



**Meeting Minutes - Final**

In attendance were:

Commissioners: Merv Bennett  
Tiffany Colvert  
Wynne Palermo  
Jim Raughton  
Nolan Schriener  
Peter Scoville

Absent: Valerie Hunter  
Robert Shonkwiler

Also in Attendance:  
David Neville CSURA Legal Counsel  
Jim Rees CSURA Executive Director  
Dean Beukema CSURA Staff  
Carrie Bartow CliftonLarsonAllen, CPA  
Peter Wysocki City Planning Director  
Bob Cope City Economic Development  
Anne Ricker Ricker/Cunningham  
Bill Cunningham Ricker/Cunningham  
Monte McKeehen Golden Cycle Investments LLC  
Ryland Halfman Golden Cycle Investments LLC  
Bob Willard Gold Hill Mesa Metro District

Acting Chair Wynne Palermo read a letter from Mayor Steve Bach in response to David Neville’s resignation from the Urban Renewal Authority Board. Mayor Steve Bach thanked him for his service and wished him well in his future endeavors.

**Item 1 – Approval of the December 17, 2014 CSURA Meeting Minutes**

Mr. Jim Rees requested the minutes be changed to reflect that Ms. Carrie Bartow left the meeting and did not return under Item 7 – Other Matters.

A motion was made by Commissioner Merv Bennett, seconded by Commissioner Nolan Schriener to approve the amended meeting minutes of December 17, 2014. The motion carried 5-0.

Commissioner Tiffany Colvert entered the meeting.

Acting Chair Wynne Palermo introduced Dean Beukema who will be the new independent administrative contractor to assist the Urban Renewal Authority Board.

**Item 2 –Approval of the Financial Report as of December 31, 2014**

Ms. Carrie Bartow, CliftonLarsonAllen CPA, reviewed the monthly revenue and expenditures report as of December 31, 2014 including the property tax received from each Urban Renewal Area as well as the check register as provided in the packet.

A motion was made by Commissioner Merv Bennett, seconded by Commissioner Nolan Schriener to approve the amended meeting minutes of December 17, 2014. The motion carried 6-0.

**Item 3– Fourth Quarter 2014 Continuing Disclosure Report**

Ms. Carrie Bartow stated that they did not have the leasing information to complete the Continuing Disclosure Report. This report will be filed to the trustee by the due date of February 15, 2015. The report signed by Jim Rees (subject to ratification by the board) will be emailed to the Board prior to submittal in February. Any amended changes will be submitted at the February 25, 2015 Urban Renewal Authority Board Meeting.

No motion is required at this time.

**Item 4 – Citizens Comment Period**

No citizen comment.

**Item 5 – Election of Officers thru April, 2015**

Acting Chair Wynne Palermo stated they need to elect a Chair to fill the position vacated by the resignation of past Chair David Neville. This position will be filling the vacated term until the April election of officers.

A motion was made by Commissioner Jim Raughton, seconded by Commissioner Nolan Schriener to approve Vice Chair Wynne Palermo as the new Board Chair. Motion carried 6-0.

The Vice Chair position will now be voted on. This position will serve until the April election of officers.

A motion was made by Commissioner Nolan Schriener, seconded by Commissioner Merv Bennett to approve Jim Raughton as the new Vice Chair. Motion carried 6-0.

**Item 6 – Clifton Larson Allen Engagement Contract**

Mr. Jim Rees summarized the CliftonLarsonAllen Engagement Contract provided by Ms. Carrie Bartow in your agenda packet. The Standard Engagement Letter outlines the services that will be provided. Mr. Jim Rees stated that the final fee is a little ambiguous due to the fact that we do not know at this time how much time will be spent on the City for Champions. It is anticipated to be the lion's share of what the final fee will be. Mr. Jim Raughton stated he was very pleased with the services provided by CliftonLarsonAllen.

Chair Wynne Palermo had a question regarding the different fees for services. Ms. Carrie Bartow explained she was the principal but there are four employees that work on the account. The fees are based on the different hourly rates for those employees.

Commissioner Merv Bennett asked if the contract had been legally reviewed. Mr. David Neville confirmed it had.

Commissioner Peter Scoville asked if they anticipated any capacity issues with staffing due to the unknown time factors regarding C4C.

Ms. Carrie Bartow stated as previously mentioned, they have three dedicated employees along with a staff of 60 which can cover any additional staffing requirements.

