



AGENDA
for the Planning Commission
of the Town of Palisade, Colorado
341 W. 7th Street (Palisade Civic Center)

March 18, 2025

6:00 pm Regular Meeting
<https://us06web.zoom.us/j/3320075780>
Meeting ID: 332 007 5780

- I. REGULAR MEETING CALLED TO ORDER AT 6:00 pm**
- II. PLEDGE OF ALLEGIANCE**
- III. ROLL CALL**
- IV. AGENDA ADOPTION**
- V. ANNOUNCEMENTS**
 - A. UPCOMING MEETINGS:**
 1. **Planning Commission**– Tuesday, March 18, 2025, at 6:00 pm
 2. **Board of Trustees**– Tuesday, March 25, 2025, at 6:00 pm
 - B. CEMETARY BEAUTIFICATION:** all items are to be removed from cemetery graves by March 2, 2025, as spring beautification will occur from March 3 through May 9, with no exceptions and no new decorations permitted during this period.
 - C. LIONS CLUB YARD SALE** will commence on Saturday, March 15, 2025, from 9:00 am – 3:00 pm at the Palisade Gymnasium, 711 Iowa Ave.
 - D. DISC GOLF IN RIVERBEND** The Rocky Mountain Disc Golf Championship will be held on Saturday, March 15, 2025.
 - E. TOWN HALL CLOSURE** Wednesday, March 26, 2025, 10:30 am – 1:00 pm mandatory all staff training.
- VI. APPROVAL OF MINUTES**
 - A.** Minutes from February 18, 2025, Regular Planning Commission Meeting
- VII. TOWN MANAGER REPORT**

VIII. PUBLIC HEARING

A. Ordinance 25-01 Amending Section 7.05 of the Palisade Land Development Code

The Planning Commission will consider an Ordinance updating regulations in the Palisade Land Development Code for accessory structures (such as fences, garages, and accessory dwelling units) in Palisade.

1. Staff Presentation
2. Public Comment
3. Board Discussion
4. Decision - Motion, Second, and Rollcall Vote to:
Forward a recommendation of Approval/Denial to the Board of Trustees for Ordinance No. 2025-01 amending Section 7.05 of the Palisade Land Development Code concerning Accessory Structures & Uses.

B. Ordinance 25-02 Amending Section 7.01 of the Palisade Land Development Code

The Planning Commission will consider an Ordinance that amends the Palisade Land Development Code to establish new regulations for Short-Term Vacation Rentals (STVRs) in Palisade.

1. Staff Presentation
2. Public Comment
3. Board Discussion
4. Decision - Motion, Second, and Rollcall Vote to:
Forward a recommendation of Approval/Denial to the Board of Trustees for Ordinance No. 2025-02 amending Section 7.01 of the Palisade Land Development Code concerning Short-Term Vacation Rentals (STVRs).

IX. PUBLIC COMMENT – For items not on the Public Hearing agenda

Please keep comments to 3 minutes or less and state your name and address. Neither the Planning Commissioners nor staff will respond to comments at this time. The Commission may direct staff to look into specific comments to bring back as an Agenda item at a future meeting.

X. ADJOURNMENT



**MINUTES OF THE REGULAR MEETING OF THE
PALISADE PLANNING COMMISSION
February 18, 2025**

The regular meeting of the Planning Commission for the Town of Palisade was called to order at 6:00 pm by Chair Amy Gekas. Present were Vice-Chair Ed Seymour, Commissioners LisaMarie Pinder, Don Bosch, David Hull, Alex Sparks, and Brandon Burke. A quorum was declared. Also in attendance were Town Manager Janet Hawkinson, Community Development Director Devan Aziz, and Town Clerk Keli Frasier.

AGENDA ADOPTION

Motion #1 by Commissioner Hull, seconded by Commissioner Bosch, to approve the agenda as presented.

A voice vote was requested.
Motion carried unanimously.

APPROVAL OF MINUTES

Motion #2 by Commissioner Burke, seconded by Commissioner Bosch, to approve the minutes of January 21, 2025, and February 4, 2025 as presented.

A voice vote was requested.
Motion carried unanimously.

TOWN MANAGER REPORT

Town Manager Janet Hawkinson reviewed the current and ongoing projects led by the Town of Palisade.

PUBLIC HEARING I

Variance for Accessory Structure (Garage) Height at 398 West First Street

Chair Gekas opened the hearing at 6:12 pm

Community Development Director Aziz gave a brief presentation about the variance request and modifications that have been made to the application since the last time it was in front of the Commission.

Applicant Tony Ware gave a presentation about why the proposed height variance is needed in order to match the existing historic home.

Chair Gekas opened the hearing to public comment.

Mark Authier, Palisade, CO, Matt Payne, Palisade, CO, and Tammy Craig, Palisade, CO; spoke in support of the application and asked the Commission to approve the request.

The applicant closed by stating how important it is to him to match the proposed structure to the existing home due to the historic integrity of the property.

Motion #3 by Commissioner Bosch, seconded by Commissioner Hull, to forward a recommendation of denial of the variance request for accessory Structure (Garage) Height at 398 West First Street.

A roll call vote was requested.

Yes: Commissioner Bosch, Commissioner Hull, Commissioner Burke, Commissioner Sparks

No: Vice-Chair Seymour, Chair Gekas, Commissioner Pinder

Absent:

Motion carried.

Chair Gekas closed the hearing at 7:12 pm.

CONTINUED BUSINESS

Minimum Residential Lot Sizes – Section 5.03

Community Development Director Aziz gave a brief presentation and led Commission discussion regarding draft regulations for minimum lot sizes in residential districts.

Chair Gekaas opened the discussion to public comment.

Matt Payne, Palisade, CO; urged the Commission to align the Land Development Code with the Comprehensive Plan (Palisade Game Plan).

The consensus of the Commission is to remove density from single-family and multi-family zoning districts and to entertain allowing single-family zones to split into a duplexes.

PUBLIC COMMENT

Matt Payne, Palisade, CO, encouraged the Commission to consider what other Municipalities have found successful in regard to the topics under discussion for the Land Development Code.

ADJOURNMENT

Motion #4 by Commissioner Bosch, seconded by Vice-Chair Seymour, to adjourn the meeting at 7:40 pm.

A voice vote was requested.

Motion carried unanimously.

X

Keli Frasier, CMC
Town Clerk

X

Amy Gekas
Planning Commission Chair



PALISADE PLANNING COMMISSION
Agenda Item Cover Sheet

Meeting Date: March 18, 2025

Presented By: Community Development Director

Department: Community Development & Planning

Re: Ordinance 25-01 Amending Section 7.05 of the Palisade Land Development Code

SUBJECT:

This ordinance updates regulations for accessory structures (such as fences, garages, and accessory dwelling units) in Palisade. The changes aim to improve housing options while preserving the town's character.

KEY CHANGES

- **Accessory Dwelling Units (ADUs):** Increases maximum size to 900 square feet (previously 650 square feet)
- **Setbacks:** Updates minimum distance requirements from property lines for accessory structures
- **Height:** Increases maximum height to 24 feet for all accessory structures excluding fences
- **Fence Location:** Requires at least 2 feet between fences and public sidewalks/alleys
- **Home-Based Business:** Simplifies and clarifies regulations for home occupations and businesses

DIRECTION:

Motion, Rollcall, and Vote to: Forward a recommendation of Approval/Denial to the Board of Trustees for Ordinance No. 2025-01 amending Section 7.05 of the Palisade Land Development Code concerning Accessory Structures & Uses.

