

BACKGROUND (continued):

The attached "Vail Ranch Historic Site Offer to Dedicate and Lease Agreement" provides for the restoration and adaptive reuse of the site for retail and office uses, and provides facilities and public access to the site for historic appreciation and educational purposes. The primary features of the agreement are as follows:

1. The Developer will dedicate the four (4) acre historic site and six (6) structures to the County,
2. The County will lease the entire site back to the Developer for a period of 30 years, plus two options for a total of 49 years;
3. The Developer will complete the restoration and adaptive reuse of the historic site which is estimated to cost over \$7,000,000;
4. The Developer will sublease to the County 1,400 square feet of improved space for a period of 49 years, and provide a license for use of the entire site for educational and community activities;
5. The County will pay \$3.2 million in sublease payments to the Developer from Sales and Use Tax generated on the adjacent retail development site; and,
6. At the end of the 49-year lease period, the County will have exclusive possession and ownership of the entire historic site, including the restored structures.

The Agreement provides for the restoration, reuse, and on-going maintenance of a significant County historic resource at a reasonable cost. It is anticipated that the entire \$3.2 million, plus interest at five percent (5%), will be repaid within five (5) years. In comparison with other County owned and maintained historic sites, the proposed structure provides a lower cost, greater public access, and ultimately better preservation of the historic resource. County Counsel has reviewed the Agreement and we strongly urge approval.