

DURANGO MOUNTAIN RESORT

DEVELOPMENT AGREEMENT/LAND USE REGULATIONS – NINTH AMENDMENT

PL20240230 (GRAYROCK VILLAGE) PROJECT NARRATIVE

Location/Description: The Durango Mountain Resort (DMR) Development agreement (DA) and Land Use Regulations (LUR) govern the land uses and development standards for the 455+/- acres that are entitled for 1504 residential development units and 410,000 GSF of commercial spaces in the DMR Master Plan adjoining Purgatory Resort in Durango, CO.

Governing Documents: The DMR DA, LUR and Master Plan, as amended (Reception #836596, #864254, #865969, #1036578, #1036579, #1112485, #900903, #917956, #1158298, #1209030 and #1236467), are the governing documents that control development within the DMR planned resort community.

Proposed Revisions: This proposed amendment is the ninth (9th) amendment to the DMR DA/LUR. It proposes the following modifications:

1. Table 4.1 – Project Wide Village and Maximum Conceptual Densities of the DMR Land Use Regulations (Grayrock Village) is hereby amended to modify the language to read:

• Residential Dwelling Units:	Single Family Dwellings	62
	Townhomes	38

See attached Exhibit A (attached) for the table.
2. Section 4.10.2 Grayrock Village – Single Family Lot and Townhome Standards is hereby amended to add the following two bullets:
 - Maximum residential structure footprint (for residences east of the Aquaduct Pipeline Easement) = 2000 sf
 - Minimum front setback from edge of paved roadway (for all residences) = 20 feet
3. Section 6.0 Definitions is hereby amended to add the following definition:

BUILDING FOOTPRINT: The outline created by the exterior walls of a building, measured from the outside of all exterior walls and supporting columns. It includes residences and associated attached garages, and covered carports, but not detached accessory or temporary structures, trellises, patios, and areas of porch, deck, and balcony less than 30 inches from finished grade.
4. Exhibit B – Master Plan: Revised to reflect the above land use modification as well as to add a note (as requested by LPC Staff) that all building envelopes/building footprints shown on the Master Plan are for illustrative purposes only.

The above changes are the only changes being proposed to the DMR DA/LUR at this time.

Consistency with DMR LUR Section 3 - Goals and Objectives:

This Amendment is consistent with and furthers the applicable goals and objectives outlined in Section 3 of the DMR DA/LUR as follows:

Goal One:

To preserve scenic view corridors. Objectives:

A. To consider the visual impacts of development from all perspectives and promote and maintain the preservation of important view corridors.

The proposed amendment and associated village conceptual plan and sketch plan applications demonstrate that the revised land uses are clustered to disturb less total development area of the Grayrock Village site than what was included on the original Master Plan and total open space is increased (from 19.4 acres in the original master plan to 21.4 acres in the proposed master plan). In addition, the proposed amendment preserves the significant existing vegetation along the Highway 550 scenic highway corridor as open space and wetland buffer area.

B. Encourage clustered development and avoid development in open meadows, ridge tops, or other areas where it will interrupt the natural tree line or obscure major topographical features.

The proposed amendment features development that is clustered away from the scenic highway and immediately adjacent to the Xcel Aquaduct pipeline easement (which is the area of the site that is already disturbed by utility construction. The proposed development does not disturb existing open meadows, ridge tops or other visually sensitive areas.

Although the proposed amendment increases the number of single-family residences from 17 to 62 and reduces the number of townhomes from 83 to 38, the proposed amendment maintains significant clustering by introducing a smaller cabin-style lot on the eastern parcel with building footprints that are capped at 2000 sf and integrated along-side the townhomes so that the total development area disturbance is less than what was approved in the original master plan (i.e. total open space is increased). These smaller building envelopes also introduce more product diversity into the second-home product mix at the resort.

Goal Two:

To preserve the natural environment while promoting a responsible, high quality community development plan.

Objectives:

A. To promote mixed-use development in Villages, which optimize open space and provide for efficient use of the land area and urban services.

B. To protect the existing natural features within development areas.

C. To preserve existing landscape features, trees, and other vegetation where possible and replace vegetation when necessary to provide buffers and screening for development.

D. To create harmonious architecture, landscaping and other design elements.

E. To manage development activity within the constraints of existing natural land features and other natural elements.

F. To protect against adverse impacts on the wildlife in the area and protect important wildlife habitat within the boundaries of the Property.

The proposed amendment maintains the mix of land uses in the original approved Master Plan (single-family and townhome residential development) and improves residential product diversity by introducing a smaller cabin-style single-family lot/residence land use on the parcel east of the Aquaduct Pipeline that is designed to provide a residential product that meets a demand that is not currently being met at the resort. Please note that commercial and other resort-oriented uses are provided in other DMR villages and have never been part of the Grayrock Village land uses.

The proposed amendment clusters development in a very efficient manner in the area of the site that is closest to the already disturbed Aquaduct Pipeline easement and protects the significant existing vegetation that serves as a significant buffer between the proposed development and the scenic highway corridor.

The proposed amendment preserves more open space than the original approved Master Plan (21.4 acres vs. the prior 19.4 acres) and this open space provides three consolidated natural wildlife corridors/habitats including: 1) the large vegetative buffer area along the highway, 2) the Aquaduct Pipeline easement (i.e. main north/south wildlife and human circulation corridor) that exists in the center of the site, and 3) the heavily vegetated hillside area along the western frontage of the site.

