

URBAN REDEVELOPMENT AUTHORITY ADVISORY COMMITTEE
URAAC Minutes – FINAL
Thursday, March 2, 2023
Hybrid Meeting – Virtual & In Person at the Crawford Room
1:30 – 3:00 pm

Committee Members	City of Steamboat Springs	Others Present
<p><u>PRESENT:</u> Jim Schneider Mike Lang Charlie Roos George Noyer Roger Levanduski Ryan Stone Josh Miller</p> <p><u>ABSENT:</u> Dan Pirrallo Elliot Lawrence Brian Bavosi Gavin Malia</p>	<p><u>PRESENT:</u> Dakotah McGinlay Michael Buccino Jon Snyder Brad Calvert Gates Gooding Danny Paul Matt Phillips</p> <p><u>ABSENT:</u></p>	<p>Mike Schmidt</p>

AGENDA ITEMS:

1. Call To Order 1:30pm

Miller established a quorum and called the meeting to order.
 Schneider moved to approve the minutes from the last meeting on January 26th, which was seconded by Noyer. The motion passed unanimously with no changes to the draft minutes.

Recognize Visitors: none

2. Public Comment.....1:33pm

3. Project Updates.....1:35pm

Ski Time Square:

Gates Gooding:

After URAAC recommended approval of the \$150,000 payment to Alterra in return for easements on their Thunderhead Lodge property, staff discussed this issue at length and gave careful consideration to URAAC's recommendation. However, in addition to the equity issue that such a payment would raise between that property and the two undeveloped properties across the street, there were multiple other reasons that staff decided that such a payment would ultimately be an unsupportable use of URA funds. We informed Alterra of that decision. We certainly did not take the recommendation override lightly.

This request came in two days before the last meeting, and staff didn't have time to form an opinion on this before we presented it to URAAC. It would be better if we could do that just to contextualize that for you guys, but here, the only opportunity to bring that to URAAC was to come straight away ahead of staff deliberation. We decided it was better to allow URAAC to at least have an opportunity to discuss this. Hopefully, in the future we don't have to put the cart before the horse that way. Is everybody okay with that?

Noyer: As I understand it, we have the right to make a recommendation, and that recommendation was denied.

Gooding: Yes. It was considered, and then staff chose not to follow it.

Noyer: Okay. So, no big deal in my mind.

Gooding: Because we didn't accept this request, it means negotiations are still ongoing. Because there's a requirement that the project has all necessary easements before we can take it to bid, the whole project has been delayed. Our original bid date was February 1, and it was pushed so far that at this point, we're kind of making the decision right now that this project is no longer in the running for construction in 2023. We're getting so far into spring that if we went to bid any later, it would just be disrespectful to the contractors. So, it's unfortunate, but at this point there's not really much else we can do.

Danny Paul:

I would add unfeasible. It's at least a 6-month construction effort; we needed every day of the limited construction season we get, and that was based off bidding by February. So, at this point, we can't do it in one year.

Gooding: Delaying this has important implications for the schedule of the GTC project because as you all know, the city has discussed in the past that we really need to get this traffic flow in place before the disruption that will be caused by construction at the GTC and shutting off movement in Mount Werner Circle. So, this could potentially result in shifting the GTC project forward as well.

Miller: Is there any concern with any of the temporary easements?

Gooding: All of the temporary easements were drafted to read that if no construction begins in 2023, then the easement terms extends through November 2024 with the one exception being Thunderhead Station. That's because they might be under construction next year. That contract says they will renegotiate an easement with us according to what their coordination needs are.

Complete Streets:

Gooding: You had given us direction to pursue segment 2B. Segment 3B/4A runs from the work that was completed on the Steamboat Boulevard roundabout all the way up the north side to Burgess Creek Road. Work on this continues to be delayed. That's largely due to the other big projects taking up all of our time. However, this delay might actually turn out to be beneficial for a couple reasons.

As the GTC project has progressed, we've realized that there's a chance that we might need to put a roundabout there, which would very much change the scope of that larger sidewalk segment. As we'll hear in a few minutes, changes to the funding situation on GTC warrant a re-examination of whether this project should be prioritized as it currently is or whether we would redeploy those funds to other things.

Schneider: Now that you may have some more time on your hands, can we get 2B done this summer?

Gooding: Let's check in with URAAC on that in light of the GTC discussion.

Paul: It was going to be tight no matter what, and I would say, for all practical purposes, no. The design has to be procured and the construction.

