

LIONSHEAD

PUBLIC FACILITIES DEVELOPMENT PLAN

VAIL REINVESTMENT AUTHORITY

Draft

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LIONSHEAD PUBLIC FACILITIES DEVELOPMENT PLAN

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I. INTRODUCTION

1.1 Preface

This Lionshead Public Facilities Investment Plan ("Plan") has been prepared by the Vail Reinvestment Authority ("VRA") for adoption by the Town Council of the Town of Vail pursuant to provisions of the Urban Renewal Law of the State of Colorado, Article 25 of Title 31, Colorado Revised Statutes. This Plan is prepared and adopted to satisfy the requirements of § 31-25-107, C.R.S., that an urban renewal plan be adopted by the governing body of the municipality before an urban renewal authority undertakes an urban renewal project. The administration of this project and the enforcement and execution of this Plan shall be performed by VRA.

1.2 Background

The Lionshead area is one of four base areas for the Vail Mountain Ski Area. The area was originally developed from 1972-1974 as the base for the Lionshead gondola. Lodging, condominiums and retail were constructed over a period of years, often without coordinated planning of circulation the traffic and public transportation facilities of the area. The Lionshead parking garage was built in 1981 significantly increasing the pedestrian traffic in the area. An extensive bus system has developed as the major means of moving people around Vail. The Lionshead area now accounts for approximately 45% of the skier access to Vail Mountain. As a result of this rapid development activity, the traffic and transportation network for personal vehicles, pedestrians and delivery vehicles does not work well. There are many vehicle/pedestrian conflicts creating unsafe conditions throughout the Lionshead area.

In addition, the public infrastructure in the Lionshead area has deteriorated. Extremes of temperature and topography as well as the intense utilization of the area by residents and guests has caused streets, sidewalks, curbs and gutters, and retaining walls to be subject to accelerated deterioration. Inadequate attention to runoff from impervious surfaces and deteriorated drainage facilities have contributed to water quality deterioration in the Gore Creek.

The Lionshead Master Plan, adopted in 1999, identifies specific public infrastructure improvements that need to occur and provides incentives for private redevelopment. A major implementation action in the Master Plan is the redevelopment of the Lionshead gondola and Sun Bird building sites into a high-end hotel. Other major development sites include the remodeling of the Marriott and Antler properties. These development projects will place many more guests and residents into the Lionshead area. To properly support this major private reinvestment in Lionshead, the supporting

transportation infrastructure needs to be upgraded. Sidewalks and streets need to be constructed or reconstructed. A transportation center must be built to accommodate the increased usage of the Lionshead area, and improvements to the Frontage Road are needed to serve the increased traffic. This Plan is intended to provide the financial mechanisms necessary to support the renovation and reconstruction of the public infrastructure in Lionshead.

1.3 Definitions

Cooperation Agreement: Any agreement between VRA and the Town of Vail or any other public body regarding action taken pursuant to any of the powers set forth in the Urban Renewal Law, or in any other provision of Colorado law, for the purpose of facilitating public undertakings deemed necessary or appropriate by VRA under this Plan.

Plan: This Lionshead Public Facilities Development Plan as it may be modified from time to time.

Plan Area: The area described in Section 2.6 of this Plan, and depicted on Figure 1, which has been found to be blighted and for which the undertaking of urban renewal projects is declared to be necessary.

Redevelopment Agreement: An agreement between VRA and a developer or developers respecting the redevelopment or rehabilitation of property within the Plan Area.

2. LEGISLATIVE FINDINGS

2.1 Qualifying Conditions

Based on the Lionshead Reinvestment Study prepared by URS Corporation, dated December 2003, and evidence presented at the public hearing, the Town Council finds that there exists blight, as defined by § 31-25-103(2), C.R.S., in the Plan Area.

The Lionshead Reinvestment Study found that blight conditions were prevalent throughout the area. The conditions found to exist include:

- a) Defective and inadequate street layout: Street system does not provide adequate access for motorists, pedestrians and emergency vehicles. Turning radii are often inadequate.
- b) Unsafe conditions that endanger life or property: Traffic and circulation patterns are dangerous for both pedestrians and motorists.