**TOWN OF PALISADE, COLORADO
ORDINANCE NO. 2025-01**

**AN ORDINANCE AMENDING SECTION 7.05 OF THE PALISADE LAND
DEVELOPMENT CODE CONCERNING SPECIFIC ACCESSORY USE AND
STRUCTURE STANDARDS**

WHEREAS, pursuant to Section 31-23-305, C.R.S., the Board of Trustees may adopt, alter or amend zoning and regulations; and

WHEREAS, the Palisade Comprehensive Plan establishes Goal 2.1 to "Balance growth with preserving the agricultural heritage to maintain a sense of community"; and

WHEREAS, Action 2.1D4 of the Comprehensive Plan specifically directs the Town to "Encourage accessory dwelling units (ADUs) in all zone districts and allow ADUs as a use-by-right in all single-family homes"; and

WHEREAS, the Board of Trustees finds that updating the accessory dwelling unit regulations will help implement the Comprehensive Plan while providing additional housing options for the community; and

WHEREAS, the Board of Trustees finds that preventing future encroachment on Town right-of-ways is necessary to provide adequate emergency and utility services and maintain the small town feel; and

WHEREAS, the Board of Trustees desires to amend Section 7.05. to modify regulations concerning specific accessory use and structure standards; and

WHEREAS, the Town's Planning Commission has recommended to the Board of Trustees that the amendments to the Land Development Code contained in this Ordinance be adopted; and

WHEREAS, in accordance with Sections 3.02 and 4.01 of the Land Development Code, and Section 31-23-306, C.R.S., on March 18, 2025, a public hearing was held before the Planning Commission to consider a recommendation of an amendment of the Land Development Code to the Board of Trustees as set forth herein, following public notice as required by law; and

WHEREAS, in accordance with Sections 3.02 and 4.01 of the Land Development Code, and Section 31-23-304, C.R.S., on March 25, 2025, a public hearing was held before the Board of Trustees to consider the amendment of the Land Development Code as set forth herein, following public notice as required by law; and

WHEREAS, the Board of Trustees finds and determines that the amendments to the Land Development Code, as contained herein, are necessary and designed for the purpose of promoting the health, safety, convenience, order, prosperity and welfare of the present and future inhabitants of the Town of Palisade and are consistent with the Town's Comprehensive Plan and the Town's other goals, policies and plans.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF PALISADE, COLORADO, AS FOLLOWS:

The foregoing recitals are incorporated herein as if set forth in full.

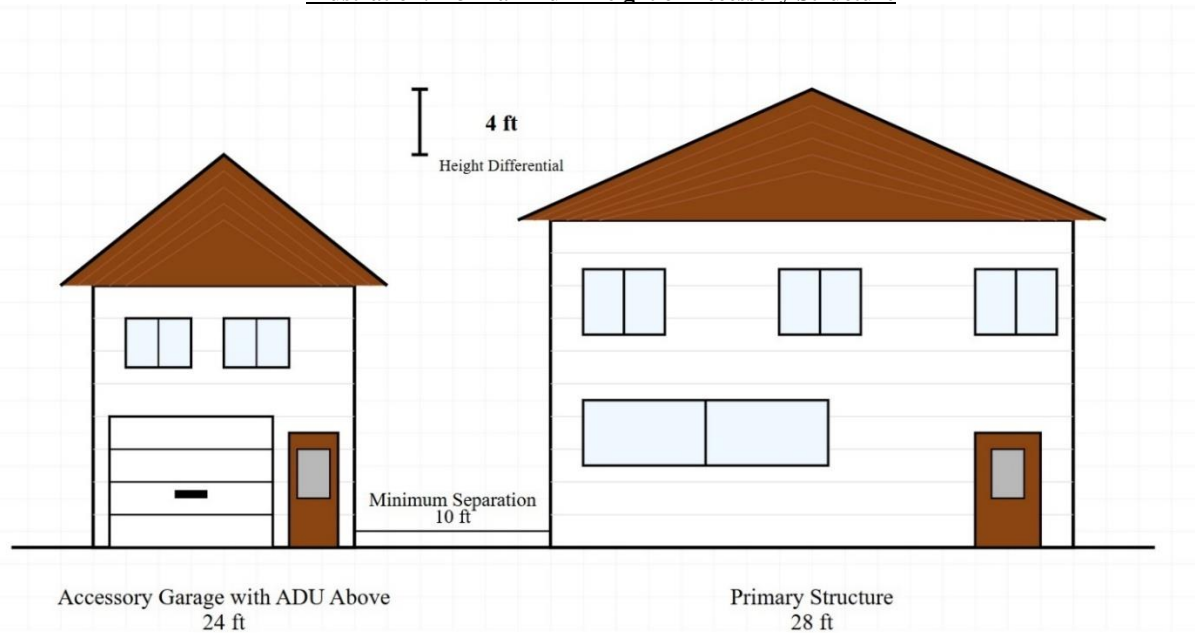
Section 1. Land Development Code Section 7.05 Accessory Uses and Structures, is hereby amended with new additions underlined and deletions in ~~strikethrough~~ as follows:

Section 7.05 Accessory Uses and Structures

A. General Standards

1. Accessory uses and structures shall be clearly incidental and subordinate to an existing permitted principal use or structure.
2. Accessory uses and structures shall not involve operations or structures not in keeping with the character of the primary use or principal structure served.
3. Tractor trailers and pods are prohibited as storage buildings or structures except as permitted on an active construction site ~~or as otherwise specifically allowed.~~
4. Accessory structures which constitute a building (shed, dwelling unit, guardhouse, etc.) shall not be located closer than ~~five (5) feet~~ ten (10) feet to any other building.
5. Maximum height of accessory structures shall be ~~fifteen (15) feet~~ twenty-four (24) feet; ~~provided, however, accessory garages with approved accessory dwellings over a garage may be twenty-four (24) feet~~ or the height of the principal structure, whichever is less. In no case shall the height of the accessory structure be greater than that of the principal structure.

Illustration: 7-3 Maximum Height of Accessory Structure



6. Maximum floor area of any accessory structure shall be no greater than fifty percent (50%) of the ~~floor area~~ of the principal structure **as described by the Mesa County Assessor's Office "heated square footage"**.
7. ~~In the event that two (2) or more adjacent landowners choose to mutually accept the placement of a structure of two hundred (200) square feet or less with no electric or water improvements, they may reduce side and rear setbacks of said structure(s) to zero (0) after submission of a notarized Mutual Placement Agreement.~~

B. Setback Requirements

1. Front yard

Accessory structures shall not be located in the front yard. **,with the exception of driveways and off-street parking areas.**

2. Side (street) yard

Accessory structures ~~shall not be~~ located in the side (street) yard of a corner lot **may use the setbacks for the principal structure where the property abuts a roadway or alley right-of-way, with the following exception:**

- a. ~~If the adjacent property is oriented to face opposite the applicant's front or the adjacent property is separated from the applicant's by an alley or right of way or the property is located in a higher or more intense land use zone, the following side (street) yard setbacks may apply:~~
 - i. ~~Setbacks for accessory structures up to eight (8) feet in height may be reduced to five (5) feet.~~
 - ii. ~~Setbacks for accessory structures up to twelve (12) feet in height may be reduced to ten (10) feet.~~

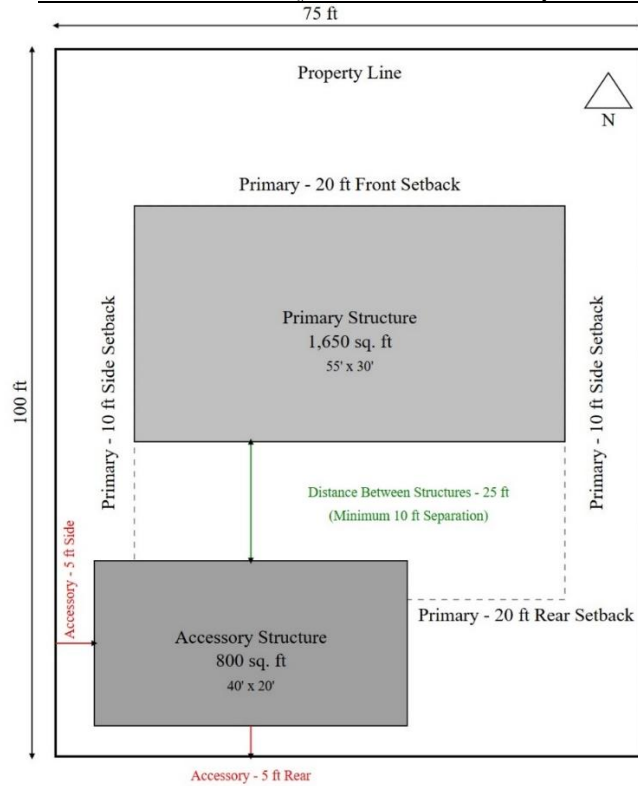
3. Side (interior) yard

Side (interior) yard setbacks for accessory structures shall be five (5) feet.