Spare Parts:

Gooding: Staff still intends to make a large purchase of URA light fixtures later in the year. That's at least something we can get done this year.

Buccino confirmed with Gooding that no construction will be done this summer beyond the Steamboat Boulevard roundabout sidewalk.

4. Gondola Transit Center1:55pm

Gooding: There's been a lot of movement. Multiple designs and plans have been explored, but this one was in the Mountain Area Master Plan, and it does show the closure of Mount Werner Circle. We've taken a long, circuitous route, but we're actually looking at a similar concept moving forward. Design Workshop was exploring a similar concept to this one last summer, and we picked up on those prior designs as Alterra and East West hired our current design team, which includes Wenk Associates for design, Landmark for civil engineering, and Walker Consultants and Consor for traffic support. The recent work has been through the shared design process we were talking so much about with cost and decision making split 50-50. Rather than just developing a single concept, the decision was made to pursue three alternatives.

One scenario closes Mount Werner Circle; another retains two-way traffic on Mount Werner Circle; and another restricts traffic to one way in a northerly direction. As you know, Alterra has also proposed including a new high-speed gondola in the project. We've been looking at two versions of those three concepts – one with and one without the gondola. We're going to look at these in more detail with the consultant team in April.

Gooding showed the various concepts both with and without the gondola, with the B version of each including the gondola:

Gooding: 1B cuts Mount Werner Circle right in front of the Grand for a protected pedestrian crossing. This would have a checkpoint or gate or something to control traffic access in from the south. The whole southern half would be limited to bus and shuttle traffic and deliveries but no private vehicles. We would potentially provide some parking on the north side. We're still in discussions on how this would be programmed and who it would be for, exactly.

This provides plenty of bus capacity at the GTC; we don't have to move any of it down to the Meadows Lot.

Miller confirmed that this closes to the public from the top of Apres-Ski at the roundabout.

Gooding: Any private vehicle would have to go all the way around the circle and come in from the north. There could be some skier drop-off there, or maybe this would be closed during ski area hours, and you could open it up after hours and in the summer to support those businesses. A lot of those questions are still open for examining.

Concept 2 maintains two-way traffic. The benefit is you can drive both ways; the drawback is that it means people are now crossing three lanes because we're trying to reduce the traffic congestion that's caused by private vehicles getting in the way of the private shuttles and buses. There would be a restricted slip lane for shuttles and bus traffic. You have protected bus and shuttle births away from the public.

The last concept would have one-way traffic coming through the GTC. On the south side, you could come up to the roundabout, turn around and go back south, but if you made it any further north than that, all traffic would only go in a northerly direction. The thinking was that this creates less of a pedestrian conflict. This concept got quite a bit of interest at our stakeholder workshop last week. However, right after that we had an extended conversation with Jonathan Flint of SST, and he told us that this doesn't work for SST because they have buses that need to come into the GTC and turn south. In this scenario, they would have to go all the way around the circle, and he says it's unsafe to make that left turn at Mount Werner-Mount Werner. So, this was removed from consideration because of that feedback.

Miller: If there was a roundabout at Mount Werner-Mount Werner, does that change?

Gooding: That was a discussion.

Paul: It could.

Stone: One of the issues, if I remember correctly, was it would require some of those SST stops to exist down south, and that creates two speeds.

Gooding: The grades get steeper down below the roundabout to the point where...

Stone: The larger SST buses, once they stop, can't get started again in this section because the grade is so steep.

Paul: Not to mention it creates a long walk for passengers.

Gooding: We presented these three concepts at the stakeholder workshop. We held morning and afternoon sessions and began with a presentation on general background information and a project overview and then broke out into smaller groups and let the stakeholders talk us through their specific concerns and take a closer look at the designs. We did have pretty good attendance. We also had the stakeholders answer an online survey, and these are the results:

We had 59 people answer the survey. That's probably reflective of our attendance for the day. The top concern we heard was reducing traffic congestion. To achieve this goal, most stakeholders supported eliminating or limiting private skier drop-off at the GTC and limiting at least a portion of the GTC to transit traffic only.

The second priority was building capacity for future growth.

The third was pedestrian safety and walkability. This is both how dangerous the crossings might be but also what the pedestrian experience would be navigating this.

We had a couple second tier concerns: meeting year-round needs and reducing off-site traffic impacts.

Since that meeting, we put this feedback into a matrix where we compared all the different concepts.