- c) Deterioration of site improvements: Public parking areas and concrete retaining walls are deteriorating. Curbs and gutters on public property also show deterioration.
- d) Defective or unusual conditions of title rendering the title unmarketable: Restrictive covenants controlling uses on the certain properties and other conditions of title impair the redevelopment of key parcels in the Plan Area. In many instances, covenant provisions conflict or have been ignored by prior development.
- e) Environmental contamination: Runoff from unpaved parking areas and stormwater runoff from paved surfaces contaminate Gore Creek.
- f) Inadequate public improvements: Streets and sidewalks on public property are not adequate for the traffic and do not provide a safe separation for pedestrians from motor vehicles. Pavement, curb and gutter and retaining walls on public property are deteriorating. Overhead utilities are presents and stormwater management is inadequate.

The Town Council finds that the presence of these factors substantially impairs or arrests the sound growth of the Town of Vail, retards the provision of housing accommodations, constitutes an economic and social liability and is a menace to the public health, safety, morals and welfare of the Town of Vail.

2.2 Projects

The Plan Area is appropriate for one or more urban renewal projects and other undertakings of the VRA as authorized by the Urban Renewal Law.

2.3 Planning Approval

A general plan for the Town of Vail, known as the Vail Comprehensive Plan, has been adopted by the Town Council. In addition, the Lionshead area is the subject of the Lionshead Master Plan which is the Town's official planning document for the guiding the redevelopment of the Lionshead area and is a part of the Vail Comprehensive Plan. This Plan has been submitted to the Planning and Environmental Commission of the Town of Vail for review and recommendations as to its conformity with the Vail Comprehensive Plan and the Lionshead Master Plan. The Planning and Environmental Commission met on February 23, 2004, and has submitted its written recommendations regarding the conformity of this Plan to the Vail Comprehensive Plan and to the Lionshead Master Plan to the Town Council.

2.4 Consultation

This Plan has been submitted to the Board of County Commissioners of Eagle County as required by the Urban Renewal Law. The Eagle County School District has been advised of this Plan and has been given an opportunity to provide comments.

2.5 Public Hearing

The Town Council of the Town of Vail has held a public hearing to consider this Plan after public notice thereof in compliance with the Urban Renewal Law in the **[Vail newspaper of record]**, describing the time, date, and purpose of the public hearing, identifying the Plan Area and outlining the general scope of the projects being considered for implementation pursuant to this Plan. Notice of the public hearing was sent to owners, residents, and business owners in the Plan Area at their last known address at least 30 days before the date of the public hearing.

2.6 Boundaries of the Plan Area

The boundaries of the Plan Area shall be as set forth in Figure 1 attached hereto. The Town Council finds that the boundaries of the Plan Area have been drawn as narrowly as feasible to accomplish the planning and development objectives of this Plan.

2.7 Other Findings

- 2.7.1 One or more of the projects will require the demolition and clearance, subject to other restrictions, of certain public improvements within the Plan Area as provided in this Plan. Such actions may be necessary to eliminate unsafe conditions, eliminate obsolete and other uses detrimental to the public welfare, and otherwise remove and prevent the spread of deterioration.
- 2.7.2 In order to eliminate or reduce the qualifying conditions currently existing within the Plan Area, as well as those qualifying conditions which may be reasonably anticipated to develop within the Plan Area in the absence of public action, it is the intent of the Town Council in adopting this Plan that VRA exercise all powers authorized to be exercised by VRA under the Urban Renewal Law and which are necessary, convenient or appropriate to accomplish the objectives of this Plan. It is the intent of this Plan that VRA shall exercise all such powers as may now be possessed or hereafter granted to VRA for the elimination of qualifying conditions within the Plan Area.
- 2.7.3 Many properties in the Plan Area are subject to restrictive covenant provisions from previous subdivisions of property in Vail and Lionshead. In many cases, the covenant provisions conflict with one another and in

some cases have been ignored by existing development. These restrictive covenants create an impediment to the redevelopment of properties within the Plan Area, particularly the financing of improvements which are key to the redevelopment of the Plan Area. VRA is authorized to use the power of eminent domain, with the consultation and concurrence of the owner of the underlying fee interest, to eliminate restrictive covenant provisions and other conditions of title which prevent redevelopment of properties within the Plan Area.

2.7.4 If it becomes necessary for individuals, families or businesses to relocate as a result of the implementation of this Plan, a feasible method exists for the relocation of individuals, families, and business concerns that may be displaced, insuring that decent, safe and sanitary dwelling accommodations and business locations can be made available.

