



Memorandum

To: Vail Town Council

From: George Ruther, Housing Director

Date: July 7, 2020

Re: Vail Town Council's Alternate Housing Site Initiative – Memorandum of Understanding Presentation

1. SUMMARY

The purpose of this memorandum is to present a copy of the Memorandum of Understanding (MOU) prepared for the Vail Town Council's Alternate Housing Site Initiative. This MOU would be a non-binding agreement by and between the Town of Vail, Triumph Development, and Vail Resorts and shall serve to outline the terms and details of an understanding between the partners which includes a mutual acknowledgement of each partners' expectations, obligations, responsibilities with regard to a plan to pursue an alternate path to achieving the Town's adopted housing and environmental stewardship goals. This MOU is intended to be a deliberate step towards executing more formal, legally binding agreements along the path, by and between the partners.

A copy of the Memorandum of Understanding has been attached for reference.

2. BACKGROUND

On January 16, 2020, Vail Mayor Dave Chapin announced that the Town of Vail had approached representatives from Vail Resorts and Triumph Development with the objective of exploring an alternate approach to the Booth Heights development approved for East Vail. In doing so, it was acknowledged that the desire of the Town was to pursue a win-win outcome that achieved an equitable balance between the adopted housing and environmental stewardship goals. Since that time, the primary focus of the Town's efforts has been on town-owned properties where additional housing could be developed in the near term while ensuring adequate time and opportunity to implement habitat enhancements on town-owned and USFS-owned lands over the long term.

The Town has adopted goals and policies for maintaining and sustaining community in Vail through the acquisition of new deed restrictions for housing and for wildlife habitat protection and environmental stewardship. By design, the adopted goals and policies are intended to be complimentary and supportive of one another. While priorities may differ from time to time, no one single set of goals or policies is more important than another. Instead, it is well recognized, a healthy balance amongst all the Town's goals needs to be maintained.

The Town's goals are adopted with achievement in mind. For that reason, when goals are adopted, quantifiable measurements are established to track progress towards achieving the

goal. In the instance of housing in Vail, the Vail Town Council and Vail Local Housing Authority have established a measurable goal of acquiring 1,000 new deed restrictions by the year 2027. As it pertains to wildlife habitat protection and environmental stewardship, a measurable goal of ensuring that 4,500 acres of habitat is maintained to current or improved levels of biological health as measured by indicator species and land use has been adopted. Presently, implementation actions are in place which are advancing the Town towards achieving both its housing and environmental stewardship goals.

3. SUMMARY OF THE MEMORANDUM OF UNDERSTANDING

A memorandum of understanding has been prepared for the Vail Town Council's Alternate Housing Sites Initiative. As indicated above, the MOU would be a non-binding amongst the partners to outline the terms and details of an understanding that includes a mutual acknowledgement of the expectations, obligations, and responsibilities regarding a plan to pursue an alternate path to the development of the Booth Heights Parcel. In the end, the MOU articulates what is required for the partners to realize a win-win outcome for all.

The MOU is best summarized by providing answers to each of the following questions:

What is the purpose of the MOU?

The purpose of the MOU is to establish the desired outcomes of the Vail Town Council's Alternate Housing Sites Initiative and set forth the intended expectations of the partners regarding their willingness to cooperate in achieving the Initiative.

Who are the parties to the MOU?

The MOU would be a tri-party, collaborative partnership agreement by and between the Town of Vail, Triumph Development, and Vail Resorts.

Why is a MOU necessary?

The MOU is needed as time is of the essence and minimizes risk in proceeding forward. The MOU shall serve as an initial step towards acknowledging the active participation of each of the partners with knowledge that each is proceeding forward and will be acting in good faith. The MOU aims to effectively and efficiently move the Alternate Housing Sites Initiative forward in advance of executing legally binding agreements.

What are the key deal points of the MOU?

The key deal points of the MOU would include:

- An extension of the approved Booth Heights entitlements will be granted to cover the additional time needed to achieve the win-win outcomes expected of the Alternate Housing Sites Initiative.
- Lot 3, Middle Creek Subdivision will be made available for a future deed restricted housing development as an alternate site to Booth Heights.
- An EHU credit will be granted to Triumph Development/Vail Resorts for the deed-restricted homes developed on Lot 3. The credit may be applied towards a future housing obligation.

- The Timber Ridge Village Apartments will be redeveloped in the future assuring a notable increase in the number of deed restricted homes.
- The Town will be granted the title to the Booth Heights Parcel in exchange for Triumph Development's opportunity to develop Lot 3 and the Timber Ridge Village Apartments
- Wildlife fuels reduction will occur, and wildlife habitat enhancements will be completed to protect Vail's bighorn sheep herd.
- The Vail community is assured of increasing the supply of deed-restricted homes and enhancing, protecting, and preserving the Booth Heights Parcel, on the Town's terms.

What are the expectations, obligations, responsibilities of the partners?

- All partners would be responsible for committing the resources needed and to act in good faith to achieve the win-win outcomes of the Alternate Housing Sites Initiative.
- The Town and Triumph Development are expected be co-applicants on a development application to construct deed-restricted homes on Lot 3, Middle Creek Subdivision.
- The Town is obligated to reimburse the partial costs of the entitlement investment made on the Booth Heights Parcel.
- The Town is obligated to deliver Lot 3, Middle Creek Subdivision, free of all encumbrances by no later than September 15, 2021.
- Triumph Development is obligated to deliver at least 144 beds on Lot 3, Middle Creek Subdivision by November of 2022.
- Vail Resorts is expected to master lease 144 employee beds from Triumph Development upon completion of the homes.
- The Town is expected to make measured progress towards its adopted housing goal and complete critical wildlife habitat enhancements.
- Triumph Development/Vail Resorts are obligated to grant the title to the Booth Heights Parcel to the Town upon demonstrated progress towards established milestones.

When will the various steps in the MOU be commenced and completed?

There are numerous steps to complete to achieve the win-win outcome of the Alternate Housing Sites Initiative. Below is a summary of the steps along with an anticipated completion date of each.

- Initiate multi-year, seven phase process to complete wildfire fuels reduction and habitat improvements - **ongoing**
- Grant approval extending the Booth Heights entitlements – **August 4, 2020**
- Execute legally binding development agreements – **December 31, 2020**
- Achieve entitlement approvals for new homes on Lot 3, Middle Creek Subdivision – **March 1, 2021**
- Commence and complete construction of new homes on Lot 3, Middle Creek Subdivision – **September 15, 2021 – November, 2022.**
- Negotiate option to redevelop Timber Ridge Village Apartments – **September 15, 2021.**
- Grant title to Booth Heights Parcel to the Town – **subject to milestone achievement.**

4. SCHEDULE OF NEXT STEPS

The schedule of next steps for the review and adoption of the MOU include:

July 7th – Presentation of the draft MOU– **presentation only**

July 21st – Vail Town Council to host a public meeting on MOU - **public comment**

August 4th – Vail Town Council to host a 2nd public meeting to consider resolution to adopt MOU
– **public comment**

5. ATTACHMENTS

A. Memorandum of Understanding – Vail Town Council's Alternate Housing Sites Initiative, dated July 1, 2020.