Concept 1 with the cut at Mount Werner Circle and the gondola scored the highest. It was the highest performing according to the design team and the project team. So, because of all this, Concept 1 has been rising towards being our preferred scenario. We're not 100% there yet; there are some funding issues we need to address before we can totally commit.

Previously, the funding agreement that was contemplated was \$2.5 million for the GTC from URAAC, and that's what we have in our plan right now. Another 5 or 6 million from Alterra. That was a smaller project that would have just been within the GTC, and it's quite a bit away from what we're looking at now. As the project has progressed and the scope has grown, we're looking at potential substantial cost increases. GTC improvements could be on the order of 10-12 million. This has not been given a detailed engineer's estimate; these are just rough numbers that we're using for decision-making purposes. As has been discussed, the potential closing of Mount Werner Circle may necessitate a new roundabout at Mount Werner-Mount Werner, which would add \$4 million to the cost of the project.

So, we could do this option with no gondola. This is a workable option; it would likely have much lower participation from Alterra, but it's something we could definitely do. If we look at the costs associated with a project that does have the gondola, a gondola from the Meadows would necessitate improvements inside the Meadows Lot to create that Meadows transit center, give a place for transit and private vehicles to drop off at that gondola. In addition, there would likely be some intersection improvements at Bangtail and the entry to Meadows, and Bangtail & Pine Grove to make sure that it's safe with the increased traffic. These numbers don't include the gondola itself, which might be another \$16 million. So, this project is potentially \$35 million or more, and it raises the question of how we would pay for this.

Mike Schmidt is with us today. He's the Vice President of Real Estate for Alterra, and he is going to present Alterra's proposal for an initial cost sharing arrangement.

Mike Schmidt, Vice President of Real Estate, Alterra Mountain Company:

As Gates had alluded to, the project today is vastly different from the project that we previously were talking about in size and complexity. Originally, we were headed down the road of cautionary 50-50 on that project. We did learn along the way that from a legal perspective, URA could not participate in 50% funding of the gondola. So, we split the project in half. In an attempt to maintain a 50-50 approach to the project, if we were to just take on the entirety of building the gondola, it's roughly in that 50% range at \$16 million plus or minus. That \$16 million for us is what we believe we can generate through the establishment of a metro district that we're in the process of asking City Council to approve later this year. So, that's a key factor. That would be the initial funds we could raise through the first tranche of bonds through the metro district. The flipside of that is that the metro district will go on for 30+ years and will far outlive the URAAC. We believe it will give us an opportunity to contribute to further improvements down the road. The only issue with a commitment is it's a bit soft today because we don't know how quickly the initial development is going to take place, which would be the funding mechanism for additional tranches of metro district funding. With that said, since we've invested in the base village, we've gotten a tremendous amount of traction with developer partners – East-West Partners being one that's there today – with the first project, but with the additional projects ramping up much quicker than we've been anticipating they would. Timing of those is still subjective with how quickly we could put the packages together, get them in front of City Council, get development plan approvals, etc. to be able to get the projects constructed and have the bond proceeds available from the initial developer projects taking place.

So, what we're asking URAAC to consider today is paying for the GTC in whole at this time. The project costs are very, very high level right now. We haven't even quite landed on the concept to be able to put real engineering dollar estimates together to be able to substantiate a legitimate number that you can build the project from. I did have an opportunity to take a hard look at the gondola because it's so isolated and being able to define what we believe the cost is going to be for the

gondola standalone. So, we believe that cost for the gondola to be \$16 million. We do believe that we'll generate those funds through the establishment of a metro district, and those funds will be fully available to dedicate to the project on day one when we start executing the scope. That leaves 15-\$20 million of additional work that may need to get done. We have the roundabout at Mount Werner-Mount Werner as well as the additional public improvements associated with the Meadows Lot. We need to do the analysis on that with the traffic control engineers and make sure that they have to be done and to better understand the timing. Because based on the timing, those dollars may not need to be spent in year 1; it may be year 3, year 4, TBD from a timing perspective on when those might need to take place based on the outcome of the traffic study.

That would allow us through the additional development we believe is going to take place to issue additional tranches of funding sources through the metro district that would help pay for those at that time. Today, what we're asking URAAC to consider is funding 50% plus or minus of the 15-\$20 million worth of work associated with the public improvement of the GTC, and we will fully fund the installation of the gondola. That gets us in the range of what we originally set out to do with the public-private partnership that we find ourselves in today.

