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Thunderhead Lodge Redevelopment. — Photo courtesy of The Atira Group www.steamboatredev.com

City Council votes to give ski area base a makeover.

$12.5M URA bond, Thunderhead to transform properties

Steamboat Springs — Say goodbye to the base area as you know it.

In a duo of affirmative votes Tuesday, the Steamboat Springs City Council gave life to base area plans that include an all-seasons promenade around the immediate ski base, a free-flowing Burgess Creek through the area in the summer and a 390,000-square-foot, five-star redevelopment of the site formerly home to Thunderhead Lodge.

Development plans for Thunderhead passed in a 5-1 vote. Approval of the project previously stalled in a 3-3 council vote in February. Developers The Atira Group subsequently amended their application to include a $235,000 donation to the city for affordable housing, which was on top of a $2.6 million affordable housing payment required by code. Council members Meg Bentley, Scott Myller, Cari Hermacinski, Loui Antonucci and Walter Magill voted in favor of the project. Councilman Steve Ivancie voted against it.

Thunderhead's gross square footage includes 100 residential units totaling about 230,000 square feet and about 13,000 square feet of commercial space in two buildings more than 100 feet tall. It could bring a new luxury standard to the base of Steamboat Ski Area because Atira has said it plans to build Thunderhead to a five-star standard and the The Ritz-Carlton has signed a letter of intent to operate the finished project.

The project will seek a silver Leadership in Energy and Environmental Design certification from the U.S. Green Building Council and will donate an 1,100-square-foot space to Yampa Valley Medical Center to relocate its injured skier transport center to a permanent location. Atira Vice President of Development Mark Mathews said these and other public benefits make up for the project's requested variances, including the height of the buildings, which are about 30 feet higher than code.

Ivancie said he thinks the project is one story too high.

"I have not been convinced it's needed," he said.

Others, however, noted that city plans encourage dense projects in the area and that the city's planning staff is in the process of revising its base area design standards with an increased height limit.

"This is what you do to create that vibrancy," Hermacinski said about Thunderhead's height, "and it can be quite beautiful."

Attorney Paul Sachs, representing homeowners in the neighboring Kutuk Condominiums, said Atira's additional affordable housing contribution was a "completely inadequate response" to concerns about height, commercial space and Atira's plans to build a private turnaround in the public right of way.

"Instead of addressing your concerns, they've given you $235,000 to proceed in exactly the same manner," Sachs said.

Attorney Ron Smith, representing the homeowners in the Bronze Tree Condominiums, said the contribution was a pittance compared to the project's total sales value, which he estimated at $290 million.

Although he voted in favor of the project, Magill said he remains disappointed in the low level of commercial space in Thunderhead. Hermacinski said she hopes to see some form of nightlife in Ski Time Square, Atira's other planned base-area redevelopment project. Mathews said the level of commercial space proposed was based on retail studies of the area.

"Our goal is to have busy shops and restaurants … rather than having vacant storefronts and empty retail space," he said.

Council supports URA

The promenade and daylighting of Burgess Creek through the base area are projects of the Steamboat Urban renewal authority, which collects tax increments within its base area boundaries to fund public improvement projects in the area.

The URA is on track to run out of money this year, but council voted, 7-0, on Tuesday to support a recommendation by the URA's advisory committee to issue a $12.5 million bond this year and keep the momentum of projects alive.

In the face of a sour economy, the city has erred on the side of caution in its recent financial decisions. But investment at the base of Steamboat Ski Area has been deemed so important to the community's long-term economic vitality that council members unanimously were willing to issue the debt that interim Finance Director Bob Litzau said he would recommend delaying for a year "if I looked at it only on a strictly fiscal basis."

The bond measure will at last bring the promenade, the URA's flagship project, to fruition. The project has been sidelined in favor of smaller ones since the URA was created in 2005, as numerous designs and lengths of the promenade were debated among Urban Redevelopment Area Advisory Committee, city officials and adjacent property owners.

A key vote by Torian Plum home and business owners earlier this year produced at long last an agreed-upon alignment and grade for the broad walkway that will connect One Steamboat Place and Gondola Square with the north side of the ski base that includes Torian and, eventually, Thunderhead. The only thing missing was money.

If the bond is successfully issued this year, Redevelopment Coordinator Joe Kracum said the promenade, with a snowmelt system, will be built in advance of the 2011-12 ski season. Burgess Creek will be flowing above ground through the area by the spring of 2012, Kracum said.

Realization of Thunderhead will probably come later. Developers The Atira Group requested a two-year extension of the city's three-year vesting period for development approvals.

"We want to be ready with an approved project when the economy turns around," Mathews said.

Council did not grant Atira's request to be allowed five years before it has to pull a building permit for Thunderhead, but it did give the city's planning director the authority to administratively approve a maximum of two, two-year extensions of the vesting period.

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