2.7.5 The powers conferred by the Urban Renewal Law are for public uses and purposes for which public money may be expended and the police powers exercised, and this Plan is in the public interest and necessity, such finding being a matter of legislative determination by the Town Council.

2.7.6 VRA may, in its discretion, issue bonds, including bonds or other obligations, to the extent permitted by law.

3. DESCRIPTION OF PLAN OBJECTIVES

This Plan is an important tool to address the problems confronting the Lionshead area. The Plan helps to further the goals for the area previously outlined in the Lionshead Redevelopment Master Plan. The objectives for the Plan include the following:

- Create a sense of place and an improved aesthetic character for Lionshead for both residents and guests.
- Renovate or redevelop the deteriorated and/or outdated residential and commercial buildings and provide enhanced amenities.
- Enhance the aesthetic appearance of the area to make it more appealing.
- Improve pedestrian, bicycle, mass transit and auto accessibility and circulation.
- Eliminate impediments to the redevelopment of key facilities within the Plan Area.
- Upgrade and restore public infrastructure including transportation facilities, parking, sidewalks and streetscapes.

4. PLAN IMPLEMENTATION

In order to accomplish the objectives of this Plan and to fully implement this Plan, VRA shall be authorized to undertake the following activities:

4.1 Redevelopment and Rehabilitation Actions

Redevelopment and rehabilitation actions within the Plan Area may include such undertakings and activities as are in accordance with this Plan, the Lionshead Master Plan, and the Urban Renewal Law, including without limitation: demolition and removal of public buildings and improvements as set forth herein; installation, construction and reconstruction of public improvements as set forth herein; elimination of unhealthful, unsanitary or unsafe conditions; elimination of obsolete or other uses detrimental to the public welfare; and other actions to remove or to prevent the spread of deterioration. VRA is authorized to negotiate and enter into agreements with landowners, developers, and investors regarding appropriate projects throughout the Plan Area which will generate incremental sales and property tax revenues.

4.2 Property Acquisition

The principal purpose of this Plan is the rehabilitation and enhancement of public infrastructure in the Plan Area and the support of new private investment occurring on private property. Restrictive covenants and other conditions of title interfere with new private investment. The power of eminent domain as authorized by the Urban Renewal Law may be utilized as VRA determines necessary to eliminate and remove restrictive covenants and other conditions of title which interfere with new private investment.

4.3 Relocation Assistance and Payments

In the event it is necessary to relocate or displace any business or other commercial establishments as a result of any property acquisition, VRA may adopt relocation policies for payment of relocation expenses. Such expenses may include moving expenses, actual direct losses of property for business concerns, and goodwill and lost profits that are reasonably related to relocation of the business, resulting from its displacement for which reimbursement or compensation is not otherwise made.

4.4 Public Improvements and Facilities

VRA may undertake certain actions which would make the Plan Area more attractive for private investment by providing public improvements consistent with the Lionshead Master Plan. These improvements include street and traffic improvements, streetscape improvements, a transportation center, landscaping, park and recreation facilities, utility improvements, open space acquisition, stormwater improvements, public art projects, and other similar improvements necessary to carry out the objectives of the Lionshead Master Plan.

4.5 Redevelopment Agreements

VRA is authorized to enter into one or more Redevelopment Agreements with developer(s) and such other entities as are determined by VRA to be necessary or desirable by VRA to carry out the purposes of this Plan. Such Redevelopment Agreements may contain such terms and provisions as shall be deemed necessary or appropriate by VRA for the purpose of undertaking the activities contemplated by this Plan or the Urban Renewal Law, and may further provide for such undertakings by VRA, including financial assistance, as may be necessary for the achievement of the objectives of this Plan or as may otherwise be authorized by the Urban Renewal Law.

4.6 Interagency Cooperation

VRA may enter into one or more Cooperation Agreements with the Town of Vail or other public bodies pursuant to the Urban Renewal Law. Cooperation Agreements may provide, without limitation, for financing, for construction of public improvements, for administration, for technical assistance and for other purposes.

4.7 Advisory Committee

VRA shall establish an advisory committee of Lionshead residential and commercial property owners to advise the VRA on matters related to the implementation of the Plan. The composition of the committee shall be determined by the VRA.

