



PLANNING AND ENVIRONMENTAL COMMISSION
May 11, 2015 at 1:00pm
TOWN COUNCIL CHAMBERS / PUBLIC WELCOME
75 S. Frontage Road - Vail, Colorado, 81657

MEMBERS PRESENT

Henry Pratt
 John Rediker
 Brian Gillette
 Webb Martin
 John Ryan Lockman
 Kirk Hansen
 Dick Cleveland

MEMBERS ABSENT

Election of Officers

ACTION: Henry Pratt as Chair

MOTION: Cleveland SECOND: Rediker VOTE: 7-0-0

ACTION: John Rediker as Chair Pro Tem

MOTION: Webb SECOND: Gillette VOTE: 7-0-0

Commissioner Cleveland recused himself prior to the hearing of item #1.

1. A request for final review of a Conditional Use Permit condition of approval, pursuant to Section 12-9C-3, Conditional Uses, Vail Town Code, to determine the employee generation and mitigation rate for the Vail Valley Medical Center healthcare facility, located at 181 West Meadow Drive and 108 South Frontage Road West (Vail Valley Medical Center)/Lots E, F, and 10 Vail Village Filing 2, Lot 2E, Block 1, Vail Lionshead Filing 1 and Lot D-2, A Resubdivision of Lot D, Vail Village Filing 2 (PEC150012)

Applicant: Vail Valley Medical Center, represented by Braun Associates

Planner: Nina Timm

ACTION: Approve* with Conditions

**MOTION: Gillette SECOND: Hansen VOTE: 4-2-1, Cleveland
 recused, Rediker and Lockman opposed.**

CONDITION(S):

1. **The employee generation rates shall be subject to an audit two years after Certificate of Occupancy and the fees in lieu be adjusted accordingly.**

*** The approval was for the applicant’s proposal of 5 employee categories and a proposed generation of 56 employees. Not the staff recommendation of 3 employee categories and a proposed generation of 133 employees.**

Housing Coordinator Nina Timm provided a power point presentation detailing commercial linkage requirements per Vail Town Code. Nina discussed the proposed employee generation rates, the Vail Town Code and provided background information related to the VVMC. Nina discussed the staff recommendation regarding employee generation rates and walked the commission through staff’s rationale. Nina provided details on the hospital’s proposal and how these numbers differ from staff’s as well as staff’s concern about “right sizing” and the actual square feet being added by VVMC.

Commissioner Gillette asked for clarification related to VVMC's compression.

Nina spoke to staff's analysis of the decompression and its effects on the generation rates. Nina discussed the topic of partial decompression as compared to the "right size" decompression.

Commissioner Rediker asked for clarification related to the generation rates and the other communities contacted.

Nina provided greater detail on the other communities cited including Aspen and the Stanford Medical Center. Nina spoke of her conversation with Chris Cares of RRC who prepared the Town's rational nexus when Commercial Linkage was adopted. Nina spoke to Chris's feeling that there were no direct comparables for VVMC.

Commissioner Hansen asked how the generation rates will impact the different users identified.

Commissioner Webb asked Nina for her level of comfort with the staff proposed generation rate.

Nina responded that the staff's proposed rates are based on the information provided and are accurate.

Tom Braun, representing the VVMC, presented the hospitals proposal. Included in his Power Point presentation were detailed floor plan analysis with projected employee growth on a per square foot basis and by each use. Braun spoke to how expanding the medical center does not equate to more procedures or employees.

Commissioner Gillette asked how a future audit of VVMC employees might work.

Braun responded that at least a year or two after CO as new employees are not anticipated immediately

Commissioner Gillette offered an idea of meeting in the middle in terms of an employee number between VVMC's projected 56 new employees and staff's projected 133 new employees.

Doris Kirschner, VVMC's President and CEO, provided the commission with her perspective related to decompression. Kirschner spoke to existing conditions and crowding. Kirschner spoke to this being a qualitative and not a quantitative expansion as no new procedures are proposed. Doris spoke to the movement of VVMC services down valley resulting in reduced patients in Vail.

Charlie Crevling, Senior Vice President of Finance and Chief Financial Officer for VVMC, provided his thoughts related to health care, trends and VVMC's compression. Charlie spoke to the need to attract world class staff. Charlie spoke to the movement towards outpatient care and the growth in that area. Charlie discussed how the revenue stream will not support an influx of new employees.

Commissioner Lockman requested clarifications on the number of categories and inquired about what the purpose of having two categories with no projected employee growth.

Braun provided additional information concerning their proposal for five categories and the need for the two additional categories (surgical suites and patient/intensive care unit beds) in order to track growth and not include them in with other administrative services.

Commissioner Rediker requested clarification concerning "right sizing."

Russ Sedmak, architect for VVMC, provided his thoughts related to staff's logic and where he felt there was a breakdown. Russ felt the methodology staff was using resulted in a double counting.

Commissioner Webb asked how long the hospital has been operating with below optimal space.

Kirschner spoke to the steps the VVMC has taken in this respect, including the movement of services down valley.

Commissioner Webb asked for clarification about compression and growth, specifically future growth and if that would result in recompression.

Braun spoke to this issue and his feeling that the facility is not being built for additional growth but said that there is no guarantee that spaces will not recompress.

Commissioner Pratt asked how the Affordable Care Act has impacted the level or number of services provided.

Crevling said there was no discernible impact, even with the Medicaid expansion.

There was no public comment.

Commissioner Pratt asked for comments from the Commission.

Commissioner Lockman spoke to the generation rates only applying to new sq. ft. and he supports the three town categories in contrast to the applicant's five, especially when two categories show no growth.

