



# RELEASE MEMO

**DATE:** March 5, 2016

**FROM:** Planning Staff

**TO:** Town Council, Planning Commission, and Public

**SUBJECT:** Revised Adoption Draft for Character District 2: Downtown LDRs

**ATTACHED:** Revised District 2 LDRs, Zoning Map, and Lodging Overlay.

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The revised draft of the District 2: Commercial Core Land Development Regulations (LDRs) is now available for public review. This draft reflects the direction from both the Town Council provided on June 30, 2015 (the last hearing on the District 2 LDRs) and from the Town Council and Teton County Board of Commissioners Joint Information Meeting (JIM) on January 10, 2016. The text in redline are changes that were made to the original draft release in November, 2014.

The released materials include the following:

- Revised draft of the District 2: Commercial Core (Downtown) LDRs
- Revised zoning map of District 2
- Revised Lodging Overlay map

## SUMMARY OF KEY CHANGES TO DRAFT DISTRICT 2 LDRs

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**1. Nonresidential Potential: Nonresidential development potential (floor area) in District 2 has been kept to “zero” – i.e., the proposed LDRs add approximately 55,000 sf of additional nonresidential floor area in District 2, which is a 0.65% increase in nonresidential development potential in the Town as a whole.**

At the January 12, 2016 JIM, the Town Council and County Commissioners directed staff that no additional nonresidential potential, except for institutional uses, should be added to the community compared to existing zoning. The Joint Board did allow some flexibility for minor increases to fix existing broken zones and standards (e.g., simplifying the existing AC zone from seven different FARs to two

FARs). Also, from staff’s perspective, “zero” additional nonresidential potential represents not a single number but a range of +/- zero because the buildout estimate of “zero” is itself based on numerous complex assumptions that contain significant margins of error.

On a practical level, revising the draft District 2 LDRs to “zero” was accomplished by modifying the zoning map boundaries and the FARs of the five proposed Downtown zones. In addition, consistent with Council direction, staff ensured that no properties lost development potential (i.e., were downzoned) in the process.

Also, please note that staff has reorganized and changed the names of the five Downtown zones to be more accurate and hierarchical (see chart below for reference). Both old/new names will be used in this memo for convenience.

PREVIOUS D2 ZONE NAMES		PROPOSED D2 ZONE NAMES
TN-1 Downtown Core	→	Downtown Core
TN-2 Office Mixed Use	→	Office-Residential
TN-3 South Cache	→	Commercial-Residential 1
TN-4 Downtown Mixed Use	→	Commercial-Residential 2
TN-5 Urban Residential	→	Residential Core

**FAR and map changes:** Most significantly, staff modified the previous District 2 draft LDRs and map to ensure that the proposed D2 zones and FARs more closely matched the location and FARs of existing zones. In simple terms, this means that every existing Downtown zone will be replaced with a very similar proposed D2 zone. See the table below for how existing zones would be replaced by the proposed new D2 zones.

DISTRICT 2 ZONE/FAR CONVERSION TABLE		
Current Zone		Proposed D2 Zone
UC (1.3 FAR)	→	TN-1/Downtown Core (1.3 FAR)
UC-2 / OP-2 (.65 .80 (LO) FAR)	→	TN-3/Commercial-Residential 1 (.65 .80 (LO) FAR)
AC (.25, .40, .46, .80( LO) FAR)	→	TN-4/Commercial-Residential 2 (.46 .80 (LO) FAR)
OP / RB (.32 .40, .46 FAR)	→	TN-2/Office-Residential (.46 FAR)
UR-PUD (.65 FAR)	→	TN-5/Residential Core (.65 FAR)

The above conversion table does not show the changes made to the zoning map and FARs of the most recent version of the District 2 LDRs from June, 2015 — given that Council’s priority is to not add nonresidential potential compared to existing zoning, staff is only showing the changes from existing zoning. Staff can provide more detail on the changes from the most recent draft if desired.

**2. Lodging Overlay: The boundary of the Lodging Overlay (LO) was changed back to match the existing LO boundary (with the one exception that the LO was removed from the Town Square Zone as previously decided by the Council).**

To ensure that no additional lodging potential was added (or lost) in the revised District 2 LDRs, the easiest and fairest strategy was to return the LO to its existing boundary. The Council may consider additions or deletions to the LO from this starting point.

**3. Workforce Housing Incentives: Staff is still working with a housing consultant, Navigate LLC, to develop a draft “workforce housing incentive” methodology that can be used in each District 2 zone, as well as every other zone in the Town. Staff hopes to have a draft methodology ready to present for the March 23, Planning Commission hearing.**

At the January 12 JIM, the Town Council directed staff to create incentives to encourage the development of workforce housing to help meet our goal of housing 65% of our workforce locally. The intent will be to create incentives that will encourage the market to provide deed-restricted housing. The likely result will be a formula where a landowner would be allowed an additional increment of market housing for a defined increment of deed-restricted housing, of which there may be multiple types. Different zones would have different ratios to reflect different market dynamics.

The total number of additional units allowed through the workforce incentives would be limited to the total number of units made available for transfer by adoption of the County’s recent amendment to the Rural LDRs (i.e., a “pool” of units). To accomplish this goal, the Council has conceptually approved an approach where staff can provide incentives that could theoretically allow more than the pool of units but the actual number of units would be tracked annually and when all of the units in the pool are built, the incentives would be deleted from the LDRs by a future Council. This approach would ensure that incentives can be designed to meet and adjust to market conditions but still not exceed our residential buildout goal.

In addition, as to the number of the workforce housing units allowed on any particular lot, staff will likely propose that this be limited by the dimensional standards of each zone, not by FAR. Therefore, staff has proposed to eliminate the “base” and “bonus” FAR system (i.e., the “2-Tier FAR”) contained in the previous D2 LDR draft. Instead, the proposal is that incentive units can be located in whatever floor area is left over after the FAR has been used up – i.e., if the maximum FAR has been reached but there is still 1,000 sf of floor area possible after all the standards for height, setbacks, LSR, parking, etc. are applied, then the workforce housing incentives can be used. This means that the workforce housing incentive will not be allowed to break the community’s desired building form but will still allow opportunities for additional housing where development conditions allow.

## **Proposed Adoption Schedule for District 2 LDRs**

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- March 5: Release adoption draft
  - March 23/24 - Planning Commission special hearings on District 2 LDRs
  - April 25 – 29: Town Council special hearings on District 2 LDRs
  - June 6: First ordinance reading on District 2 LDRs
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