5. PROJECT FINANCING

5.1 Tax Increment Financing

The primary method of financing the projects undertaken in furtherance of this Plan shall be the use of sales tax and property tax increment financing pursuant to Section 31-25-107(9), C.R.S., which is by this reference incorporated herein as if set forth in its entirety. If there is any conflict between the Urban Renewal Law and this Plan, the provisions of the Urban Renewal Law shall control. All property and sales taxes collected within the Plan Area shall be divided as follows:

- a) That portion of property and sales taxes equal to the amount collected within the boundaries of the Plan Area in the twelve-month period ending on the last day of the month prior to the effective date of the approval of this Plan shall be paid into the funds of each such public body as are all other taxes collected by or for such public body.
- b) Except as VRA may legally provide otherwise under the Urban Renewal Law, the portion of such property and sales taxes in excess of the amounts described in paragraph a), above, shall be allocated to and, when collected, paid into a special fund to fund VRA's obligations with

respect to any project within the Plan Area to the extent necessary for payment of the principal of, the interest on, and any premiums due in connection with the bonds, loans or advances to, or indebtedness incurred by (whether funded, refunded, assumed, or otherwise) VRA for financing or refinancing, in whole or in part, the projects in the Plan Area.

- c) When such bonds, loans, advances, and indebtedness, if any, including interest thereon and any premiums due in connection therewith, have been paid, but in no event later than 25 years following the adoption of this Plan for the construction of the projects' improvements, any excess property and sales tax collections not allocated pursuant to this paragraph or any Cooperation Agreement between VRA and Town or other taxing jurisdiction, shall be paid into the funds of said jurisdiction or public body. Unless and until the total property and sales tax collections in the Plan Area exceed the base year property and sales tax collections in the Plan Area, as provided in paragraph a), above, all such property and sales tax collections shall be paid into the funds of the appropriate public body. VRA reserves the right to enter into Cooperation Agreements with select taxing jurisdictions relative to allocation of incremental tax revenues.
- d) The adoption of this Plan shall be deemed an adoption of a provision that taxes, if any, levied after the effective date of the approval of this Plan upon taxable property in the Plan Area shall be divided among VRA and various taxing entities for a period of 25 years thereafter or such lesser period as provided in Section 31-25-107(9), C.R.S., as exists on the date hereof, or in any Cooperation Agreement between VRA and a county, the Town or a special district. Municipal sales taxes collected in the Plan Area each year or the municipal portion of taxes levied upon taxable property within the Plan Area, or both such taxes, may be allocated as described in this Section 5.1 for a period in excess of 25 years after the effective date of adoption of this Plan if the existing bonds are in default or about to go into default.
- e) VRA and the Town may, by Cooperation Agreement or other agreement, provide for the method by which sales tax increments shall be allocated and paid to VRA pursuant to the provisions of this Plan and the Urban Renewal Law. Such agreements, and similar agreements between VRA and other public bodies, may provide for additional assistance by the Town and cooperation between VRA and the Town in support of the projects as may be more fully set forth in the provisions of such Cooperation Agreement or other agreement.

5.2 Additional Taxing Entities

VRA recognizes that tax increment financing is the primary tool for funding redevelopment activities. However, Colorado law allows the creation of additional political subdivisions within a municipality to provide services within a defined area. These entities include metropolitan and other special districts as well as business improvement districts. These districts have available certain taxing powers that can generate revenues in addition to those generated by tax increment financing.

VRA is committed to exploring a variety of strategies and mechanisms to complement tax increment financing. VRA recognizes that it is imperative that financing mechanisms be flexible and creative to provide necessary assistance to a broad range of redevelopment activities.

