

Hotel, housing planned for Roost Lodge site in Vail

Scott N. Miller

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FOUR FACTS

- Developers are proposing a Marriott Residence Inn with 170 rooms
- Additionally, 113 one- and two-bedroom apartments are planned.
- The project would include 360 below-ground parking units.
- Pending town approvals, work could begin in the spring of 2017.

VAIL — Vail needs hotel rooms, apartments and parking. A Chicago-area developer believes he can deliver healthy doses of all three to the town, perhaps as soon as late 2018.

The Harp Group, a Chicago-area hospitality development company, has for a few years owned roughly two acres of property in West Vail, the site of the old Roost Lodge. The company a couple of years ago announced it would build a Marriott Residence Inn on the site. The group went through the town's approval process, and was ready to start construction — until the group's financial partner in the project decided in 2014 that the numbers didn't work the way they should and the project was shelved.

Now the plan is back, but with some significant changes.

The new proposal includes a 170-room hotel, 113 one- and two-bedroom apartments and 360 parking spaces. There's actually more parking than the town requires for the hotel and apartments, which means the remaining spaces could be leased to another user or used for private parking.

The broader scope of the project began when members of the Vail Housing Authority approached Harp Group founder and president Peter Dumon.

"They asked us for help," Dumon said.

Dumon has a long history with Vail. While a student at the University of Notre Dame, he and friends would take the 16-hour drive to and from Vail a couple of times a month. Given that there were no smartphones at the time, the people who weren't driving usually stuck their heads in their books.

"My grades actually went up," Dumon said.

The Harp Group has other connections with Vail. Dumon said one of his partners was the first general manager of the current Marriott hotel at the west end of Lionshead Village.

As such, Dumon said, "we know the challenges here."

FILLING BIG NEEDS

As Vail and the valley have grown, Dumon said he and his partners see the new project filling several needs in the valley.

Given that Vail's lodging is nearly full on most summer and winter weekends, there seems to be room for more hotel rooms. The need for housing and parking is more pressing.

Dumon said he and his partners looked at building only apartments. In the end, though, the combination of a hotel and rental units — for year-round residents only — seemed to make the most sense.

And, while the building is going to be bigger than the one first approved by the Vail Design Review Board and Vail Planning and Environmental Commission, planning consultant Dominic Mauriello said the new proposed structure isn't vastly bigger than the first design.

Mauriello said that the new plan would add roughly one story to the building's height and add one level to the below-ground parking.

Adding that space also required adjusting the rooms themselves. The resulting hotel rooms will be a bit smaller, and will also be laid out in a more rectangular shape, as opposed to the traditional square of most hotel rooms.

But the big news is the apartments. The proposed 113 units equals the number recently completed at Lions Ridge, the eastern half of the Timber Ridge apartments property.

And, Mauriello said, the number of apartments proposed may be the most built by a private developer in Vail since the original Timber Ridge project in the early 1980s.

Vail Housing Authority board member Steve Lindstrom praised the proposal in a release, calling it a "very meaningful project that addresses not only employee housing goals of the town, but parking and lodging goals as well."

The same release also included a statement from Eagle County Housing Director Jill Klosterman. In that statement, Klosterman noted in particular the need for one-bedroom apartments, as well rental housing close to employment centers.

Harp Group will have some of its own employees to take care of, and Dumon said the hotel will use a few units, but not many.

In the main the new apartments will be aimed at year-round residents who may be chefs, store managers or Vail Valley Medical Center employees.

PAYING MARKET RATES

That target audience will pay market rates, and Dumon acknowledged that the entire project won't be aimed at people looking for low-cost housing or lodging.

The Residence Inn brand provides travelers with full kitchens in every units, as well as a full breakfast in the morning, fitness centers and other amenities.

Some of the amenities will be available to apartment residents. In addition, there's enough parking for one car per bedroom. Tenants will have the option of leasing a storage box for a parking space. That box will essentially cover the hood of a car, and will have hooks for hanging bikes and other gear.

Storage is important for hotel tenants, too. Dumon said he's working on a deal for ski and boot storage close to the slopes.

Add in easy access to transit — a bus ride to Lionshead Village will take only a few minutes once the new Interstate 70 underpass is finished — and Dumon believes a guest may not need a car for a Vail vacation, particularly since the hotel plans to offer shuttle service to the slopes of both Vail and Beaver Creek.

The project will be submitted to Vail's planning staff soon. That can take some time, but Dumon said he believes the project can earn its final approvals in early 2017, with construction starting as soon as next spring.

