



East West Partners

February 19, 2007

Mr. Stan Zemler
Town Manager
Town of Vail
75 South Frontage Road
Vail, CO 81657

Re: Lionshead Parking Structure – Withdrawal of proposal

Dear Stan,

We are very appreciative that the Town Council voted to move us from the qualification stage to the final proposal stage. Obviously, the redevelopment of the Lionshead Parking Structure would be a fabulous improvement for the Vail community. That was our belief when we entered the qualification process 9 months ago and we still believe it today. However, as we have continued the process of developing a plan, in the face of unclear Town priorities, we have become very concerned about the financial viability of the project. As late as this past week the Town seems intent on adding another \$15-20 million to the cost of the project.

Consequently, at this time there are just too many unknowns for us to craft a final proposal with the Town. For example, when will the West Lionshead Parking Structure be constructed? What will be the final provisions of the new proposed Employee Housing Ordinance? How will the Lionshead Parking Garage redevelopment relate to the potential redevelopment of Dobson Arena and the proposed Vail Valley Medical Center expansion? What are the Town's priorities? We cannot incorporate every item that each individual stakeholder wants.

As you know the Lionshead Parking Structure is a complex site given the physical constraints, the need to replace the parking structure within one construction season, the ever changing stakeholder requirements, etc. As long time members of the community we do not want to promise more than we can deliver and find ourselves in a position where either we cannot move forward with the project or be forced to re-negotiate with the Town Council late in the process.



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We appreciate the opportunity to have participated in this process but find it necessary to withdraw our proposal from consideration at this time. To the extent that the Town elects sometime in the future to redefine the process and objectives, we still have a strong desire to be considered as a possible partner. Again, thanks very much for your support of East West Partners.

Sincerely,

Harry H. Frampton

HHF/k

cc: Vail Town Council
Russell Forrest