

# **Limelight Ketchum guest room to condominium conversion narrative**

## **Executive Summary**

Thank you for your attention to the following materials detailing a proposed alteration within the Limelight Hotel Ketchum.

This alteration will continue to reinforce the long standing operations of the LLK as a valued community contributor and participant. Continued successful hotel visitor operations, employment, popular restaurant and public services, valued meeting spaces, and desirable residences are significant contributors to our residents, visitors, and local businesses.

The purpose of the proposed alteration is to expand the existing residential and for rent product and to make available the funds to complete a significant planned internal public space remodel projected to occur in 2025.

We look forward to this modification as a basis for further interior guest and resident service improvements and experiences.

## **Background**

The Limelight Ketchum was designed and fully entitled in April 2011. In 2014, the project was sold to the current owner and developer, Aspen Skiing Company, and construction commenced in Spring 2015.

In 2013, prior to the sale, the PUD/CUP was amended and updated. Following the sale, the Development Agreement was amended, and the Community Core Design Review was modified in April 2015. As the program revisions proposed by ASC were consistent with the PUD/CUP, the city determined the PUD/CUP did not need to be further revised. Construction began in Spring of 2015 and was completed and the Certificate of Occupancy issued in December, 2016. As set forth in the final Design Review approval, the project totaled 99 guest rooms and 14 for sale condominiums and totaling 141,547 square feet, of which 78.3% was platted as Hotel square footage.

A stipulation of the Development Agreement/PUD provided that 75% of the building square footage, at minimum, must be utilized as Hotel space (106,160 s.f.) Since inception in 2015, 110,811 square footage has been designated and used as Hotel space.

## **Submittal**

While maintaining designated hotel parameters, and continuing to conform with the Hotel Definition, Development Agreement, and PUD/CUP governing agreements, the project includes 4,650.75 square feet of excess Hotel square footage.

Two areas of the 4<sup>th</sup> floor (“Main Street” block and “1<sup>st</sup> Street” block) are platted and recorded as Hotel and are comprised of guest rooms totaling 4,573 square feet. The Main Street block included 5 guest rooms totaling 1,939 square feet. The 1<sup>st</sup> Street block included 6 guest rooms totaling 2,633 square feet.

This submittal requests the conversion of this excess Hotel square footage to residential use, specifically the Main Street block and the 1<sup>st</sup> Street block. After this conversion the Residential square footage will be 35,309 s.f. and still less than the 25% maximum allowed. (Please see the area calculation detail and the floor plate indicating the two 4<sup>th</sup> floor color blocked areas).

## **Project Design**

### **Interior:**

The floor plates of the 4<sup>th</sup> floor Main Street block and 1<sup>st</sup> Street block areas mirror existing 5<sup>th</sup> floor condominium units; the interior floor plans for the 4<sup>th</sup> floor units will be substantially similar to those upper units.

### **Exterior:**

There will not be any change to the exterior treatments of materials, windows, penetrations or colors. We have included exhibits showing the existing Main Street elevation and the 1<sup>st</sup> Street elevation for reference. (Please see drawing pages attached)

## **Code Compliance**

The governing authority, including the Development Agreement, the PUD/CUP, and the relevant Code sections have been excerpted and included within the relevant Proposed document Amendments and Forms. (Please see Amendment Application Forms and Exhibits attached)

## **Parking**

The parking code provides for .75 parking space per hotel guest room and 1.5 parking spaces per residential unit. 8 spaces exist already to accommodate the 11 guestrooms. Residential use would require only 3 spaces. Thus the project now includes an excess parking count of 5 spaces.(Please see the updated Parking calculation attached).

## **Plat Amendment**

The Final Plat was completed in 2015. A Plat Amendment will be required to re-organize the 2 Hotel guestroom blocks into 2 condominiums and to transfer the two blocks from the “H”, or Hotel designation, to “R” or Residential designation. (Please see preliminary Lot Line Adjustment Form Application attached).

## Housing Mitigation

City code section 17.124.040 calculates an applicable in lieu fee based on “new non-hotel floor area” as follows:

- New Non-Hotel Floor Area: 4,573 square feet
- 20% of New Non-Non-Hotel Floor Area: 915 square feet
- Net Livable (15% Reduction) 777 square feet
- Community Housing In-Lieu Fee (\$600 per s.f.): 777s.f. x \$600 = \$466,200

Section 17.08 specifies the definition of “Hotel” and the Applicant stipulates that both prior to and following the application of this proposed use modification, the LLK continues to fully comply with the Hotel definition with no change to the approved FAR or total square footage.

Pursuant to *Title 17.124.040B2g*, “Options for fulfillment of the community housing incentive include, but are not limited to:

- 1) *Land conveyance to the City;*
- 2) **Existing housing unit buy down or mortgage buy down; or**
- 3) **Other proposals and options as approved by the City Council.”** (Emphasis added)

Additionally, *Title 17.124.050B4* provides: “Alternate means for Housing. The City Council may consider a request by the hotel developer to satisfy any required employee or community housing square footage by alternate means. **Off-site mitigation**, payment of in lieu fees, land in lieu of units, voluntary real estate transfer fees or other considerations may be proposed by the hotel developer.” (Emphasis added).

The LLK has subsidized employee rents for over 7 years. The average rental subsidy is between \$50,000 and \$60,000 per year and totals \$350,000 to date. This practice is integral to the LLK operations and there is no foreseen reason why this employee housing subsidy would be discontinued.

Council has encouraged and continues to encourage such subsidies as an offset to either construction of actual for-rent units or payment of in lieu fees. The Applicant submits that these employee rent subsidies qualify as an appropriate alternative housing contribution offset to the in-lieu fee payment.