



**THE COLORADO SPRINGS URBAN RENEWAL AUTHORITY HELD ITS REGULAR  
MEETING ON WEDNESDAY DECEMBER 17, 2014  
CITY HALL, PIKES PEAK ROOM, 107 NORTH NEVADA AVENUE  
COLORADO SPRINGS, CO 80903**

**DRAFT MINUTES 12-17-14**

Commissioners Present:

Tiffany Colvert  
David Neville  
Jim Raughton  
Robert Shonkwiler  
Peter Scoville  
Valerie Hunter  
Wynne Palermo  
Nolan Schriener  
Merv Bennett

Also in Attendance:

Jim Rees  
Carrie Bartow  
Peter Wysocki  
Bob Cope

Audience

None present

### **Item 1 – Approval of the November 19, 2014 Meeting Minutes**

Mr. Neville asked that the minutes be amended to reflect that in item #2 there would be a partial payment made on the N. Nevada senior bond payment in December and not just the interest. A motion to approve the amended minutes was made by Mr. Bennett, seconded by Mr. Scoville. The November 19, 2014 amended meeting minutes were approved. The motion carried 9-0.

### **Item 2 – Approval of the Dec 4, 2014 Special Meeting Minutes**

Mr. Neville did not participate in the discussion as he had recused himself from the December 4<sup>th</sup> meeting. Ms. Hunter stated that she had actually commented that as part of their interview, Brownstein Hyatt Farber Schreck said that they would not charge for any associate's time if one attended a meeting in addition to Carolynn White or Jason Dunn. Mr. Rees noted that page #3 stated that CSURA would not be charged for that person's time. The minutes will be changed to say "an associate's time would not be charged".

Ms. Palermo noted that the minutes heading should be changed from November to December 4<sup>th</sup>.

Ms. Palermo and Mr. Bennett discussed the motion that was made to close the executive session. Mr. Bennett stated that it should say that the Board came out of executive session into open session and then voted to close the executive session. After that vote, the Board then voted to close the open session and conclude the meeting.

A motion to approve the amended minutes was made by Mr. Bennett, seconded by Mr. Scoville. The December 4, 2014 meeting minutes were approved as amended. The motion carried 8 -0 with Mr. Neville abstaining.

### **Item 3 Approval of the Financial Report as of November 30, 2014**

Ms. Bartow reviewed the November 30, 2014 financial reports as provided in the packet. Ms. Bartow noted that the balance as of November 30<sup>th</sup> was \$146,513. She clarified that a senior bond debt service payment of \$2,536,450 was made on December 1, 2014. That included \$980,000 paid on the principle which resulted in a shortfall of \$305,000 on the total payment. Including the \$380,000 shortfall from 2013, the senior bonds are now short \$685,000 from being current. She also pointed out that the N. Nevada sales tax collection through September reported sales totaled \$2,581,716. The property tax collections for N. Nevada were 100% paid during 2014.

All of the property taxes have been paid for the year in all of the urban renewal areas.

After the financial report the November check register was reviewed. \$19,405.77 was expended. Mr. Rees explained that the \$1512.50 charges for David Gross included the website update and

all of the posting that was done of policies and procedures documents. The final billing of \$80 for Dan Hughes was included in the register. *The Gazette* charge of \$192.61 was for the advertisement of the request for proposals for legal services.

A motion was made by Mr. Shriner and seconded by Ms. Colvert for the approval of the Financial Report and check register. The motion was approved unanimously.

Mr. Bennett mentioned that he needed to leave early and that he supports the 2015 budget as submitted. He stated that Council selected Larry Bagley to fill out Joel Miller's term. He is supportive of moving the City forward and he is a good choice for Council. He will be sworn in on December 18th. He is eager to learn and CSURA should discuss its roles and responsibilities with him. Mr. Bennett was excused and left the meeting at this time.

#### **Item 4 Citizens Comment Period**

There were no citizens present.

#### **Item 5 – 2015 CSURA Budget**

Ms. Bartow and Mr. Rees discussed the proposed budget. Mr. Rees noted that the Colorado Department of Revenue had still not provided any financial information on the sales tax increment associated with the RTA project so the budget for City for Champions (C4C) was deleted from this budget. It will need to be added at a later date when it becomes available.

