



Memorandum

To: Vail Town Council

From: George Ruther, Director of Community Development

Date: March 20, 2018

Subject: Chamonix Vail – Progress Report

I. Purpose of this Presentation

The purpose of this presentation is to share a report on the ongoing progress of the Chamonix Vail Neighborhood development. At the conclusion of the presentation, members of the development team will be available to answer any questions the Vail Town Council may have regarding progress or next steps in completing the development.

The Chamonix Vail Neighborhood development ensures the Vail Town Council achieves its adopted action goal of “growing a thriving and balanced community”.

II. Development Goals and Objectives

A list of goals and objectives was adopted for the development of the Chamonix Vail Neighborhood. The project team continually relied upon these goals and objectives for direction and guidance throughout the construction process. On April 15, 2014, the Vail Town Council affirmed and adopted the following goals and objectives:

- Optimize the use of the site for **affordable for-sale housing** (15 - 25 DU's per acre)
- Design a **context sensitive design solution** (design review guidelines)
- Ability to be **phased over time** (min. two phases)
- Deliver **desirable, marketable and diverse** types of housing products (duplexes; one, two & three bedroom flats; townhomes, etc.)
- **Maximize the town's limited financial resources**
- **Build responsibly** given the existing site configuration, topography and natural features of the site
- Develop a **diversified cost/sales structure to respond to a wide range of buyers** (i.e. pricing structure based upon a variety of occupations)

III. Update on Progress

Chamonix Vail construction is progressing ahead of schedule and on budget. Eight of the ten buildings have received a temporary certificate of occupancy (TCO) with the final two buildings scheduled to receive TCO's on or before March 23rd. All of the homes will be substantially complete by March 30th. The development team is now in the process of meeting with each of the home buyers to complete home buyer orientations, walkthroughs, and final inspections. According to the current schedule of closings, the final home will close on April 30, 2018. Final site and landscape work is contractually obligated to be completed on or before June 18, 2018, weather permitting, at which time, all construction on the site will be 100% complete.

All 32 new townhomes are either occupied or moving towards closing. To date, 18 of the 32 townhomes have closed and ownership has transferred to the new owners. As a result, the Town of Vail has received more than \$10M in total repayments of the \$17.728M financed on the development. At the conclusion of the final closing, the Town will have received repayments in the total amount of \$17.728M.

The development cost of the construction project remains on budget. A total development budget of \$17.728M, including \$454,333 for pre-development services, plus owner's contingency, was approved by the Vail Town Council. To date, total change order costs equal less than \$125,000. Approved change orders resulted in costs associated with excessive amounts of unsuitable soils excavation and export, addition of a landscape screening berm, installation of solar installation ready infrastructure for all 32 townhomes, an oversized concrete footer redesign, and State of Colorado sales tax. The total change order cost includes line item allowance savings of more than \$87,000, resulting from utility service work installation and modular staging logistics. The remaining balance on the owner's contingency is approximately \$219,000. It should be noted that the development budget remains financially exposed to additional state sales tax payments and the installation of 70 linear feet of CDOT-approved guardrail. A final report on the reconciliation of the total development cost compared to budget will be provided upon completion of the final site work and landscape improvements in June, 2018.