



Memorandum

To: Vail Town Council

From: George Ruther, Director of Community Development

Date: November 1, 2016

Subject: Chamonix Neighborhood – 60 Day Chamonix Neighborhood Scope of Services Report

I. PURPOSE

The purpose of this presentation is to provide a report on the findings of the work completed with regard to the 60 Day Chamonix Neighborhood Scope of Services Agreement. The Agreement was executed by and between the Town of Vail and Triumph Development on August 16, 2016. Pursuant to the terms of the Agreement the deliverables outlined in the scope of services were to be completed by October 12, 2016.

As contracted with Triumph Development, this presentation will cover the following topics:

- Conceptual site plans depicting two different density scenarios
- Design and development of conceptual townhouse and duplex unit floor plans
- Preliminary building sections and architectural elevations
- Conceptual civil engineering and site grading plan for each of the two density scenarios
- Updated project-level development budget and detailed construction budget based upon estimates of probable cost for each residential unit type and each site plan option
- Construction schedule and recommend a preferred phasing plan presuming an initial construction start no later than May 1, 2017.
- Due diligence process on system-built off site construction including schedule implications, cash flow and an initial estimate of cost for a system- built approach and a comparison to on-site stick framed construction
- Proposed development pro forma whereby the Town of Vail provides the financing for the project
- Proposed plan outlining the specific strategies and roles of the various parties involved in the marketing of the homes

II. ACTION REQUESTED OF THE VAIL TOWN COUNCIL

The scope of services work has been completed as contracted. Based upon the information obtained from the scope of services work the Town is now better positioned to make decisions on the future of the Chamonix Neighborhood Development.

To move forward with the Chamonix Neighborhood Development a number of key decisions are required of the Vail Town Council. These decisions lie within the critical path and must be addressed before moving forward with any next steps.

The key decisions include:

- Two site plan alternatives have been prepared. Each site plan optimizes the use of the site, is context sensitive and responds favorably to the site configuration and topography. **Which site plan, A or B, best achieves the Town Council's objectives for development in the Chamonix Neighborhood?**
- Floor plan designs and layouts have been prepared for the Chamonix Neighborhood. The floor plan designs deliver a desirable and marketable type of housing product. **Are there any significant changes that need to be made to the floor plan designs before moving forward with design development drawings?**
- Due diligence has been completed on both on-site built homes and off-site systems built homes. Trade offs for each approach to construction has been presented. **Which approach to the home construction should the development team pursue? On-site or off-site?**
- An initial construction schedule has been prepared and presented. Completion of design development drawings and approvals with the Town's development review process are within the critical path. **Does the Vail Town Council authorize moving the Chamonix Neighborhood forward in the development review process?**
- A project-level development budget and detailed construction budget based upon estimates of probable cost has been completed. Assuming current cost estimates, the proposed housing product types for the Chamonix Neighborhood could be constructed and purchased by a four-person household home buyer earning at least 120% of Area Median Income (AMI) in Eagle County presuming 10% down payment and a 4% interest rate, without any further financial subsidy from the Town. **Does the Vail Town Council support this cost/pricing structure or does the Town Council wish to add further subsidy to the development to increase the range of buyers to include home purchasers earning less than 120% of AMI annually? Or, would the Town Council rather reevaluate unit sizes in an effort to reduce overall cost?**

III. NEXT STEPS WITH THE VAIL TOWN COUNCIL

The next steps in the decision making process will occur with the Vail Town Council on Tuesday, November 15th. At that time, the development team will return with a proposal for a pre-development agreement. Mutual acceptance of a pre-development agreement is needed to advance the development forward to the next stages. Prior to the actual start of construction, a final development agreement will be required between the Town and the development team.

IV. STAFF RECOMMENDATION

Based upon the conclusions of the Scope of Services work, the Town staff recommends the following:

- Instruct the development team to advance the design of Site Plan A
- Authorize the development team to take the steps necessary to receive entitlements and approvals for the development
- Initiate a reservations and marketing campaign to further engage potential home buyers
- Authorize the town staff to take the steps necessary to prepare and begin negotiating a pre-development agreement with the development team for Town Council review and approval
- Instruct the development team to advance a development design with a residential product mix that requires no further financial subsidy from the Town of Vail
- Instruct the development team to complete a more detailed due diligence process with regard to off-site systems built construction and report their findings back to the Town Council acceptance
- Instruct the development team to complete a more detailed due diligence process with regard to constructing the development in one phase and report their findings to the Town Council for acceptance