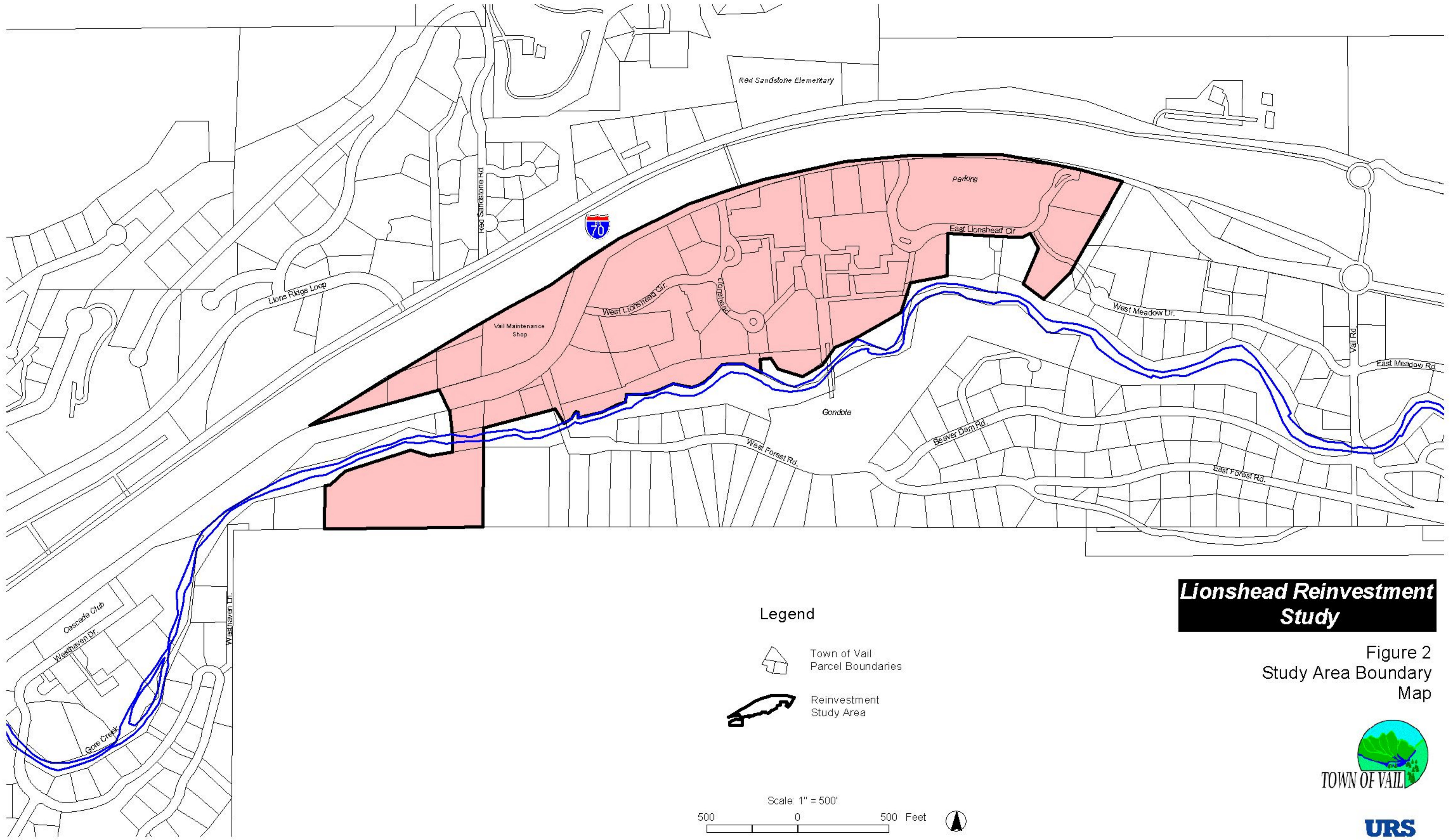
5.3 Participating Interest in Projects

VRA may require a participating interest in private development projects for which it provides financial assistance. Public assistance is frequently needed for redevelopment projects in order to fill the gap between traditional equity and debt financing and the additional costs of a redevelopment project. In the event the project generates revenues at or greater than market return, the public should share in the success of the project. The terms of the participating interest will be specified in the Redevelopment Agreement at a level and on terms appropriate for each project.

6. MODIFICATIONS TO THIS PLAN

This Plan may be amended or modified pursuant to provision of the Urban Renewal Law as provided in § 31-25-107, C.R.S. Modifications to this Plan will require appropriate notification in accordance with the Urban Renewal Law, including submission to the Board of County Commissioners of Eagle County and written notice mailed to all property owners, residents, and owners of businesses in the Plan Area not less than 30 days prior to the consideration of an substantial modification.



FIGURE 1
MAP OF PLAN AREA



Lionshead Reinvestment Study

Figure 2
Study Area Boundary Map

Legend

-  Town of Vail Parcel Boundaries
-  Reinvestment Study Area