4. Rear yard

- a. ~~Rear yard setbacks for accessory structures, other than garages, carports and similar structures, may be reduced to zero (0) feet adjacent to an alley right of way. **Rear yard setbacks for all accessory structures including garages, carports and similar structures, shall be five (5) feet.**~~
- b. ~~Rear yard setbacks for garages, carports and similar structures may be reduced to zero (0) feet adjacent to an alley right of way with a width of at least twenty (20) feet.~~
- c. ~~Rear yard setbacks for accessory structures, other than garages, carports and similar structures, may be reduced to five (5) feet in all cases.~~
- d. **b.** Rear yard setbacks for accessory structures of two hundred (200) square feet or less **must adhere to a five (5) foot setback.** ~~may be reduced to zero (0); provided, however, that the drip line of said structure shall not cross the rear property lines.~~

Illustration: 7-4 Accessory Structure Setback Requirements



A. Accessory Use and Structure Types

1. Residential accessory uses and structures shall include but not be limited to the following:
 - a. Accessory dwelling units, subject to the standards of Section 7.05.D.1; **E.1**
 - b. Driveways and off-street parking areas;
 - c. Cultivation of Medical Marijuana subject to the standards of Section 7.05.D.2; **1**;
 - d. Cultivation of Marijuana for Personal Use subject to the standards of Section 7.05.D.3; **2**;
 - e. Fences and walls, **are exempt from 7.05 B. and are** subject to compliance with the requirements of Section 7.05.D.6; **5**;
 - f. Fruit and vegetable stands, subject to the standards of Section 7.05.D.7; **6**;
 - g. Garages, carports and other similar vehicle storage facilities, subject to compliance with the requirements of Section 7.05.D.8; **7**;
 - h. Family child care home, no more than twelve (12) children subject to Section 7.05.D.12; **11**;
 - i. Home occupations, subject to the standards of Section 7.05.D.9; **8**;
 - j. Home businesses, subject to the standards of Section 7.05.D.10; **9**;
 - k. Keeping of domestic animals for noncommercial purposes;
 - l. Playhouses, patios, cabanas, porches, gazebos and incidental household storage buildings;
 - m. Radio and television receiving antennas and support structures;

- n. Recreational facilities for the use of residents;
 - o. Outdoor storage, subject to the standards of Section 7.05.D.11 10;
 - p. Solar energy systems; and
 - q. Other necessary and customary uses determined by the Community Development Director to be appropriate, incidental and subordinate to the principal use on the lot.
2. Nonresidential accessory uses and structures shall include but not be limited to the following:
- a. ~~Dwelling units for security or maintenance personnel~~; **Staff quarters or security building**;
 - b. Fences and walls, subject to compliance with the requirements of Section 7.05.D.6 5;
 - c. Cultivation of Medical Marijuana subject to the standards of Section 7.05D.4 3;
 - d. Cultivation of Marijuana for Personal Use subject to the standards of Section 7.05D.5 4;
 - e. Gates and guardhouses;
 - f. Outdoor storage, subject to the standards of Section 7.05.D.11 10;
 - g. Off-street parking and loading facilities, subject to compliance with the requirements of Section 10.01;
 - h. Radio and television receiving antennas and support structures;
 - i. Signs, subject to compliance with the requirements of Section 10.10;
 - j. Solar energy systems; and
 - k. Other necessary and customary uses determined by the Community Development Director to be appropriate, incidental and subordinate to the principal use on the lot.

B. Specific Accessory Use and Structure Standards

~~1. Accessory dwelling units~~

~~One (1) accessory dwelling unit (ADU) shall be permitted as an accessory use to each principal single family dwelling subject to the following requirements:~~

- a. ~~The living area of the ADU shall be no greater than six hundred fifty (650) square feet and not less than four hundred (400) square feet and shall contain no more than one (1) bedroom.~~
 - b. ~~Detached ADUs must be located in the rear half of the residential lot or parcel unless the ADU is to be located within or above a garage. Private entrances to an ADU contained in the principal dwelling shall be located on the side or rear of the principal dwelling.~~
 - c. ~~An ADU shall not be condominiumized and/or sold separate and apart from the principal dwelling to which it is an accessory.~~
 - d. ~~The design, exterior treatments and color of an ADU shall be the same as or compatible with, the design and exterior color and treatments of the primary building to which it is accessory.~~
 - e. ~~Either the principal structure or the ADU shall be owner occupied.~~
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- f. ~~One off-street parking space per unit is required, in addition to the spaces otherwise required.~~

2. **1.** Cultivation of Medical Marijuana in residential structures

The cultivation, production or possession of marijuana plants for medical use by a patient or primary caregiver, as such terms are defined by Article XVIII, Section 14 of the Colorado Constitution, shall be allowed in residential dwelling units subject to the following conditions:

- a. The cultivation, production or possession of marijuana plants shall be in full compliance with all applicable provisions of Article XVIII, Section 14 of the Colorado Constitution, the Colorado Medical Marijuana Code, Section 12-43.3-101, et seq., C.R.S., and the Medical Marijuana Program, Section 25-1.5-106, C.R.S.
- b. Marijuana plants that are cultivated, produced or possessed shall not exceed the presumptive limits of no more than two (2) ounces of a usable form of marijuana, unless otherwise permitted under Article XVIII, Section 14 of the Colorado Constitution, and no more than twelve (12) marijuana plants shall be cultivated or permitted within or on a residential property.
- c. Such cultivation, production or possession of marijuana plants shall be limited to the following space limitations within a residential unit:
 - i. Within a single-family dwelling unit (Group R-3 as defined by the International Building Code, as adopted in Section 18-21 of the Palisade Municipal Code); a secure, defined, contiguous area not exceeding one hundred fifty (150) square feet within the primary residence of the licensed patient or registered caregiver.
 - ii. Within a multifamily dwelling unit (Group R-2 as defined by the International Building Code, as adopted in Section 18-21 of the Palisade Municipal Code); a secure, defined, contiguous area not exceeding one hundred (100) square feet within the primary residence of the licensed patient or registered caregiver.
- d. Marijuana plants shall not be grown in the common area of a multifamily residential structure.
- e. If a licensed patient or primary caregiver elects to cultivate quantities of marijuana in excess of the amounts permitted under Section 7.05.D.2.b above, as permitted in Article XVIII, Section 14(4)(b) of the Colorado Constitution, each patient must be in full compliance with the Colorado Medical Marijuana Program as provided in Section 25-1.5- 106(10), C.R.S., and may grow medical marijuana for personal use as a patient or as a primary caregiver for licensed patients within the Town Center (TC), Commercial Business (CB) and Light Industrial (LI) Zone Districts only.

