

MANITOU SPRINGS URBAN RENEWAL AUTHORITY BOARD MEETING

March 20, 2020

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MEMBERS PRESENT: Ann Nichols Farley McDonough
 Debbie Sagen Alan Gregory
 Marc Snyder

EXCUSED ABSENCES: Marcy Morrison, Dennis Minchow

OTHERS PRESENT:

Jim Rees, MSURA Executive Director
Natalie Johnson, Director Manitou Arts Center/Creative District
Avik Amin, A & A Enterprises of Manitou Springs
David Neville, KKRDN
Marc Benning, Lulus Downstairs

I. CALL TO ORDER

Ms. McDonough called the meeting to order at 8:25 a.m. and noted that a quorum was present with 5 Board members in attendance and 2 excused.

II. PUBLIC COMMENT

There was no public comment

III. APPROVAL OF MINUTES

February 21, 2020: A motion was made by Mr. Gregory, seconded by Ms. Nichols to approve the February 21, 2020 minutes: The motion passed unanimously

IV. FINANCIAL REPORT

Ms. Nichols reviewed the December 2019 Financial Report and noted that there is \$3.46 million in the bank as of 12/31/19 to support the budget. This does not reflect the last tax increment check from the city for 2019 which has not been received. A motion to approve the December 2019 Financial Statement was made by Ms. Nichols and seconded by Mr. Snyder. The motion passed unanimously.

V. OLD BUSINESS

A. Becker's Lane Bridge Status Report

Mr. Rees reported on the biweekly conference call with the project team that was held on 3/19/2020. The underground utilities are still being located by SAM. They have requested that the owner of the Jade Dragon restaurant building be contacted to find out where the wastewater line is located. TRS will contact the owner.

Mr. Rees also stated that TRS has received the revised legal descriptions for the easement through the Bauer's property. However, TRS has indicated that the Bauer's are currently out of town. They will review the revisions with them when they return. Ms. McDonough mentioned that the Bauers have decided to drop their Chamber of Commerce membership since the plans will impact their property more than they were originally told. Mr. Rees indicated that that was most likely based on the wrong plans which have now been revised. The ROW is much less than on the plans that they previously reviewed. Mr. Rees will reach out to the Bauers after they have received the revised plan.

B. Gateway Plaza

1. **Construction Schedule:** Mr. Rees explained that on March 12th he had attended another field inspection of the corridor to document remaining items on the punch out list. There are a lot of items to be completed over the next few weeks.

The plaza construction schedule has not been set since Wildcat just received the final grading plans from Fellsburg, Holt, and Ullevig. Mr. Rees also stated that the sculpture base and foundation contract had been awarded by City Council to Peak Professional Contractors. A schedule will be prepared for construction and Mr. Rees will coordinate with the city and Brett Hartzell to oversee the installation and make sure it fits with Wildcat's schedule for the plaza.

2. **Rockey Art Piece/Railing:** Ms. Johnson stated that Jason Gatz has all the information he needs to get started on the art piece. It will take approximately 6 weeks to complete.

C. Retail Attraction Update

Ms. McDonough reported that the City Administrator is going to schedule a meeting with the Town of Monument's City Administrator to discuss his experience with Buxton on providing retail market analysis work. Ms. McDonough, Ms. Nichols and Mr. Rees will participate in that discussion. Mr. Rees informed the Board that he had discussed the possibility of a joint study with Susan Edmundson of the Colorado Springs Downtown Partnership. The Downtown Partnership has been considering a proposal from Buxton as well. Ms. Edmundson stated that she needs to review the proposal in more detail before she is ready to discuss options. The Board decided to table the discussion until more information is received.

D. Revolving Loan Fund Status

Ms. Johnson provided an update to the Board of the loan program. In addition to the regular loan application a new \$1000 loan option has been established which is less complicated to complete. There has been a lot of interest in the small loan program. The regular loan form has been amended to address impacts from the COVID-19 outbreak on businesses. The \$25,000 URA funded portion will continue to be used to address larger loan amounts within the urban renewal area. Mr. Gregory inquired if the applicants could be awarded multiple grants or not. Ms. Johnson indicated that there wasn't a limit on the number of times someone could apply.

A motion to approve the revision to the application to address impacts from COVID-19 was made by Mr. Gregory, seconded by Ms. Nichols. The motion carried unanimously.

