

The regular meeting of the Vail Town Council was called to order at approximately 6:00 P.M. by Mayor Chapin.

Members present:	Dave Chapin, Mayor Jenn Bruno, Mayor Pro Tem Dick Cleveland Kevin Foley Kim Langmaid Jen Mason Greg Moffet
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Staff members present:	Stan Zemler, Town Manager Matt Mire, Town Attorney Patty McKenny, Town Clerk
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1. Citizen Participation

Andy Daly, resident and former Vail Council member and Mayor, presented his ideas about housing with a request to develop a “strategic housing plan, more information that would clarify the council’s position about open lands and housing, and a very public process if the town would proceed with USFS land trades.

Paul Rondeau, resident, spoke about workforce housing, his recent letter to Vail Town Council members, and his workforce site selection decision table, outlined with the acronym FACETS. He encouraged the Council to be sure to have defined objectives and guidelines for housing decisions and requested more opportunities for public involvement and transparency.

Mayor Chapin responded with some comments about the open lands planning process which is just beginning. He noted there have been no final decisions made about using open lands for development. He commented that this is a time to review ideas and get public input; he spoke about the town’s public discussions taking place at multiple open houses for many topics as well as the regular scheduled public meetings. He apologized for his emotional comments but thought the public comments circulating were over the top and unfair to the elected officials.

Local resident Ann, expressed disappointment about the Chamonix project noting the proposed price points as too high; she wants to live in Vail and not down valley but could not afford a unit in the project with the proposed sale prices.

2. Proclamations

2.1. Proclamation No. 8, Series of 2016, Declaring December 9, 2016 as "WhoVail Day"

Presenter(s): Dave Chapin, Mayor

Background: The Four Season Resort and Residences Vail hosts a holiday celebration annually with a Whoville-inspired gingerbread house and holiday music from Vail Mountain School

chorus for all of Vail's guests and community to enjoy. This year's festivities are taking place on December 9.

Moffet moved to approve Proclamation No. 8; Bruno seconded the motion and it passed (7-0).

3. Consent Agenda

3.1. Minutes from November 1, 2016 meeting

3.2.1 Minutes from November 15, 2016 meeting

3.2.2 Resolution No. 36, Series of 2016, A Resolution Approving an Intergovernmental Agreement Between the Town of Vail and Eagle County Regarding Animal Services; and Setting Forth Details in Regards Thereto.

Moffet moved to approve the consent agenda; Bruno seconded the motion and it passed (7-0).

4. Town Manager Report

4.1. Propose Annual Community Meeting Date as March 14, 2017

The date of March 14, 2017 was confirmed for the annual community meeting.

5. Presentations / Discussion

5.1. Update on the Chamonix Neighborhood at West Vail Development Plan

Presenter(s): George Ruther, Director of Community Development

Action Requested of Council: To effectively and efficiently move forward with the Chamonix Neighborhood development a number of key decisions must be addressed before moving forward with any next steps. The key decisions include:

- Are there any significant changes that need to be made to the floor plan designs before continuing forward with design development drawings and construction budgeting process?
- Does the Vail Town Council authorize the Team to move forward with the unit mix as presented?

The project team was present as follows: George Ruther, Town of Vail, Will Hentschel, 359 Design, Michael O'Conner, Triumph Development, Mike Cuthbertson, RA Nelson. Ruther and the team reviewed the following:

BACKGROUND of the project.

DEVELOPMENT SCHEDULE as follows:

- December 12th – Work session with the Planning & Environmental Commission
- December 12th – 16th - Small Focus Group Meetings
- December 20th – Vail Town Council sign off to proceed (unit mix and floor plans)
- December 21st - Conceptual review with the Design Review Board
- January 9th – Final review by the Planning & Environmental Commission
- January 9th – Launch marketing and reservation campaign
- January 9th – 13th – Community Open Houses
- December 6, 2016 - Page 31 of
- January 10th – Release Development Team to begin preparing construction documents
- January 18th – Final review by the Design Review Board
- February 7th – Vail Town Council final phasing sign off
- May 2017 – Complete lottery selection process
- October 2017 – First homes ready for occupancy

NEW HOME UNIT MIX AND FLOOR PLAN DESIGN

The Development Team has prepared unit mix and floor plan designs for the Chamonix Neighborhood at West Vail development. A total of ten buildings (Building 1 thru 10) are proposed on the site. The ten buildings are an assemblage of five different building types (Building Type A thru E).

The five building types are comprised of five different floor plans (Type 1 thru 5) varying in size from approximately 1,130 square feet (GRFA) to 2,676 square feet, including garage area. The garage areas varying in size from a one-car garage at 300 square feet to a two-car garage at 600 square feet. Two, two-bedroom, two bath, floor plan designs are proposed (Type 1 & 2) and three, three-bedroom, floor plan designs are proposed (Type 3, 4, & 5).

There was some discussion about which unit types might be more desirable by the public, design with one car garages?

