

BOARD OF TRUSTEES STAFF MEMORANDUM

DATE: October 13, 2025

TO: Mayor and Board of Trustees

FROM: Emily Weber, Contract Staff - Planning Department

SUBJECT: QUASI JUDICIAL (PUBLIC HEARING) – Resolution 36-2025 – Preliminary Development

Application for a 3-story mixed-use building located at 900 Grand Avenue. The proposal

consists of ground floor commercial and two residential units.

Overview

Property Owner and Applicant: 900 THOUSAND LLC

• Applicant Representatives: Kaylee and Will Wallesen

• Project Location: 900 Grand Avenue



- **Project Zoning:** Commercial Zone District (C)
- Attachments:
 - Letter from Applicant
 - Updated Preliminary Site Plan and Renderings

The applicant is proposing to redevelop the project site with a new multistory mixed-used development that includes a ground floor commercial space and two residential units on the second and third floors. The project lot is approximately 5,000 SF and is located in the community's core downtown area. The commercial space is intended to be a taphouse with an outdoor patio with gas fire pits and overhead heating elements.

Background



The Planning Commission reviewed the Preliminary Development Application and held a public hearing at its August 20, 2025 meeting. The Planning Commission recommended that the Town Board approve the Preliminary Development Application for 900 Grand Avenue, subject to the following conditions.

- 1. The applicant shall apply for a Conditional Use Permit for the proposed mix of residential and commercial uses on the site.
- The step back requirement shall apply to the façades facing Grand Avenue and Ellsworth Street.
- 3. The proposed primary exterior material shall not be metal.
- 4. The shed roof alternative along Ellsworth Street, as presented during the Planning Commission meeting on August 20, 2025, shall be incorporated into the final design.

At its meeting on August 25, 2025, the Board of Trustees reviewed the Preliminary Development Application and voted to continue the item to the September 8, 2025 meeting. During the discussion, the Board requested that the applicant provide additional materials demonstrating compliance with step back and material requirements. The Board also deliberated on whether the step back standard applies to both the Grand Avenue and Ellsworth Street façades and discussed the interpretation of the street wall. Overall, the Board expressed a preference for minimal use of metal materials and a reduction in overall building mass.

At the September 8, 2025 meeting, the Board reviewed the updated materials provided by the applicant. At that time, the Board voted to refer the application back to the Planning Commission for further review, specifically to evaluate its compatibility with the anticipated Central Business District (CBD) Overlay standards. The Board requested that the Planning Commission provide a recommendation that considers the historic context of the downtown area.

The following elements are currently under consideration but have not yet been approved by the Planning Commission or the Board of Trustees:

- Establishing specific design standards and requirements for the core downtown area that emphasize the historic character of Grand Lake, including the western rustic architectural style.
- Encouraging a reduction or elimination of open space requirements for mixed-use developments within the CBD Overlay zone.
- Requiring that the street wall be maintained in some capacity to preserve the traditional urban form within the CBD Overlay zone.

The CBD Overlay has not yet been adopted and therefore the application must be reviewed under the current code requirements.

The Planning Commission reviewed the updated materials at its October 8, 2025 meeting and discussed the application in the context of both the current code and the historic character of the downtown area. The Commission was divided on whether the application complies with Town Code Section 12-7-4(C), which defines the street wall and provides possible exemptions to the street wall as follows:

- 1. Street Wall is the public space adjacent to the sidewalk and/ or street as a result of buildings being constructed to or near the front and side property lines of a site. The goal of street walls in the Town is to continue the connected network of comfortable and inviting pedestrian paths that form the transition between the street and adjacent buildings.
 - a. Creating a strong edge by defining the sidewalk and street, the proposed development



minimizes small voids in the street wall, and where voids do exist, they are of such a scale as to create a better, more useful pedestrian space or walkway near the front and/or side lot lines of a site.

i. Although commercial projects should generally be built to the property lines at the sides and along the street frontage, it is possible on Grand Avenue to also soften this edge by the creative uses of intermittent pocket parks, landscaped seating areas, terraces for pedestrian use, open spaces and other safe areas for pedestrian comfort and visual interest, and functional pedestrian walkways which form the transition between the street and adjacent buildings. It is also appropriate to open up the street wall for a portion of the frontage to create areas of public open space, identify entrances, and make better pedestrian connections.

During the meeting on October 8, 2025, a motion was made to recommend approval to the Board of Trustees; however, the vote resulted in a tie. As a result, the motion failed, and no formal recommendation from the Planning Commission was provided.