Gooding: In the version of the project activity plan that you all have in hardcopy today, we were showing a \$2.75 million surplus in 2029. That's according to our most recent revenue projections. I went ahead and added 2.75 to the GTC project just so that we are using 100% of our available funds inside this plan. This shows the projected capital outlay that we will make every year between this year and the end of the URA. If you add that all together, it's 28.8 million. If we subtract \$4 million for Ski Time, assuming that we'll be able to build that project, and another \$20 million for this project, it would leave \$4 million for all of the other activities. That was what I was referring to earlier when I said perhaps some of those other Complete Streets projects may not be funded project activities anymore.

It does get slightly more complicated because it's generally in staff's opinion that the improvements around the Meadows Lot would not be able to be made with URA funds because those improvements are not specifically called out as Phase III project activities. There is some lack of clarity around whether we could say that that's an extension of the GTC project, but that seems like a stretch. So, likely we would be looking at on the order of \$15 million from the URA and another 5-10 million from the city.

The other issue here is the city has said, and what we expect to hear from SSRA, is that these intersections are not going to be on the city CIP plan anytime soon when you compare them to the other infrastructure needs that the city has. We could approach this with a grant funding strategy, but that would introduce significant delays, and there could be a risk that Alterra decides that the timing doesn't work for them, and we could lose the possibility of having the gondola go in as part of this project, at least for the time being.

Gooding asked URAAC to discuss how they feel about clearing out a significant portion of the workplan to make room for a potential \$15 million expenditure as well as their thoughts about the gondola moving fast versus trying to look for grants and moving slower, plus the partnership versus going this alone.

Gooding: Alterra has represented that they would be willing to come back at some point in the future and address some of these hanging project activities that we don't get to. But like Mike just said, there's no guarantee at minimum on timing.

Schmidt: I agree. The timing is the wildcard that exists. We are committed to utilizing additional metro district funding to help fund these projects; we just can't commit on timing because we're not sure of the timing of future development projects actually being completed and becoming part of the metro district.

Miller: From all the meetings so far, we've really identified two projects as being the big ones: Ski Time Square and the GTC.

Gooding: This workplan is now ordered according to the prioritization that you guys did most recently. Ski Time and GTC are both at the top of the list.

Miller: One thing I saw when I was looking at the Meadows plan: If there are city buses and shuttle buses using the drop-off down there, is that going to change the roundabout at Steamboat Boulevard & Mount Werner? Is that going to have to go to two lanes because of the shuttle buses coming out of the entryway?

Paul: Potentially. That's that traffic analysis we haven't done yet. Similarly, it could create added congestion at the intersection of Pine Grove & Mount Werner, which is already at the brink of being overburdened, so that too could become eligible for a roundabout.

Stone: In going through this, one of the things we've talked a lot about is part of this plan is to reduce the number of private vehicle trips that exist between Pine Grove and the base of the mountain. So, if the preferred route for private vehicles is to go to the bottom of the Meadows gondola and send them up that way, it should reduce traffic through those intersections. It may not reduce it to the point where it doesn't necessitate improvements, but I think that's a big piece of it is reducing the number of trips that happen up there.

Miller: I know from a property management standpoint that they would probably prefer to limit the number of shuttles that they have as well. The two projects that really need to be completed are still in Tier 1, so what do we do with the Tier 2 projects?

Snyder: I don't think they happen.

Buccino: At least not with the URA funds.

Gooding reiterated the risks of pursuing grants for the GTC project.

Stone asked if grants could be pursued for the Tier 2 projects; Gooding said he thought grants could be pursued for anything.

Noyer: From a funding standpoint, are we overly conservative in terms of income?

Gooding: Who knows where we're going. We have a potential recession coming that could give us a dip. I would say the projection we have is a very well reasoned, middle-of-the-road projection that we should depend on.

Schneider: I don't think it includes new developments.

Gooding: When are those new developments going to come online to really move the needle?

Schneider: One of them is hopefully this summer.

Stone: The way the tax cycle works is it takes two years to build anything, and then it hits. So, it's probably pretty accurate in the short term. Future developments maybe not as accurate on the back end. But those projects could remain Tier 2, and if the revenue projections are too conservative, there would be excess proceeds towards the tail end. I think the URA sunsets, but there's time beyond the revenue piece to spend the dollars; I don't know what it is.

Paul: It's unlimited as far as we know.

Noyer agreed that it's possible the Tier 2 projects could be done with the additional revenues coming in along with grants.