The architecture, landscape and other design elements of the proposed neighborhoods will all be designed to be harmonious with the surroundings in compliance with, and as required by, the DMMA Design Guidelines and its development standards, which apply throughout the DMR community.

Goal Three:

To create a resort community with a variety of housing options, a full range of commercial services, community facilities that will meet resident needs, and a wide variety of year-round recreation activities for all owners and guests within the Property.

Objectives:

A. To provide housing options within the Property ranging from hotels and multi-family dwelling units to single-family dwelling units to meet the needs and desires of a wide variety of resort guests, purchasers, and owners.

D. To provide and preserve open space areas that enhance the environmental, aesthetic and recreational characteristics of the Property.

It is important to acknowledge that the overall goal of DMR's DA/LUR and Master Plan is to provide resort/second home residential in support of the resort's tourism and recreational-based business. The DMR area does not have any schools, grocery stores or other primary housing support services. Instead, DMR contributes to the needs of the greater Durango/La Plata County community via its extremely positive economic impact, its significant employment base, the significant recreational offerings it provides to local residents, its workforce housing fee-in-lieu program, its impact fees that support other community services and its many other charitable initiatives.

As previously mentioned, the proposed amendment introduces a new housing option that is currently unavailable near the resort - a small single-family cabin-style lot/home that provides a more attainable price-point resort/second home residential option than the other larger single-family offerings that currently exist near the resort. While the number of townhomes is reduced from the original proposal, there are ample townhomes in the nearby Tacoma and Purgatory Villages, and the proposed amendment increases the

diversity of housing by filling a gap and meeting the needs of resort guests and purchasers who prefer detached residences over townhomes or condominiums but have a lower price budget.

The proposed amendment preserves more open space than the original approved Master Plan (21.4 acres vs. the prior 19.4 acres) and this open space enhances the environmental, aesthetic and recreational characteristics of Grayrock Village and the rest of the DMR community.

Goal Four:

To address the housing needs of employees who work within the boundaries of the Property.

Objectives:

B. To provide a diversity of employee housing types ranging from single-family residences and caretaker units to a variety of multi-family dwelling units. And

D. To promote a diversity of housing in terms of type and price.

The proposed amendment diversifies the housing type in Grayrock Village and at DMR by offering more traditional single-family lots west of the Aquaduct Pipeline easement and a combination of townhomes and smaller cabin-style single-family residences east of the Aquaduct Pipeline easement. The cabin-style detached residences will be similar in square footage to the townhome units and will not be disproportionately more expensive than the townhome units on a square footage basis (since the building sizes, finishes and lot sizes will be similar).

It should be noted that none of the proposed units in Grayrock Village are intended to provide on-site employee housing as workforce housing is provided via the DMR workforce housing fee-in-lieu program that has been successful in providing workforce housing for over 16 resort employees to date (in locations where they prefer to live). All single-family and townhome units in Grayrock Village will pay the DMR fee-in-lieu amount which will generate almost \$370,000 of fee-in-lieu second mortgage funds that for an incremental 6-12 resort employees to purchase homes. Also, based on recent surveys of employees conducted by Purgatory Resort, the majority of respondents would prefer to live within Durango city limits or just outside Durango as their primary choice for housing.

Grayrock Village is not a suitable location for caretaker units (the primary form of on-site workforce housing) as the lot and building envelope sizes are not large enough to accommodate caretaker units. Caretaker unit deed restrictions are currently provided in Engineer Village where the homesites are larger and can accommodate caretaker units.

It should also be noted that a large amount of the single-family housing in the DMR Master Plan will likely not be realized as both the Boyce Lake and North Tacoma Villages will likely never be developed. This makes Grayrock Village one of the last areas for potential residential development at DMR. Completion of this project is critical to the bed-base and economic viability of the resort.

Exhibit A
Proposed Amendment (Clean)

Table 4.1 – Project Wide and Village Maximum Conceptual Densities

Village	Land Uses	Residential DU	Commercial GSF
Purgatory Village	Single Family dwellings Townhomes Condominiums/Hotel/Lodge Commercial Cabins Recreational Vehicle Parking Maintenance, Service, Utility	52 DU 102DU 599DU = 753DU	170,000 GSF 170,000 GSF
Maximum Conceptual Density			
Base Camp Village	Resort Condominiums/Hotel Townhomes Commercial Lodge Cabins Maintenance/Service/Utility	201 DU = 201 DU	180,000 GSF 180,000 GSF
Maximum Conceptual Density			
Tacoma Village	Single family dwellings Townhomes Commercial Maintenance/Service/Utility	128 DU 171 DU =299 DU	60,000 GSF 60,000 GSF
Maximum Conceptual Density			
Engineer Village	Single family dwellings	125 DU =125 DU	 0 GSF
Maximum Conceptual Density			
Grayrock Village	Single family dwellings Townhomes	62 DU 38 DU 100 DU	 0 GSF
Maximum Conceptual Density			
Boyce Lake Estates	Single family dwellings Equestrian Facility	26 DU =26 DU	 0 GSF
Maximum Conceptual Density			
Project Total		1,504 DU	410,000 GSF