

Brown Ranch Annexation Agreement Summary

This summary highlights the key elements of the Brown Ranch Annexation Agreement. For community members who would like to read the full Annexation Agreement follow [this link](#). Disclaimer: This summary is not a full and complete recitation of the agreement and it is not intended to be relied upon or replace the terms in the agreement.

Section 2 outlines the **general plan for the development** of Brown Ranch.

- YVHA may develop up to 2,264 residential units and up to 395,000 square feet of non-residential uses. The unit composition may change based on local housing needs.
- YVHA must provide at least 62.71 acres of parks, 8.5 acres for an indoor sports facility (the Sports Barn), 125 acres of open space, and trails throughout the annexed property.
 - YVHA will maintain the 114 acres north of the Urban Growth Boundary, which is not part of this annexation, as open space for a minimum of 20 years and develop trails for public use. YVHA retains all development rights in this area to meet future community needs.

Section 3 provides that YVHA is responsible for the costs of the design and construction of **all utilities**, other than City utilities, serving Brown Ranch, including electricity, geothermal, broadband, and cable TV.

Section 4 stipulates that YVHA is responsible for the costs of the design and construction of **all onsite infrastructure** serving Brown Ranch.

Section 5 states that the City will provide **water and wastewater services** to Brown Ranch.

- YVHA will pay tap fees for every unit on the same basis as other City water utility customers.
- Before Brown Ranch is developed beyond Phase 1 (1,124 units), the City must construct the Elk River Water Treatment Facility. The City will use all reasonable efforts to complete the facility prior to the completion of Phase 1 and estimates it will be operational by 2030.
 - The estimated cost of the facility is \$40,000,000-\$58,000,000, and YVHA's estimated share is 66%. This facility will benefit existing City customers by providing resiliency and redundancy to the City's water treatment infrastructure.
- The City's existing water rights are sufficient to serve Brown Ranch. The City's most pressing water supply need is funding for the Elk River Water Treatment Facility to develop its water rights on the Elk River. YVHA will provide most of the funding for this facility.
- YVHA must implement a water conservation and efficiency plan with elements such as reducing private yards in favor of common spaces and water-efficient building practices and fixtures.

Section 6 requires YVHA to pay its proportionate share of the cost of **offsite infrastructure** necessary to offset the impacts of the development of Brown Ranch. YVHA's estimated share is \$20,206,447, which is mostly comprised of projects to improve US Hwy 40. This estimate does not include the Combined Public Safety Facility and Elk River Water Treatment Facility, which are described elsewhere in this document. If Short-term Rental (STR) funds are appropriated and allocated to Brown Ranch, the funds will first help pay for projects that benefit the entire community including US Hwy 40 improvements and Core Trail extension. The Annexation Agreement has a detailed project list with cost estimates. The list will be updated by YVHA and the City each year.

Section 7 describes the **City services** that will be provided to Brown Ranch.

- YVHA will construct and the City will maintain internal streets, including snow removal. YVHA will pay the capital costs for additional snow removal equipment (estimated \$847,000).

- The City will extend bus service to Brown Ranch at the entrance on US Highway 40. YVHA will fund a micro transit service within Brown Ranch, similar to the City's Yellow Line.
- YVHA will construct and maintain the smaller parks and greenways, and the City will construct and maintain the community parks. YVHA will construct trails and open space, and the City will maintain the trails and open space within the Urban Growth Boundary.
- YVHA will work with Steamboat Sports Barn, Inc. to build an indoor sports facility, along with a public outdoor playground and shade structure on the site.
 - If a building permit for the Sports Barn is not issued within 5 years or if construction is not completed within 8 years, YVHA must develop the site as a neighborhood park.
 - The City will have no responsibility to construct, operate, or maintain the Sports Barn.
- The City's police department and fire rescue will serve Brown Ranch, and YVHA will dedicate a site in Phase 1 to the City for the construction of a Combined Public Safety Facility.
 - YVHA will pay 75% of the construction costs of the facility (estimated \$16,087,200) and 78% of the costs for fire apparatus and start up equipment (estimated \$2,509,648).
 - YVHA will pay the costs for police vehicles and start up equipment (estimated \$438,000).
- YVHA will pay the City's annual operating cost deficit for extending services to Brown Ranch, estimated to be \$1,203 per unit (as adjusted for inflation). YVHA will make this payment annually based on the number of units with certificates of occupancy as of the previous year.
 - If the City imposes a new or increased property tax or fee to offset these costs, YVHA's payment will be reduced accordingly.

Section 8 establishes requirements for the **affordability and attainability of housing** at Brown Ranch.

- All residential developments at Brown Ranch will be subject to affordability and attainability requirements, except about 25 acres which YVHA may sell or develop with market-rate housing to offset development costs.
 - Restrictions will require the owner or renter to work for an employer physically located in Routt County and to occupy the unit as their sole primary residence. Units will have maximum income restrictions. No short-term rentals of any kind will be allowed.
- YVHA will periodically update the Housing Demand Study to ensure that housing needs are being appropriately addressed through the unit and income mix.
- YVHA will maintain the affordability of the units through deed restrictions and use covenants.

Section 9 commits the City to allocate **75% of the STR Tax revenue** to YVHA annually through 2042, subject to voter approval. The City agrees not to reduce the 9% tax rate during this time.

- If YVHA does not meet milestones for developing units after 6 years (420 units) and 12 years (1,100 units), the City may reduce or terminate this obligation.
- The City is not obligated to allocate STR Tax revenues to YVHA starting in 2033 until Phase 1 is completed and YVHA has secured the funding for Phase 2 and 3 capital costs.

Section 10 discusses the **review of development applications** and the **zoning** that will apply.

- The City may withhold development or building approvals if the offsite improvements are not funded and City Council determines that existing infrastructure cannot absorb the impacts.

Section 12 describes the **sustainable design measures** that YVHA will implement, including a focus on renewable energy (geothermal heating and cooling with solar panels to recharge ground heat) and energy conservation; optimizing for pedestrians, bicyclists, and electric vehicles; and preserving and restoring the section of Slate Creek that runs through Brown Ranch.