



OFFICE OF THE TOWN MANAGER
455 Mountain Village Blvd.
Mountain Village, CO 81435
(970) 729-2654

Agenda Item 10

TO: Mountain Village Town Council
FROM: Paul Wisor, Town Manager
DATE: December 10, 2024
RE: **Amendment to IGA For Cost Sharing and Planning of Gondola Project**

Executive Summary: The Town has previously entered into an IGA with TMVOA, the Town of Telluride, San Miguel County, SMART, and TSG for the purpose of funding activities associated with the planning of a future gondola. Council is presented with an amendment to the IGA which clarifies funding obligations for 2025 and reallocates seats on the Gondola Leadership Committee. The IGA also designates parties responsible for planning of stations 1-6 in the coming year. Staff requests Council approve the IGA as to form.

Background

In 2023, the Town, Telluride Mountain Village Owners Association, the Town of Telluride, San Miguel County, SMART, and TSG entered into the Intergovernmental Agreement for Cost-Sharing of the Planning and Gondola Project Development Phase for the Gondola Project (the “2023 IGA”), which provided for the funding of certain costs associated with planning of the future gondola. This IGA was supplemented by a similar agreement in 2024.

In 2023 and 2024, all entities (with the Town and TMVOA acting as one “Mountain Village Entity”) jointly funded the gondola planning efforts. In addition, the Mountain Village Entity, the Town of Telluride, San Miguel County, SMART and TSG each had two seats on the Gondola Advisory Committee, which made recommendations to the Leadership Committee. The Leadership Committee was comprised of seven members from the Mountain Village Entity and the Town of Telluride, as well as three members from San Miguel County and TSG.

With the passage of Ballot Issue 3A, which provided SMART with authorization to raise revenue to operate the gondola after December 31, 2027, the County and TSG have elected to not fund planning efforts in 2025. As such the 2023 IGA needs to be amended.

The 2025 IGA contemplates the Mountain Village Entity and the Town of Telluride will jointly fund planning efforts, and SMART will be a lead participant. The Mountain Village Entity and Town of Telluride will each have seven members on the Leadership Committee, with each member having a vote (for a total of seven votes for the Mountain Village Entity and Town of Telluride). SMART, as a lead participant, will be represented by all its board members, but will only have one vote.

The 2025 IGA further contemplates the Gondola Advisory Committee will continue to be comprised of the Mountain Village Entity, Town of Telluride, San Miguel County, TSG, and

SMART. The Gondola Advisory Committee will make recommendations to the Leadership Committee under its new structure.

Finally, the 2025 IGA recognizes it is now time for the region to begin the exercise of planning the stations that will serve the new gondola. The regional partners have agreed the capital raised to pay for the new gondola will cover the cost of “base stations,” that is, stations that would serve as like replacements for the existing gondola stations. The regional partners have further agreed that the Town of Telluride is responsible for the planning of Oak Street Station. TSG and the Ridge Club are responsible for San Sophia Station, and the Mountain Village Entity is responsible for Stations 4-6. In the event a responsible party determines it desires to design a station above a “base station,” the 2025 IGA requires the responsible party to bear the cost of those enhanced improvements.

Financial Considerations

Council has budgeted for its share, \$236,440, of the costs contemplated in the IGA, which costs are further delineated in the IGA.

Proposed Motion

“I move to approve the Second Supplement and Amendment to the Gondola Project IGA as to form and direct the Town Manager and Town Attorney to finalize the agreement.”

SECOND SUPPLEMENT AND AMENDMENT TO THE INTERGOVERNMENTAL AGREEMENT FOR COST-SHARING OF THE PLANNING AND GONDOLA PROJECT DEVELOPMENT PHASE OF THE GONDOLA PROJECT

This Agreement is made and entered into by the following five entities effective as of _____, 2025:

1. the Town of Mountain Village (“TMV”) and Telluride Mountain Village Owners Association (“TMVOA”), collectively “Mountain Village Entity”
2. the Town of Telluride (“ToT”)
3. San Miguel County (“the County”)
4. TSG Ski & Golf, LLC (“TSG”), and
5. the San Miguel Authority for Regional Transportation (“SMART”)

The above entities who have approved and executed this Agreement (the “Participants”) for the purposes set forth below. The Participants agree as follows:

RECITALS:

WHEREAS, pursuant to title 29, article 1, part 2, C.R.S., as amended, and Article XIV, section 18 of the Colorado Constitution, governments may contract with one another to provide any function, service, or facility lawfully authorized to each of the contracting units and any such contract may provide for the joint exercise of the function, service or facility, including the establishment of a separate legal entity to do so; and

WHEREAS, SMART is legally authorized to provide mass transportation services and to contract with other entities to provide such services pursuant to §43-4-605, C.R.S.; and

WHEREAS, each of the Participants has an interest in the construction, operation, maintenance, and funding for the Telluride-Mountain Village Gondola after the current operating agreement expires on December 31, 2027 (the “Gondola Project”); and