Michael O'Connor presented the **MARKETING AND RESERVATIONS CAMPAIGN** which includes some of the following tasks:

- *Project Design*

- Site plan with community amenities
- Colored architectural plans/elevations for marketing package
- Renderings
- Unit amenity and specifications

- *Home sales price*

- *Project website*

- *Chamonix Neighborhood at West Vail Sales Center at Community Development to meet with prospective buyers. This will include floor plans, material specifications, finish boards, digital presentations, site plans, HOA documents, etc.*

- *Qualified Buyer questionnaire*

- *List of Frequently Asked Questions*

- Lottery process and qualification requirements
- Financing options and local buyer assistance programs
- Buyer assistance classes and information
- Deed restriction and price escalation cap terms
- Advantages of systems-built construction

Additional tasks will also include:

- Finalize marketing materials, website & questionnaire
- Host community focus groups

There was a comment about the need to better understand the proposed purchase price compared with the prequalified income levels of interested purchasers. Additionally, the topic of further subsidizing the units would need some discussion. Chapin invited public input at this time.

Allie Katz, Eagle County resident, expressed her hopes that those living in Vail Commons and Miller Ranch might see Chamonix as the next step in housing; if this were the case she would then have a chance to afford the entry level housing offered in Vail.

Tim Beall, Vail Commons resident, shared that he would prefer more space to a garage and noted the project is too high priced. He also submitted a letter expressing his concerns about the project and that the units are not affordable.

Andrew Benedict, Bellflower Drive resident of 20 years, in lottery for 2 years and asked questions about how the lottery will work, why the units are not more affordable, doesn't agree with the current lottery system.

Kim Bell Williams, Valley Home Store, provided some facts about the prequalified buyers for Miller Ranch homes, with price points between \$225K and \$450K. She spoke about some of their deed restricted guidelines.

There was no further public input given at this time. Chapin noted again the questions that need to be answered:

- Are there any significant changes that need to be made to the floor plan designs before continuing forward with design development drawings and construction budgeting process?
- Does the Vail Town Council authorize the Team to move forward with the unit mix as presented?

There were some comments about the need to decide the unit mix and whether further subsidies would be given. There was a request to review construction costs as well; Ruther reviewed price estimates for Plans B & C. Chapin noted the item would be scheduled for discussion again on Dec 20, with further review of costs, subsidy levels and public input. Ruther noted this would delay the proposed timeline for the completion of tasks.

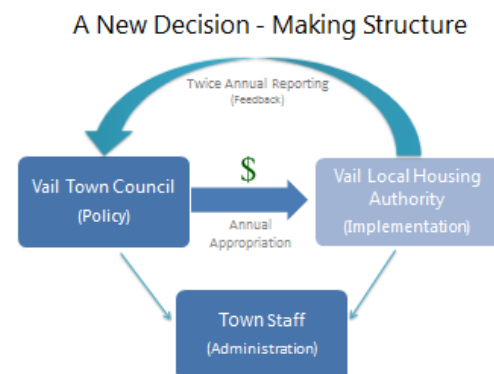
6. Action Items

6.1. Resolution No 34, Series of 2016, A Resolution of the Vail Town Council Appointing the Vail Local Housing Authority as the Town's Agent to Negotiate and Purchase Deed Restrictions in the Town.

Presenter(s): George Ruther, Director of Community Development

Background: The Vail Town Council is being asked to support the amended recommendation for the process and procedures for determining deed restriction acquisitions as adopted by the Vail Housing 2027 Strategic Plan

Ruther shared the new decision making structure which the resolution adopts (diagram below); the decision-making authority would be transferred to the Vail Local Housing Authority rather than the Town Council. It was noted the resolution outlines criteria in which to follow when making the decisions about purchasing deed restrictions, outlined in Section 3.



The following criteria and findings shall be used by the VLHA when determining whether to acquire a deed restriction:

- Supports and maintains a permanent year-round resident population that grows a diverse community where a wide range of demographics, economics, occupations and family household sizes are served.
- Furthers the goal adopted in the Vail Housing 2027 Strategic Plan
- Consistent with the housing policies adopted by the Vail Town Council for the acquisition of deed restrictions for resident housing
- Demonstrated demand exists within the resident housing market for the type of residential product (studio, flat, townhome, duplex, single family, etc.) that is to be deed restricted
- Fulfills a demonstrated need within a defined segment (i.e. for rent, for sale, owner occupied, etc.) of the residential property market.
- Demonstrates a quantifiable return on investment based upon the conclusions of the Economic Value of the Town's Investment in Employee Housing Report, prepared by BBC, dated March 12, 2012
- The market value of the deed restriction is comparable in value to other existing deed restrictions within the community as demonstrated by a licensed real estate appraiser
- Most cost effective and efficient use of the Town's limited supply of financial resources
- Fair market value is paid for the deed restriction relative to current market conditions (i.e. supply & demand)
- A transaction cap of \$200,000 per dwelling unit to be deed restricted

There were several council comments related to:

- ✓ Request for more frequent reports at six month intervals on acquisitions, the need for internal auditing and second signature on documents requirement
- ✓ Transition cap of \$200K per dwelling unit to be deed restricted
- ✓ The ability to revoke the designation at any time

It was noted that Finance would continue to work this the implementation of the resolution with the Town Manager and VLHA. Moffet moved to approve Resolution No 34, Series of 2016, A Resolution of the Vail Town Council Appointing the Vail Local Housing Authority as the Town's Agent to Negotiate and Purchase Deed Restrictions in the Town; Langmaid seconded the motion. Chapin invited public input and no input was given. The motion passed (7-0).

