

April 8, 2015

Mr. Mike Scanlon  
Town of Basalt  
101 Midland Avenue  
Basalt, CO 81621

**Re: Affordable Housing Requirements for Park Hotel and Residences**

Dear Mike,

Thanks for spending time with us last week furthering the Affordable Housing discussion relative to the Park Hotel and Residences. As requested, we have prepared this summary for the public record to outline the potential options discussed in advance of bringing a development application to the Town of Basalt later this spring. This memo shall also serve as the starting point for our pending pre-development agreement with the Town related to understanding the issue of affordable housing. Lowe Enterprises is committed to delivering affordable housing in conjunction with their project to the Town of Basalt.

**Process**

Over the past few months, we have been working closely with Town Staff to get an understanding of what the affordable housing requirements will be for the project. We agree with your assessment that up until early last week it has almost been impossible to address affordable housing with any degree of certainty—there were simply too many variable unknowns with the overall project. As the building program, process, impact fees, and reimbursement costs have become clearer; we understand by working with Town Staff the primary options for Council's consideration to be:

- A) AH Obligation per the current replacement housing code at 15 Units. This requirement is in addition to the full \$2,538,000 reimbursement to the Town for work performed to date on the CDC Parcel, which includes \$823,350 spent towards the relocation and replacement housing efforts on behalf of the former residents.
- B) AH Obligation reduced to 9 Units. This requirement is in addition to the full \$2,538,000 reimbursement to the Town for work performed to date on the CDC Parcel, which includes \$823,350 spent towards the relocation and replacement housing efforts on behalf of the former residents. This option acknowledges the Town's desire for downtown revitalization by offering an incentive for redevelopment that puts no greater burden on downtown properties than what the current affordable housing obligations are for the Willits Town Center. This option requires implementation of a slight code modification.

Further, Town Staff indicated a willingness on the Town's part to consider land contributions or trades towards this end as well as public-private partnership opportunities. Lowe is in agreement with this assessment and offers the following options for your consideration. Please note the conceptual status of the current plan requires narrative options described in ranges subject to further council discussion, detailed study, engineering, and analysis generally anticipated with preparing an application.

**Option One**

This is the option preferred by Lowe Enterprises. 2-4 Units On-site (CDC Parcel) and 7-11 Units Off-site (Across Two Rivers Road on Town-Owned Land at the Former Recycle Center Parcel); total of 9 to 15 Units. The former Recycle Center site is desirable given its downtown location and proximity to the River; however, the steep-slopes present engineering challenges with respect to both construction costs and geotechnical / soils stability hazard mitigation.

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Buildings on the former Recycle Center, configured as both “flats” and “townhomes,” take advantage of large south-facing view corridors through the Park Hotel and Residences. Units on the CDC Parcel will be distributed between each of the three buildings contemplated in the Park Hotel and Residences plan. Off-Street parking is provided in both “tuck-under” and “surface lot” configurations with 1-space allocated per unit for the portion of the project on the former Recycle Center. Parking for affordable housing located on the CDC Parcel is provided in a sub-grade parking structure with 1-space allocated for each unit.

**Option Two**

Explores beginning the redevelopment of Lions Park with a Mixed-Use building located to the west of the Wyly Arts Center containing 4-6 affordable housing units. Possible street-level uses include Wyly expansion space, day-care facility, or business incubation. Likewise, affordable housing units, configured as “flats,” would be located on upper levels. Challenges with the Lions Park site include executing public-private partnership agreements and the costs associated with providing on-site parking in a sub-grade parking structure. In this option, additional affordable housing units would be located on the CDC Parcel as well as on the former Recycle Center site- presumably in a 0-2 and 5-7 ratio respectively. In total, Option Two also contains 9 to 15 Units of affordable housing downtown.

**Option Three**

Cash-in-Lieu. Staff has identified potential receiver sites downtown at Gold Rivers Court and along the Highway 82 corridor in the stalled Real America project. While this may be the most direct approach and quickest to bring product on-line, it does not further leverage the downtown revitalization that the Park Hotel and Residences project will bring to the Town.

Again, Mike- we appreciate your positive efforts to keep the ball moving forward and hope this memo helps clarify the Lowe Enterprises’ position on affordable housing: Let density drive revitalization! Please let me know at your earliest convenience if you have any further questions or comments with respect to our understanding of this requirement.