Mauriello said he's more optimistic, and that the approvals could be in place before the end of this year.

"If this isn't the right project in the right place, I don't know what is," he said.

See below:

A plan worth considering

OPINION

Vail Daily Editorial - August 16, 2016

It's still early, but at first blush, the idea to transform the site of the old Roost Lodge in Vail into building with both hotel rooms and apartments looks like a good idea.

As detailed in a story on Saturday, the Chicago-based Harp Group has for several years owned the roughly two acres of land the Roost occupied. A company plan to build a Marriott Residence Inn was ready to start work in 2014, but it was shelved when a financial partner decided the project was simply too expensive.

Two years later, the hotel plan remains, with additional plans for 113 apartments and 360 spaces of underground parking.

On the surface, the plan strikes at the heart of three of Vail's biggest issues: lodging, housing and parking. The site seems appropriate, since it's right along North Frontage Road and close to the West Vail commercial area. Once the new Interstate 70 underpass is finished — it will be by the time the hotel and apartments open — tenants and guests will have a very quick bus ride to Lionshead Village.

On the other hand, don't expect any bargains.

Hotel rooms won't be as expensive as they are in the resort villages, but combining the Marriott Residence Inn brand with Vail quality, this will be a place for destination guests.

The same is true with the apartments. Harp Group founder and president Peter Dumon said in an interview that the apartments will be restricted to year-round residents. But, he added, those residents will pay market rates. That means tenants will likely be store or restaurant managers, executive chefs or professional employees at Vail Valley Medical Center.

That's fine. Vail is in desperate need of homes for all kinds of people who work there. More people living and working in Vail takes pressure off roads, parking structures and housing in other areas of the valley. It also helps keep Vail a place where people actually live.

A new hotel from an established brand might — might — also take away at least some of the incentive condo owners now have to put their units into the online short-term rental pool.

Very few projects emerge unchanged from the town of Vail's approval process. This one deserves a full vetting, of course, but needs to come through that process with its most important numbers intact.

See Below

From: Andy Gunion

Sent: Friday, September 02, 2016 5:08 PM

To: 'GRuther@vailgov.com' <GRuther@vailgov.com>

Subject: Thoughts on the New Roost Lodge Redevelopment Application

I am writing in regards to the latest development application for the old Roost Lodge site in West Vail, now referred to as the Marriott Residence Inn. My father and I own a condominium in the Hillside complex directly north of the site. My wife and I lived in this condo for approximately ten years and we have been renting this unit to full-time vail employees since we moved to east vail in 2014.

Being in the development business myself it is interesting being on the “other side” of the zoning process (developer karma I suppose) and I am highly sensitive to not being an irrational NIMBY or a hypocrite. I have watched my fellow Hillside owners and other neighbors who are not in the development business struggle to understand this seemingly endless stream of reapplications on this site and have seen them become fatigued by what feels like death by a thousand cuts – with each proposal coming back larger and taller. Until this point I have not voiced any serious concern, but the scale of this current proposal is really quite shocking.

Increases in density are often an economic necessity to allow redevelopment, but in this case heights are increasing from what was a two and three story building in the Roost Lodge to a five and six story one. Has a tripling of height ever been approved in Vail outside of the village core? I am willing to bet that the consensus among a series of independent, objective planners focused solely on the context of the existing neighborhood would be that the appropriate height on this site is 3 – 4 stories.

The Town’s staff and elected and appointed officials really need to take a step back and think about what type of precedent something of this scale would set for Vail’s peripheral neighborhoods. Buildings of this scale, and larger, have certainly become commonplace in Vail’s purposely dense village core, but this application is a dramatic departure from the existing tone and scale of the much less dense neighborhood of West Vail. West Vail is an existing neighborhood where, for the most part, the scale and layout of buildings generally respects neighboring properties, allowing most homes to enjoy a view of the mountains – one of the primary reasons people live in Vail.