6.2. Ordinance No. 33, Series of 2016, First Reading, An Ordinance Making Adjustments to the Town of Vail General Fund, Capital Projects Fund, Real Estate Transfer Tax Fund, Dispatch Services Fund, and Heavy Equipment Fund

Presenter(s): Carlie Smith, Senior Budget Analyst

Several highlights were presented for each of the funds, summaries follow:

General Fund:

- ✓ Staff requested an overall increase in budgeted expenditures of \$131,790, which includes a \$50,000 decrease in budgeted expenses as a result of the withdrawal of America's Winter Opening events by the Vail Valley Foundation and \$158,290 relating to expenditures corresponding to the reimbursements.
- ✓ The remaining \$23,500 of expenditures includes \$8,500 for a police evidence system to manage and track evidence inventory; and \$15,000 of additional contract audit fees that resulted in sales tax collections of \$150,000.

- ✓ These adjustments to the General Fund 2016 budget result in a net increase of \$53.7K, with a resulting fund balance of \$23.6 million by the end of 2016, or 64% of annual revenues.

Capital Fund:

- ✓ Budgeted revenue will be decreased by a total of \$9,686. This includes a decrease in rent collections of \$38,160 from the Vail Commons homeowners association that will instead be managed by the HOA to fund capital improvements in the general common elements of the property.
- ✓ Staff is requesting to supplement 2016 expenditures by a total of \$388,474.
- ✓ Other than the expenditures corresponding to the reimbursements mentioned above, staff is requesting to bring forward \$210,000 from the 2017 budget to place an order for a plow truck (for delivery and payment in 2017). The dollars should be appropriated in the year the town is under contract. The Capital Projects Fund will be reduced by this amount during the first supplemental of 2017.
- ✓ The Slifer Fountain and Plaza project was intentionally moved into the Capital Projects Fund budget rather than the RETT Fund for estimated 2017 expenditures based on available fund balances and the amount of sewer line and infrastructure work involved. The initial project expenditures of \$150,000 budgeted in 2016 now also need to be included in the Capital Fund, but will be reduced in the RETT Fund. The proposed budget adjustments will result in an estimated fund balance of \$15.8 million by the end of 2016

Real Estate Transfer Tax (RETT) Fund

- ✓ Budgeted revenues will be increased by \$180,000. This includes \$10,000 of bag fee revenue to be offset by a corresponding expenditure of \$10,000 for E-Waste Collection Day.
- ✓ The remaining \$170,000 is a reimbursement from the Vail Recreation District that will partially offset additional expenditures of \$620,000 to complete the Vail Golf and Nordic Clubhouse. The project encountered several unanticipated circumstances as well as design changes and decisions on “finishes” that resulted in a final projected cost of \$11.0 million.
- ✓ Staff is requesting to supplement 2016 expenditures by a total of \$480,000. This includes the expenditures corresponding to the reimbursements mentioned above offset by the \$150,000 reduction of the 2016 Slifer Fountain and Plaza budget.
- ✓ The proposed budget adjustments will result in an estimated fund balance of \$4.4 million by the end of 2016.

Cleveland moved to approve Ordinance No. 33, Series of 2016, First Reading, An Ordinance Making Adjustments to the Town of Vail General Fund, Capital Projects Fund, Real Estate Transfer Tax Fund, Dispatch Services Fund, and Heavy Equipment Fund. Moffet seconded the motion. No one submitted any public input. The motion passed (7-0).

7. Public Hearings

7.1. Ordinance No. 32, Series of 2016, Second Reading, An Ordinance Providing for the Levy Assessment and Collection of the Town Property Taxes Due for the 2016 Tax Year and Payable in the 2017 Fiscal Year

Presenter(s): Kathleen Halloran, Finance Director

Background: The town is required by Colorado state law to certify the mill levy by December 25 each year.

Moffet moved to approve Ordinance No. 32, Series of 2016, Second Reading, An Ordinance Providing for the Levy Assessment and Collection of the Town Property Taxes Due for the 2016 Tax Year and Payable in the 2017 Fiscal Year. Foley seconded the motion. No public input was given. The motion passed (7-0).

There being no further business to come before the council, Moffet moved to adjourn the meeting and Foley seconded the motion which passed (7-0) and the meeting adjourned at 8:10 p.m.

Respectfully Submitted,

Attest:

Dave Chapin, Mayor

Patty McKenny, Town Clerk