturbances in local neighborhoods; and
- E. A reduction in the quality of life and visual character of local neighborhoods resulting from the storage and disposal of construction materials, heavy truck parking, and increases in human activity; and
- F. Increases in stormwater generation, erosion and sedimentation.

The City further finds that controlling the pace of construction activity will minimize the impacts described above, balance the impacts of construction between the City's neighborhoods, and accommodate reasonable development and construction activities in

a manner that is consistent with the Aspen Area Community Plan and other established City land use policies.

26.475.020 Authority.

The Community Development Director, in accordance with the procedures, standards, and limitations of this Chapter and of Common Development Review Procedures, Section 26.304, shall review and approve or disapprove a land use application for a Development Reservation.

The land use application requesting a Redevelopment Reservation may not be consolidated with other land use requests.

26.475.030 Applicability.

A. Single-Family and Duplex Development. This Chapter shall apply to the following types of development involving a single-family or duplex residence within the City of Aspen:

1. The replacement after demolition of an existing single-family dwelling, multiple detached residential units on one parcel, or a duplex dwelling, regardless of when the lot was subdivided or legally described. (Also see definition of Demolition – Section 26.104.100.)
2. The development of a new single-family dwelling, multiple detached residential units or a duplex dwelling on a vacant lot that was subdivided or was a legally described parcel prior to November 14, 1977, that complies with the provisions of Section 26.480.020(E) Aspen Townsite Lots.
3. The development of a new single-family dwelling, multiple detached residential units on one parcel, or a duplex dwelling, or a dwelling unit on a on a lot created by a Lot Split or Historic Landmark Lot Split approved pursuant to Chapter 26.480 – Subdivision.
4. The development of a new single-family dwelling, multiple detached residential units on one parcel, or a duplex dwelling on a vacant lot, regardless of when the lot was subdivided or legally described.
5. The Significant Remodel (need to define) of a single-family dwelling, multiple detached residential units on one parcel, or a duplex dwelling, regardless of when the lot was subdivided or legally described.

B. Multi-Family Development. This Chapter shall apply to the following types of multi-family residential development: