



PLANNING COMMISSION STAFF MEMORANDUM

DATE: January 8, 2025
TO: Chairman Shockey and Planning Commissioners
FROM: Josh Olhava, AICP, Contract Staff - Planning Department
SUBJECT: **QUASI JUDICIAL (PUBLIC HEARING)** – Resolution 03-2025 - Consideration of Four Zoning Regulation Variances to the Leatherwood Development Site located on Lots 4-6, Block 5 Grand Lake Subdivision and Lots 9-14, Leatherwood Inn by the Lake Subdivision, More Commonly Referred to as 1016 Grand Avenue and 1001, 1005, and 1007 Lake Avenue.

Town of Grand Lake Planning Commission Public Hearing Process

Public hearings are typically conducted as follows:

1. The Chair opens the Public Hearing
2. Staff present the request and staff's analysis
3. The applicant addresses the Commission
4. The Chair invites public comment
5. The Commission discusses the request and asks questions of staff and the applicant
6. The Chair closes the Public Hearing
7. The Commission makes a motion and votes on their recommendation to the Town Board of Trustees

Overview

- **Property Owner and Applicant:** Spirit Lake Condos, LLC
- **Applicant's Representative:** Jim Kreutzer
- **Consultant:** Gabe Bellow, MA Studios
- **Project Location:** 1016 Grand Avenue and 1001, 1005, and 1007 Lake Avenue





- **Project Zoning:** Commercial Zone District (C)
- **Attachments:**
 - Variance Request Packet
 - Application, Request and Explanation of Hardship, Statement of Authority
 - General Leatherwood Project Narrative (context)
 - Preliminary Project Drawings (supporting documentation)
 - Preliminary Alley Grading Exhibit (supporting documentation)

The applicant is preparing to redevelop the project site (variance request parcels and alleyway) for a new multistory mixed-use development known as the Leatherwood project. The project area encompasses approximately 1.03 acres and is located in the community's core downtown area. The project will include ground-floor commercial tenant space, alley-loaded garages, and upper-floor residential units.

The applicant completed a preliminary concept review before the Town Board and Planning Commission in early 2024, followed by a Sketch Plan review by the Planning Commission in December 2024. Input and guidance from the Planning Commission informed the attached preliminary project drawings that help illustrate the design characteristics of the development proposal as part of the applicant's variance request justification. Following the variance process, the applicant will need to complete the formal Subdivision and Major Land Use Development Review processes as outlined in Chapter 12 of the Municipal Code.

The following list of variances is derived from the applicant's request form and reorganized based on the type of request and its relationship to other variance requests. Municipal Code citations and language applicable to the variance request are included under each variance.

- **Variance #1 (applicant request #5):** To classify the full Leatherwood project as Group III under the mixed-use open space land area requirements, resulting in a 35% minimum open space land area requirement.
 - *Mixed Use Development Regulations for the C District.*
 - *Sec. 12-2-26(A)3. Mixed-Use projects shall conform to the following schedule of (Private) Open Space Land Area Requirements:*

Group	Gross Square Footage of Floor Area Of Structure or Land Use Area	Land Use or Floor Area	Minimum Open Space Land Area Required
I.	75% - 99%	Commercial / Office	20%
	25% - 1%	Residential	
II.	50% - 75%	Commercial / Office	25%
	50% - 25%	Residential	
III.	25% - 50%	Commercial / Office	35%
	75% - 50%	Residential	
IV.	10% - 25%	Commercial / Office	45%
	90% - 75%	Residential	
V.	1% - 9%	Commercial / Office	50%
	99% - 91%	Residential	



- **Variance #2** (applicant request #1): To allow the use of off-site open space at 825 Lake Avenue to be counted towards the total on-site open space requirements of the proposed Leatherwood project.
 - *Mixed Use Development Regulations for the C District.*
 - *Sec. 12-2-26(A)4. In all applicable districts, the developer shall submit a proposal for the Open Space Land Area Required for Mixed-Use projects. The Open Space Land Area Requirement is to be provided on-site, in accordance with the Section 12-2-6 Definitions.*
- **Variance #3** (applicant request #3): To allow a residential condominium to remain on the main floor within the front 50 feet of an existing residential dwelling, commonly known as “The Lakehouse” along Lake Avenue.
 - *Commercial District – C. Uses Permit by Right.*
 - *Sec. 12-2-18(A)10. Residential units, herein defined as: Multi-family attached rental units, condominiums, townhouses, and condo/hotels with the following restrictions:*
 - (a) *The first story area measured from the frontages to fifty (50) feet into the lot shall be dedicated to commercial space.*
- **Variance #4** (applicant request #4): To allow a maximum height of up to 45 feet for Building 1 of the Leatherwood project (measured from the regraded alley’s low point), located at the corner of Lake Avenue and Garfield Street.
 - *Definitions and Commercial District – C. Maximum Height.*
 - *Sec. 12-2-6. **Height, Building** means the vertical distance measured from the original grade or finish grade whichever is more restrictive to the highest point of the roof surface, exclusive of chimneys, ventilators, pipes, spires or similar items. If the footprint of the structure has an elevation difference of five (5) feet or greater an additional five (5) feet may be added to the lower elevation. The height of a stepped or terraced building is the maximum height of any segment of the building.*
 - *Sec. 12-2-18 Maximum Height is 35’*

Staff Analysis

Public notices were completed following Municipal Code requirements for Variance applications. Notices included both the Planning Commission and Board of Trustees meeting details. The following staff analysis is broken down by each variance request. The requested variances have the potential when implemented with the overall development proposal to align with Comprehensive Plan Goals and Strategies related to preserving the character of the community through design, fostering quality development, supporting the local economy and availability of diverse housing units, and extension/use of existing community services and facilities.

