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**Memorandum**

To: Vail Town Council

From: George Ruther, Housing Director  
Matt Mire, Town Attorney

Date: February 2, 2021

Subject: Resolution No. 3, Series of 2021 – A Resolution Approving a Pre-Development Agreement Between the Town of Vail and Triumph Development West LLC.

**I. Purpose**

The purpose of this memorandum is to present a summary of the terms of a pre-development agreement by and between the Town of Vail and Triumph Development West, LLC. The terms of the agreement are intended as initial steps to facilitate the future development of deed-restricted homes on Lot 3, Middle Creek Subdivision ( the “Middle Creek Project”) and Lot 1, Timber Ridge Subdivision ( the “Timber Ridge Project”).

The agreement serves, in part, to advance the strategic actions of the Vail Town Council’s Alternate Housing Sites Initiative.

Resolution No. 3, Series of 2021 authorizes the Town Manager to execute a pre-development agreement on behalf of the Town.

**Does the Vail Town Council approve Resolution No. 3, Series of 2021, as presented and read?**

**II. Terms of the Agreement**

The purpose of the pre-development agreement is to establish the general terms of the future final development agreements, ground leases and other necessary agreements for the Middle Creek Project and the Timber Ridge Project.

The Vail Town Council has expressed its desire to develop 100%, deed-restricted homes on the Middle Creek and Timber Ridge properties in partnership with Triumph Development. Combined, these developments are strategic actions to be taken in pursuit of achieving the Town’s adopted housing and environmental stewardship goals.

A summary of the terms of the pre-development agreement include:

- The Town and Triumph Development will be co-applicants on the Middle Creek Project and the Town will grant Triumph Development permission to proceed through the development review process with the Timber Ridge Project.
- The Town will pay up to \$390,000 for the investment in the entitlement of the Middle Creek Project and pay Triumph Development a project management fee not to exceed \$300,000. The Town will incur no cost for the entitlements of the Timber Ridge Project and incur no development risk for either of the Projects.
- The project management fee will be payable in installments upon the completion of key project milestones.
- The Town and Triumph Development will execute ground leases for the Projects thereby allowing the Town to retain ownership of the land beneath the Projects.
- The Town's interest in the ground leases will be freely assignable by the Town at its sole discretion.
- The Town will have rights to master lease and sublease units within each of the Projects.
- A minimum of 144 beds will be provided as part of the Middle Creek Project and at least 200 homes of varying sizes will be developed as part of the Timber Ridge Project.
- The Middle Creek Project will be available for occupancy by no later than November, 2022, and no development of the Timber Ridge Project will begin prior to April, 2023.
- Triumph Development will forego any and all development opportunities on the Booth Heights Parcel.
- The Parties will actively pursue the adoption of a final development agreement for the Timber Ridge Project by no later than May 1, 2021.
- The Parties will agree to certain remedies and obligations in the event of a breach or default to the terms of the agreement.

### **III. Next Steps**

By the pre-development agreement, the Parties are setting forth their expectations regarding the Middle Creek Project and the Timber Ridge Project and establishing the terms of the future final development agreements, ground leases and other necessary agreements for the Projects.

Upon mutual execution of the pre-development agreement, the Parties will take the steps necessary to draft and present final development agreements for the Middle Creek Project and the Timber Ridge Project. Once complete, the final documents will be distributed publicly and a meeting to present the final agreements for approval will be set. It is anticipated a final development agreement for the Middle Creek Project will be completed in time for review by the Town Council on March 5, 2021.

