

The following public comment is from the Gill project team. Thank you for considering and answering these specific issues outlined below.

We are also reserving the right for future comment on the Opticos financial models following public disclosures from the Teton County Planning Department and its consultants for Northern South Park. County staff has only offered a meeting with the Opticos financial model authors after the schedule closure of public comment and with no guarantee of transparency of seeing the source data and financial assumptions used to build the pro forma. In hopes of achieving transparency, we want to be able to provide the public and the County additional insight once we can review the source data and assumptions and see if there is accuracy in those numbers.

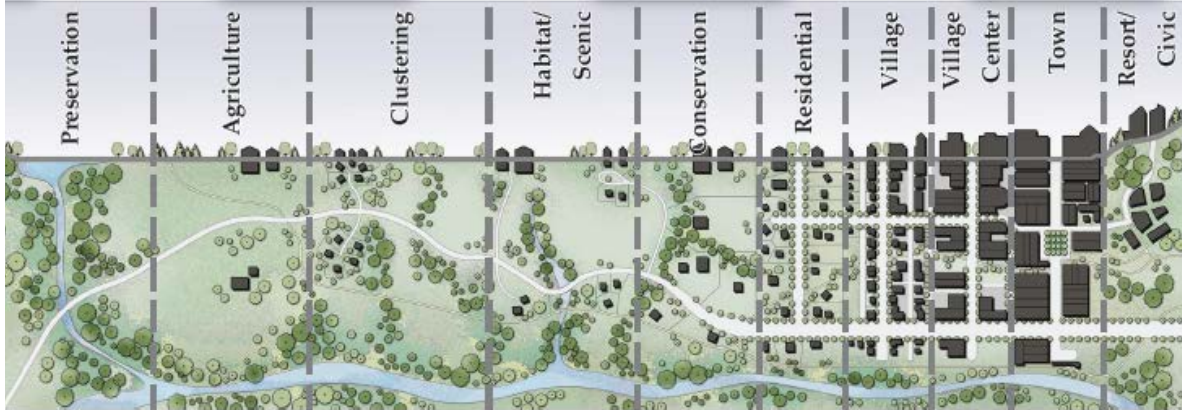
Until then, please consider the following feedback and questions. The first section addresses the actual 4 alternatives. A second section specifically addresses issues with the financial pro forma.

Regarding the August 20, 2021 Plan Alternatives:

1. How do these Alternatives (aside from the No Change Alternative) take into account existing free market Suburban entitlements on the Gill parcels? Specifically Alternatives B and C, which do not even include the total amount of market units allowed under base zoning for both landowners, and would help subsidize the workforce housing component.
2. We were alarmed in the Steering Committee meeting when the consultants dismissed the actual land values in Teton County because they don't "make sense" or don't align with conventional land values in other locations. Teton County is not like other locations. We have 2 national Parks, 2 national forests, and a national wildlife refuge in our County. Only 3% of the land is private, and 1/3 of that private land is tied up in conservation easements. It is supply and demand of a very limited amount of land and development rights. It is the wealthiest county in the wealthiest nation. Teton County is not a normal place where you can just plug numbers that are quite literally not grounded specifically to Teton County into your model and think that is an acceptable financial model calculation.
3. As part of the No Change Alternative, you need to factor in existing property rights and Teton County LDR tools currently available for both landowners. For the Gills for example, that means the plan needs to consider the CN-PRD, which requires no zone change. A CN-PRD that included the 83 Suburban units plus 8 units per 35 acres transferred out of the Gill's river bottom parcels to Northern South Park would allow 190 market units on the Gill parcels alone. This doesn't even include additional transfers that could occur from agricultural parcels in South Park to Northern South Park. This appears to be the most economically feasible alternative under the current zoning. It appears the No Change Alternative failed to factor any of this into the work product and that is a significant omission.
4. Our previously proposed AR-TC rezone application would have allowed 312 small, town-size, small lots on 74 acres with 65% of the lots deed restricted as required by the restrictive covenant on the land, with the allowance for 2 small rentals on each lot, in addition to the main house. Of those 312 lots, the Gills were willing to deed restrict 65% of the lots (or 202 lots) **with no public subsidy** or east-west connector required to build them. On the Gill parcels alone this would have looked like: 110 market lots; 40 lots donated to Habitat for the Tetons lots; 50 lots donated to the Housing Trust; and the remainder sold at 1980 land values to the Housing Trust (and potentially

the Hospital) to oversee. This appears to be more beneficial and positively impactful if it is extrapolated across all of Northern South Park when compared with any alternatives.

5. The Comp Plan calls for higher density closer to town, tapering off to lower density the farther you get away from town. Alternatives A, B, & C appear to ignore this part of the Comp Plan and do not meet the community's vision.