- Variance #1 analysis – Open Space Group III versus Group IV request.
 - Based on the project location in the core downtown area, it seems reasonable to allow and encourage a reduced on-site open space requirement for the following considerations: 1) many of the existing downtown core properties were historically constructed with zero lot lines and minimal on-site open space due to the nature of



downtown areas. 2) the project is located adjacent and across the street to the downtown plaza on Grand Avenue and the lake boardwalk, open space, and beach along Lake Avenue. 3) the preliminary plans show an intentional publicly accessible open space connecting Grand Avenue to the lake with access to future commercial, office, and residential units creating a walkable and inviting environment.

- Variance #2 analysis – Off-site open space credit for 825 Lake Avenue.
 - This parcel is located approximately one and a half blocks west of the project site and could serve as a reasonable off-site open space area once improved by the applicant. This site would continue to establish pedestrian linkages for residents between neighborhoods further west and south with the trail that runs along Cairns Avenue into the downtown core area. This site could also provide meaningful open space to adjacent residences depending on the final design and amenities proposed.
- Variance #3 analysis – Continue the use of the ground floor residential unit along Lake Avenue within the front 50 feet of the building.
 - The property has historically served as a residential unit along Lake Avenue, and it seems reasonable to allow that use to continue as part of the overall redevelopment and improvements proposed by the applicant. The location along Lake Avenue during the colder seasons may limit the viability of additional commercial spaces beyond what exists and is being proposed with the preliminary Leatherwood program for the site.
- Variance #4 analysis – Maximum building height allowance of up to 45 feet for Building 1 along Lake Avenue.
 - The southern portion of the property along Lake Avenue includes a substantial grade change from those properties along Grand Avenue to the north. The code allows 5-feet of additional building height to accommodate Using the alleyway as the height measurement point for the sites along Lake Avenue seems reasonable for the property to blend in with the downtown core building massing along Grand Avenue and Garfield Avenue. The applicant has provided step-backs on the upper levels from Lake Avenue to reduce the impact of a four-story vertical structure along Lake Avenue and has incorporated architectural features such as roof pitches and dormers that match the design characteristics of the surrounding areas. The comparison with the Eagles Landing property to the west in the preliminary plans provides further comparison to existing structures along the lake and adjacent to the downtown core area. The unique topography and proximity provide unique circumstances worth considering for the variance request.

Planning Commission Discussion and Determination

The Planning Commission should discuss the request amongst themselves, with consideration of staff analysis, public comments, and the findings of fact from the code, in order to make a decision/recommendation.

Under Municipal Code Section 12-2-27(B)3., the following factors should be considered by the Planning Commission and Town Board of Trustees in determining whether to issue a variance:

- (a) The compatibility of the proposed action with the surrounding area; and
- (b) Whether the proposed action is in harmony with the character of the neighborhood; and



- (c) The need for the proposed action; and
- (d) The effect of the proposed action upon future development in the area; and
- (e) The shape, size, topography, slope, soils, vegetation, and other physical characteristics; and
- (f) Whether alternative designs are possible; and
- (g) With due consideration for the Town's Comprehensive Plan.

Sample Planning Commission Motions

Approval with or without conditions

I move to approve Planning Commission Resolution 03-2025, a resolution recommending approval of four zoning regulation variance requests for on-site open space land area requirements, off-site open space credit, allowance of a first-story residential unit, and an increase in the maximum building height for the Leatherwood development site located on Lots 4-6, Block 5 Grand Lake Subdivision, and Lots 9-14, Leatherwood Inn by the Lake Subdivision, more commonly referred to as 1016 Grand Avenue and 1001, 1005, and 1007 Lake Avenue.

... with the following conditions:

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fact) Denial (Using the evaluation factors of Sec. 12-2-27(B)3. of the Municipal Code for findings of

I move to approve Planning Commission Resolution 03-2025, a resolution recommending denial of four zoning regulation variance requests for on-site open space land area requirements, off-site open space credit, allowance of a first-story residential unit, and an increase in the maximum building height for the Leatherwood development site located on Lots 4-6, Block 5 Grand Lake Subdivision, and Lots 9-14, Leatherwood Inn by the Lake Subdivision, more commonly referred to as 1016 Grand Avenue and 1001, 1005, and 1007 Lake Avenue, based on the following findings of fact:

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