

1760 High Street, Denver, CO 80218 • (303) 715-3570 Office • (303) 715-3569 Fax • www.westernlandgroup.com

MEMORANDUM

TO: George Ruther

FROM: Western Land Group, Inc.

DATE: September 15, 2016

SUBJECT: Potential Acquisition of Federal Lands

This memo summarizes and expands upon the tables that we sent you last month. In summary, we are pleased to report that most of the Federal land that your staff identified can be acquired by the Town of Vail

There are no prohibitions contained within the White River National Forest Land and Resource Management Plan ("Forest Plan") that prohibit the Forest from considering disposal of any of the identified Federal parcels. However, the Forest Plan would make disposal of the western parcels relatively straightforward as the Forest Plan land management prescription for the westernmost parcels is "Intermix." Intermix is intended to accommodate urban services and to provide a buffer between urban and forest activities. There is no Plan prohibition against moving such a buffer to accommodate urban growth.

The most difficult parcels to acquire are located in areas with significant wildlife impacts. One parcel is located in an area of East Vail north of the frontage road that is critical habitat for the local bighorn sheep herd. The two easternmost parcels are near the bottom of Vail Pass, which is an important for lynx migration and other lynx activities.

The parcel configurations identified by your staff are not the exact parcel configurations that we will propose to the Forest Service. In simplistic terms, the Federal boundary that we propose to the Forest Service will need to be configured to simplify boundary management. Straight lines will be proposed whenever possible, and isolated parcels of Federal and private will be avoided. Final parcel configurations will be approved by the Town and the Forest Service.

We suggest that you now address local issues and concerns in terms of the Town of Vail land use code as well as in purely political terms. For example, one or more of the identified parcels may trigger hot button reactions that the Town Council would want to avoid.

Once you and the Town Council have decided which parcels to pursue WLG will provide you with a new employment agreement to pursue acquisition of the subject parcels. As a first step we will work with you and a valuation expert with experience and success in preparing Federal appraisals to establish individual parcel values. In addition, WLG will perform additional research regarding outstanding issues such as the various public land and wildlife issues

identified in the tables and appendices and provide you with cost and timetable estimates for completing the contemplated transaction(s) with the Forest Service.

With land values and transaction costs identified the Town will be in a position to make a sound business decision regarding acquisition of the identified Federal lands.own