

**Board of County Commissioners - Staff Report****Meeting Date:** September 10, 2019**Presenter:** April Norton, Housing Director**Submitting Dept:** Housing Department**Subject:** Mercill Avenue Housing Development**Statement / Purpose:**

The Board of County Commissioners (Board) recently awarded the 105 Mercill Avenue RFP to Mercill Partners for the purpose of developing permanently deed restricted housing at the site. Prior to finalizing a Ground Lease and Development Agreement for the project, staff seeks direction on several key issues the Board discussed generally but on which they did not provide specific direction.

Background / Description (Pros & Cons):

The Housing Action Plan was adopted in November 2015 and set forth a new direction for the Town and County's deed restricted housing programs. One of the key components of this new direction is the "Request for Proposals" (RFP) model where the public partners with a private developer to construct housing for local working families. This keeps the government out of the development game, allows the public to access private developer expertise, and diminishes the public risk for each project by sharing that risk with the private developer. It also allows the public to try different development approaches and invest in multiple projects simultaneously.

On March 6, 2019 a RFP to develop housing at 105 Mercill Avenue was released. This County-owned property is located a couple blocks and provides an excellent opportunity to build a mixed-use development.

RFP Timeline:

- March 5, 2019: Board approves RFP
- March 6, 2019: RFP is released
- May 23, 2019: Five responses to RFP received
- May 23 – June 6, 2019: Housing Supply Board, Town Planning Department staff, and Housing Director review the responses
- June 7, 2019: "Supplemental Questions 1" sent to each team
- June 10, 2019: Teams provide their responses to the supplemental questions
- June 11, 2019: Housing Supply Board meets to discuss the proposals. Four finalists were chosen. A recording of this meeting is available online at <http://tetoncountywy.swagit.com/play/06122019-963>.
- June 12, 2019: "Supplemental Questions 2" and a revised Project Criteria Worksheet were sent to the four final teams.
- June 21, 2019: Teams provide their responses to the supplemental questions and a revised Project Criteria Worksheet.
- June 26, 2019: Housing Supply Board interviews four finalists and then discusses the proposals. A recording of this meeting is available online at <https://jacksonwy.swagit.com/play/06262019-1071>.
- July 30, 2019: Board awards project to Mercill Partners.

All materials related to the development have been posted on the Housing Department's website, www.jhaffordablehousing.org/1875/105-Mercill-Avenue.

Before a Ground Lease and Development Agreement can be finalized staff needs direction on a few outstanding items, listed below.

- 1) Unit mix and size. Mercill Partners provided three options for the project – see attached schematics.
 - a. Which unit mix does the Board prefer?
 - b. Are there other mixes the Board would like to see?



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- 2) What to do with the commercial space. At least one commissioner was interested in securing the space for the Jackson Hole Children's Museum to utilize. Since the Board chose Mercill Partners, the Council has awarded the King Street project to the Housing Trust who may be selling the commercial space in that building to the museum. At least one commissioner was interested in prohibiting restaurant use.
 - a. Does the Board want to purchase the commercial space at market rate for the Jackson Hole Children's Museum, Children's Learning Center, or any other organization to use?
 - b. Does the Board want to preclude any uses in the commercial space?
- 3) Parking. Currently the project provides more parking than is required. Should the developer abandon restaurant use in the building, which requires more parking than other uses, is the Board OK with an overall reduction in parking provided if the parking minimums are met?
 - a. So long as each unit has at least one parking spot in the parking garage, will the Board allow the developer to build below grade storage or commercial space instead of building out all of the parking?

Stakeholder Analysis & Involvement:

Stakeholders include Town and County taxpayers, local working families, business owners, and neighbors.

Fiscal Impact:

Teton County already owns this property and will not be providing additional funding to build the development.

Staff Impact:

The Housing Director will spend considerable time managing the project for the County. County legal will also spend time working on the project, as will Town planning and legal staff.

Legal Review:

John Graham, Deputy County Attorney, reviewed this staff report.

Staff Input / Recommendation:

Staff makes no recommendations at this time.

Attachments:

- Revised schematic provided by Mercill Partners

Suggested Motion:

None at this time.