Ms. Bartow recapped the budget. Pages 2- 10 contain property tax increment information for 2015. The amount will be verified in the beginning on January with the County Treasurer's office. It was pointed out that page #4 shows an increase in assessed value for SW Downtown although there has been no new development. The General Fund budget was shown on page 11. \$101,451 is the projected ending 2014 balance. \$292,323 in revenue is projected for 2015 from administrative fees and other sources. The budget does not include revenues or expenditures associated with City for Champions as noted above. Mr. Rees clarified that the contracted services expenditure item includes hiring Dean Beukema to provide administrative services and will be approximately the same amount as was budgeted last year (not including C4C costs). She will be contracted with CSURA not the City. The rate of \$27 per hour is based on the City's pay rate which is reasonable and includes benefits. CSURA did not pay anything to the City in 2014 since the City did not send an invoice for the time that they provided in 2014. The budget amount of \$15,000 in 2015 budget will cover some increased time that may be needed for meetings and other activities. The contract will be written by Mr. Neville and will be based on an hourly rate not a monthly fee with a 60 day cancellation notice required by both parties. He will bring it to the Board in early 2015. Ms. Beukema will be responsible for paying her own taxes and health insurance. CSURA will not be affected by PERA limitations on hours worked since it is not a PERA participant.

Mr. Neville observed that nothing is included in the budget revenue for project management and reimbursed expenditures as has been done in previous operating budgets. Ms. Bartow explained that the project management line item was related to N. Nevada development which has been completed. The reimbursed expenditures have been for development of urban renewal plans which were paid by developers.

The Board discussed specific urban renewal area tax increment revenue and expenditures. Ivywild's property tax revenue will increase due to the increase in assessed value resulting from the redevelopment. The tax increment will be split with the lender and will reflect a catch up provision from administrative fees that were not fully paid in previous years. In 2015 the fee will be \$60,808. The fee revenue will drop to \$5000 in 2017 with the rest of the increment going to pay debt service on the loan.

Ms. Bartow reviewed the anticipated property tax increments from each project area. The Authority's administrative expenses are deducted from the revenue where possible. The City Auditorium fees do not exceed the \$20,000 that is typically collected from areas without Redevelopment Agreements in place. Once the tax increment revenue exceeds that amount, it will be kept in an escrow account until a project develops. It would require City Council action to close out the URA if no projects are anticipated. Norwood is the main property owner in the block and has decided not to move forward with a project so far. The issue will be discussed at a future meeting.

Mr. Rees stated that the sales tax projection for Copper Ridge will be revised after the developer provides new numbers based on a revised build out estimate for 2015. The budget anticipates some expenditure for Powers Blvd. in 2015 for utility relocations and engineering work. CSURA does not plan to do any construction and will provide funds to the Metro District to do the actual construction as per the Redevelopment Agreement and Cooperation Agreement. There is currently \$725,000 in the escrow balance. The money is earning a low rate of return but is in secure investments.

Mr. Neville asked about the balance in the Vineyard URA which reflects the money that will be left in the account after administrative fees are deducted. Ms. Bartow stated that it would also be held in escrow to pay qualified expenses as per the redevelopment agreement. Mr. Rees stated that there has been little activity although building #1 is on track for construction in 2015 according to the developer.

Mr. Scoville asked about the projected general fund revenue that is not allocated to be completely expended in 2015 (ending fund balance). Ms. Bartow said that any remaining

balance will be carried forward into 2016 and be kept in the general fund to cover any future expenses.

Mr. Raughton noted that CSURA is getting less support from the City than was anticipated. The administrative costs reflect this. The cost for administrative services (discussed earlier) is the same as would have been paid to the City if it had provided the service. Mr. Wysocki stated that City Planning Dept. cannot provide any support since their workload has increased over last year. Mr. Cope stated that Economic Development Office does not have staff available either. The City may provide support with C4C reporting required for the Economic Development Commission.

Mr. Rees stated that communication between CSURA and the City has improved over the last few years.

The 2015 budget resolution included with the agenda was prepared by Clifton Larson Allen and is similar to the 2014 budget resolution. The approved budget will be submitted to the state. A motion was made by Ms. Palermo to approve the resolution and appropriate the funds. It was seconded by Mr. Raughton. The motion carried unanimously 8-0 with Mr. Bennett excused.

#### **Item 6 – Executive Session**

The Board moved into Executive Session to discuss matters related to setting strategy for contract negotiations. Chairman Neville announced that he would be recusing himself from the discussion and would be leaving the room. A motion to move into executive session was made by Mr. Raughton and seconded by Ms. Colvert. The motion was approved by a unanimous vote. Mr. Neville, Mr. Wysocki and Ms. Bartow left the room.