- f. The cultivation of medical marijuana plants on a residential property shall meet the requirements of all adopted Town building and safety codes. Any licensed patient or registered primary caregiver cultivating medical marijuana in a primary residential unit shall have an initial building and safety inspection conducted by the Town, shall comply with any conditions of said inspection and shall submit to an annual building and safety code inspection thereafter. The names and locations of patients and caregivers shall not be made available to the general public in accordance with Section 24-72-204(3)(a)(I), C.R.S., as contained in the Colorado Open Records Act.
 - g. The cultivation of medical marijuana plants may occur in enclosed accessory structures such as a shed or greenhouse located on residential property if such structure contains rigid walls and is a locked space to prevent access by children, visitors or intruders. For the purpose of this Section, “enclosed” means a permanent or semi-permanent area covered and surrounded on all sides. Temporary opening of windows, doors or the temporary removal of wall or ceiling panels does not convert the area into an unenclosed space. The term “locked space” means secured at all points of ingress and egress with a locking mechanism designed to limit access such as with a key or combination lock. The cultivation, production or possession of marijuana plants on a residential property must not be perceptible from the exterior of the residence and shall comply with the following:
 - i. Any form of signage shall be prohibited; unusual odors, smells, fragrances or other olfactory stimulants shall be prohibited; light pollution, glare or brightness resulting from grow lamps that disturbs adjacent residents shall be prohibited; and excessive noise from ventilation fans shall be prohibited.
 - ii. Marijuana plants shall be used or consumed exclusively by a licensed patient for the patient's personal use and solely to address a debilitating medical condition.
 - h. Pursuant to Section 9-7-113, C.R.S. the use of compressed flammable gas as a solvent in the extraction of THC or other cannabinoids is prohibited.
 - i. Any primary caregiver cultivating medical marijuana for licensed patients and providing said marijuana to patients for consideration, such as a monetary sum, shall obtain a business license from the Town pursuant to Chapter 6, Article I of the Palisade Municipal Code. Any primary caregiver transferring medical marijuana to a licensed patient for consideration shall also obtain a sales tax license and shall comply with the requirements of Chapter 4, Article IV of the Palisade Municipal Code concerning collection and payment of municipal sales tax.
 - j. Cultivation of medical marijuana on or in a residential property that is not used for a primary residence is not permitted.
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- k. For the purposes of this Section, primary residence means the place that a person, by custom and practice, makes his or her principal domicile and address to which the person intends to return following any temporary absence such as a vacation. Residence is evidenced by actual daily physical presence, use and occupancy of the primary residence and the use of the residential address for domestic purposes, such as, but not limited to, slumber, preparation of and partaking in meals, vehicle and voter registration, or credit, water and utility billing. A person may only have one (1) primary residence. A primary residence shall not include accessory buildings.
 - l. For the purposes of this Section, a secure area means an area within the primary residence accessible only to the patient or primary caregiver. Secure premises shall be locked or partitioned off to prevent access by children, visitors or anyone not licensed and authorized to possess medical marijuana.
3. **2.** Cultivation of Marijuana for Personal Use in residential structures
- a. Purpose. This Section is intended to apply to the growing of marijuana on a residential property for personal use to the extent authorized by Article XVIII, Section 16(3)(b) of the Colorado Constitution.
 - b. Any person, for purposes of this Section and consistent with Article XVIII, Section 16(3)(b) of the Colorado Constitution, who is twenty-one (21) years of age or older that is cultivating marijuana plants for his or her own use may possess, grow, process or transport no more than twelve (12) marijuana plants subject to the following requirements:
 - i. Such processing, growing, possessing or transporting of marijuana plants for personal use must be in full compliance with all applicable provisions of Article XVIII, Section 16 of the Colorado Constitution.
 - ii. With the exception outlined in Section 7.05.D3.b.iv below, such marijuana plants are possessed, grown or processed within the primary residence of the person possessing, growing or processing the marijuana plants for personal use, as defined by Section 7.05.D3.b.viii below.
 - iii. No more than twelve (12) marijuana plants may be cultivated on a single-family primary residential property in any zone district, including but not limited to the Low Density (LDR), Medium Density (MDR), High Density (HDR), Mixed Use (MU), Town Center (TC), Commercial Business (CB), Agricultural Forestry Transitional (AFT) and the Light Industrial (LI) Zone Districts.
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- iv. In accordance with Section 18-18-406, C.R.S., regardless of whether the marijuana plants are for medical or recreational use, a person or persons cannot cultivate, grow or produce more than twelve (12) marijuana plants on or in a residential property, no matter how many persons reside on such property. If more than one (1) person over the age of twenty-one (21) resides in the single-family dwelling as a primary residence and more than one (1) person within that residence desires to cultivate marijuana for personal use, then the cultivation of plants over the twelve (12)-plant limit shall be grown in commercial structures located in the Town Center (TC), Commercial Business (CB) and the Light Industrial (LI) Zone Districts only.
 - v. The possession, growing and processing of such marijuana plants must not be observable from the exterior of the single-family primary residence, including but not limited to:
 - (a) Common visual observation;
 - (b) Unusual odors, smells, fragrances or other olfactory stimulus; and
 - (c) Light pollution, glare or brightness that disturbs others.
 - vi. Marijuana plants shall not be grown or processed in the common areas of a planned community or in the private or common area of a multifamily or attached residential development.
 - vii. Such cultivation, production, growing and processing of marijuana plants shall be limited to the following space limitations within the residential property:
 - (a) Within a single-family dwelling, a secured, defined, contiguous area not exceeding one hundred fifty (150) square feet within the primary residence of the person possessing, growing or processing the marijuana plants for personal use.
 - (b) Within any primary residence occupied by people under the age of twenty-one (21), a “secure area” means an area within the primary residence accessible only to the person possessing, growing or processing the marijuana plants for personal use. Secure areas shall be locked or partitioned off to prevent access by children, visitors or anyone not authorized to possess marijuana.
 - (c) The cultivation, growing or processing of marijuana plants may occur in enclosed accessory structures such as a shed or greenhouse if such structure contains rigid walls and is a locked space to prevent access by children, visitors or intruders. “Enclosed” means a permanent or semi-permanent area covered and surrounded on all sides. Temporary opening of windows or doors or the temporary removal of wall or ceiling panels does not convert the area into an unenclosed space. “Locked area” means secured at all points of ingress or egress with a locking mechanism designed to limit access such as with a key or combination lock.
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- viii. Such possession, growing and processing of marijuana plants shall meet the requirements of all adopted Town building and life/safety codes, including requirements concerning electrical systems and ventilation systems, as the same may be amended from time to time. Any person cultivating marijuana for personal use shall have an initial building and safety inspection conducted by the Town, shall comply with any conditions of said inspection and shall submit to periodic building and safety code inspections thereafter.
- ix. Pursuant to Section 9-7-113, C.R.S., the use of a compressed flammable gas as a solvent in the extraction of THC or other cannabinoids is prohibited.
- x. The possession, growing and processing of marijuana plants shall meet the requirements of all adopted water and wastewater regulations promulgated by the Town.
- xi. Cultivation of marijuana on or in a residential property that is not used for a primary residence is not permitted.

For the purposes of this Section, primary residence means the place that a person, by custom and practice, makes his or her principal domicile and address to which the person intends to return following any temporary absence, such as a vacation. Residence is evidenced by actual daily physical presence, use and occupancy of the primary residence and the use of the residential address for domestic purposes, such as, but not limited to, sleep, preparation of meals, regular mail delivery, vehicle and voter registration or credit and utility billings. A person shall have only one (1) primary residence. A primary residence may include accessory dwelling units.

4. **3.** Cultivation of Medical Marijuana in nonresidential structures

The cultivation, production or possession of marijuana plants for medical use by a patient or primary caregiver, as such terms are defined by Article XVIII, Section 14 of the Colorado Constitution, shall be allowed in nonresidential units or structures in the Town Center (TC), Commercial Business (CB) and Light Industrial (LI) Zone Districts as a permitted use subject to the following conditions:

- a. The cultivation, production or possession of marijuana plants shall be in full compliance with all applicable provisions of Article XVIII, Section 14 of the Colorado Constitution, the Colorado Medical Marijuana Code, Section 12-43.3-101, et seq., C.R.S., and the Medical Marijuana Program, Section 25-1.5-106, C.R.S.
 - b. Marijuana plants that are cultivated, produced or possessed shall not exceed the presumptive limits of no more than two (2) ounces of a useable form of marijuana per patient and no more than twelve (12) marijuana plants per patient, unless otherwise permitted under Article XVIII, Section 14 of the Colorado Constitution, shall be cultivated. A caregiver may cultivate medical marijuana for no more than five (5) licensed patients. Two (2) or more primary caregivers shall not join together for the purpose of cultivating medical marijuana within any nonresidential unit located in the Town Center (TC), Commercial Business (CB) and Light Industrial (LI) Zone Districts provided, however, each plant shall be tagged in a manner approved by the Town indicating who is cultivating the plant.
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- c. Marijuana plants shall not be grown in the common area of any commercial or industrial building.
 - d. The cultivation of medical marijuana plants in any building or unit within the Town Center (TC), Commercial Business (CB) and Light Industrial (LI) Zone Districts shall meet the requirements of all adopted Town building and safety codes. Any licensed patient or registered primary caregiver cultivating medical marijuana shall have an initial building and safety inspection conducted by the Town, shall comply with any conditions of said inspection and shall submit to an annual building and safety code inspection thereafter. The names of patients and caregivers and the location of their cultivation operations shall not be made available to the general public in accordance with Section 24-72- 204(3)(a)(I), C.R.S., as contained in the Colorado Open Records Act.
 - e. The cultivation of medical marijuana plants shall not be permitted on exterior portions of a lot. The cultivation, production or possession of marijuana plants within a building or unit must not be perceptible from the exterior of the building or unit.
 - f. Any form of signage shall be prohibited; unusual odors, smells, fragrances or other olfactory stimulants shall be prohibited; light pollution, glare or brightness resulting from grow lamps that disturbs adjacent property shall be prohibited; and excessive noise from ventilation fans shall be prohibited.
 - g. Any primary caregiver cultivating medical marijuana for licensed patients and providing said marijuana to patients for consideration, such as a monetary sum, shall obtain a business license from the Town pursuant to Chapter 6, Article I of the Palisade Municipal Code. Any primary caregiver transferring medical marijuana to a licensed patient for consideration shall also obtain a sales tax license and shall comply with the requirements of Chapter 4, Article IV of the Palisade Municipal Code concerning the collection and payment of municipal sales taxes.
 - h. Pursuant to Section 9-7-113, C.R.S. the use of a compressed flammable gas as a solvent in the extraction of THC or other cannabinoids is prohibited.
5. **4.** Cultivation of Marijuana for Personal Use in nonresidential structures

The cultivation, production or possession of marijuana plants for personal use by a person twenty- one (21) years of age or older, as permitted by Section 16 of Article XVIII of the Colorado Constitution, shall be allowed in nonresidential units or structures in the Town Center (TC), Commercial Business (CB) and Light Industrial (LI) Zone Districts as a permitted use, subject to the following conditions:

- a. The cultivation, production or possession of marijuana plants shall be in full compliance with all applicable provisions of Article XVIII, Section 16 of the Colorado Constitution.
 - b. No more than twelve (12) marijuana plants per person may be cultivated.
 - c. Marijuana plants shall not be grown in the common area of any multi-tenant commercial or industrial building.
-

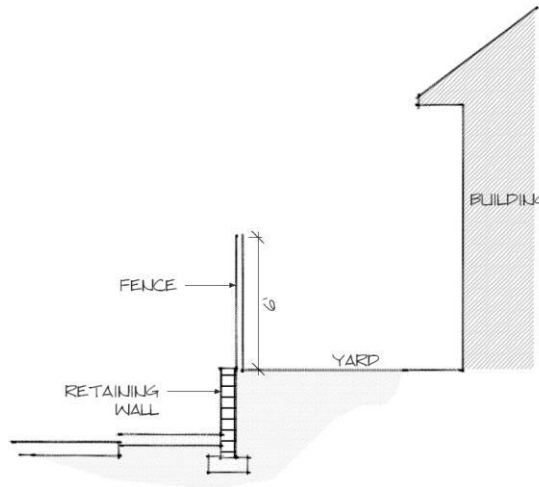
- d. The cultivation of marijuana plants in any nonresidential building or unit within the Town Center (TC), Commercial Business (CB) and Light Industrial (LI) Zone Districts shall meet the requirements of all adopted Town building and safety codes. Any person cultivating marijuana for personal use shall have an initial building and safety inspection conducted by the Town, shall comply with any conditions of said inspection and shall submit to a periodic building and safety code inspection thereafter.
 - e. Two (2) or more persons may join together for the purpose of cultivating marijuana for personal use within nonresidential units located in the Town Center (TC), Commercial Business (CB) and Light Industrial (LI) Zone Districts if each plant is tagged in a manner approved by the Town indicating who is cultivating the plant.
 - f. The cultivation of marijuana plants shall not be permitted on exterior portions of a lot. The cultivation, production or possession of marijuana plants within a building or unit must not be perceptible from the exterior of the building or unit.
 - g. Unusual odors, smells, fragrances or other olfactory stimulants shall be prohibited; light pollution, glare or brightness resulting from grow lamps that disturbs adjacent property shall be prohibited; and excessive noise from ventilation fans shall be prohibited.
 - h. Pursuant to Section 9-7-113, C.R.S., the use of a compressed flammable gas as a solvent in the extrication of THC or other cannabinoids is prohibited.
6. **5.** Fences and walls
- a. General
 - i. Fences and walls not more than six (6) feet in height may be installed along any side (interior) and rear lot line.
 - ii. Fences and walls in any required street yard shall not exceed four (4) feet in height.
 - iii. Fences and walls placed on corner lots shall comply with the requirements of Section 9.04.B.2.c.
 - iv. Fences and walls higher than six (6) feet in height shall comply with all applicable yard requirements; provided, however, that the provisions of this Section shall not apply in the LI district.
 - v. Fences and walls shall be constructed of high quality materials, such as decorative blocks, brick, stone, vinyl, treated wood, wrought iron and chain link. Fences shall be constructed so that the supporting side of any fence (beams or cross arms, supports) are facing away from the right-of-way. Chain link shall not extend above the top fence rail. Barbed wire or other wire fence materials shall not be permitted outside the LI district.
 - vi. Electrical fences are prohibited.
 - vii. Breaks in any required fence or wall may be required for pedestrian connections to adjacent developments.
 - viii. The maximum length of a continuous, unbroken and uninterrupted fence or wall plane shall be one hundred (100) feet. Breaks shall be provided through the use of columns, landscaped areas, transparent sections and a change in material.

- ix. All fences shall be kept in good repair at all times. Failure by the property owner to keep a fence in good repair may result in the Board of Trustees ordering that the fence be repaired or removed.

b. Height

The height of fences or walls shall be measured as the vertical distance between finish grade on the highest side of the fence or wall to the top of the fence or wall

Illustration 7-3 5: Fence Height



c. Location

The quality of the estimated location of the property line on which the fence is to be placed or replaced shall determine the conditions for approval of the planning clearance.

- i. If the corners which define the property line on which the fence is to be placed are monumented, the fence shall be placed up to or inside that property line. No other approval is required except that of the Town in approving the planning clearance.
 - ii. If the property line on which the fence is to be placed is not marked by survey monuments and is adjacent to another private property, the notarized signature of the owner of that adjacent property approving the proposed location of the fence must be provided in the planning clearance application. The language to which the adjacent owner is attesting must be clear as to having knowledge of the proposed location of the fence and of having no objection to the proposed location. If the applicant is unable to obtain a signature of approval from the adjacent property owner, the applicant will be required to obtain a survey monumenting the property lines on which the fence is to be placed.
-

- iii. ~~If the property line is adjacent to a street or alley for which the Town has determined a reasonable location of the right-of-way line, the fence shall be placed up to or inside that line except that the location of the fence may not be closer than the edge of the sidewalk, if existing, or from the edge of the most probable location of a future sidewalk as determined by the Town.~~ **If the property line is adjacent to a street, the fence shall be placed no closer than two (2) feet from the edge of an existing sidewalk or from the edge of the most probable location of a future sidewalk as determined by the Town.**
- iv. ~~If the property line is one which is adjacent to an alley and cannot be reasonably located, the fence shall be placed on the property side of the right-of-way line based on the evidence of existing fences and buildings along the alley. If the evidence is insufficient, the fence shall be placed no less than fifteen (15) feet from the apparent centerline of the alley.~~ **If the property line is adjacent to an alley, the fence shall be placed no closer than two (2) feet from the alley right-of-way line.**

7. **6.** Fruit and vegetable stands

Fruit and vegetable stands are allowed provided no hazards are created with parking, ingress, egress and the operation does not disrupt the peace, quiet and dignity of the neighborhood and shall comply with the following standards:

- a. The fruit and vegetables offered for sale shall be grown on the lot or upon any parcel of land which is contiguous to such lot and which is also owned by the owner of the lot.
- b. The fruit and vegetables may be offered for sale only during the normal growing season for such fruit and vegetables or for such period of time thereafter as may be reasonably necessary to sell the fruit and vegetables which were produced during the normal growing season.
- c. The owner of the lot shall comply with all other applicable requirements, restrictions and regulations of this LDC, including without limitation all setback requirements and requirements for signs and outdoor advertising devices.

8. **7.** Garages, carports and similar vehicle storage facilities
Garages, carports and similar structures shall:

- a. Be built of materials similar to the principal structure; and
 - b. Be used for the storage of automobiles, recreation vehicles and/or commercial vehicles or for uses incidental to the dwelling to which it is an accessory.
-

9. **8. Home-Based Business Activities**

Home Occupation: A small-scale business activity conducted entirely within a dwelling unit that requires only registration with the Town Clerk. Home Business: A larger-scale business activity that requires a conditional use permit subject to Section 4.07 and Table 6.1. Such permits are non-transferable

c. **General Standards (Applicable to Both Categories)**

- i. **The activity shall be clearly incidental and secondary to residential use.**
- ii. **Activities shall only be conducted within the dwelling or accessory structure.**
- iii. **No exterior alterations of nonresidential nature shall be made.**
- iv. **No visible storage of equipment, materials, or vehicles with more than two axles.**
- v. **Signage limited to one unlighted wall or free-standing sign (3 square feet maximum, 3 feet height maximum).**
- vi. **No activity shall create noise, vibration, electrical interference, smoke, odors, or other nuisances beyond the property line.**
- vii. **Must comply with operational performance standards of Section 10.12.**

b. **Home Occupation Specific Standards**

- i. **a. Employment limited to resident family members only.**
- ii. **b. No merchandise trading or display.**
- iii. **c. Maximum two students present for tutoring/instruction.**
- iv. **d. Registration required with Town Clerk.**

c. **Home Business Specific Standards**

- i. **a. May employ up to two non-family members.**
- ii. **b. Incidental merchandise sales permitted.**
- iii. **c. Beauty salons permitted with compliant merchandise display.**
- iv. **d. One additional off-street parking space required per non-family employee.**
- v. **e. Conditional use permit required.**

~~10. Home occupations~~

~~Home occupations shall meet the following standards:~~

- ~~a. Home occupations shall be clearly incidental and secondary to the use of the dwelling for dwelling purposes.~~
 - ~~b. No exterior alterations of the structure shall be made which are of a nonresidential nature and shall change the character of the residence. No evidence, other than signage, of any home occupation shall be perceptible to an observer in the street or on any other property.~~
 - ~~c. Home occupations shall only be conducted within a dwelling or accessory structure.~~
 - ~~d. There shall be no visible storage of equipment, materials or vehicles that have more than two (2) axles.~~
-