A motion to approve the contract was made by Commissioner Jim Raughton, seconded by Commissioner Peter Scoville. Motion carried 6-0.

**Item 7 – Contract for Administrative Services – David Neville, Dean Beukema**

The Contract for Administrative Services for Ms. Dean Beukema was prepared by the Board's Legal Counsel, Mr. David Neville as provided in the agenda packet. Mr. David Neville explained that Ms. Dean Beukema would serve as an independent contractor for the Board. The contract details her responsibilities as well as the Board's in regards to duties, wages, taxes, and insurance as opposed to an employee contract. Duties as discussed with Mr. Jim Rees are explained in Exhibit A in the agenda packet.

Commissioner Peter Scoville asked if there was a sense of what percentage of time would be allocated to C4C. Mr. Jim Rees stated that we would be keeping track of the time spent on C4C.

A motion was made by Commissioner Merv Bennett, seconded by Commissioner Nolan Schriener to approve the contract. Motion carried 6-0.

**Item 8 – Gold Hill Mesa Commercial Area Urban Renewal Plan – Ann Ricker, Monte McKeehen**

Chair Wynne Palermo welcomed the presenters of the Gold Hill Mesa Commercial Area Urban Renewal Plan: Ms. Ann Ricker, Mr. Bill Cunningham, Mr. Monte McKeehen, Mr. Ryland Halfman, and Mr. Bob Willard.

Commissioner Nolan Schriener reminded the Board that at the last meeting when they had discussed Gold Hill Mesa, he had recused himself from the discussion because throughout the years he has worked on

this project. He also stated it had always been anticipated that this expansion would happen and that the Urban Renewal Authority boundaries were changing. He asked to be excused from the meeting to attend another meeting.

Commissioner Nolan Schriener left the meeting.

Mr. Jim Rees gave a brief explanation regarding the purpose of the presentation today. He stated that when the Gold Hill Mesa plan was completed there were two distinct areas, one was residential and one was commercial. It has always been anticipated that there would be a major retail component element of the project at some point down the line and then the retail sales tax component would be added to it. As the economy took a downturn the commercial part did not start. Eleven years have passed and there has been no sales tax increment generated to help fund the commercial development part. What the developers propose is, to carve out the commercial piece from the exiting Urban Renewal Area and start a new Urban Renewal Area and start the TIF clock ticking all over again just for that area and leave the remainder, which is the residential area the same as it is today. The only change to the existing plan would be removing some acreage, 16 parcels, and 70 acres. What Ms. Ann Ricker and Mr. Bill Cunningham will present today is the new plan, the condition survey and the new Urban Renewal Plan and some of the financial information. The question with the new Urban Renewal Plan is there a need for tax increment financing to help fill the potential gap.

Ms. Anne Ricker presented the amendment to the existing plan and what would remain in place, the conditions survey findings from the commercial area and discussed the issue of the 1% vs. 2% sales tax.

During the presentation various Commissioner Questions were addressed.

Commissioner Jim Raughton requested they address the additional costs. He stated that the original purchase price already reflected the conditions of the site and the hazards associated with it when they purchased it.

Mr. Monte McKeehan explained that the site was originally purchased with the purpose of extracting the gold out of the tailings. Since that did not turn out to be a feasible option, they decided to try and develop the area as a residential and commercial plan.

Commissioner Jim Raughton was also concerned with 100% of the TIF going to the project. He stated they have other expenses in other projects like this that the city has to endure such as Police and Fire protection that this site has to contribute to also. 100 % of the TIF going to the remediation of the site is already reflected. 100% of the TIF going back to the site injures the city.

Mr. David Neville clarified that the impact report that goes to the County indicated 2% but the funding request application numbers are generated based upon 1% only. Mr. David Neville reminded the Board that there will be a separate negotiation with the city for the sales tax amounts.

Ms. Anne Ricker recapped what had been presented so far. She stated that the major provisions of the Urban Renewal Plan that were identified were both the sales and property tax increments knowing the

City Council will ultimately have to do that agreement with the developer or metro district at either at the 1% or 2% of the General Fund sales tax increment.

Ms. Carrie Bartow left the meeting at this time.

