

Town of Rico Memorandum

Date: September 4, 2025

To: Town of Rico Planning Commission and Board of Trustees  
From: Chauncey McCarthy, Rico Town Manager  
Subject: September Planning Commission Meeting

**Short term rental regulations (Pg. 3-8)**

Staff has provided two memos for the Planning Commission's review. The first memo evaluates the Town's existing quadrant system for short-term rental (STR) license allocation and presents a proposed alternative configuration intended to bring each quadrant closer to an equal share of developed residential lots. The second memo summarizes the joint Board of Trustees and Planning Commission discussion held on August 13, 2025, regarding STR regulations, including housing unit definitions, percentage caps, quadrant boundaries, and other policy considerations.

During that meeting, the concept of requiring a three-year waiting period before newly purchased or newly constructed homes may be eligible for STR licensing was also raised. While this concept is not presented in a separate memo, the Planning Commission may wish to discuss it further in conjunction with the materials provided.

The Planning Commission is asked to review both memos, discuss the concepts presented, and provide direction to staff regarding potential next steps.

# PLANNING COMMISSION MEETING MINUTES

Date: August 13, 2025

## **Call to order**

Todd Gillman called the meeting to order at 6:03PM.

## **Present:**

Skip Zeller  
Todd Gillman

## **Absent:**

Chairman Mike Contillo  
Kiplynn Smith  
Andrew Romanyszyn

**Staff Present.** Chauncey McCarthy, Jen Stark, Anna Wolf (Zoom)

There was not a Planning Commission quorum. No action was taken.

## **Discussion Items:**

Short-Term Rental ordinance review

Town Manager Chauncey McCarthy gives introduction.

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Anna Wolf  
Rico Town Clerk

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Michael Contillo  
Chairman

Date: September 3, 2025

TO: Town of Rico Planning Commission  
FROM: Chauncey McCarthy, Rico Town Manager  
SUBJECT: Reconfiguration of quadrant boundaries

## **Background**

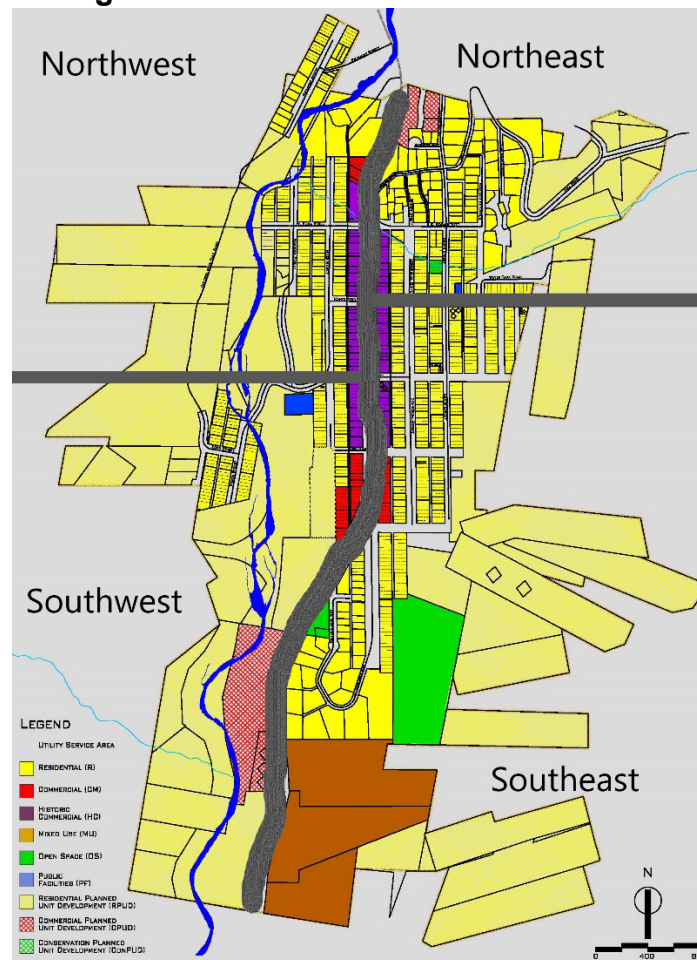
At last month's joint meeting of the Board of Trustees and Planning Commission, the Board requested that staff and the Commission evaluate the Town's existing quadrant system in relation to the number of currently developed residential lots in each quadrant. The purpose of this review is to determine whether shifting quadrant boundaries could better align the distribution of lots and short-term rental (STR) licenses.