I believe the scale of this proposed building is similar to that of the large projects recently constructed in the village core (Solaris, Four Seasons, etc.) from the I-70 side (5-6 stories). We all remember the incredible scrutiny that these projects went through and the extensive public benefits that had to be provided in exchange for their approved mass and scale – and these buildings are located in a much denser, commercial-oriented neighborhood than this Roost site. In the example of Solaris, the public benefits that this project provided were extremely beneficial to the immediate neighborhood within which the project is located – new plaza, entertainment amenities, retail, etc. It is unclear to me if this Roost redevelopment proposal provides any benefit to the surrounding neighborhood and will obviously have an extreme negative impact on views, character, traffic, etc. In addition, thanks to the high sales prices possible in the village these large buildings in the village core were able to afford expensive architectural features that help greatly to mitigate their scale. Unfortunately, at the end of the day, a limited service hotel or local housing project will not be able to afford such rich facades and run the risk of looking very generic and cheap at this large scale.

I understand that the proposed project is comprised of components that the Town desires – Full Time Local Housing, Limited Service Hotel and Parking but why do all of these desires need to be jammed together into one massive project that is out of scale for this location? Why has nothing been constructed under the prior three approvals on this site and why does this building keep growing and growing with every revised application? I believe that the out-of-town developer dramatically overpaid for the property and underestimated the costs of construction in the mountains. This is unfortunate, but should this neighborhood be compromised to mitigate these private economic mistakes?

I fully appreciate the economic challenges of building a hotel or local housing in our marketplace. In the case of a hotel I would fully expect the project to require some residential component to reduce the hotel basis, but applying the local deed restriction to the residential units no-doubt reduces the incremental value of each residential unit. This then requires a dramatic increase the number of residential units. In the case of full time local housing I would expect the developer to require some type of significant public subsidy and/or include a more profitable component – such as a limited service hotel. Combining these two economically difficult uses together has created a beast that smacks of desperation and a project that I’m not sure would be economically viable for the developer even if the Town approves the application as is. I think we’d all prefer not to be back here reviewing a 5th proposal in two years.

This application should be rejected wholesale and the Town and the developer should decide what use they want to pursue on this site that is viable for the developer at a scale appropriate for this site. A limited service hotel with some residential units to buy down the basis or a full-time locals housing complex. Not both. In my personal opinion, if the Town is serious about increasing the stock of locals housing in Vail and willing to utilize town funds to that end then this is an ideal opportunity to provide significant subsidies to the developer to allow the site to be developed in that manner at an appropriate scale. On this note, the Timber Ridge redevelopment is only three stories. It could have been built at a larger scale without impacting any neighbors. The Chamonix site is much lower density as well – respecting the existing character of the neighborhood.

If the Town is going to seriously consider this proposal then there are a whole slew of questions and concerns to be addressed. These include:

- How does this proposal fit into the big picture of existing master plans and the long-term desire of the Town and the neighborhood residents for the character of this area?
- Does the Town envision this neighborhood becoming a series of dense, large-scale apartment buildings, with the two and three story structures that exist today redeveloping into 5-6 story complexes over time?
- Is the plan to have a row of large scale buildings flanking I-70 with smaller buildings behind?
- Or is this just a one-off spot zoning exercise for this site?
- View impact analysis for the neighbors.
- Sun shade studies – the access road to our complex is steep and will ice up if shaded.
- Renderings and sections that show this building relative to neighboring properties
- Façade would really need to be improved with much more variation in and out and up and down. I have seen very few projects that have successfully executed on making one long building really look like an eclectic row of buildings developed over time – as proposed. Most look contrived and cheap.

A lot to think about here as you consider this proposal to build “The Great Wall of West Vail”. Thank you for considering these thoughts and I appreciate all of your work and public service that helps to keep Vail such a special place to live in and visit.

Andy Gunion
Neighborhood Resident

Roost Lodge Site/Marriott Residence Special Development District Proposal.

To: TOV PEC Members

From: Wendy Erb (Neighborhood property owner)

Date: September 12, 2016

Re: Proposal to create a Special Development District for a Marriott

Regretfully, I will not be able to attend the PEC Meeting on this coming Monday September 12, 2016, but I wanted to comment on the proposal to create a Special Development District for the old Roost site, where there is a proposal to build a Marriott Residence Inn, market rate employee housing and parking. I am not a developer, I am merely a concerned long time resident of West Vail. I have owned my place since 1999.

I appreciate the town's desire to have more hot beds to add to its tax base, although arguably the increasing spread of airbnb and similar accommodations could be tapped for this tax revenue. In recent years I seem to run into an increasing number of foreign visitors who are staying in a "holiday house" that provides them with accommodations and partial board during their vacations in Vail. Needless to say I also run into people staying at various airbnb places, and know some people who rent out their places on airbnb.