Commissioner Hansen felt it was premature to vote on a final approval. He agreed with the applicant that this was a unique situation. He was not comfortable with a thumb up or a thumb down at this time. He agreed that there should be five categories. He spoke to his experience at the Mayo Clinic and its being dense. He concluded with his feeling that this is not ready for final decision because of the distance between staff and the applicant on numbers and methodology.

Commissioner Gillette asked Nina if we are trying to establish a rate moving forward?

Nina responded that staff has taken factors into account to determine the generation rate including decompression.

Commissioner Gillette clarified that his question was more macro. Will the rate carry over to the East Wing?

Commissioner Pratt advised that there are times that the PEC is called upon to set the rules because there are no rules in the Town Code for this.

Nina explained that a portion of the method used would be used for future VVMC expansion (i.e. the 2.77 rate for the over healthcare facility).

Jonathan asked Nina if there are any examples of the audit method. Nina was unaware but spoke to some of the logistical challenges of an audit with a phased development.

Commissioner Martin mentioned the large discrepancy between staff's numbers and the applicant's numbers. Martin agreed with Hansen that this should be tabled until the numbers get closer.

Commissioner Rediker had three questions.

1. Have other properties used a basket of rates? Nina: Yes
2. Do you anticipate there are other projects that will have had similar multiple rate issues?
Nina: Ever Vail would be an example of multiple uses in one development.
3. Are the other two categories that the applicant broke out typical of a healthcare facility?
Nina: Yes.

Commissioner Rediker followed up by asking what does the Town think of the right-sizing argument?

Nina responded that staff agrees that there is a degree of right-sizing, but it's not exactly what VVMC's MP proposes.

Commissioner Rediker provided that he leans towards the net new floor area method as that is what the Code calls for.

Nina calculated the total number of existing employees at the Steadman Clinic using a rate of 3.5 employees per 1,000 square feet and that would anticipate 78.83 employees today at the Steadman Clinic.

Commissioner Hansen expressed concern with staff's methodology and the effect it would have on the hospital if the rate was applied to 160,000 square feet.

Nina clarified that this only applies to net new floor area.

Commissioner Hansen inquired as to why Staff used only three categories and asked when did the applicant first propose the five categories?

It was determined that the five categories were proposed in early April. Staff reasserted that logic behind three categories was that the Health Care Facility category includes these other two uses.

Braun recapped a meeting with the town concerning the categories in late April.

Commissioner Pratt agrees that it is unique and there is a huge discrepancy. Staff and the applicant need to work together to come closer to an agreeable figure. He sees both arguments for three and five categories. Pratt spoke to the audit as a possibility. Pratt felt tabling would be prudent so that a more agreeable number can be reached between staff and the applicant.

Braun asked for some clarification so that an agreement could be met. He discussed his belief that the code is deficient in that it does not account for changes in use, only new square foot.

Commissioner Gillette asked for reconsideration of an audit. The discussion revolved around the logistics and precedence.

Commissioner Rediker said it does not account for what the net new floor area calculation. The "right sizing" issue needs to be validated or invalidated.

Nina clarified that mitigation is only for 20% of the net new employees generated.

Jonathan mentioned complications regarding the fact that the fees in lieu rate is subject to change and that it is difficult to account for all part time employees.

Commissioner Gillette asked if we were to do an audit, what employee number would Staff would be comfortable with.

Nina responded that that is a political decision and that discussion needs to be based on the information submitted. Staff is not comfortable making such a different recommendation at this time.

Commissioner Rediker suggested looking at the application as presented based on the language in the code which states the applicant provides competent evidence that their proposed rate is accurate. He surmised about the precedent that this would set by using the applicant's method.

Commissioner Pratt suggested a compromise that would increase the ICU/PCU generation rate.

Nina stated it would not change the overall employee number as both those categories had no employee growth, according to the applicant.

Braun mentioned a couple of areas of agreement between staff and the applicant.

Commissioner Hansen asked if that would tie the hospitals hands.

Braun stated that that is what they are proposing and spoke to possible suggestions for a subsequent meeting. He spoke to other "true up" provisions being discussed in the DIA.

Commissioner Gillette made a motion to approve VVMC west wing expansion employee generation rates using the applicant's five categories and employee generation number with condition that the employee generation rates be subject to an audit two years after Certificate of Occupancy and the fees in lieu be adjusted accordingly.

- 4. A request for a final recommendation to the Vail Town Council of a major amendment to Special Development District No. 4, Cascade Village, pursuant to Section 12-9A-10, Amendment Procedures, Vail Town Code, to allow for the conversion of one dwelling unit to an employee housing unit within the approved Vail Cascade Residences development and a request for an extension of its approval period for an additional three (3) years , located at 1310 Westhaven Drive/Cascade Village, and setting forth details in regard thereto. (PEC150014)
Applicant: Ultimate Cascade LLC, represented by Mauriello Planning Group
Planner: Jonathan Spence
ACTION: Table to June 8, 2015
MOTION: Cleveland SECOND: Martin VOTE: 7-0-0
CONDITION(S):

- 5. Approval of April 27, 2015 minutes
MOTION: Rediker SECOND: Gillette VOTE: 6-0-1 (Cleveland Recused)

Amended condition to strike "Boiler Fed" from the condition related to snowmelt.

- 6. Information Update

- 7. Adjournment
MOTION: SECOND: VOTE:

The applications and information about the proposals are available for public inspection during regular office hours at the Town of Vail Community Development Department, 75 South Frontage

Road. The public is invited to attend the project orientation and the site visits that precede the public hearing in the Town of Vail Community Development Department. Times and order of items are approximate, subject to change, and cannot be relied upon to determine at what time the Planning and Environmental Commission will consider an item. Please call (970) 479-2138 for additional information. Sign language interpretation is available upon request with 24-hour notification. Please call (970) 479-2356, Telephone for the Hearing Impaired, for information.