- e. ~~No person shall be employed at any time, other than a member of the immediate family residing on the premises.~~
- f. ~~Advertising signs shall be limited to one (1) unlighted wall sign no larger than three (3) square feet in area, attached to the structure housing the home occupation or one (1) free-standing sign of the same size not to exceed three (3) feet in height.~~
- g. ~~No trading in merchandise shall be carried on and in connection with a home business and there shall be no display of merchandise.~~
- h. ~~In the event the home occupation involves tutoring or instruction, no more than two (2) students may be present at the dwelling unit at any one time.~~
- i. ~~No use or activity shall be conducted that creates undue noise, vibration, electrical interference, smoke or particulate matter emission, excessive power demands or odors beyond the confines of the lot on which said occupation is conducted. Such uses shall comply with the operational performance standards of Section 10.12.~~
- j. ~~All persons engaged in home occupations shall register said occupations with the Town Clerk. The registration shall include the name and address of the persons conducting the home occupation and a description of said occupation. Such registration shall include a statement that the home occupation complies and will continue to comply with the conditions set forth above.~~

~~11. Home businesses~~

~~The following home business standards are intended to permit residents to engage in home businesses within residential zoning districts that are compatible with residential land uses and to ensure that home businesses do not adversely affect the integrity of residential areas. Home businesses shall comply with the following standards:~~

- d. ~~The use shall be subject to the conditional use review procedures of Section 4.07; provided, however, that no such conditional use permit will be transferable to future owners or occupants of the principal dwelling unit.~~
 - b. ~~Home business shall be clearly incidental and secondary to the use of the dwelling for dwelling purposes.~~
 - c. ~~No exterior alterations of the structure shall be made which are of a nonresidential nature and shall change the character of the residence. No evidence of any home business, other than signage, shall be perceptible to an observer in the street or on any other property.~~
 - d. ~~Home occupations shall only be conducted within a dwelling or accessory structure. There shall be no visible storage of equipment, materials or vehicles that have more than two (2) axles~~
-

- e. ~~Up to two (2) persons other than a member(s) of the immediate family occupying such a dwelling may be employed by the home business.~~
- f. ~~Advertising signs shall be limited to one (1) unlighted wall sign no larger than three (3) square feet in area, attached to the structure housing the home occupation, or one (1) free standing sign of the same size not to exceed three (3) feet in height.~~
- g. ~~No equipment shall be used and no activity conducted that creates undue noise, vibration, electrical interference, smoke or particulate matter emission, excessive power demands or odors beyond the confines of the lot on which said occupation is conducted. Home businesses shall comply with the operational performance standards of Section 10.12.~~
- h. ~~One (1) off-street parking space shall be provided for each person working on the premises other than member(s) of the immediate family occupying such a dwelling. Such parking shall be in addition to otherwise required off-street parking.~~
- i. ~~No mechanical equipment is used or activity is conducted which creates any noise, dust, odor or electrical disturbance beyond the confines of the lot on which said occupation is conducted.~~
- j. ~~No trading in merchandise, other than incidental sales, shall be carried on in connection with a home business and there shall be no display of merchandise. This provision shall not apply to beauty salons, which otherwise comply with these standards.~~

12. **10.** Outdoor storage

- a. Merchandise and materials which are not completely assembled or which are not immediately and actively being offered for sale, shall be so screened by ornamental fences or evergreen planting or by permanent buildings, that it cannot be seen from a public street.
- b. Areas for truck parking and loading and areas for outdoor storage, including trash collection and compaction, shall be incorporated in the overall design of the site to assure adequate screening. The screening shall be a combination of structures and evergreen landscaping to minimize visibility from adjacent streets and residential areas.
- c. Nonenclosed areas for the storage and sale of seasonal inventory shall be permanently screened with walls and/or fences.
- d. All trash collection and loading areas shall be located and designed to ensure adequate on-site maneuvering of vehicles.
- e. All developments, including multi-family housing, shall provide a designated trash collection area meeting the requirements of this Section.

13. **11.** Family child Care Home

A family child care home shall be considered an accessory use to a residence in all districts, provided no more than twelve (12) children are present on the premises at any one time. Family child care homes are licensed and regulated under regulations issued by the Colorado Department of Human Services.

C. Accessory Dwelling Units (ADU's)

1. **One (1) accessory dwelling unit (ADU) shall be permitted as an accessory use to each principal structure in all zones except in the Light Industrial (LI) and Commercial Business (CB) and are subject to the following requirements:**
 - a. **The living area of the ADU shall be no greater than nine hundred (900) square feet or fifty percent (50%) of the principal structure as described by the Mesa County Assessor's Office "heated square footage", whichever is less.**
 - b. **Detached ADUs must be located in the rear half of the residential lot or parcel unless the ADU is to be located within or above a garage. Private entrances to an ADU contained in the principal dwelling shall be located on the side or rear of the principal dwelling.**
 - c. **An ADU shall not be condominiumized and/or sold separate and apart from the principal dwelling to which it is an accessory.**
 - d. **The design, exterior treatments and color of an ADU shall be the same as or compatible with, the design and exterior color and treatments of the primary building to which it is accessory.**
 - e. **One off-street parking space per unit is required, in addition to the spaces otherwise required.**
 - f. **The Town shall review the capacity and configuration of existing water and sewer services for all ADU applications. If determined necessary by the Town, independent water and/or sewer service lines may be required for the ADU separate from the principal structure**

Section 2. Severability. If any provision of this ordinance is found to be unconstitutional or otherwise invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions which can be implemented without the invalid provisions and, to this end, the provisions of this ordinance are declared to be severable.

Section 3. Effective Date. This ordinance shall take effect thirty (30) days after publication following final passage.

Town of Palisade, Colorado

Ordinance No. 2025-01

Page **19** of **19**

INTRODUCED, READ, PASSED, ADOPTED AND ORDERED PUBLISHED at a regular meeting of the Board of the Trustees of the Town of Palisade, Colorado, held on March 25, 2025.

TOWN OF PALISADE, COLORADO

By: _____

Greg Mikolai, Mayor

ATTEST: _____

Keli Frasier, CMC

Town Clerk



PALISADE PLANNING COMMISSION
Agenda Item Cover Sheet

Meeting Date: **March 18, 2025**

Presented By: **Community Development Director**

Department: **Community Development & Planning**

Re: **Ordinance 25-02 Amending Section 7.01 of the Palisade Land
Development Code**

SUBJECT:

The Planning Commission will consider an ordinance that amends Section 7.01 of the Land Development Code to establish new regulations for Short Term Vacation Rentals (STVRs) in Palisade. This ordinance aims to balance the economic benefits of STVRs with the need to preserve neighborhood character and maintain housing availability for residents.

Two Classes of STVRs

- **Resident STVRs:** These are owner-occupied properties where the owner uses the dwelling as their primary residence.
- **Investor STVRs:** Properties not used as the owner's primary residence
-

Permit Limitations

- Total number of STVRs limited to 28 permits town-wide
- 14 permits allocated for Resident STVRs
- 14 permits allocated for Investor STVRs
- One permit limit per person, entity, or affiliated group
-

ATTACHMENTS

- STVR Decision Tree
- Draft Ordinance

DIRECTION:

Motion, Rollcall, and Vote to: Forward a recommendation of Approval/Denial to the Board of Trustees for Ordinance No. 2025-02 amending Section 7.01 of the Palisade Land Development Code concerning Short Term Vacation Rentals (STVRs)

**TOWN OF PALISADE, COLORADO
ORDINANCE NO. 2025-02**

**AN ORDINANCE AMENDING SECTION 7.01 OF THE PALISADE LAND
DEVELOPMENT CODE CONCERNING SHORT TERM VACATION RENTALS**

WHEREAS, pursuant to Section 31-23-305, C.R.S., the Board of Trustees may adopt, alter or amend zoning and regulations; and

WHEREAS, the Palisade Comprehensive Plan establishes Goal 2.1 to "Balance growth with preserving the agricultural heritage to maintain a sense of community"; and

WHEREAS, the Palisade Comprehensive Plan establishes Strategy 4.1B to "Facilitate relationships with recreation, tourism, and residents"; and

WHEREAS, the Board of Trustees finds that establishing clear regulations for short term vacation rentals will help implement the Comprehensive Plan while providing economic opportunities for property owners and accommodations for visitors; and

WHEREAS, the Board of Trustees recognizes the economic benefits of short term vacation rentals to property owners and the local economy while also acknowledging the potential strains on neighborhood character; and

