

Contact Report
James Taylor, Bostwick Properties
RE: For-Profit Housing Project
March 10, 2005

I spoke with James Taylor, the principal with Bostwick Properties, the owner of a large tract of developable land just north of Buck's T-4 Lodge, the present site of an operating gravel pit. Taylor is in the midst of preparing the land for development in early 2006. At this time, the area is planned and zoned partly for combined commercial/industrial use, and partly for residential. Taylor's plans incorporate residential and commercial. The first phase of the development has already been reserved, and there is a waiting list. The costs for the first phase average about \$350k/acre.

We discussed the concept of "attainable housing", targeted at a fairly young, professional demographic. James acknowledged the serious need for such housing in the Big Sky area, and is interested in incorporating some type of attainable housing in his development. There are, obviously, several challenges for this kind of project.

We discussed the problem of "appreciation jump". That is, there is nothing to prevent the purchaser of a unit or plot at an "attainable" price, then reselling it for a large markup (and again, and again etc). There are mechanisms for appreciation caps that can be enacted through the CC & R's, or possibly through subdivision regulation, but James noted that these restrictions are more and more difficult to enforce as the property turns over more times. Even though the restrictions may have been in place at time of purchase, disputes are difficult and costly to defend against.

The most ironclad method is for a housing authority or other governmental or non-profit entity to own and manage the entire project in perpetuity. This presents a host of other challenges, to say the least.

We then discussed the current zoning regulations for the area. Though there is residential allowed, it is at a fairly low density. Bostwick would need to petition the Gallatin County Planning and Zoning Board, as well as the Big Sky Zoning Advisory Committee to allow for higher density. This would start being discussed by these bodies approximately mid-April, 2005. He would subdivide to allow for higher-density single-family units, or even duplex or four-plex units. Bostwick does not intend to be the builder of any project in the development, though James expressed that there is ample interest among area builders.

The greatest challenge is water. James feels that the capacity of water supply is probably sufficient for just about any mix of densities. Water disposal is another story. Currently, he has an approved plan for septic tanks with a common drain field. This plan will support a lower-density, primarily single family development, but it remains to be seen how much density the system could support. There are a few alternatives, and none are easy solutions. An expanded or additional drain field may be an option, though this would require more land, and this would raise the cost of each plot. A tie-in to the Big Sky Sewer and Water District would be tremendously costly, assuming that the

considerable political hurdles could be surmounted. Bostwick is still in the process of assessing the true water and sewer capacity of the development.

The concept of attainable housing in Big Sky is certainly not new to James Taylor. It has been a component of this development almost since its inception. He was very interested to hear reaction from the large Madison County resorts regarding an off-site project satisfying their employee housing requirements. He is willing to carry on this conversation, and wishes to remain in the loop of the committee's activities.