ED Notes April

**C4C**

**Museum:**

We are currently on req. 33 with the Museum and though bond money has been exhausted we still monitor and certify invoices as they come in. Construction is on schedule and, as many of you already know, the opening has been currently delayed due to COVID. The URA was able to transfer the interest from the debt reserve fund to the Museum in the amount of 255,258.52. This will help the museum stay on track and shows that we’re truly utilizing every penny for this important project. The streetscape portion connecting this project up Vermijo is proceeding on schedule and should be completed in time for opening. The bridge won’t be done until fall unless COVID pushes it out further for some reason.

**AFA:**

OEDIT approved the extension of bond closing to December of this year due to COIVD causing such disruptions in the municipal bond market. The developer team is actively seeking federal assistance along with the usual channels to get this wrapped up in time. In front of you for our April meeting is the amendment and release as well as an official resolution to this matter. Chair Case has already signed the amendment but we need to ratify it so David Neville can issue an opinion. I remain confident that this project will get done.

**UCCS:**

Hybl center instruction has slowed a bit due to COVID but they do anticipate being ready for classes in the center by August. Project is doing exceptionally well and is on track.

**Stadium/Arena:**

Construction is underway on both projects and we do have signs up at the stadium site. I have been working with CC on getting their first requisition ready as well as making sure that we have signs up at that site soon.

**C4C General**

I will be finalizing the 1st quarter report to the state by the end of the month.

**Vineyards**

We have intended for this project to be on our agenda a few times already and I’m hopeful we can finalize the Vectra loan agreement by our next meeting in May. For our April meeting we do have the loan term sheet on our agenda as well as an engagement letter with North Slope to provide 3rd party financial analysis on the terms. We will have that data at the time of our May meeting for the board to review.

**N. Nevada (University Village)**

I’m concerned over the sales tax loss in this area but we won’t know anything for sure until the numbers for March/April come in June. Carry and I will talk a little about triggers with the bond holders and how our reserve process works should there not be enough revenue to pay bonds.

**Polaris Pointe:**

We are now up to Requisition 15 with for the Powers connection and the project is moving along nicely. I updated the board on some of the current numbers back at our February meeting. This area will more than likely experience a heavy hit with sales tax so we will have to wait and see what the numbers come in at. As a reminder, the BID issued the bonds on this project and not the URA.

**Gold Hill Mesa:**

No new updates

**City Gate**

Waiting on formal URA application.

**S. Nevada**

-Sam G. and Ray O. have submitted their hotel project to planning and it is currently in the review process.

-Assignment on two parcels from Danny (SNA) to Sam (Ivywild) is now ready to execute.

-We’ve had conversations with both Walt and Danny on any further development in the 4th silo and the executive team is reviewing all options.

-Sales tax loss in this area could be a significant factor in our collections this year.

**City Auditorium**

-As I updated you all the other week, the Hyatt hotel is still full steam ahead with a goal of opening summer 2021.

-RFP for the City Auditorium close to wrapped up with the final applicant being given 6 months to perform some further due diligence for project/proposal feasibility. I’m still not sure how this could be extended due to the situation with COVID but I hope to have more information on it soon.

**Museum and Park**

-Bonds have not closed yet but since these are being privately funded we don’t have to worry about the municipal bond market issues the country is experiencing. I do anticipate being able to alert the board on a closing date soon.

**Ivywild**

No new updates as far as projects go but this area is obviously going to experience some significant sales tax loss as well.

**Marriott**

Project is on track and doing well. Developer is committed to fishing soon.

**Other Updates:**

**S/E**

I continue to receive interest for developing projects on the S/E side. Most recently, I have someone who inquired about doing an affordable housing project and they still think the URA could be a factor in getting it developed. They have an application and I will alert the board/exec team as soon as I have something in.

**East/Central**

I’ve met with a development group that is looking to provide some retail/housing along Union and Fountain that may be seeking URA designation. UPDATE: I believe this project is no longer in the pipeline for us.

**CML**

CML released a survey to all municipalities regarding COVID and the following were some key highlights:

* Colorado cities and towns report having an average of 6.7 months of operating expenditures in reserves, and 69% of respondents anticipate having to utilize reserves to cover their operating budget.
* Municipal survey respondents are anticipating an average general fund reduction of 21.26%, a larger impact than reported as expected by either counties or special districts. This increased impact to municipalities is a result of the large share of municipal budgets that is comprised of sales and use tax, a revenue stream that has been drastically reduced by business closures and stay-at-home orders.
* According to the Department of Revenue, 82% of municipalities have sales and use tax, and of the survey respondents who do, an average of 51.35% of the general fund is comprised of sales and use tax revenue.
* 89% of responding municipalities report an anticipated reduction in sales and use tax in 2020 due to COVID-19. Other revenue sources of concern include utility charges and fees (47%), lodging taxes (43%), and licenses and permits (40%).
* Respondents also report increased expenditures, including staff sick/administrative leave, reported by 75% of responding municipalities, technology/equipment for remote work (60%), staff overtime (52%), and medical supplies/pandemic response (49%). All in all, municipalities are forecasting spending an average of $491,336 on COVID-19 response and recovery.
* In response to these budget challenges, Colorado municipal officials are implementing the following cost-savings strategies:
  + Delay capital projects: 73%
  + Reduce operating expenses: 66%
  + Delay equipment purchases: 65%
  + Hiring freezes: 53%
  + Reduction of personnel hours or furloughs: 28%
  + Reduction of force (layoffs): 10%
* 40% of municipalities report having implemented or considering implementing a business relief fund to support their local businesses. CML has sample business relief programs linked at our COVID-19 resource page ([**www.cml.org/covid19**](http://cml.informz.net/z/cjUucD9taT05Mjg3OTY3JnA9MSZ1PTEwOTI2NzQ1MDgmbGk9NzYxNzkyODk/index.html)).
* To support residents, three-quarters of municipalities report suspending utility shutoffs at this time. Other actions include waiving utility late fees (67%), and offering utility payment plans (61%). Some municipalities are also offering financial assistance to residents, including eviction prevention services, and food or rent assistance.

**ULI**

Our ULI local chapter is still moving ahead with an affordable housing mini summit (now virtual) in partnership with the city and housing authority. Affordable housing, transit and combating negative growth attitudes continue to be main areas of focus for ULI Colorado. On my state committee call last week we also discussed the importance of adding working with offices of economic development in health officials in how future development moves forward in this potential new world we are entering.

**DCI**

-2020 state conference (In the Game) has obviously been cancelled and while there have been talks about it occurring in late Summer I honestly don’t think that this will happen either. We are more than likely looking at next year or the fall at the earliest.

-The above responses from the CML survey that I included came from a survey that was actually generated by DOLA. One thing that our board noticed was that URAs and DDAs were not included in what was sent out. We have reached out to DOLA and CML with the hopes of partnering up and getting specific data from URA’s and DDA’s throughout the state.

**Bond Markets**

-I’m attaching an update from DA Davidson on the financial market as well as a link to a recording of a panel that CDFA had put together on the market. If you don’t want to listen for an entire hour then try to just go over Tom Jacobs’ (Moodys) part on the municipal sector. It’s informative and helps frame what we’re experiencing. <https://www.cdfa.net/cdfa/cdfaweb.nsf/ordredirect.html?open&id=COVID-19_Briefing_4.html>