E. COVID -19 Relief Fund

Ms. Johnson discussed the new COVID-19 Relief Fund that was recently established to assist Manitou Springs' residents who have been financially impacted by the pandemic. Former Mayor Jaray has been working with the Manitou Springs Community Foundation to award and distribute grants in the amount of \$500.00 by April 1, 2020. The intent is to provide funding to help until the Federal Government aid program begins to assist people. MSURA is being asked to provide funding to assist those people working or living within the urban renewal area. After much discussion the Board agreed to help fund the program. A motion was made by Mr. Snyder to dedicate \$25,000 as an initial amount to fund grants for people working or living within the urban renewal area and that Ms. Nichols would be the Board's representative to the team overseeing the grant awards. The motion was seconded by Ms. McDonough and the motion passed unanimously.

Ms. Johnson asked if the Board would consider helping impacted small businesses located within the urban renewal area as well. Ms. McDonough recused herself from the discussion. The Board took the position that the revolving loan funds (see D above) could be used for that up to the \$25,000 that was budgeted. Should more funding be needed the Board would need to schedule a special meeting in order to act quickly.

VI. EXECUTIVE DIRECTOR REPORT

Mr. Rees outlined the items he has been working on since last month. In addition to the regular administrative and project management duties, he made a presentation to the El Paso County

Contractors Association and met with a potential investor/builder to discuss project options and TIF funding. He also communicated with the city administrator and the Chamber of Commerce Director regarding retail market analysis work. He has been completing a development agreement for the Holiday Inn Express as well as coordinating with the Arts Council on the Legacy Project.

VII. NEW BUSINESS

A. Holiday Inn Express Development Agreement

Mr. Neville discussed the Development Agreement that has been written to formalize the amount of sales tax increment and property tax increment funds that will be provided to A & A Enterprises of Manitou Springs and the conditions that are to be met in order to receive the funds. The agreement is very similar to the one that was signed between the Colorado Springs Urban Renewal Authority and A & A for a hotel currently being constructed in downtown Colorado Springs. Exhibit C outlines the improvements that constitute the eligible expenses. The Board had previously reviewed the financial projections and the list of proposed expenses at a 2019 meeting. Mr. Gregory asked if the amount would be reduced proportionally if the hotel did not generate the estimated tax increment amounts. Mr. Neville explained that A & A is only eligible for the tax increment created by the hotel project and no other URA funds are obligated. The developer must also substantiate the expenditures through an independent engineer that will certify that the eligible expenses have been incurred.

Mr. Amin stated that he is prepared to move forward in May (see Exhibit E) and has obtained the necessary financing to complete the project. Mr. Gregory asked if grading would be considered the start of construction. Mr. Neville replied that construction must be started on the structure to be considered the start of construction.

A motion to approve the Development Agreement between Manitou Springs Urban Renewal Authority and A & A Enterprises of Manitou Springs was made by Ms. Sagen and seconded by Mr. Snyder. The motion passed unanimously.

B. Lulus Downstairs – TIF Funding Discussion

Ms. McDonough introduced Marc Benning, operator of Lulus Downstairs. She informed the Board that Mr. Benning had recently met with Mr. Rees, Ms. Johnson and herself to discuss the possibility of accessing TIF funds to help fund improvements that are needed for Lulus night club. Mr. Rees informed the Board that Mr. Benning is a tenant and not the owner of the building. He also mentioned that the property is currently for sale. The sale would also include the adjacent Rodeway Inn property.

Ms. McDonough reviewed the list of proposed improvements that were separated by 4 categories: 1) Conferences/Events/Larger productions, 2) Outside, 3) Code/ADA and 4) General Efficiency. The Board discussion centered on the type of improvements that could be more typical infrastructure items and those that were not necessarily permanent in nature. The #1 items are mostly furniture, fixtures and equipment (FF&E). The #2 items are typical site infrastructure items. The #3 and #4 items although specific to the building would be permanent. Marc Benning indicated that without the plumbing improvements (under #3) he will need to shut down as the sewer line is doesn't drain well. He noted that the lack of the ADA improvements has caused him to lose some events.

Mr. Neville was asked if the improvements were eligible expenses under the state statute. His response was that the funds are to address eliminating or preventing blight conditions and that the limitations on funding only infrastructure and public improvements is a policy issue for the Board.

The Board would like to hear from the property owner as to his position on the improvements and the status of the property. Mr. Gregory suggested that the Façade Improvement grant program could be used to fund exterior improvements and that it would be better if the property owner were the applicant. The form is available on the website (www.msura.org). The board would also like to see what the items would cost and how much sales tax increment has been created by Lulus. It was decided that the item should be placed on a future agenda (April?) when the questions/concerns have been addressed.

VII. CITY COUNCIL LIAISON REPORT

There was no city council report as Ms. Fortuin was not present.

IX. OTHER BUSINESS:

Ms. Johnson informed the Board that she will be assuming the position of full time Manitou Arts Center Director on May 1st and that an interim Creative District director will be put in place until a new director is found.

X. ADJOURNMENT:

There being no further business, the meeting was adjourned at 9:47 AM