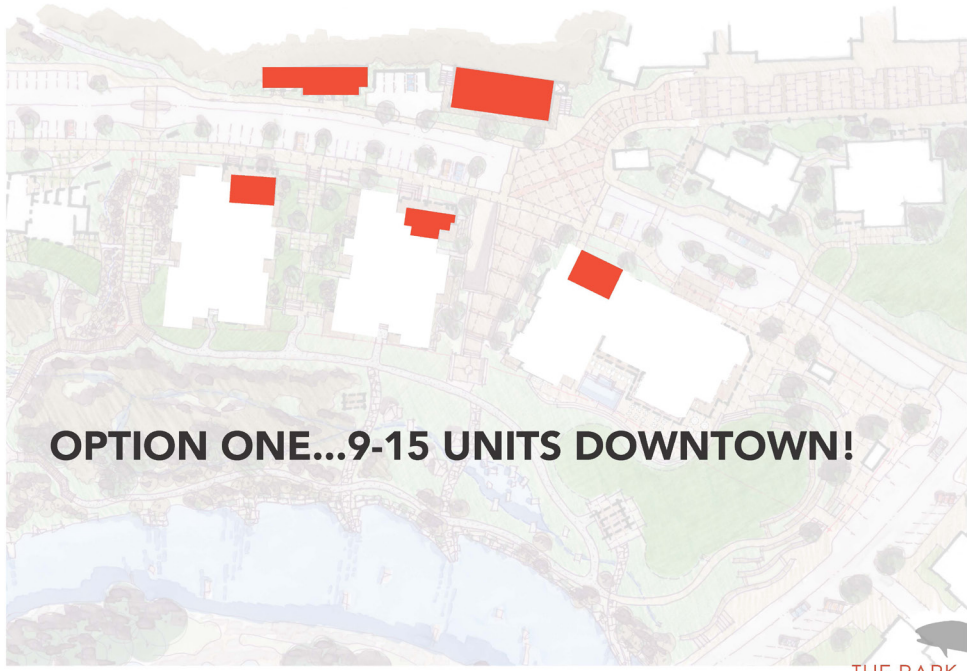
Sincerely,



Chris Touchette, AIA  
Principal

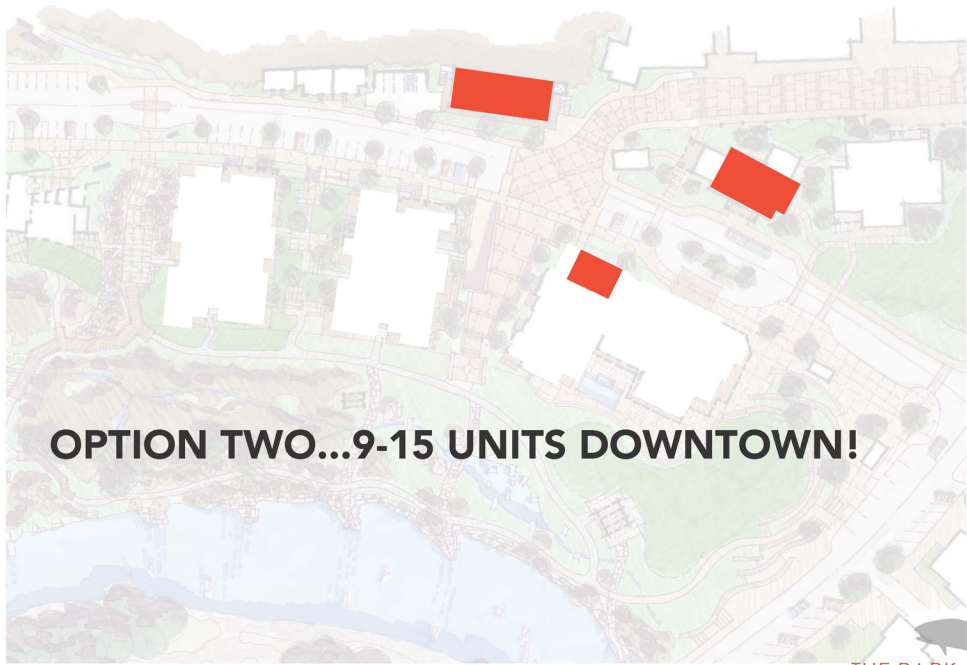
cc: Jim DeFrancia, Skip Behrhorst, John Cottle  
Attachment

**Affordable Housing**



**OPTION ONE...9-15 UNITS DOWNTOWN!**

THE PARK



**OPTION TWO...9-15 UNITS DOWNTOWN!**

THE PARK