At the end of the presentation Mr. Jim Rees recapped the next steps in the process before it would go to the City Council for approval. The plan will first go to the Planning Commission which may take at least a month to get on the docket. In the meantime, Mr. Rees will work with Mr. David Neville and the Developers on the Redevelopment Agreement, the return on the investment to determine what a fair tax increment number is in order to give them a fair return on their investment to make the project work. A meeting will also need to be scheduled with El Paso County Assessor to reestablish the base for the amended plan area. There will be a brand new property tax base for commercial and then the tax increment will be calculated on the substantial increases over the years adjusted for inflation. They also will need to go back to the existing base since the calculation of the value of the property has changed with them slicing out some of the area. All of the participants will need to work closely together to establish what the base is.

Discussion continued on the various issues and the costs associated with them.

Commissioner Merv Bennett suggested that they be proactive in presenting the information to the City Councilmembers before the plan would actually go before them at the City Council meeting. Commissioner Merv Bennett also suggested some of the Councilmembers might like an onsite visit so they could get more of a visual picture of what the future plans and what you anticipate you might need from them. Commissioner Merv Bennett said the information and history he had received today was very informative and he knew other members of the City Council would also enjoy hearing about it. He also stated that right now City Council is very engaged with infill. Two of the City Councilmembers are on the Infill Committee, Councilmember Andy Pico and Councilmember Jill Gaebler. Their engagement would be very helpful in this process.

Mr. Jim Rees stated the project area was in President Keith King's district and he should definitely be invited to tour the property.

Chair Wynne Palermo suggested when they are doing this that they should also tell them what you are still going to do otherwise there is a lot of unknowns. Also, it would be helpful to show them what it looked like before.

Commissioner Merv Bennett said this was really an important thing for our City as this is the gateway to our City and it had been such an eyesore before.

Ms. Anne Ricker stated she would like to schedule the public hearing with City Council when it makes sense and then back up the schedule to it because everything has to accommodate the schedule.

Commissioner Merv Bennett suggested they do it at a work session keeping in mind that if you have three or more Councilmembers on the tour it must be posted and open to the public.

Commissioner Jim Raughton asked what actions are needed today. Mr. Jim Rees stated that the Board needs to make a recommendation to City Council as per the resolution drafted recommending approval of the commercial area and the second action is to recommend to amend the current plan Gold Hill Mesa Urban Renewal Plan.

Board members expressed concern in passing the plan resolution in front of them today since they had just received it at the beginning of the meeting.

Mr. David Neville explained the resolution in front of everyone today is of the new plan and that we have not done a resolution like this at the board before.

Chair Wynne Palermo asked if there is a time limit.

Commissioner Tiffany Colvert stated she would like to have the opportunity to read the amended plan before voting.

Ms. Anne Ricker asked if the Board would be comfortable with them bringing the new resolutions to the next meeting without needing to present the plan again since it was presented today.

Commissioner Tiffany Colvert stated before they vote on the new plan it would be logical to vote on the old plan as amended so there are not two conflicting documents.

After much discussion, it was decided to defer the item to the next Board Meeting on February 25, 2015 but there would be no need for another presentation. It was noted by Mr. Peter Wysocki that because of the time frame required for the City Planning Commission meeting, this would probably not go before Council until April.

Mr. Monte McKeehan stated that they are in discussions with potential retail developers and they knew they were having this meeting today. Any help they could get on the process of moving forward with the recommendation and adoption of the plan would be encouraging.

Mr. David Neville stated the next task if for him and Mr. Jim Rees to get a redevelopment plan negotiated and approved at the next board meeting. This amended plan and the new Commercial Area Urban Renewal Plan will be presented at a later date to the City Planning Commission and then to the Colorado Springs City Council.

The audio recording of the presentation can be found on the Colorado Springs Urban Renewal Authority website.

### **Item 9 – Review of Draft EDC Quarterly Report**

Mr. Jim Rees presented the proposed draft of the quarterly report spreadsheet and stated it was basically all of the things the Board needs to accomplish in the next five years as required in the EDC Resolution #3. The different project entity sponsor will need to fill this out quarterly. Mr. Jim Rees used the example

that Jeff Crank from the EDC had put together. Mr. Jim Rees explained this is just some of the first steps we have to do in reporting to the EDC.

**Item 10 – Other Matters**

There being no further business a motion to adjourn was made by Chair Wynne Palermo and seconded by Vice Chair Jim Raughton. The motion was approved unanimously with Commissioner Merv Bennett and Commissioner Nolan Schriener excused. The meeting adjourned at 1:00 p.m.

The next regular Urban Renewal Authority Board Meeting is scheduled for February 25, 2015.

**Copies of the Board agendas, minutes and audio recordings are posted on the Colorado Springs Urban Renewal Authority website.**

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