

# MANITOU SPRINGS URBAN RENEWAL AUTHORITY SPECIAL BOARD MEETING

February 15, 2020

.....

MEMBERS PRESENT:      Ann Nichols                              Farley McDonough  
                                 Marcy Morrison                              Debbie Sagen  
                                 Dennis Minchow                              Alan Gregory

EXCUSED ABSENCES: Marc Snyder

OTHERS PRESENT:  
                                 Jim Rees, MSURA Executive Director  
                                 Nancy Fortuin, City Council Liaison

## I. CALL TO ORDER

Ms. McDonough called the meeting to order at 8:32 a.m. and noted that a quorum was present with 6 Board members in attendance and 1 excused.

## II. PROPERTY ACQUISITION DISCUSSION

### A. Review of Fountain URA (FURA) Experience

Mr. Rees reviewed the key findings of his 2/11/20 telephone conference with Kim Bailey, Executive Director of FURA. Fountain has an existing URA that covers most of downtown. It has been in existence for almost as long as Manitou Springs East End URA. There was little redevelopment activity until the Authority began to acquire property. They have demolished rundown buildings as well as repurposed existing structures. They do not intend to be landlords in the long term. The goal is to remodel the buildings and attract tenants that may eventually purchase the property from FURA.

FURA has been able to negotiate directly with the property owners to purchase the properties and the owners were all willing sellers. Kim felt that overall it has been a positive experience and that there has been an increased interest in upgrading other properties by private owners since the urban renewal authority has purchased the 7 parcels.

Some key take aways:

- The properties have required operation and maintenance expenditures and the Authority needs to budget for that. Some require complete demolition. Others will need remodeling in order to make them attractive to tenants.
- The Authority's involvement has sent a message to other property owners that the Authority is willing to invest in the neighborhood.
- There has been some criticism of the public sector removing property from the property tax rolls but that will be recouped through increase property values due to new development.
- The Authority set goals and established priorities for acquisition.
- FURA developed an exit strategy for each project. They will work with tenants or potential developers to eventually buy out the Authority's interest in the property in order to return it to the private sector.

The MSURA Board discussed the Fountain experience and had some follow up questions:

- Do urban renewal authorities pay property tax if they lease the property to private businesses?
- Did FURA pay more than fair market value (FMV) for the properties? If so, was there a set percentage?
- How was FMV established?

Mr. Rees will follow up with Ms. Bailey to obtain answers to the Board's questions.

### **B. Redevelopment Opportunities (Land Use Plan)**

Mr. Rees discussed the recommendations for redevelopment of various parcels as shown in the Land Use Model that was completed in 2012 and the new graphics that were added in 2019. He also reviewed the valuation spreadsheet that indicates the market and appraised values set by the El Paso County Assessor for properties in the URA.

One of the recommendation in the plan is to make the intersection of Beckers Lane and Manitou Avenue a high activity area that would include mixed use development and restaurant and retail space with corner patio/plazas for sitting and displaying art. Residential units should be included on the upper floors.

Various parcels were discussed including the recent sale of the La Fon Motel which is one of the largest parcels in the urban renewal area. The property was sold in late 2019. Mr. Rees has not been able to make contact with the new owners to find out what their long term plans will be.

The Dillon motel owner has plans to develop tiny houses on the north end of the property along Fountain Creek but has so far shown no interest in redeveloping the motel or car wash. The property will need a zone change in order to accommodate tiny houses. The city planning department has an interest in pursuing a planned unit development zone (PUD). This would be beneficial to redevelopment of other parcels in the corridor as well as the Dillon.

### **C. Board Discussion of Acquisition Goals and Parameters**

Ms. Nichols stated that in the conversations that she and Mr. Rees have had with potential developers, a concern was always expressed that the Authority does not own any property which makes redevelopment costs difficult to ascertain. After more discussion, there was a general consensus among the Board that property acquisition is needed in order to attract tenants and developers to the corridor.

The Board next discussed various development approaches. It was determined that it would be beneficial to look into what properties are on the market or if any of the owners are contemplating selling in the near future. The Board may consider working with a real estate broker to see what might be available.

The Board also agreed that before acquiring a parcel there will need to be a vision for redevelopment of the parcel. Determining FMV will require appraisals and negotiation with the owners. The Authority may need to determine if it will pay above FMV to acquire a parcel. That will probably be on a case by case situation.

There was also an agreement that acquiring property for parking should be a goal. The Mobility Study has recommended a mobility hub be established in the corridor. In addition to parking this would include a shuttle stop and possibly a Pike Ride (bicycle rental) station. Access to the trail system would be a benefit for pedestrians and cyclists as well.

### **III. Other Business:**

Ms. McDonough stated that Downtown Colorado Inc. will be holding their annual conference in Colorado Springs on April from 4/14 -4/17. She encouraged Board members to attend. There is also an Urban Renewal dinner that is held one night during the conference which is a great opportunity to meet urban renewal boards from other parts of Colorado. She will forward the information to the Board and would like to get a head count ASAP in order to send the registration in very soon. Mr. Rees and Ms. Nichols expressed their desire to attend.

#### **IV. Executive Session:**

Ms. Nichols read the stated reason for the session:

An Executive Session to Determine Positions Relative to Matters That May be Subject to Negotiations;

Develop a Strategy for Negotiations; and Instruct Negotiators. Pursuant to CRS 24-6-402 (4)(e)(I).

A motion was made by Ms. Morrison and seconded by Mr. Minchow to enter into an executive session.

The motion was passed unanimously.

Ms. McDonough and Ms. Fortuin recused themselves from the discussion and left the meeting. The Board entered into the Executive Session at 9:55 AM

The Board exited the Executive Session at 10:15. No further action was taken.

#### **X. Adjournment**

There being no further business, the meeting was adjourned at 10:18 AM