Noyer: I personally believe we're very conservative in here.

Roos: If we're going to categorize things into Tier 1 and Tier 2, if we have funding for Tier 1, that's what we're going to use it for, but Tier 2 is if we have funding for it. That's how the whole process is intended. You have your priorities, and if you have funding after your priorities, you go for the Tier 2 things.

Gooding: A couple other wrinkles in this:

Cash flow: Not all of this is available right now.

Given the uncertainty of what the revenue will be, if we start to get tight on whatever our projections are, how comfortable are we taking a risk that we could approach any of these other projects ahead of making this commitment to the GTC? Even if we stop right now, would we have \$15 million? We get to 11.5 million in '25. It looks like we'd have to go through 2028 to get to \$20 million. Do we do anything else right now if we're potentially committing all but the last year's revenue to this project?

Miller confirmed that this would not include Ski Time Square.

Gooding pointed out that current projections indicate that there would be \$9.5 million remaining in 2029.

Gooding: We wouldn't necessarily need \$20 million because the city would have to play ball as well, but at least through 2027, if we wanted to prioritize those dollars to go towards GTC...

Levanduski: Is there a carryover balance from '22 to '23?

Schneider: Isn't what we should be looking at the net available?

Gooding: I adjusted this so that our projects eat up 100% of available.

Schneider: But if we look at cash flow...

Gooding: Does net available net out all expenses?

Stone: \$1.5 million in debt service and half a million in net operating, you eat up a couple million dollars a year.

Gooding: Net available goes to 0 in the final year. I'm assuming we spent all available dollars to get to 28.8.

Buccino: I'd like to hear about the metro district because this is all a conversation based upon you guys doing a metro district that we approve for \$20 million, and if that doesn't happen, then none of this happens and we go back to square one. Is that pretty accurate? Or are we going to have different funding sources like a Plan A and Plan B?

Gooding pointed to a scenario the URAAC could pursue if the metro district is not approved.

Gooding: We could make improvements to the GTC; we potentially leave an area where a future gondola could land. We make the off-site improvement, if necessary, and it would be almost entirely a public project.

Schmidt: Alterra is committed to improving our private property where the gondola would land regardless of either version. We would participate at that level. We've already invested roughly \$200

million in the base. It served two purposes in our mind: to improve the base experience and as a catalyst to launch the development of the parcels that we recommended for inclusion in the metro district. We believe that that's exactly what it's done to date. We don't want to leave what we call the front door of the resort undone. That's really the only motivation we have from a timing perspective is we've made this initial investment, and we're excited about being able to cap the project off by approving the improvement at the GTC. We would like to think that because a metro district is really taxing ourselves that it would be approved unanimously, and that mechanism would be in place to be able to fund the gondola.

Miller: What is the likelihood that if the URAAC approves this that the city is going to get behind this decision?

Paul: Too early to tell.

Buccino: In initial review of the metro district, it has some traction. Not many partners would tax themselves to come up with revenue in the future. I think that it also helps understand if there's any way to pay for the continued Complete Streets well after 2029, what funding source do we as the city have? If I'm going to be on City Council now until my terms run out, URA is over, and now City Council is stuck with now using the CIP process for any roads and streets because there is no dedicated funding. So, we only really have \$28 million left, conservatively. That is a finite funding source. We maximize as much as we can to this point. I'm intrigued with the metro district because the way we could set it up would be an ongoing revenue stream to continue with specific improvements going forward well after the URA is gone. That means if I'm on City Council, and we need to put in a sports facility, repave some roads or increase sewer manes, that's probably going to supersede some of these upgraded streets that we've already identified. So, if we go through this process and approve a metro district, a future City Council will have the luxury of some other funding sources to specifically continue working on the base area. I know we did that recently with Overlook Park; I think we did it with Basecamp trying to help them get started. We understand that those are based on property tax mill levies that they're going to have to pay for 40 years. However, that is a dedicated funding source to help in that case build housing and in this case improve the experience within that same scope. So, I'm intrigued with that aspect because we keep seeing this spreadsheet get shorter and shorter as 2029 fast approaches. The Tier 2 projects, it seems like we can do a lot and get those done. If a lot of this hinges on the metro district for us to jointly work on this or not, and we have those additional funds, then we really do have a limited amount of projects that we can actually fund at this point. We need to look at this public-private partnership and how serious are we really working together. Granted, you guys have spent \$200 million, and there's still a lot more left to spend for your business customer base but also our town, we do need to find out how we get that front door into the resort stellar. Right now, it's not as stellar, and we do know we need to do it. This conversation may end up having to be delayed. If no projects are going to be done this year, how does that affect moving forward with all these discussions regarding metro district and all these concepts? It seems like by putting the brakes on this we have the luxury of more time to really hammer this out because there's too many unknowns to think that we can make a good decision or even give City Council direction, except for the facts as of today.

