

Attachment #1

BRYNN GREY

BRYNN GREY PARTNERS LTD

May 16, 2018

President Lacy and Steamboat Springs City Council

Re: West Steamboat Neighborhoods ("WSN")
City Council Work Session
May 22, 2018

Dear President Lacy and Members of the City Council,

We have spent the last 2 months working closely with staff on a draft Annexation Agreement. It is anticipated that the May 22nd Work Session will be dedicated to the Annexation Agreement; then another work session dedicated to the Exhibits; and, finally, a work session dedicated to integrating the Agreement with the Exhibits.

As you read the draft Agreement, we would offer two thoughts: first, "follow the money"; and, second, we need your help with this "balancing act".

Follow the Money

Before 1st Building Permit

Water Redundancy	\$1,000,000	
Water Firming Fund Contribution	<u>292,000</u>	1,292,000

Before 199th Building Permit

Funds for Public Works Capital Costs		810,000
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Market Unit On-going Contributions

Water Firming Fund, 292 Units x \$15,000@	4,380,000	
Transportation Firming Fund 292 Units x \$12,000@	<u>3,504,000</u>	<u>7,884,000</u>

Total		<u>\$9,986,000</u>
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President Lacy and Steamboat Springs City Council
May 16, 2018
Page 2

In addition, WSN shall pay:

- Real Estate Transfer Assessment (rendering WSN "Revenue Neutral")
- Standard building permit, water tap and sewer tap fees totaling over **\$6,000,000**

Balancing of Interests

During a previous Work Session, we suggested the Term Sheet was really a document that attempted to balance all of the competing interests to create a local's neighborhood. Those interests were water, sewer, housing, roads & transportation, parks & open space, property owners, investors, banks, developer, neighbors, the community-at-large, and, of course, the local families and kids who will live in the neighborhood. So, it is with the draft Annexation Agreement – it is a document that balances all of the competing interests.

At that time, we also suggested the image of a large balloon with our attempting to make it round and balance all of these competing interests. Pressing the balloon on one side – in favor of one of the many interests -- results in the balloon popping out on the other side – and another interest being compromised. **So, as you work through this document we would ask for your help. Where you see one interest not adequately addressed and requiring a greater contribution of resources, help us to weigh that against the other competing interests and, further, identify which other interest should be compromised and to what degree.**

That said, from our perspective having created several very successful locals' neighborhoods and spent the last three years getting to know the Steamboat community, we believe this draft Agreement does an excellent job balancing the myriad of competing interests and doing so in such a way that will pave the way to an extraordinary local's neighborhood.

Thank you.

Very truly yours,
WEST STEAMBOAT NEIGHBORHOODS, LLC



David G. O'Neil
CEO / Founder



Melissa Sherburne
Managing Partner