As a longtime resident of Vail I am well aware of the need for additional parking and housing for employees both of these are important goals and issues for the town to address which it has been trying to address for many years, perhaps almost since it became a town 50 years ago. (Yes I remember the old dirt parking lot where the Village parking structure now exists.) In fact, town council has in recent years shown its view of appropriate employee housing in West Vail by the development of the Commons, followed by the North Trail Townhouses, the redevelopment of part of Timber Ridge, now called Lion's Ridge Village and the proposed Chamonix project.

What do all of these developments have in common beyond being on the North side of I-70 and west of the main tourist and commercial center of Vail and Lionshead, "the town core"? They all have a relatively low density. The newest project in the works, the much anticipated Chamonix project proposes to put about 50 units on the 3.5 acre site, or just under 14.3 units per acre. If the same metrics were applied to the former Roost site, now being proposed to be a special development district for a Marriott Residence Inn, parking and market rate housing then less than 29 units could be built on the less than 2 acre site (i.e. 4/7 the size of the Chamonix site and only 1/3 the size of the Lion's Ridge Village site). Instead the developer seeks to build a massive structure, and seeks to have its property declared a special development district so that it can build significantly taller and larger in terms of square footage GRFA than it is currently allowed to build. In fact the proposed structure seeks to have 283 market rate apartments and hotel apartments built on the less than 2 acre site (a residence inn is designed to be like and function like a residence, not just a sleep for a night place, or it would not have the cooking facilities). {Although the largest piece of land the town has built workforce housing on is Middle Creek which is different from the West Vail projects mentioned above because it is walking distance to the Village core, right opposite the village core, and truly nestled into a hillside; the height of the building does not cast a shadow on any town roads or other residences, but rather merely on the hillside above it, which I believe is Forest Service land.}

It is important to bear in mind that this site which seeks to become a special development district has already been up-zoned in this century when over 10 years ago it was given the newly created zoning of PA-2 , so that they could put kitchens facilities in hotel suites (after all a residence inn is a hotel suite that is a mini apartment with kitchen facilities, a living room and a separate bedroom or bedrooms suites.)

Now if this was being built as part of or adjacent to Vail's commercial core, the Town Core, then the density would be in keeping with the character of the Village, but instead it is proposed to be placed where it will overwhelm the surrounding residential neighborhood. This is the type of development that would make good sense to be built on part of the old proposed Ever Vail site, next to Lionshead. Vail Resorts has even said that it will work with the town to help achieve the workforce housing goals and alleviate the parking problems that Vail has. It should not be for the town to change its zoning to accommodate a developer who paid too much for a property with an existing hotel business on it, and then discovered that it costs more to build in the mountain region than they expected it would cost.* 1 (below)

Similarly I find that it is disingenuous to state that the part of the Marriott Residence Inn building that will be 72 feet tall will be placed against the hillside. Yes there is a hillside on the east side of the lot, and Meadow Ridge Road rises on the north side of the property enough that a retaining wall will need to be built to accommodate the large footprint proposed, but the height of the building will far exceed the hillside behind the building, blocking sunlight and views for the surrounding area. The steep road behind will be made icy and dangerous to walk and drive on due to the absence of sunlight hitting the road.

Another indicia of the massiveness of the proposed building is the fact that the employee housing units will have a GRFA equivalent size that is greater than the GRFA for the Residence Inn part of the building. Currently, after the last rezoning the property can have a maximum GRFA of 129,896 square feet. However, the building that was last approved was for less than 58 % of the maximum GRFA, and even the 2013 proposal was for less than 2/3 of the maximum GRFA. The newly proposed building would have a GRFA of only 70.2 % of the maximum allowable, thus making it "only 91,198 square feet", but only because the additional 95,785 square feet for the 113 employee housing units are not counted in the GRFA calculation. In reality this would be the equivalent of a 186,982 square foot building, 143 % of what is permissible on the site and almost 2.5 times what was approved in the most recent approval. **2 (below)

Sadly I fear that an approval of another bigger spot rezoning again for this site has a long term detrimental effect for all of Vail which far outweighs the laudable objectives that the developer has set forth. It raises the question of what's to stop the same thing from happening in any other neighborhood in Vail? Although one might argue that there are not other slightly less than 2 acre lots, but that is not for the town to solve by rezoning this property. A developer can buy up a block of adjacent lots, or I would point to all the parks in east and west Vail. Yes they were bought to be permanently open space with RETT funds, but action could be taken to change the restrictions on the park land and make some or all of them available for sale to developers to build similar projects in the future, perhaps even taller to fit future economic needs. There are properties with aging buildings that might be likewise ripe for similar over development. The nature and spirit of any neighborhood should not be so easily cast aside.