Gooding asked Buccino and McKinlay if they had any questions regarding information they would like to see at the SSRA meeting on March 21.

Buccino: I think we need to formulate the change in direction that this has led to where we're now putting the brakes on it and changing direction. Any delays are going to make the design better. I'm in the design business, and I can tell you right now that a year from now, this is going to be better. We don't always have the luxury of delaying things. Right now, it's a bummer that we have to delay it, but in the endgame, it might actually be a better product. With that, we need to present to City Council this new data. The gondola from Wildhorse up is new; not all City Council I think is fully aware of that. How that goes into effect and how that changes the experience for the guests and drop-offs. So, I think there's a lot of

conversation that this is new. We have that luxury; I think we should wait. We'll get together and talk about the best way to present this in there, but I'd like to here from the rest of URAAC.

McKinlay: I think more information on the improvements to the Meadows Lot and what all that entails and what you're expecting from Council in terms of a supplemental budget request, and why that should be funded by the city and not the metro district, I think would be my top question.

Schmidt: We're limited on what the metro district can generate from a revenue perspective for the first tranche. We believe at the end of the first tranche of the metro district offering that there will be roughly \$16 million of available cash to spend on the project. So, that's the driving factor for us. If we generate 18, we'll spend 18. As we analyze it today, we believe 16 million is where we're going to land with available cash to dedicate to the project.

Buccino: What year do you feel that's going to hit?

Schmidt: If we get approved for the metro district, we will be comfortable in dedicating the \$16 million for the project based off of what we can generate from the first tranche. We will decide based on interest rates and other items that would influence our decision making at that point on whether we self fund it and choose to sell those bonds at a later date or sell the bonds immediately, but we're prepared to move forward with the project regardless once we're approved with the metro district. We're anxious to get the front door of the resort cleaned up, so timing is important to us although it certainly isn't the driving factor. We think that doing the project not only do we directly benefit by cleaning up the front of the facility, we think there's benefit for us in relationship to a better guest experience. It will hopefully alleviate some of the public improvement that might need to take place as a result of future development, whether it's immediately adjacent at the Sheraton parcel or other parcels that if we weren't doing this may make those projects unfeasible. So, we recognize the benefits to not only us but future development, and we hope that the city recognizes the revenue that gets generated from that future development as being a positive. In our view, this is positive for everyone, so let's do a bigger project, and let's do it right.

Noyer: I don't think we have anything to lose; I'd like to put my foot to the gas and say let's go. I'm really disappointed about Ski Time Square, and I'd like to move.

Snyder: If we go back two years, the public-private partnership was the GTC as defined as the surface improvements between the two roundabouts at Apres and Ski Time Square. Alterra was going to be the majority funding partner; the public was going to be the minority funding partner. The public's funding was about \$2.8 million. Am I correct in hearing that Alterra has changed their mind and they no longer wish to be the majority funding partner on the surface improvements at the GTC between the two roundabouts?

Schmidt: I don't even know how to answer that question because in my mind the original project that was viewed did not include improvements from roundabout to roundabout. We were talking about a project that was \$2.5 million investment from URAAC; it was nothing more than the immediate area in front of the resort. So, the project has grown in size and complexity 3-4 fold.

Snyder: I was just using the roundabouts as a way to kind of frame the extent of the surface improvements, but your interpretation is fine. What it was never interpreted to be is a gondola, and now what I'm hearing from you guys today is you are reinterpreting the GTC to include a gondola, so your 50% share is the funding of the gondola through metro district financing.

Schmidt: We believed that that's what the city wanted because it was on several master plan renditions that we looked at. So, we were trying to meet what the city was looking for from a master planning perspective and put that gondola in. We think there's a large benefit from putting a gondola in by the reduction of traffic and diverting the trip numbers to the base of the mountain and moving that down to

the Meadows Lot. That's where the gondola was reintroduced to the project. The original project, as you stated, didn't include a gondola at all. If the city is saying hey, we don't want a gondola, and we don't need a gondola, that changes the approach to the project in its entirety, and we would have to relook at that.