WHEREAS, the Participants have previously entered into the Intergovernmental Agreement for Cost-Sharing of the Planning and Gondola Project Development Phase for the Gondola Project dated November 14, 2023 (the “2023 IGA”); and

WHEREAS, the Participants have previously entered into a 2024 Funding Supplement to the 2023 IGA dated May 1, 2024 (the “2024 First Supplement”); and

WHEREAS, the Participants of the 2023 IGA and 2024 First Supplement also included San Miguel County and Telluride Ski and Golf Company as funding participants, the 2025 Second Supplement includes the Mountain Village Entity and the Town of Telluride as the two “Funding Partners” and SMART as the one Lead Participant; and

WHEREAS, the Town of Mountain Village, Town of Telluride, Telluride Mountain Village Owners Association, San Miguel County, Telluride Ski and Golf Company, and SMART are project participants; and

WHEREAS, the Gondola Project as presently envisioned by the Participants will include multiple loading and unloading stations (each a “Station”) including Station 1 at Oak Street in downtown Telluride, Station 2/3 at the top of San Sophia Ridge, and Station 4/5 in the Mountain Village Core, and Station 6 at the current terminus of the Gondola in the Mountain Village Center.

WHEREAS, the Participants desire to supplement and amend the Gondola Cost Sharing IGA for the purpose of amending the funding partners, clarifying their intentions and responsibilities for station area planning at each of the station locations, and establishing the cost-sharing budget for the year 2025, as set forth in the 2025 Budget attached hereto and made a part hereof as Exhibit 1.

NOW, THEREFORE, in consideration of the mutual agreements, obligations, and covenants set forth in this Agreement, and upon the further consideration stated in the foregoing Recitals, it is agreed by the Participants as follows:

Section 1. Incorporation of Recitals. The Participants confirm the statements set forth in the above Recitals and incorporate such recitals herein as an integral part of this Agreement. The provisions of the 2023 IGA and the 2024 First Supplement are ratified and incorporated by reference herein.

Section 3. Cooperation and GAC Voting Structure for the purposes of Phase I. The Gondola Cost Sharing IGA is hereby supplemented and amended by including the definition and role of the Gondola Advisory Committee (an advisory committee of SMART) and the Leadership Committee attached hereto and made a part hereof as Exhibit 1.

Section 3. Cooperation and GAC Voting Structure for the purposes of Phase I. The Gondola Cost Sharing IGA is hereby supplemented and amended by clarifying the Leadership Committee voting representation attached hereto and made a part hereof as Exhibit 1.

Section 5. Scope of Gondola Project; Planning and Development Phase Responsibilities of the Participants. The Gondola Cost Sharing IGA is hereby supplemented and amended by the participant responsibilities regarding stations and station area planning attached hereto and made a part hereof as Exhibit 1.

Section 5. Scope of Gondola Project; Planning and Development Phase Responsibilities of the Participants. The Gondola Cost Sharing IGA is hereby supplemented and amended by the cost-sharing budget for the year 2025 attached hereto and made a part hereof as Exhibit 1.

IN WITNESS WHEREOF, the corporate authorities of the Participants have approved this Agreement and have directed that this Agreement be signed on their behalf by their respective Mayor or Board Chair and Clerk, on the days and year written below.

Approved as to Form by:
San Miguel Authority for Regional Transportation

By: _____
Name: Joe Dillsworth
Title: SMART Board Chair
Date: _____, 2023.

By: _____
Name: David Averill
Title: SMART Executive Director
Date: _____, 2023.

Approved as to Form by:
Mountain Village Entity

Town of Mountain Village:

By: _____
Name: Marti Prohaska
Title: Mayor
Date: _____, 2023.

By: _____
Name: Susan Johnston
Title: Clerk
Date: _____, 2023.

Town of Mountain Village Owners Association:

By: _____
Name: James R. Royer
Title: Vice-Chairman
Date: _____, 2023

**Approved as to Form by:
Town of Telluride**

By: _____
Name: Teddy Erico
Title: Mayor
Date: _____, 2023.

By: _____
Name: Tiffany Kavanaugh
Title: Clerk
Date: _____, 2023.

**Approved as to Form by:
San Miguel County**

By: _____
Name: Lance Waring
Title: Chair, Board of County
Commissioners
Date: _____, 2025.

By: _____
Name: Carmen Warfield
Title: Clerk to the Board of County Commissioners
Date: _____, 20235

**Approved as to Form by:
TSG Ski & Golf, LLC**

By: _____
Name: Chad Horning
Title: ???
Date: _____, 2025.

By: _____
Name:
Title:
Date: _____, 2025.

Exhibit 1

Section 3. Cooperation, Roles of the Gondola Advisory and Leadership Committees and Leadership Committee Voting Structure for the purposes of Phase I. The Participants agree to cooperate and perform their respective obligations regarding Phase I as required by this Agreement and with respect to the role of the Gondola Advisory and Leadership Committees.