The original quadrant system was established with the intent to remain in place in perpetuity. Boundaries were drawn with the expectation that, at full build-out of the Town, each quadrant would contain an approximately equal number of developed residential lots. However, the length of time before full build-out is achieved, combined with the uncertainty of what that build-out could ultimately look like, has prompted the request for a deeper review at this time.

## **Methodology**

Staff reviewed data provided by the Dolores County GIS office to establish the number of developed residential lots on each street within Town. This analysis identified a total of 203 developed residential lots located in the residential zoning districts. The intent of this review was to determine whether redistricting the quadrants could bring the number of lots in each as close as possible to 50, which would represent an equal distribution. This analysis did not take into consideration bedroom counts or accessory dwelling units (ADUs). Under Section 454.3 of the Town's Short-Term Rental Regulations, the total number of STR licenses is limited to 7% of the Town's total housing units as determined by the State Demography Office, and each quadrant is intended to contain an approximately equal number of housing units. STR licenses are issued per dwelling unit, not per bedroom, and in the case of multi-family buildings or properties with an ADU, no more than one unit may be licensed per property. In addition, lots in other zone districts are not counted toward the STR license cap. As such, this review focuses exclusively on residential zoning district, since impacts from STRs are most directly experienced within neighborhoods rather than the other districts.

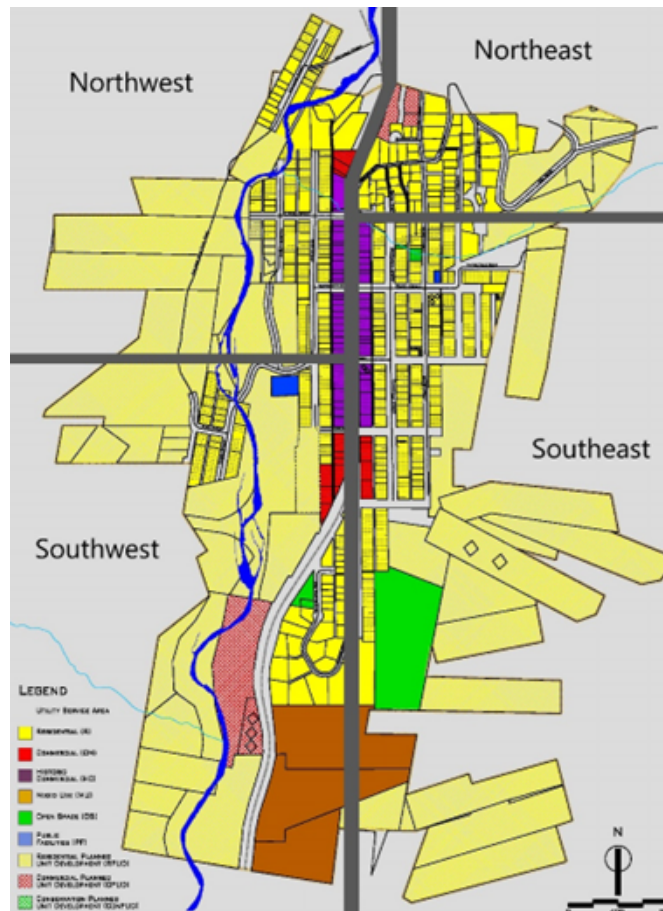
## Current Quadrant Configuration



- **Northwest (47 developed residential lots)**
  - *Boundary:* North of W. Campbell Street and west of S. Glasgow Avenue
  - *Streets:* Piedmont (15), N. Hancock (8), W. Soda (2), N. River (18), N. Argentine (4)
  - *Active STR:* 0
- **Northeast (67 developed residential lots)**
  - *Boundary:* North of E. Mantz Avenue and east of S. Glasgow Avenue
  - *Streets:* E. Mantz (NE) (6), N. Commercial (4), N. Silver (17), N. Garfield (10), E. Soda (8), N. Short (8), E. Hinkley (4), N. Yellowman (2), E. Mill (5), N. Van Winkle (3)
  - *Active STR:* 4
- **Southeast (65 developed residential lots)**
  - *Boundary:* South of E. Mantz Avenue and east of S. Glasgow Avenue
  - *Streets:* Silverglance (25), S. Commercial (24), S. Silver (10), S. Garfield (2), E. Mantz (SE) (4)
  - *Active STR:* 1