Snyder: If you guys want to put in a gondola, that's great; I think we all support your efforts in that. But I would be remiss to state that we're incredibly disappointed that you're backing out of funding of the surface transportation improvements right there at the GTC. That's what we were all putting our hope in, and because you're backing out of that, we're looking at eliminating Tier 2 and potentially some Tier 3 projects.

Schmidt: We're not backing out of making a substantial investment; just what the investment is being made in has shifted from surface improvements to a gondola. If nobody wants a gondola, and they're fine with all the traffic continuing to make its way to the top of the mountain, it's a totally different project than we've been looking at, and the current concepts that we've arrived at with the design team today get thrown in the trash, and we start over, because those designs do not accommodate all that traffic making its way to the base of the village.

Snyder: Would you be willing to prioritize funding of the surface improvements over the gondola?

Schmidt: Possibly. I've got a board to answer to. I'd have to go back and talk to the board and get a recommendation from my board. We're dedicated to making substantial improvements to the GTC, so in context, yes, although I would have to go through the steps to get that authorized.

Stone: I do think that the design team through this process has concluded that the scope of the GTC isn't just that physical area at the top of the future gondola. They do believe that a public infrastructure transit center should include the existing GTC area, a bottom terminal, and a connection point between the two that takes vehicles off the roads. I do think the definition of the project has expanded to the public benefit here of it being this holistic project. That's how I've seen the design team evolve and evaluate this one.

Schmidt: The initial investment for the gondola is \$16 million, but I would ask that everybody recognize that we will have to operate that in perpetuity both in an operations cost perspective as well as a maintenance perspective, of which the cost would be great if you start adding up those costs over time. So, I'm asking you not to minimize our investment the way that it's being minimized now. I think we're making a great investment as a partner.

Snyder: Would it be fair to say in response to your comment, Ryan, that after a year and a half of study, the design team has come to the conclusion that that footprint isn't big enough to accommodate the needs, and it's driving the need to build a gondola.

Stone called that a safe assertion.

Schneider: We've learned a lot in the last couple years in terms of what it is we're trying to solve. This really is a public infrastructure solution that makes sense.

Stone: Based on a design day, that's a technical term, I think it's the 85th percentile, the existing GTC fails 100% of the time. It's unsafe. That is the technical analysis that's been put in place there. That doesn't mean it fails every day; it just means if you put it through the technical test of an 85th percentile day, it fails 100% of the time in its existing condition.

Snyder: The GTC never fails when the ski area is not open, so the point is that the ski area is driving the need for a more robust transit center. So, the ski area should be a majority funding partner in a more robust transit center.

Noyer: I go back to the MAMP that we spent a great deal of time on and waited so long for it to finally be presented. The presenting of that plan indicated that these changes were needed. It wasn't the ski area that said we have to do these changes; it was somebody that was looking out for public good will and enhanced safety for pedestrians that suggested these changes were needed. The scope of the plan has changed dramatically with the help of somebody suggesting here's what really needs to be done. I think we're talking about a good way to get this thing done for the entire community. I don't see it as getting done because of the ski area or for the ski area; I see it as part of the community.

Buccino: It sounds like if we don't do the metro district, then we're not going to have a gondola. Pretty safe summary?

Schmidt: Yes.

Buccino: With the metro district, we get a gondola, but we also get money in perpetuity to finish Tier 2 and Tier 3.

Leeson and Snyder did not believe that to be true.

Snyder asked Schmidt to explain the public benefit of a metro district.

Buccino wanted to know how the funds could be used.

Schmidt: I can't predict how the funds would be used in the future.

Stone: But metro district funding by definition has to be used for public infrastructure improvements.

Schmidt: Yes.

Buccino: How do we determine how that metro district money gets used? Who gets to determine what those funds can be used for?

Stone: It's all a part of the service plan that's reviewed and approved as part of the metro district.

Buccino: So, we can still negotiate that, correct? Like unlimited and unconditional funds used by the discretion of City Council?

Stone: The metro district is backed by homeowners that eventually are property owners that buy into that, and they will sit on the board of that metro district.

Buccino: And there's where we lose control.