Bottom line I am opposed to spot zoning particularly in the absence of a well-developed plan for all of West Vail that has been discussed with the neighborhood groups in the same way that comment was solicited for the Chamonix development, the underpass and similar large impact projects. Zoning should

not be changed merely to meet the financial needs of each new developer who comes to town even if they "started coming to Vail on road trips while they were in school" and are not just showing up for the first time with a piece of real estate they bought which may have had some homes or existing businesses on it.

I strongly urge that the PEC refuse to recommend doing any spot zoning by creating a special development district for this or any other site in West Vail, particularly before there is a well thought out and discussed with the community plan for all of West Vail. It is silly to rush into making such a significant change merely because a developer has a new idea of what to do with a property they acquired, or might want to acquire. Further they should recommend that the developer go away and not come back until they have a proposal that is smaller, less than or at most equal to what was approved in the past, not greater than the past. That was already a building too large for the area. ***3 (below) It is not for the town to approve anything a developer wants to build in order to make it attractive for them, especially if they have perhaps overpaid to acquire a property to begin with. The town has a duty to think about the residential property owners in the whole greater area. We should bear in mind that the developer bought an existing business and chose to tear it down, but did not have to destroy their business when they were lacking the financing to build a new project. There is no guarantee that approving anything larger for this property won't just further let the camel's nose under the tent as they seek to further enlarge the project and perhaps then not even build what they propose because their financing falls through again, even if the town waives all of its fees to help a private developer build.

The developer's request to be exempt from the customary fees and certain other requirements raises an interesting question. If a person wants to build a new house in Vail and build an extra employee housing unit or two as part of it will the town waive all of its fees and allow the house to greatly exceed what otherwise could be built on the site ? Can they also get their taxes reduced by having the Vail Housing authority take a minuscule ownership interest? If it cannot be done for a private home, it does not make sense to allow that to be done here to profit an out of town developer.

I am Wendy Erb and I live in West Vail and care about West Vail and the environment of the neighborhood. I also care about the overall effect each development had on Vail as a whole and the perception of it that our visitors have. I do not think this is a good idea. Thanks for your consideration.

Footnotes:

*1. This would be the equivalent of the town rezoning a lot on Mill Creek Circle, Meadow Drive or Forest road if someone buys a house there intending to renovate and rent it out and make money from their purchase. Perhaps the owners of Hobart House would sell to a new owner who wants to keep renting it out for a profit. If they discover they can't get the rate of return they seek should the town let a new owner build a large than currently allowed 6 story house because the new owner bought a house they intended to fix up and rent out, but discovered it was going to cost too much to make enough money. I think the town would and should deny a request of "please let me build a 5 to 6 story tall house so I can rent it out and make money on my development, oh and by the way I'll throw in some market rate employee housing in the monolith I want to build, but it will be nestled into the hillside if I am building on Forest Road." The same should be true in this case.

**2. The failure to count the square footage of employee housing units in calculating GRFA is a curious and arguably wrong decision. This illustrates how one can get around building limits and construct a building well out of proportion to what would or should be allowable on a site. Using the hypothetical example of rebuilding on Forest Road or in a similar area, perhaps a developer would like to tear down

Hobart House and build employee housing for hospital employees and build 7 or 8 stories tall for that? Or, eventually Cathie Douglas will leave her house just opposite the hospital, part of which will be tall. Her cute house built in the early 1960's could be replaced by 6 to 8 stories of hospital housing and have extra parking created that would be conveniently located between the 2 gondolas. Would the town approve a special development district for her site?

***3. The inappropriateness and undesirability of such a large mixed project in this area is perhaps best indicated by the disinterest in the prior proposal of the buying public, the potential residents (or owners with intent to rent out at presumably market rate). Specifically we can look to when the previous owners could not sell enough apartments in 2006 through 2008 to develop their planned large residence inn and apartments for purchase {albeit that project was smaller than what is currently proposed}. Although in the end the economy turned down, in the 2006 - 2007 ski season the economy was very robust, even overheated as illustrated by the flipping of pre-construction contracts for units at what became the Arrabelle. In contrast here in West Vail the developers could not sell even a significant number of the apartments they offered to the public. I am sure there were a variety of reasons, but I would guess part was that it was not a good fit with the neighborhood. Too big and not attractive.