- **Southwest (24 developed residential lots)**
  - *Boundary:* South of W. Campbell Street and west of S. Glasgow Avenue
  - Streets:* S. Argentine (9), S. Picker (9), W. Eder (5), S. River (1)
  - *Active STR:* 1

## Proposed Quadrant Reconfiguration



- **Northwest (47 developed residential lots)**
  - *Boundary:* North of W. Campbell Street and west of S. Glasgow Avenue
  - *Streets:* Piedmont (15), N. Hancock (8), W. Soda (2), N. River (18), N. Argentine (4)
  - *Active STR:* 0
- **Northeast (55 developed residential lots)**
  - *Boundary:* North of E. Soda Street and east of S. Glasgow Avenue
  - *Streets:* N. Silver (17), N. Garfield (10), E. Soda – NE section (6), N. Short (8), E. Hinkley (4), N. Yellowman (2), E. Mill (5), N. Van Winkle (3)
  - *Active STR:* 2

- **Southeast (52 developed residential lots)**
  - *Boundary:* South of E. Soda Street and east of S. Glasgow Avenue until Silverglance Street; east of Silverglance Street until Lot 1, Silverglance Subdivision
  - *Streets:* N. Commercial (4), E. Mantz (10), S. Commercial (24), S. Silver (10), E. Soda – SE section (2), S. Garfield (2)
  - *Active STR:* 2
- **Southwest (49 developed residential lots)**
  - *Boundary:* South of W. Campbell Street and west of S. Glasgow Avenue until Silverglance Street; west of Block 10, Block 38, and Lot 1 of the Silverglance Subdivision
  - *Streets:* Silverglance (25), S. Argentine (9), S. Picker (9), W. Eder (5), S. River (1)
  - *Active STR:* 2

### **Next Steps**

The Planning Commission is asked to review the data provided and discuss this proposed alternative to the current quadrant system, along with any other considerations related to this concept. If the Commission supports the concept, staff should be informed so that we can work with the Town Attorney to prepare the necessary amendments to the Land Use Code to move this forward.

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## RLUC Review

Date: 8.13.2025

Segment: Joint Board Meeting: Short Term Rentals

### Notes:

The meeting was convened to bring up some comments and public issues around Short-Term Rentals. The manager recommended that it might be beneficial to have a joint meeting to discuss.

1. Has housing changed where numbers per total housing units might change. The current % is 7% do you want to increase that%. Generally, members present want to stay at 7%. These are divided in quadrants currently. Approximately 4 per quadrant. There was discussion at staying at 4 quadrants.
2. The definition of housing unit maybe needs to be looked at. What the state says is a housing unit is the definition that the members present want to stay with.
3. The proposal is that any new residential structure in residential zone district that upon issuance of a Certificate of Occupancy or date of closing, would undergo a 3-year probationary period of ineligibility for STR application. Most members in favor of this.
4. Structures would be eligible after this probationary period, and could be approved, approved with conditions and or denied based on unit stock, ordinance regulations and quadrants.
5. There is a discussion to use the owner occupied as a waiver part of the 7% cap-legal support would need to be sought by staff.
6. Looking at animals and STR. In focus particularly around dogs and dogs and left unattended. This will not be visited at this time and could be handled under STR.
7. Historic commercial could see an increase in density that assumes a commercial use as is. Use by right Commercial and Historic Commercial still stands.
8. Transferring quadrant to quadrant would have to be taken to legal to ensure revocation of a STR license is not a takings. This idea would need legal review to be sure the appropriate Town protections are in place to make this a legal process. Staff will research and report back.
9. Add to the ordinance that the quadrants are reviewed as necessary. Staff comments below on this concept.
10. Any property that sells, is bequeathed, transposed, or conveyed to a different name cannot apply for a STR license until 3 years after a closing date. This is to align with item #3 above.

**\*Staff Recommendation:** The staff after reviewing the meeting and notes has elected to add a recommendation to this memo. From a staff perspective, we do not favor the idea of moving quadrant lines. Staff has concern that this could trigger more legal issues than is necessary. If it is desired that there is more opportunity for STR in a quadrant, the standard process many other municipalities do is to simply increase the percentage of STR that can occur in the current housing unit stock. Staff recommends increasing the % from 7% to 9%. This simple change in the percentage would increase STR to 5 in each quadrant.

Joint Worksession end: 8:30p.m.