6. All of the proposed alternatives (A, B, & C) include a “Compact Walkable Neighborhood Center” that is extremely unrealistic to function as a true neighborhood center with commercial space. We have seen this idea proposed several times in our community and it never works out when houses are this close to town and there isn’t a large amount of density or busy roads feeding the commercial space. The idea of a day care or other institutional uses sound great, except these uses draw people from all over the valley who come to, Rafter J, for example, to drop off their children, resulting in more vehicular traffic. This idea does not meet the objective for Subarea 5.6 which calls for Northern South Park to be “a location for future **residential development** at a density similar to the adjacent West Jackson Residential (Subarea 5.5) neighborhoods. The overall density of Subarea 5.5 is approximately 4 dwelling units per acre, which is almost exactly what was proposed under the Gill’s previously proposed AR-TC rezone.
7. The Comp Plan also calls for any neighborhood planning effort to be “completed in a timely manner by the County in consultation with the Town **and the landowners within the Subarea.**” By withholding detailed information with the two landowners in Northern South Park, as to how the financial analyses were derived is disingenuous to the way the process is supposed to work. Let’s face it, without landowners buy-in, this plan will never work.
8. An east-west connector along the southern border of Northern South Park will be a difficult sell to function as a connector for the entirety of the subdivision, especially as the vast majority of trips will likely be heading north, toward town, not head south, to only have to head north. It will also require some creative solutions with WYDOT to connect to Highway 89, as a traffic light or roundabout may be necessary to enable an easy left-hand turn toward town.
9. The required dedication of land should absolutely provide alternatives to dedicate land to a chosen entity (Habitat for the Tetons, Community Housing Trust, and the Teton County Housing Department). The public subsidy required is a huge ask for our community. In addition to asking the landowners to “donate” their land, then they (and the rest of us residents) have to pay hundreds of millions of dollars in tax dollars to actually build it.
10. Why doesn’t the composition of workforce/affordable housing reflect Teton County’s population? The “affordable” category of the population (roughly 64%) is dramatically underserved (by at least

20%) in all of these options (closest option is 43%). While at the same time Workforce Tier 2 is overserved in all of the options by nearly double (and almost triple in Alternative B – 21%).

11. What is the projected increase in population for each of the alternatives? What are the community impacts of the increased population (overall and in this area)?
12. What would be the public service (and fiscal) impact (e.g. water, sewer, police, fire, schools) of each alternative?
13. Alternatives A, B and C each entirely depend on the creation of an East West Connector. Given that dependency, what is the stated plan for achieving the creation of an East West Connector?
14. Alternatives A, B and C each are entirely dependent on significant public subsidies. Given that fiscal subsidy, what is the stated plan for taxation to fund any of the alternatives?

Regarding Opticos' August 27, 2021 Financial Feasibility Data & Assumptions:

Although Opticos has not provided detailed assumptions or source data, we already have significant concerns over the accuracy of some more notable numbers used in the model.

1. For example, in the Existing Zoning analysis Opticos assumes that a suburban single family lot price is \$257,870. The last lot in Teton County that sold for less than \$300,000 was in 2016 and was located in Hoback. The last comparably located lot in Teton County that sold for less than \$300,00 was in 2014 located in Rafter J, according to the Multiple Listing Service (MLS). Even a cursory look at the MLS, or conversations with local real estate professionals would show that this is a fraction of the actual price for single-family lots in Jackson. Using \$257,870K is simply inaccurate and results in significant errors in the results generated by the analysis.
2. However, we still have not been shown the full picture when it comes to the financial model. Opticos must disclose the base assumptions, methodology, calculations, and source data used in their model. The documentation provided by Opticos to the public to date has a surprising lack of information, detail, and justification regarding the assumptions used in their analysis. It is important to justify and source all significant assumptions and is standard practice to footnote or provide associated backup in such an analysis or pro forma. The assumptions form the basis and foundation of the analysis and have monumental implications on its results. It is important to understand the information sources and review their accuracy and implementation within the analysis. Especially due to the fact that it is the calculus for the public subsidy.
3. Flawed assumptions result in flawed results, which can result in flawed decisions if they are based on those results. We spotlight just a few, of many, numbers in the financial model that are lacking detailed assumptions. There are more items beyond this list, but these are examples of information that should have been provided for all significant numbers.
4. What is the basis, assumptions, and source data for estimating the total infrastructure cost? For example, Alternative A appears to show \$49 million in infrastructure cost. How was this number determined? How was the timing of this cost allocated across the 30 years determined?
5. How was the Sewer Lump Sum cost determined and what sources were used for this estimate? Why is the Sewer Lump Sum cost the same for the Existing Alternative and Alternative A, which have a dramatic difference in the number of units being served (98 vs. 668)? Or what is the basis for the infrastructure cost difference from Alternative A and B (\$49MM vs. \$52MM) given that there are nearly twice as many units (668 vs. 1,298)?

6. How was the “EW Connector to HWY” cost determined and what sources were used for this estimate? How was this cost arrived at for the Existing Zoning analysis when the East West Connector is not illustrated on the map or assumed for the Existing Zoning?
7. What is the basis for using a discount rate of 16%? What source document was used to justify this specific rate for this type of real estate development project? A small swing in the discount rate can have oversized impacts on the resulting net present value. It is likely that changing the discount rate by 5 percentage points results in 50% to 100% change to the Net Present Value for many of the alternatives.
8. In the financial analysis for Alternatives A, B and C which units are Workforce Tier 1 and Tier 2 with their respective lot price? How are those prices determined? How was their absorption rate determined?
9. What is the basis or source document for using a developer profit goal of 12%? Is there justification for this estimate from industry accepted sources? Is this rate specific to unlevered projects?
10. What is the basis for using a park development cost of \$4.00 per square foot? Of using an Open Space development cost of \$1.00 per square foot? Where is the source documentation behind these estimates?
11. How was the \$100,000 per acre number determined? Why was a significant discount applied to the low end of the Assessor’s range?
12. There are many unlabeled and confusing numbers throughout the PDF analysis (e.g. floating numbers, “Check: 2.8421709430404E-14”). Are these important components to the analysis? And if so what do they represent and how do they impact the results?
13. What are tax rates used in each alternative for each type of home?

The Gill team is experienced in planning, designing and building successful deed restricted housing. These comments are hopefully constructive. Our long-held goal is to see realistic and actual workforce housing built in Northern South Park, sooner rather than later.