#### **Item 7 - Other Matters**

The Board came out of executive session. Ms. Colvert made a motion to return to open session. It was seconded by Mr. Shonkwiler. The motion was approved 7-0 with Mr. Bennett and Mr. Neville excused.

A motion was made by Ms. Colvert and was seconded by Mr. Shonkwiler to retain Kraemer Kendall Rupp Deen Neville (David Neville) as legal counsel for the Authority. The motion was approved unanimously with Mr. Bennett and Mr. Neville excused.

Ms. Hunter made a motion to direct staff to negotiate a retainer agreement with Brownstein Hyatt Farber Schreck for legal services required for City for Champions and other special counsel services as required. It was seconded by Mr. Shriner and approved unanimously by the Board with Mr. Bennett and Mr. Neville excused.

Mr. Neville and Ms. Bartow returned

a) Vice-Chairman Palermo stated that the Board had just decided on the legal counsel services proposals. She asked Mr. Neville to be general counsel for the Colorado Springs Urban Renewal Authority. Mr. Neville accepted the position and thanked the Board.

Ms. Palermo said that the Board had decided to place Brownstein Hyatt Farber Schreck on a retainer as special counsel for C4C and other issues. She asked if that would be acceptable to Mr. Neville. Mr. Neville said that he would like to clarify what that role would be. As general counsel, he would need to decide when special counsel would be required and then would request that the Board appoint special counsel at that time. Mr. Rees was instructed to discuss this arrangement with Ms. White and Mr. Dunn and return to the Board with a retainer agreement for approval. Mr. Neville stated that he would step down from the Board as soon as the retainer agreement with his firm was signed. His vacated position will need to be filled soon in order to start the term in April 2015. If the new member is appointed to a 5 year term along with the reappointment of Ms. Hunter to a new 5 year term, it would help return the board to having less than 3 people being reappointed every year. The statute states that no more than 2 positions will be appointed in any year.

b) Ms. Hunter asked that CSURA pursue using video conferencing in Board meetings as an option for Board members that cannot attend but still would like to participate. Mr. Neville said that in his discussions with the City Attorney she thought that the public may need to have that option available to see the meeting as well. Voting may not be permitted unless a member was physically present. The Board asked that the option be further explored for future meetings.

c) Mr. Shriner requested that a Board work session be held in January or February to discuss matters facing the Board and the City in coming years. He felt that the Board needs to decide on what role it should play in redevelopment of key parts of the City. Mr. Rees will look into using a facilitator and setting a date that will work for the entire Board.

d) Mr. Neville stated that the first EDC report on the status of the City for Champions project is due by the end of January. He said that it should first be presented to the Board at the January meeting. Mr. Rees will send out the EDC report to the Board prior to the next Board meeting so Board will have time to review it before the meeting.

e) Mr. Shonkwiler said he would like to hear more about new URA's planned for S. Nevada Avenue. Mr. Rees explained that there are 2 developers currently assembling property in the area on the west side of S. Nevada between I-25 and the Safeway store. Both may ask for URA designation. It will need to be decided as to whether there should be two areas or one URA with staggered TIF clocks. There needs to be some synergy between the two developments. Mr.

Shonkwiler thought that it is time to have a discussion on the role of URA and how property is acquired as per Mr. Shriner's request. It needs to be decided as to where TIF dollars are used. CSURA should decide what eligible expenses it will fund. Mr. Neville suggested that a discussion should include a review as to how other Authority's operate including how they fund activities and operations.

f) Mr. Neville said that a draft agreement with the City on City for Champions is not quite ready for approval by the Board. Mr. Neville and Mr. Rees will be working with the City Attorney's Office over the next few weeks on it.

g) Mr. Neville mentioned that the Colorado Springs Business Journal ran a story that included a statement that CSURA would be included on the City's Auditor list for city organizations to be audited in 2015. There appears to be no identified reason for this and the Board questioned what authority the City auditor would have to audit the Urban renewal Authority since it is not part of the City. The article said that this is a performance audit not a financial audit. Mr. Neville and Mr. Rees will discuss this with the City Auditor.

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There being no further business a motion to adjourn was made by Ms. Palermo and seconded by Mr. Shonkwiler. The motion was approved unanimously with Mr. Bennett excused. The meeting adjourned at 12:50.

The next regular meeting is scheduled for January 28, 2015.