

Tourism Overlay District Task Force – Second Meeting
Summary Meeting Notes
November 16, 2021, 10:30 am - 12:30 pm
Breckenridge Town Hall, Council Chambers

Meeting Attendees

Task Force Members:

Abby Epperson, Steve Gerard, Jim Schlegel, Bob Barto, Kelly Owens, Steve Fischer, Mike Hessel, Devon O’Neil, Abbey Browne, Dick Carleton, Tahja Grier, Michelle Zimmerman

Town Staff: Shannon Haynes, Mark Truckey, Julia Puester, Bela Del Valle, Brad LaRochelle, Sarah Crump

Public Observers who signed in: Chris Chaja, Dan Corwin, Glenn Haefner

Summary of Discussion

Accommodation Unit Fee Update

\$756 is the amount recommended by the EPS study per bedroom as an accommodation fee. This is 35 percent of employee generation. Only a \$400 fee is recommended for 2022 to phase in the new fee. This fee would not apply to lodges and hotels which do not get STR licenses. Examples are Double Tree by Hilton, Breck Inn, Ski Way Lodge, Residence Inn, Fireside Inn, The Bivvi, Gravity Haus, Ranahan by Welk Resorts.

These fees will apply to BGV and Beaver Run properties because STR licenses exist on every unit.

Hotels, lodging, and other commercial enterprises (restaurants, retail, etc.) that don’t have short-term licenses are already required to pay 35% offset for employee generation during construction/change of use. This discussion should be focused on properties subject to STR licenses.

Community Development generated a list of hotels which have off-set and mitigated employee housing. No properties were above accommodating 10% of employees by Community Development Staff calculations. Beaver Run feels these calculations are low. They currently house approximately 100 employees and have approximately 300 employees on staff. –Bob Barto

All complexes, regardless of size, should be considered. There are smaller complexes that have employee housing units and have made concessions to include deed restrictions. –Abby Epperson

EPS study looks at visitor spending within the Town of Breckenridge.

It should be considered that some HOAs don’t allow long-term rentals. Beaver Run is an example. If you know of HOAs that have restrictions on long-term rentals that is useful information for the Task Force and Staff.

General Feedback on the \$400 Fee for 2022

Moving too quickly. This process should slow down. The fee should not go into effect Jan. 1, 2022. It should be further studied. –Bob Barto

This amounts to a quick money grab by the Town. What happens to the Town's housing programs if they do not get this money right away? –Mike Hessel (Kelly Owens: Not getting the

I think this fee is fair. There is never going to be a great time to implement a fee. This whole process has been going on for months. Lowering the fee to \$400 in year-one is a huge concession which limits fund generation. At this point it has been decided. –Devin O'Neil

I think this is really fast. There is a lot of ways this fee could be handled. We're trying to piecemeal this process. The fees should be included in the process. This should go to the public in open house forums. – Abby Browne

Why should short-term rentals bare this burden? It is because a lot of modest apartment homes that would be available for long-term rental are in the STR business. Sooner we can get money into the housing construction fund the sooner we can add more housing units in Town. Adapting as we go forward is an option to address later concerns. – Michelle Zimmerman

Question to the group/Town Council members: where does the 21 day exemption come from? (Dick Carleton: The 21 day limitation is for supporting local residents that have been here full-time.) (Kelly Owens: We needed to choose a number that was less than 30.)

If no or lower regulatory fees on owner occupied units are imposed there should be a strict regulatory enforcement process like in Summit County. Summit County uses 4 criteria and owners, must meet 2 of 4 to qualify. Voter Registration, Driver's License, Vehicle Registration, and Property Tax Filings as proof of owner occupancy. This is because owner occupied units that rent one bedroom of their unit sometimes and owner occupied units that rent their entire property infrequently would be treated the same. –Bela Del Valle

Is there a way to build "need" into criteria for 21 day or less exemption? –Devon O'Neil. Group agrees this would be extremely difficult to enforce and impossible to do subjectively.

Many people voice that there should be no exemptions for lesser time/days rented.

Review of First Staff Recommendation of Tourism Overlay District

This recommendation is only a starting point for discussions. There is a possibility that some more short-term rental licenses may exist in the overlay and short-term rentals may be limited outside the overlay. This latest map has all updated numbers from early November 2021.

Shock Hill (LUD 10) -The area surrounding the gondola has a higher percentage of STRs (Shock Hill Overlook and Shock Hill Condos) whereas Shock Hill proper has a lower percentage. Shock Hill subdivision was excluded from the Overlay District staff recommendation while area surrounding Gondola was included. Consensus agree that Shock Hill proper should be excluded from district.

Gold Camp and Grandview- Real time transfer to STRs from local properties. Staff recommends exemption of this area. Agree that Gold Camp and Grandview should be excluded.

Woods Drive and Gold Rush Lot-These areas were added to overlay even though they are part of LUD 9.2 and 20. Group consensus is that these areas should be included in the Overlay.

Timber Trail-It is the group's consensus that Timber Trail should be captured in the Overlay.

30.5 White Cloud Drive- Should this area be included in Overlay? Here the proximity to the ski hill is a factor. Colorado Now, just below this area, is a local housing area similar to Gold Camp.

Main Street Junction- should it be included in the overlay? Group consensus is yes.

LUDs on Main Street (18.2, 19, 11) Not all units above commercial on Main Street are deed restricted or workforce housing. Council may face pushback on Main Street being excluded from the Overlay but the group consensus is this area does not belong in the Overlay.

Other areas for consideration into the Overlay?

- Highland Greens Lodge? This subdivision has access to Summit Stage, a private shuttle, and located near the golf resort. This could be an area outside the overlay but where a percentage is set and would be a good candidate to receive a license if one is open.
- One idea is that there is a second Tier of district that could include areas like Shores, Highland Greens Lodge, White Cloud Dr etc. that already have a high percentage STR.

General Comments on STR Process and Overlay District

Idea to limit owners to one short-term rental. –Abby Epperson

Do we limit STRs to disallow two that are adjacent to each other?

What if there is a middle ground STR overlay? A tiered structure approach.

Set up multiple zones that have different STR allowable densities by percentage of STR?

With attrition the Overlay could become 100% STR and other areas have no STR. The group agrees that achieving 100 percent STR in the Overlay is highly unlikely.

Is the 2200 cap a fixed number? This number was decided as a cap for non-exempt properties.

Allowing unfettered access to STR licenses within the district defeats the purpose of regulating STRs when we are trying to preserve Town character/livability/quality of life for locals/provide a good visitor experience. We should adhere to the 2200 cap.

Having the overlay district is a more responsible way to direct where visitors are staying. This would move visitors out of typical neighborhoods.

Would the Tourism Overlay district remove “exempt” labeled properties? Would all properties in overlay zone, including exempt properties, be in same pool of STR licenses?

With the 2200 cap in mind, currently 1294 STR licenses exist outside overlay district. The rest of the Town outside of the Overlay is where all licenses would be lost through attrition.

Is there a way to factor in age of an STR license to phasing some STRs out?

Every area with high percentage of STRs can't be included in the overlay. Just because some neighborhoods look great for STR doesn't mean that they should have more or keep the same number of licenses. There is an existing cap that a lot of people agree with and the carrying capacity of the Town should be considered. The Town should protect its brand. Existing STRs in an area doesn't mean that they should be allowed to continue to exist in that area. – Kelly Owens

What information should staff prepare for next meeting?

- Report of active licenses versus short-term rental advertisements
- Percentages for areas (LUDs/Subdivisions) inside Overlay/areas proposed outside Overlay

Next Meeting Date:

November 30, 2021. Time TBD.