



## Memorandum

To: Vail Town Council

From: George Ruther, Housing Director

Date: February 2, 2021

Subject: Resolution No. 6, Series of 2021, a Resolution Authorizing a Professional Services Agreement Between the Town of Vail and Triumph Development West LLC.

### 1. SUMMARY

The purpose of this memorandum is to present for approval a scope work, total project budget, and project timeline for the design development/entitlement process for deed-restricted housing on Lot 3, Middle Creek and authorize a professional services agreement with Triumph Development.

The development of deed-restricted housing on Lot 3, Middle Creek is a key element of a larger Alternate Housing Sites Initiative directed by the Vail Town Council. The Alternate Housing Sites Initiative was undertaken, in large part, to achieve the following community objectives:

- Achieve the Town adopted housing goal of acquiring 1,000 additional deed restrictions by the year 2027, and
- To protect, preserve, and enhance critical wildlife habitat in East Vail along with implementing wildfire mitigation improvements on Town and USFS-owned lands.

Developing resident-occupied, deed-restricted homes on Lot 3, Middle Creek furthers the goals and priorities articulated within the Vail Town Council Action Plan 2018 – 2020.

### 2. BACKGROUND

The Vail Town Council has directed the town staff to take the actions necessary to coordinate and facilitate the development of deed-restricted homes on the Town-owned Lot 3, Middle Creek. In doing so, the Vail Town Council has expressed an interest in collaborating with Triumph Development West, LLC as a co-applicant on this development initiative. An initial step in the process is to identify and approve a scope work, total project budget, and project timeline for completion.

In furthering this collaborative partnership, the parties are obligated to the following:

#### Town of Vail

- Partner with Triumph Development, as a co-applicant, on the design development and entitlement process for the development of Lot 3, Middle Creek for deed-restricted housing.

- Hire Triumph Development for project management services in an amount not to exceed \$300,000 and fund the design development and entitlement process to an amount not to exceed \$390,000.

#### Triumph Development

- Partner with the Town, as a co-applicant, on the design development and entitlement process for the development of Lot 3, Middle Creek for deed-restricted housing.
- Perform a specified scope of work intended to gain the Town entitlement rights for development on Lot 3, Middle Creek following a prescribed path of milestone steps within a predetermined budget.

### 3. SCOPE OF WORK, BUDGET, AND TIMELINE FOR COMPLETION

#### Scope of Work

The Town of Vail will hire Triumph Development to provide project management services for the design development and entitlement process for Lot 3, Middle Creek. To that end, the parties will execute a professional services agreement in a form approved by the Town attorney and executed by the Town Manager.

A scope of work has been prepared to ensure a successful outcome to the design development and entitlement process. The key deliverable of the process is the preparation and presentation of a complete set of design development documents to be submitted to the Town of Vail Planning & Environmental Commission and Design Review Board for review. The plans shall be prepared in full compliance with all adopted Town of Vail zoning regulations, development standards, and design standards and guidelines. The design development documents will be prepared and presented in collaboration with the town staff.

A detailed list of tasks will be provided within the professional services agreement. In sum, however, a series of project management milestones have been established highlighting key tasks in the design development and entitlement process, which include the following:

- Approval by the Town of the budget, scope of work and schedule for the design development and entitlement process by February 2, 2021
- Execution of a final development agreement and ground lease by March 5, 2021.
- Submit the Planning & Environmental Commission development application and Design Review design application to the Town on or before February 19, 2021
- Receive final Planning & Environmental Commission and Design Review Board action on the development applications
- Issuance of a building permit and execution of an operating agreement to include the VLHA on or before September 30, 2021

## Budget

The Town of Vail has agreed to pay a project management fee and reimburse all costs incurred associated with the design development and entitlement process. With that understanding in mind, a total project budget has been established. The project budget is inclusive of the project management fee and all related entitlement process soft costs, including a project contingency of 3%, to take the project from schematic design to design development to approved development plan. The total project budget is exclusive of any costs attributed to the preparation of the construction documents for the purposes of obtaining a building permit or the construction process. Those costs are the sole obligation of Triumph Development. The total project budget is \$690,000, which includes a \$300,000 project management fee and all soft costs necessary for the preparation of the design development and entitlement documents as reimbursable expenses not to exceed \$390,000. The total project budget represents approximately 3.5% of the estimated total development cost of the housing development.

## Timeline for Completion

A timeline for completion of the design development and entitlement process has been prepared. A number of key critical path assumptions are built into the proposed timeline. The key critical path assumptions are based upon terms expressed within the pre-development agreement. As presented, the critical path assumptions of the timeline require a minimum of 8 months to complete. Those assumptions include:

- The residential development on Lot 3, Middle Creek shall be completed and available for occupancy by no later than November, 2022
- A 14-month construction duration requires construction to begin by no later than September, 2021.
- 30 days (min.) - plan review and building permit issuance
- 100 days (min.) - fully prepare construction documents for building permit application submittal.
- 90 days (min.) - design review and entitlement process.
- 30 days (min.) - PEC/DRB application material submittal preparation.

\*note: (the critical path assumptions as outlined above is sequential in order and cannot be completed concurrently)

The detailed scope of work and tasks, an itemized project budget, and a fully developed timeline for completion of the project will be attached as exhibits to the professional services agreement.

## **4. RECOMMENDATIONS**

The Town staff recommends the Vail Town Council approves Resolution No. 6, Series of 2021, as presented.