

RESOLUTION NO.8

Series 2025

**A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT
BETWEEN THE TOWN OF BRECKENRIDGE AND THE SUMMIT SCHOOL
DISTRICT**

WHEREAS, the Summit School District (“District”) owns a parcel of real property located within the Town of Breckenridge, known as Tract B, McCain Sub (the “Property”); and

WHEREAS, the Town of Breckenridge (“Town”) is planning a large workforce housing development (the “Project”) on neighboring property known as portions of the Fraction and Block 11 Subdivisions (“Town Property”); and

WHEREAS, the Town and the District wish to enter into an intergovernmental agreement allowing for the use by and eventual transfer to the Town of the Property, in exchange for a perpetual right of first refusal on the purchase of units by District employees;

WHEREAS, the District’s Board has approved the Intergovernmental Agreement, attached hereto as Exhibit A, at a public meeting; and

WHEREAS, the Town Council has considered the IGA at a public meeting.

NOW, THEREFORE, in consideration of the above premises and terms and conditions contained herein, the Town Council hereby declares as follows:

Section 1. The Town Council hereby approves the Intergovernmental Agreement attached hereto as **Exhibit A**.

Section 2. This resolution is effective upon adoption.

RESOLUTION APPROVED AND ADOPTED this 27 day of May 2025.

TOWN OF BRECKENRIDGE

By: _____
Kelly Owens, Mayor

ATTEST:

Mae Watson, Town Clerk

APPROVED IN FORM

Town Attorney Date

EXHIBIT A

INTERGOVERNMENTAL AGREEMENT REGARDING TRANSFER OF MCCAIN PROPERTY

This Agreement is entered into as of this ____ day of _____, 2025 by and between the Summit School District RE-1 (“District”), a Colorado public school district and political subdivision of the state, and the Town of Breckenridge (“Town”), a Colorado municipal corporation. District and Town are referred to individually in this Agreement by name or as a “Party,” and collectively as the “Parties.”

RECITALS

WHEREAS, the District, has agreed to transfer all of its interest to a parcel of real Property known as the McCain parcel, described on Exhibit A (“Property”), to the Town;

WHEREAS, the Town is in the process of designing a new workforce housing development known as “The Runway”(“Project”) which will consist of approximately 150 various housing units located on the Block 11 parcel in the Town;

WHEREAS, the Town has agreed to subsidize the cost of the land, density, infrastructure (including utilities) and a limited amount of the vertical construction to make these housing units more affordable to workers making 80-150 percent of the AMI;

WHEREAS, in exchange for the conveyance of the Property to the Town from the District, the Town has agreed to sell 35 of the housing units within the Project to active employees of the District and, in order to ensure that there will be 35 units available to District employees in the future, to place a restriction on all of the housing units within the Project that establishes a “First Right of Refusal” for active District employees should any unit be resold and the number of occupied housing units owned by an active District employee has dropped below 35 housing units;

WHEREAS, 29-1-203, C.R.S., authorizes local governments to cooperate or contract with each other to provide any function or service lawfully authorized to each other.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the benefits and obligations contained herein, and subject to the terms and conditions set forth herein, the Parties agree as follows:

AGREEMENT

A. Obligations of the Town.

1. The Town is working with a developer to build approximately 150 workforce housing units at The Runway housing Project located on Block 11. The Runway housing Project is anticipated to be started in 2025 and completed by 2031. The Town will subsidize the cost of the infrastructure including utilities, density needed for the

housing development, design cost, land cost, and a limited amount of the vertical construction cost to help keep these housing units affordable to workers making 80-150 percent of the Areas Median Income. The Town contemplates utilizing two build phases for the Project (“1st Build Phase” and “2nd Build Phase”). For the avoidance of doubt, the sale phases referenced below are separate and distinct from the Build Phases. There may be multiple sale phases in each Build Phase.

2. Initial Sale: The Town or the Summit Combined Housing Authority (“Authority”), will utilize a proven lottery system for the selection of candidates eligible to purchase housing units within the Project. These lotteries will occur in sale phases over the Projected build time of the Project. In each sale phase active District employees, subject to any applicable qualifying criteria including but not limited to income, will be given first right to purchase 25% of the housing units in that sale phase. Included in that 25% would be a breakdown of approximately 25% of each housing unit type available in that particular sale phase which will be offered to active District employees. This lottery system would be in place until the required initial sale of 35 housing units for District employees has been met. The price offered to District employees for each housing unit shall be affordable to households of low and moderate income, as determined by the Summit Combined Housing Authority. The Town anticipates the sale prices for the first sale phase will start at \$351,000 for two bedroom townhomes, \$575,000 for three bedroom townhomes, and \$620,000 for single family homes. Sales prices for subsequent phases will assume a maximum 3% annual appreciation or change in AMI whichever is less.

3. Resale: The Town will ensure that a permanent restriction is recorded on all the housing units developed as part of the Project to establish a “First Right of Refusal” for all resales. The “First Right of Refusal” will occur once a current owner makes the Town or the Authority aware of their desire to sell their unit. The price for the resale will be set by the Authority based on the approved formula and an active District employee will have the first right to refuse purchase of the Unit if at any time the number of owned housing units by active District employees drops below the number of 35. If more than one active District employee is interested in the for-sale Property then a lottery will be held to determine the buyer. This process will apply in perpetuity for the life of the development.

4. Contracting: The Town is currently under contract with a developer/builder for pre-development design for the Project.