I want to give flexibility to City Council down the road. I like the idea of the metro district; I'm all for it right now; I think it sounds great. But as we present the metro district to Council, tell me what's going to happen in 2030 or 2035 when there's all these different board directors and people that are property owners that decide we don't want to spend that money. If you can make that metro district attractive and make it palatable, then maybe this is going to be a no-brainer. In the next 3-6 months, we can solve this thing and build it all out. I feel very confident we can do that. We're talking language; we're talking trying to put it together. You've got to present it and sell it to everybody, but I think there's some common sense reality in what we were presented here. As much as I agree, I don't like delays, but I know that it's going to get better. That's just how I feel. We have seven City Council members, so we need to go through that. But that's the way I see it, and if the document was written for a metro district that handcuffed City Council to the point where this doesn't make sense... I want to know what the whole thing is. That's where my perspective will be from.

Schmidt: There is opportunity to negotiate the terms of the service plan associated with the metro district that could provide some of what you're looking for. That will take time over the next few months to get that pulled together and get to a point where we can get in front of Council and get a metro district approved.

Buccino: And it may just be that we use the same boundaries of the URA. I'm not saying put this in the general fund and use it for tennis courts; I'm saying stick with the purpose that this whole thing is derived from and make that a motivator and make it work.

Miller: What are the boundaries for the metro district?

Schneider: The initial metro district are properties that Alterra owns.

Stone: There's a physical boundary that identifies the properties that will be taxed by the metro district. By statute, the improvements that that metro district pays for have to show a benefit to those property owners.

Leeson: There's just no guarantee that those Tier 2 or Tier 3 will be included in the metro district. Likely, they will not. The improvements that are likely to be made in the metro district will directly support those properties but may not be Tier 2 or Tier 3.

Buccino: That's where we need to define it. In 2030, what are we going to use these millions of dollars for if it's only 7 or 8 properties.

Gooding: Can't you sell the bond before there's other owners?

Buccino: I'm sure you can.

Gooding: Or a portion? Then you guys can commit to a certain amount towards publicly-chosen projects?

Stone: That's the idea of the tranches like what Mike said. The initial tranches, we know these things are coming, so bonds can be sold. Bonds are always backed by assessed values for taxing purposes, so if there isn't a vision [?] that can be part of the sell of the bonds, the bonds get discounted even more, and more interest carried. All of a sudden, you're paying more to financial mechanics than you are to creating benefit for projects.

But the metro districts do have maintenance mills built in them, and that's what allows the improvements that are paid for to be maintained. A gondola can be maintained with those maintenance mills.

Gooding confirmed with URAAC members that they are comfortable pursuing Tier 1 at the expense of Tier 2 or 3.

Miller: I want to make sure it's all of Tier 1, so Ski Time Square and the GTC.

5. March 21 SSRA Meeting.....2:45pm

Gooding: We're going to deliver the same news to SSRA that we just talked about today. Because of all these questions with cost sharing at the GTC that still need to be worked out, we're going to have to schedule another meeting with you guys in either April or May. We will need to get a supplemental appropriation request in for the coming phase of design, but until we know what we're

designing, it just doesn't make sense. So, at this meeting, we're just going to talk through a bunch of the stuff we talked through today; do our best to get the right information together so that we can get as much direction as possible from SSRA on how to move forward in this partnership scenario with Alterra – what might be politically palatable and what wouldn't be. There are some small supplemental budget requests we're going to be making relating to additional legal budget because of some of the complexities we're looking at and then doing the carryover stuff.

We also have URAAC interviews. We have two vacant positions right now, and George's and Gavin's positions are both up. They have both told me that they're going to reapply. We also have at least two other interested parties for these open positions, and we may have more. So, we may actually have a competitive process.

Paul showed the current roster with term expirations.

6. Other Business.....2:55pm

Gooding: Gavin has said that he would be happy to continue as the chair if nobody else wants to take over. Being a chair means exactly what you guys do except you have lunch with Danny and I once a month. This is our last meeting before we make that official switch. We aren't in the office anymore, but you can still find us whenever you need to.

Paul: The county commissioners have requested a URA update at their joint meeting with City Council on March 14, so Gates and I will be attending that to give an update on the current activity plan, which is fluid.

7. Adjournment.....3:00pm

Schneider moved to adjourn the meeting at approximately 2:54 p.m.; Miller seconded.
The motion carried unanimously.

UPCOMING MEETING CALENDAR:

URAAC: April 6, May 4 (Carver Room for the rest of the Year)

DSC (Pirrallo, Schneider, Roos): TBD

2022 Tentative SSRA / City Council Dates: March 21, September 5, November 14

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