Staff Analysis

Staff's analysis is based on the updated plans submitted on August 29, 2025. These materials were provided to assist in evaluating compliance with step back and massing requirements and do not include engineered plans. A complete set of plans will be required at time of Final Development Application submittal per Town Code Section 12-9-2 (E).

The following analysis references the applicable standards outlined in Town Code Section 12-2-18 – Regulations for Commercial District, Section 12-2-26 – Regulations for Mixed Use Developments, Section 12-2-28 – Parking Regulations and Design Standards, and Section 12-7-4 – Design Standards for Structures.

<u>Town Code Section 12-2-18 – Regulations for Commercial District</u>

The proposal meets all setback and height requirements, and the proposed commercial and residential units are uses permitted by right in the Commercial District. However, mixed-use developments in the Commercial District with greater than 50% of the total square footage of the building being used for residential purposes shall obtain a conditional use permit. The applicant is proposing 3,980 SF of commercial space (including the taphouse and outdoor patio) and 4,079 SF of residential space, requiring a conditional use permit. The applicant intends to apply for a conditional use permit at time of Final Development Application.

Town Code Section 12-2-26 – Regulations for Mixed Use Developments

Multiple family dwellings may be constructed above commercial uses provided that they meet all requirements outlined in section 12-2-26. This includes that trash and service areas shall be screened from view from the dwelling units. The trash enclosure is proposed to be constructed with wood, meeting the screening requirements.

The minimum open space land area required is 35% of the site, or 1,750 square feet of space. The applicant is meeting this requirement with the proposed 1,775 square foot patio in front of the building.

Town Code Section 12-2-28 – Parking Regulations and Design Standards



The proposed 3-bedroom residential unit requires 2 parking spaces, and the proposed 2-bedroom residential unit requires 1.5 parking spaces for a total of 4 parking spaces. The proposal includes 4 parking spaces on-site, meeting the residential parking requirements. The commercial unit requires 9 parking spaces, however, these spaces may be provided in the public right-of-way adjacent to the site. There are 9 regular parking spaces and 1 accessible parking space directly adjacent to the site, meeting the commercial parking requirements.

The applicant is required to provide snow storage for the site, which may be located within on-site parking spaces. The application is meeting the snow storage requirements.

Town Code Section 12-7-4 – Design Standards for structures

The updated submittals include the following design elements.

- The proposed structure utilizes cedar lap siding as the primary exterior material, with accent elements in rustable standing seam metal and stone. All materials are presented in natural, muted tones consistent with the code's requirements.
- A 12-foot step back has been incorporated into the third story on both street-facing façades, in accordance with the code.
- While the proposed building does not fully maintain the street wall along Grand Avenue, it includes an outdoor seating area for pedestrian use at the front of the building. This feature contributes to the open space requirement for mixed-use developments. Town Code Section 12-7-4(C)(1)(a)(1) allows for flexibility in the street wall design, stating:
 - "Although commercial projects should generally be built to the property lines at the sides and along the street frontage, it is possible on Grand Avenue to also soften this edge by the creative uses of intermittent pocket parks, landscaped seating areas, terraces for pedestrian use, open spaces and other safe areas for pedestrian comfort and visual interest, and functional pedestrian walkways which form the transition between the street and adjacent buildings. It is also appropriate to open up the street wall for a portion of the frontage to create areas of public open space, identify entrances, and make better pedestrian connections."
- The building design incorporates additive and subtractive architectural elements to reduce visual bulk. Features such as additional gable forms and varied materials contribute to visual interest and break up the massing.
- A covered boardwalk is proposed along the Ellsworth Street façade to enhance the pedestrian experience and reinforce the downtown character.

Planning Commission Recommendation

The Planning Commission held a public hearing on the Preliminary Development Application during its regularly scheduled meeting on October 8, 2025. Following presentations by staff, the applicant, public comments, and Planning Commission discussions, a motion was made to approve the Preliminary Development Application. The vote resulted in a tie (3–3), and as a result, the motion failed. No formal recommendation was forwarded to the Board of Trustees.

Board of Trustees Consideration

Board members are encouraged to evaluate the Preliminary Development Application, taking into account staff analysis, the applicant's presentation, public comments during the public hearing, the recommendations of the Planning Commission, and the findings of fact from the code in making their determination



Sample Motions

Approval with or without conditions

I move to approve Resolution 36-2025, a resolution approving a Preliminary Development Application for a 3-story mixed-use building located at 900 Grand Avenue.

... with the following conditions:

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<u>Denial</u> (Using the evaluation factors of the Municipal Code for findings of fact)

I move to approve Resolution 36-2025, a resolution denying a Preliminary Development Application for a 3-story mixed-use building located at 900 Grand Avenue, based on the following findings of fact:

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