5. Phasing: As noted above, the Town contemplates two Build Phases for the Project. If Town Council has not authorized construction of the 2nd Build Phase at a public meeting by December 31, 2027, the following will occur:

5.1 District will not convey the Property (and Town will continue to be able to utilize the Property as set forth in Section B below) until the first to occur of:

5.1.1 Town Council authorizes the 2nd Build Phase; or

5.1.2 The District reaches 35 District employee owned Units through a combination of the exercise of the First Right of Refusal at Initial Sale and Resale as set forth in Sections A.2 and A.3 above. For the avoidance of doubt, at no point will the District be entitled to the First Right of Refusal on more than 25% of the Units in an Initial Sale phase.

5.2 The Parties will meet and confer regarding potential amendments or termination of this Agreement.

B. Obligations of the District

The District, through their attorney, will develop a land transfer agreement for the McCain parcel, Exhibit A. This agreement will be developed and executed within 90 days of the execution of this IGA with a closing date for the transfer of the Property to the Town to occur within 45 days after the Town authorizes construction of the 2nd Build Phase at a public meeting. Closing will occur at no cost to the Town other than customary closing fees. In the interim period between the execution of this agreement and the transfer of the Property, District will allow the Town limited use of the Property for snow storage and similar low impact municipal uses, including parking. Town and District will enter into an indemnification agreement approved by District which will require Town to indemnify District for its use of the Property as well as obligate the Town to return the Property to its original condition in the event this agreement terminates prior to transfer of the Property per the terms set forth herein. The Units that receive the permanent First Right of Refusal restriction prior to the authorization of the 2nd Build Phase as set forth this Agreement are the consideration exchanged for the Town's use of the Property as set forth in this Subsection B.

C. Miscellaneous Provisions

1. Default. All terms and conditions of this Agreement are considered material. In the event that either party defaults in the performance of any of the covenants or agreements to be kept, done or performed by and under the requirements of this Agreement, the non-defaulting party shall give the defaulting party 20 days written notice of such default, and if the defaulting party fails, neglects or refuses for a period of more than 20 days thereafter to make good or perform the default, then the non-defaulting party, without further notice, shall have the right to an action for specific performance or damages or both.

2. Termination.

2.1 By Town: In the event that, prior to commencing construction of the first build phase, Town determines that it will not proceed with the Project, Town may terminate this agreement.

2.2 By District: In the event that the Town does not proceed with the 2nd Build Phase as set forth above, District may terminate this agreement, subject to the provisions of Section A.5 above.

2.3 In the event of termination under this Section, neither party will have any further obligation to the other.

3. Attorneys' Fees. If legal proceedings are initiated by any party in order to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs incurred in enforcing this Agreement.

4. Governing Law. This Agreement shall be governed by the laws of the State of Colorado.

5. Entire Agreement. This Agreement contains the entire agreement of the Parties. Amendments to this Agreement may be made only in writing and signed by both Parties.

6. Relationship of the Parties. It is mutually agreed and understood that nothing contained in this Agreement is intended or shall be construed in any way as establishing a joint venture or partnership between the Town and the District, nor shall anything in this Agreement be construed as establishing that the officers, agents, volunteers, employees of one Party are agents of the other Party.

7. Third-Party Beneficiaries. None of the terms, conditions, or covenants in this Agreement gives or allows any claim, benefit, or right of action by any third party not a Party hereto. Any person or entity other than the Town or the District receiving any services or benefits as a result of this Agreement is only an incidental beneficiary.

8. Preservation of Immunity. Nothing in this Agreement shall be construed (i) as a waiver by either Party of any privilege, defense, immunity, or limitation provided by common law or statute, specifically including the Colorado Governmental Immunity Act, Section 24-10-101, *et seq.*, C.R.S., as amended; (ii) as creating an assumption of any duty or obligation with respect to any third party where no such duty previously existed; or (iii) as creating any rights enforceable by any third party.

9. Incorporation of Exhibits. The attached Exhibit A is incorporated into this Agreement by reference.

10. Annual Appropriation.

- 10.1. The Town's financial obligations under this Agreement are subject to an annual appropriation being made by the Town Council of the Town of Breckenridge, Colorado in an amount sufficient to allow Town to perform its obligations under this Agreement. Town's financial obligations under this Agreement do not constitute a general obligation indebtedness or multiple year direct or indirect debt or other financial obligation whatsoever within the meaning of the Constitution or laws of the State of Colorado.
- 10.2. The District's financial obligations under this Agreement are subject to an annual appropriation being made by the Board of Education of Summit School District RE-1 in an amount sufficient to allow District to perform its obligations under this Agreement. District's financial obligations hereunder do not constitute a general obligation indebtedness or multiple year direct or indirect debt or other financial obligation whatsoever within the meaning of the Constitution or laws of the State of Colorado.

Executed and effective this ____ day of _____, 2025.

TOWN OF BRECKENRIDGE

By: _____

Its: Town Manager

ATTEST: _____

Town Clerk

APPROVED AS TO FORM:

Town Attorney

SUMMIT SCHOOL DISTRICT RE-1

By: _____

Its: Tony Byrd, Superintendent

ATTEST: _____

Secretary, Board of Education

APPROVED AS TO FORM:

School District's Attorney

EXHIBIT A

Legal Description of the Property

McCain Property

Tract B, McCain Subdivision, according to the plat recorded June 12, 2019 under Reception No. 1200093 of the records of the Clerk and Recorder of Summit County, Colorado; containing 10.1262 acres more or less