- a. The Gondola Advisory Committee established by SMART through Resolution 2023-25 for the purpose of advising the SMART Board on items related to transfer of the operation, maintenance and funding of the existing Telluride Mountain Village Gondola from the Town of Mountain Village after the expiration of various operating agreements that expire on December 31, 2027 planning for the design and construction of a new gondola system to replace the existing Telluride-Mountain Village Gondola, planning for capital funding for the replacement gondola system, and ongoing Gondola services provisions. The Gondola Advisory Committee reviews technical information and makes recommendations to the Gondola Leadership Committee, which then submits approved plans to the SMART Board of Directors for formal adoption. The committee is managed by SMART and composed of the following representatives:

- Mountain Village Entity (2)
- Town of Telluride (2)
- San Miguel County (2)
- Telluride Ski & Golf Company (2)
- SMART Board (1)

- b. The Gondola Leadership Committee is comprised of representatives of the Funding Partners and the Lead Participant. The purpose of the Gondola Leadership Committee is to consider recommendations from the Gondola Advisory Committee, receive regular planning updates and establish consensus. Once consensus is reached on any formal adoption of leadership committee approvals are conducted by the SMART Board. The leadership committee is composed of the following members (15 voting):

- Mountain Village Entity: 3 Town Council members + 4 TMVOA Board members (7 voting)
- Town of Telluride: 7 Town Council members (7 voting)
- SMART: All Board members (1 voting)

Section 5. Scope of Gondola Project; Planning and Development Phase Responsibilities of the Participants. c. Responsibilities of the Participants regarding station area planning.

- a. **Coordination with SMART Project Team.** The Participants agree to include the SMART Project Team in the station area planning to ensure that the planning and design of the stations align with the primary Gondola Project (Project A) and meet or exceed all minimum criteria required by the Department of Transportation, Federal Transit Administration or criteria agreed to by the Leadership Committee.
- b. **Joint Design and Planning Costs.** The Participants have already agreed to make certain capital contributions toward the design and planning of the new gondola system, including towers, cables, motors, etc., the gondola cabins, and the costs of a “base model” (Project A) for each of the six

proposed Stations (the “Primary Facilities”). Nothing herein is intended to change the Participants’ obligations for such Primary Facilities. However, to the extent that certain Participant(s) responsible for the costs of each Station “beyond the base model” (Project B) desires to have something other than the base model for such station, the Participants’ responsibilities are set forth below.

c. Definitions of Project A and Project B.

- i. Project A.** Is the gondola project as defined in the 2023 IGA and includes project development for replacing the gondola system as it is today, increasing the gondola capacity based on direction from the Leadership Committee at the July 22, 2024 meeting of an initial build capacity for the new system of 1,800 to 2,000 people per hour and a design capacity of 2,500-3,000 people per hour at maximum full buildout/theoretical capacity, including station replacements that are similar to those that exist today.
- ii. Project B.** Includes station area planning and design above and beyond what exists for stations today.

d. Station 1 (Oak Street). The Town of Telluride shall be responsible for the station area planning and design costs relating to Station 1 beyond the base model costs.

e. Station 2/3 (San Sophia). Telluride Ski and Golf (TSG) shall be responsible for the station area planning and design costs relating to Station 2/3 beyond the base model costs. The Participants agree and acknowledge that TSG intends to seek input and contribution from the owners’ association for the Ridge Building where Station 2 is located in this regard. TSG shall be solely responsible for negotiating with the owners’ association for any such contributions and to collect such contributions for itself.

f. Stations 4, 5, and 6 (Village Plaza and Market Stations). The Mountain Village Entity shall be responsible for the station area planning and design costs relating to Stations 4, 5, and 6 beyond the base model costs.

Section 5. Scope of Gondola Project; Planning and Development Phase Responsibilities of the Participants.

2025 GONDOLA COST SHARING IGA BUDGET

2025 Gondola Project Development Budget		
	2024	2025
Gondola Sr. Project Management	\$142,516.48	\$160,782.19
Election Consultant Services	\$107,500.00	\$0.00
Legal Counsel	\$1,833.33	\$45,000.00
Financial Advisor Services	\$24,000.00	\$24,000.00
Community/Government Affairs Consultant Services	\$50,000.00	\$50,000.00
Project Development Services (SME)	\$250,000.00	\$580,000.00
Subtotal	\$575,849.81	\$859,782.19
Contingency (10%)	\$57,584.98	\$85,978.22
TOTAL	\$633,434.79	\$945,760.41

Distribution table:

Cost Share Distribution	2024	2025
Total Budget	\$633,434.79	\$945,760.41
Mountain Village Entity (50%) *	\$158,358.70	\$472,880.20
Town of Telluride (50%)	\$158,358.70	\$472,880.20

*The Mountain Village entity contributes 50%, split equally between the Town of Mountain Village at 25%, and the Telluride Mountain Village Owners Association at 25%.