WHEREAS, the Board of Trustees finds that regulating short term vacation rentals is necessary to preserve neighborhood character, ensure adequate parking, maintain housing availability for residents, and protect the health, safety and welfare of the community; and

WHEREAS, the Board of Trustees desires to amend Section 7.01 to establish regulations concerning short term vacation rentals as a specific accessory use; and

WHEREAS, in accordance with Sections 3.02 and 4.01 of the Land Development Code, and Section 31-23-306, C.R.S., on March 18, 2025, a public hearing was held before the Planning Commission to consider a recommendation of an amendment of the Land Development Code to the Board of Trustees as set forth herein, following public notice as required by law; and

WHEREAS, in accordance with Sections 3.02 and 4.01 of the Land Development Code, and Section 31-23-304, C.R.S., on March 25, 2025, a public hearing was held before the Board of Trustees to consider the amendment of the Land Development Code as set forth herein, following public notice as required by law; and

WHEREAS, the Board of Trustees finds and determines that the amendments to the Land Development Code, as contained herein, are necessary and designed for the purpose of promoting the health, safety, convenience, order, prosperity and welfare of the present and future inhabitants of the Town of Palisade and are consistent with the Town's Comprehensive Plan and the Town's other goals, policies and plans.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF PALISADE, COLORADO, AS FOLLOWS:

The foregoing recitals are incorporated herein as if set forth in full.

Section 1. Land Development Code Section 7.01 Residential Use Standards is hereby amended with new additions underlined and deletions in ~~strikethrough~~ as follows:

M. Short Term Vacation Rental

A short term vacation rental use is permitted subject to the following standards:

1. ~~Site plan~~ **Purpose and Intent**

~~The short term vacation rental shall be subject to site plan approval by the Planning Commission with public notification as per Section 4.06 of this LDC. The site plan shall demonstrate compliance with the standards as set forth. Any decision to approve or deny the application may be appealed to the Board of Trustees in accordance with the notice requirements and procedures of Section 4.14 of this LDC. The appeal shall be received from either the applicant or an affected property owner within the notification area by the Town Clerk within ten (10) days of the Planning Commission decision.~~ **The purpose of this Section is to establish regulations for the use of privately owned residential dwellings as short-term vacation rentals (STVRs) to safeguard the public health, safety and general welfare of the community, ensure neighborhood compatibility, and maintain the Town's residential character while supporting diverse accommodation options for visitors.**

This Section recognizes two distinct STVR asset classes that serve different functions within our community.

Resident STVRs:

Allow permanent residents to participate in the visitor economy by sharing their properties, providing supplemental income while maintaining the residential fabric of neighborhoods. These are owner-occupied properties where the owner uses the dwelling as their primary residence. Applicants must be registered to vote in Palisade.

Investor STVRs

Provide additional visitor accommodation and economic opportunities but remove the housing stock for long-term residents. These properties are not used as the owner's primary residence.

2. ~~A property management plan~~ **Permit Requirements**

~~A property management plan demonstrating how the vacation rental will be managed and how impacts to neighboring properties will be minimized, shall be submitted for review and approval as part of the site plan approval.~~ **Permit Types and Limitations**

- c. ~~The property management plan shall include local points of contact available to respond immediately to complaints, clean up garbage, manage unruly tenants, etcetera.~~ **The number of short-term vacation rentals that may operate at any one time, shall be no more than 28.**

- b. ~~The property management plan shall be mailed to all adjoining property owners within three hundred (300) feet as a condition of approval, and shall be posted in a visible location within the short term vacation rental. If the responsible party of a short term rental use does not reside within the Town, the management plan must identify an individual or individuals within a twenty five mile radius of the property to serve as local contacts and respond to emergency conditions.~~ **No person, entity, or affiliated group shall hold, directly or indirectly, more than one (1) STVR permit of either Resident or Investor STVR, where "person" includes any natural person, corporation, LLC, partnership, trust, or other legal entity; "affiliated group" includes spouses, domestic partners, immediate family members, business partners, and any entity in which a permit holder has a financial or controlling interest of 10% or greater; and "indirectly" includes any arrangement designed to circumvent this limitation through the use of multiple entities, family members, proxies, or shared management/control structures.**
- c. **Investor STVR licenses shall be limited to a maximum of fourteen (14) licenses within the Town.**
- d. **Resident STVR licenses shall constitute the remaining fourteen (14) licenses.**
- e. ~~If concerns are raised by any affected person within the area of notification at the time of or prior to the public hearing, the Planning Commission may establish, at the time of public hearing, specific conditions on the use of a short term vacation rental to address impacts to the neighborhood. Those conditions shall be incorporated into the property management plan that is mailed to all adjoining property owners within three hundred (300) feet of the property.~~ **Permits are non-transferable and non-assignable.**
3. ~~Standards and requirements~~ **Application Requirements**
~~Vacation rentals are permitted subject to the following standards:~~
- d. ~~No sign identifying the short term vacation rental is permitted on the property.~~ **Complete applications for new permits or renewals shall only be accepted in the enrollment period from January 1- February 28 for the year. Permits expire March 31st of each year regardless of issue date.**
- b. ~~No changes shall be made to the dwelling or site which would diminish or detract from the residential appearance in the neighborhood.~~
- Applications shall include:**
- **Proof of ownership**
 - **Site plan showing all parking spaces and outdoor amenities**
 - **Property management plan**
 - **Proof of one-million-dollar (\$1,000,000) insurance policy covering STVR use**
 - **Payment of all applicable fees (upon acceptance)**
 - **Safety inspection report from the Fire Department**

- **Signed affidavit acknowledging all requirements of this Section**
 - **For Homeowner STVRs, evidence of primary residence**
 - **Valid driver's license or state identification showing the address**
 - **Voter registration**
- c. ~~Overnight guest occupancy for short term vacation rentals shall be two (2) persons per sleeping room or guest room on the main level of the house and/or the upper floor(s), plus two (2) additional renters overall, up to a maximum occupancy of no more than eight (8) persons. Any sleeping room located in the basement of the house may only be occupied by the home owner or primary resident(s) but not the guests.~~
- d. ~~During the daytime, maximum number of total guests and visitors allowed at any time in a short term vacation rental shall not exceed the maximum overnight occupancy plus six (6) additional persons per property, or fourteen (14) persons, whichever is less.~~
- e. ~~Quiet hours shall be from 10:00 p.m. to 7:00 a.m. and no outside assembly of more than the maximum overnight occupancy shall be permitted during this period.~~
- f. ~~Outdoor amplified sound (microphone or speaker system) shall not be allowed at any time. This provision does not apply to casual music from personal music devices or similar situations that are typical of residential surroundings.~~
- g. ~~Pets if allowed by owner shall be secured on the property at all times. Continual nuisance barking by unattended pets is prohibited per Section 7-116 of the Palisade Municipal Code.~~
- h. ~~Outdoor fire areas, when not prohibited by state or local fire codes, may be allowed but shall be limited to three (3) feet in diameter, shall be located on a non-combustible surface, shall be covered by a fire screen, and shall be extinguished as soon as it is unattended or by 10:00 p.m. whichever is earlier.~~
- i. ~~Parking shall be provided to accommodate one (1) space per the dwelling unit plus one (1) space for each occupied sleeping room or guest room with a minimum of two (2) off-street parking spaces provided. Any on-street parking, where appropriate, shall be limited to no more than one (1) parking space.~~
- j. ~~All vehicles shall be parked in designated parking areas, such as driveways and garages, or on-street parking, where permitted. No parking shall occur on lawns or sidewalks.~~
- k. ~~The short term vacation rental shall be subject to the same safety and health inspections, licenses, registrations, fees and taxes, including the occupation lodging tax, to which other licensed businesses or places of accommodation are subject.~~
- l. ~~The number of short term vacation rentals that may operate at any one time, shall be no more than 3 percent of the total number of single family housing units in the Town. The number of single family housing units shall be based on the most~~
-

~~recent data available from the U.S. Census Bureau and the State of Colorado Demographer's office.~~

- ~~m. No food service shall be offered to overnight guests by the owner or operator of the short term vacation rental.~~
4. ~~If no business license is issued for a short term vacation rental within a year of approval by the Planning Commission, the Planning Commission approval shall expire. If a business license is not renewed for a short term vacation rental for a consecutive year, the use as a short term vacation rental shall be considered discontinued. An expired approval or discontinued use, as per this Section, shall require notification, hearings and approval to re-establish the short term vacation rental consistent with this Section of this LDC.~~ **Property Management Requirements**
 - a. **Guest check-in/check-out procedures**
 - b. **Maximum occupancy enforcement**
 - c. **Parking requirements**
 - d. **Trash management**
 - e. **Noise restrictions**
 - f. **Outdoor fire and amplified sound restrictions**
 - g. **Pet policies**
 - h. **Emergency procedures**
5. ~~Any violations of this Section are subject to the enforcement and penalty provisions of Article 13. Upon receipt of any combination of three (3) citations, or violations of any section of this LDC or Municipal Code by the Town of Palisade, within a two year period, the use of the short term vacation rental is summarily revoked. The revocation is subject to an appeal to the Board of Trustees, if requested within ten (10) days of the decision of revocation. Should such a revocation occur, an application to re-establish a short term vacation rental at the subject property shall not be accepted by the Town of Palisade for a minimum period of two (2) years after the revocation takes effect.~~

Notification Requirements

- a. **Property management plan must be:**
 - **Provided to all properties within 300 feet**
 - **Must include twenty-four hour (24-Hr) contact information for property owner or property manager**
 - **Posted in a clearly visible way inside the rental unit**
 - **Updated within 24 hours of any change in contact information**
- b. **Town shall be notified of any changes to management plan within 24 hours**
- c. **All permitted STVR operators must prominently display their Town of Palisade STVR permit number on all online hosting platforms**

6. ~~Upon approval by the Planning Commission, the applicant shall obtain a business license in order to operate the short term vacation rental consistent with the approved site plan and management plan. Operation and/or advertisement of a short term vacation rental prior to the issuance of a business license is considered a violation of this LDC and is subject to the enforcement and penalty provisions of Article 13. Violation as per this Section shall also impose an automatic re-consideration of the application by the Planning Commission at the next available meeting, subject to the same public notification of the original application.~~ **Occupancy and Use Limitations**
- a. **Maximum overnight occupancy shall not exceed:**
 - **Two (2) persons per legal bedroom**
 - b. **Maximum daytime occupancy shall not exceed:**
 - **Two (2) persons per legal bedroom**
 - c. **Maximum permitted noise levels are subject to Municipal Code Sec. 10-226**
 - d. **No outdoor amplified sound at any time**
 - e. **No food service to guests may be provided by operators**
 - f. **No commercial events or activities**
 - g. **No alterations that would reduce residential character**
 - h. **No physical signs, placards, postings, or other visual displays identifying the property as a vacation rental shall be permitted**
 - i. **For Resident STVR property owner must be on site during rentals.**
 - j. **For Investor STVR a designated manager must reside within twenty-five (25) miles of the property**
 - k. **No Parties or Special Events:**
 - **Parties and special events are strictly prohibited at all STVR properties. Any gathering that exceeds the maximum permitted occupancy of the STVR unit; or any gathering that includes non-registered guests engaging in activities such as, but not limited to: weddings, receptions, banquets, celebrations, reunions, retreats, or similar organized events. Regular social gatherings of registered guests within permitted occupancy limits shall not be considered parties or special events.**
 - **Advertising an STVR for parties or special events is prohibited**
 - **All rental property management plans must include acknowledgment of no-party policy**
 - l. **Investor STVR permits require the property to be listed as available for rent at six (6) months, with proof required upon request, or the permit may be revoked**

m. **Parking Requirements**

- **Minimum of one (1) off-street parking per two (2) legal bedrooms**
- **Maximum of one (1) on-street parking space where permitted**
- **No parking on landscaped areas or sidewalks**
- **Parking plan must be provided to guests**

7. **Taxes and Fees**

a. **Required Taxes**

- **All STVRs shall be subject the Town occupational lodging fee and any applicable state or county lodging taxes**

b. **Tax Remittance:**

- **All taxes and fees must be collected and remitted monthly per Municipal Code Sec. 6-56**
- **Late remittance subject to penalties per Municipal Code Sec. 6-61**
- **Failure to remit taxes for two consecutive months constitutes grounds for permit revocation**

c. **Record Keeping**

- **Owner must maintain complete booking records for three (3) years per Municipal Code Sec. 6-56**
- **Records must be available for audit upon request by Town**
- **Records must include:**
 - **Dates of occupancy**
 - **Number of rooms occupied**
 - **Taxes and fees collected**

d. **Required Fees**

- **Annual permit fees are required for both license types**
- **Business license fee. Under Municipal Code Section 6-55, any license holder who remits occupancy tax in an amount greater than the annual business license fee is exempt from paying the business license fee. While the fee is waived, the business must still maintain an active business license.**
- **Late renewal fee if applied within thirty (30) days of expiry**

e. **Tax and Fee compliance**

- **Proof of tax compliance required for permit renewal**
- **Outstanding taxes or fees constitute grounds for:**
 - **Denial of permit renewal**
 - **Immediate suspension of permit**
 - **Placement of lien on property**
- **Fraudulent tax returns constitute grounds for immediate permit revocation**

8. **Enforcement and Penalties**

- c. **Initial complaints shall be directed at the property owner/manager**
- b. **Municipal complaints must include:**
 - **Photo or video evidence of violation**
 - **Date and time of occurrence**
 - **Complainants contact information**
- c. **Anonymous complaints shall not count toward strikes but will be considered at renewal**
- d. **Strikes may be issued for:**
 - **Failure to maintain current contact information**
 - **Non-response to Town notices**
 - **Law enforcement incidents**
 - **Land Development Code or Municipal Code violations and non-payment of fees**
- e. **Strike Penalties:**
 - **First Strike: Written warning**
 - **Second Strike: Fine plus required management plan update**
 - **Third Strike: Fine plus permit revocation**
 - **Strikes remain active for twelve (12) months from date of issuance**
 - **Appeals to the Planning Commission must be filed within ten (10) business days**
- f. **Upon third strike:**
 - **Owner permanently ineligible for STVR permit**
 - **Property ineligible until transfer of ownership**
- g. **Unlicensed Operations**
 - **Notice of violation requiring compliance within twenty-four (24) hours issued by the Town of Palisade Code Enforcement Officer**
 - **If compliance is not obtained:**
 - **Fine per day of continued operation**
 - **Property lien for unpaid fines after thirty (30) days**
 - **Permanent ineligibility for both owner and property**

9. **Existing Permits**

- a. **All existing Resident and Investor STVR permits shall expire on March 31, of each year**
- b. **Existing Resident and Investor STVR permit holders shall have first right of refusal to renew their permits during the annual enrollment period ending February 28, after which any unrenewed permits will be forfeited and automatically allocated to the next eligible applicant on the waiting list.**

- c. **Existing permits must renew in the enrollment period defined in Section 7.01.M.3 Application Requirements but have up to thirty (30) days after application enrollment closes to renew with a late fee; failure to renew within this window results in permit expiration, with no automatic renewals or legal non-conforming status of existing permits.**

~~If a short term vacation rental is denied either by the Planning Commission or upon an appeal by the Board of Trustees, a request for a short term vacation rental for the same property may not be made until at least six months from the date of denial. This provision does not apply if the property is transferred after the denial and a request is made by a new land owner~~

Section 2. Severability. If any provision of this ordinance is found to be unconstitutional or otherwise invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions which can be implemented without the invalid provisions and, to this end, the provisions of this ordinance are declared to be severable.

Section 3. Effective Date. This ordinance shall take effect thirty (30) days after publication following final passage.

INTRODUCED, READ, PASSED, ADOPTED AND ORDERED PUBLISHED at a regular meeting of the Board of the Trustees of the Town of Palisade, Colorado, held on March 25, 2025.

TOWN OF PALISADE, COLORADO

By: _____

Greg Mikolai, Mayor

ATTEST: _____

Keli Frasier, CMC
Town Clerk

Short Term Vacation Rental Decision Tree



Do you own a property in Palisade?

Yes

No

Is this your primary residence?

Must own property to apply for STVR

Yes

No

Eligible for Resident STVR Permit

- Proof of primary residence
- Owner on site during rental
- Site plan with parking
- Property management plan
- \$1,000,000 insurance policy
- Fire safety inspection
- Notification to neighbors
- Business license & \$200 fee

Eligible for Investor STVR Permit

- Owner not on site
- 6 month minimum listing requirement
- Site plan with parking
- Property management plan
- \$1,000,000 insurance policy
- Fire safety inspection
- Notification to neighbors
- Business license & \$200 fee

Important Information

Application Period - January 1 - February 28 annually

Permit Limitations - One permit per person/entity

STVRs limited to a total of 28

18 Resident & 10 Investor licenses

Renewal - All permits expire March 31

First right of renewal for existing permit holders

Three-Strike Policy - Three violations will result in permanent revocation