12 September 2018

Mr. Jariah Walker  
Executive Director  
Colorado Springs Urban Renewal Authority (CSURA)  
30 South Nevada Avenue, #600  
Colorado Springs, CO 80903

RE: Proposal for Urban Renewal Services

Dear Mr. Walker:

On behalf of Ricker Cunningham (RC), Real Estate Economists and Community Strategists, we are pleased to present this proposal to the Colorado Springs Urban Renewal Authority (the “Authority” or “CSURA”) for professional services associated with the preparation of various urban renewal documents. Based on recent discussions, we understand that the Authority, in the context of the City for Champions project, is working with the US Air Force Academy and Blue & Silver Development Partners, LLC on a proposed multi-use development anchored by a new Air Force Academy Visitor Center (herein referred to as the proposed “Development Project” or “Project”). Preliminary estimates of costs and revenues indicate that, in order to bring the Project to fruition, CSURA resources, in combination with other funding mechanisms, will be essential. Therefore, the Authority is interested in investigating the feasibility of establishing a new urban renewal area (herein referred to as the “Urban Renewal Area” or “Plan Area” or “Area”) encompassing approximately 57 acres located west of Interstate 25 (I-25) at the Northgate Boulevard interchange. Parcels within the proposed Plan Area are currently part of a Federal Government enclave. As such, they will first need to be annexed into the state of Colorado, El Paso County and ultimately the City of Colorado Springs, before being considered for an urban renewal designation by the Colorado Springs City Council (the “City Council”). However, given the length of that process, CSURA has decided to proceed with this investigation, in an effort to expedite delivery of the Project once approved. Outcomes of this work will provide the Authority with documentation necessary to further the Development Project, as well as associated undertakings by the Authority, collectively intended to eliminate conditions of “blight” and advance identified community goals and objectives.

Representatives of RC are uniquely familiar with conditions in the Area, as well as throughout the Colorado Springs community, due in large part to their participation in securing the Regional
Tourism Act (RTA) award for the City and Authority which was the impetus for the City of Champions program; as well as previous urban renewal work in the vicinity of the proposed Development. We are confident that this experience, together with knowledge gained over more than three decades serving more than three-quarters of Colorado’s urban renewal authorities, will ensure expedited delivery of the work products described herein. As per the Urban Renewal Law of the State of Colorado, Part 1 of Article 25 of Title 31, Colorado Revised Statutes, 1973, as amended (the “Law” or the “Act”), your immediate need is preparation of a survey (herein referred to as the “Conditions Survey” or “Survey”) documenting the type, location and severity of blighting conditions (as defined therein). Once the Area’s eligibility for an urban renewal designation is confirmed, you will need a plan (herein referred to as the “Urban Renewal Plan” or “Plan”) describing the community’s intentions regarding future public and private improvements in the Plan Area, as well as documentation of potential impacts (herein referred to as “Impact Reports”) to all affected taxing entities. Work tasks associated with preparation of these reports are described as follows.

**Conditions Survey**

**Task 1: Property Owner Notification (Optional)**

RC can be available to assist with preparing language for a notice to owners that a study is commencing in an area where they maintain a property interest. We can also facilitate identification of the owners and distribution (mailing) of the same. As per the Act, this notification must occur within 30 days of authorizing preparation of the Survey.

**Task 2: Data Gathering and Field Investigation**

RC will collect information including electronic GIS base map files and aerial photography that shows the location of streets, parcel boundaries, and other features; as well as relevant physical, regulatory, and political data. In addition, we will physically investigate the Area in an effort to observe conditions within real properties, public spaces and supporting infrastructure, and document those that suggest the presence of “blight” as defined in the Act. Whereas we do not inspect the interiors of structures unless specifically requested to do so, and only after access has been arranged for by the Authority or representative of said properties; all observations will be made from rights-of-way or other locations on parcels that are commonly accessible to the general public.

Conditions such as building code violations, traffic accident data, street capacity, and design deficiencies which cannot be observed through photography or visual examination; will be investigated through discussions with appropriate individuals in various departments of the city and other public agencies, and review of available information and data. Regarding the statutory blight factor “g” related to “defective or unusual conditions of title”, due to the cost and time-consuming nature of real property title searches, RC will only consider conditions
related to this factor if verifiable information is provided by the city, Authority, or agent of said property.

**Task 3: Base Mapping**

RC will prepare base and supporting maps, along with other exhibits illustrating the location and severity of relevant conditions, using information gathered through completion of the previous work task.

**Task 4: Draft and Final Conditions Survey Report**

RC will prepare a draft report describing and illustrating conditions in the Area, along with an explanation of whether or not they are consistent with requirements set out in the Act. We will transmit a draft Conditions Survey report to the City in electronic (PDF) format for review; and upon receipt of comments make any revisions and issue a final report formatted in a manner suitable as either a stand-alone document or attachment to other urban renewal documents.

**Task 5: Board Presentation**

Once the final Survey report is complete, representatives of RC will be available to present their findings at a regularly scheduled meeting of the Authority Board / City Council and / or in combination with a presentation of the Plan, at the statutorily-required public hearing. Any additional presentations beyond those identified in the Act, along with associated fees and expenses, will be billed to you at-cost.

**Urban Renewal Plan**

**Task 6: Plan Boundary Discussion (Optional)**

RC can be available to facilitate a discussion with city and Authority staff, along with other project representatives, to consider findings from the Survey as they may influence either the inclusion or exclusion of parcels in the proposed Plan Area. The purpose of this meeting would be to assist those involved with understanding various advantages and disadvantages, as well as potential impacts on business and property interests in the Plan Area and community at-large.

**Task 7: Market Assumptions**

RC will conduct an analysis of existing and projected market conditions in an effort to quantify: support for land uses and product types proposed within the Plan Area, potential rates of absorption, and project cost and revenue thresholds. Conclusions derived from this work will be used to inform underlying assumptions used in preparing the Impact Reports. (See related work Task 10 below.)
Task 8: Plan Components

RC will review relevant policy, regulating and capital documents which will inform future investment in the Plan Area. With an understanding of market forces, the community’s vision, and prevailing controls and standards, RC will define public and private initiatives necessary to advance the Development Project and related undertakings of the Authority. Supporting illustrations will be taken from existing city documents (comprehensive and related planning), to the extent possible, to ensure consistency with the same.

Task 9: Draft and Final Urban Renewal Plan Report

RC will prepare a draft report describing: development goals for the Area, priority capital investments, potential funding sources and strategies, and powers available to the Authority to remedy “blight” and advance projects with a defined public benefit. As per the Act, legal descriptions of the Plan Area, and any Tax Increment Financing (TIF) district (if different), will also be included, but must be contracted for by the Authority in a separate agreement. (See related work Task 12 below.)

RC will transmit the draft Urban Renewal Plan report to the Authority in electronic (PDF) format for review and upon receipt of comments, make any revisions and issue a final report for consideration of adoption by the Colorado Springs City Council.

Impact Reports

Task 10: Tax Increment Analysis and Impact Reports

Whereas a land use and development program has already been defined for the proposed Development Project, RC will rely on that information, along with underlying assumptions derived through completion of Task 7 above, to forecast potential incremental revenue (real and personal property, sales and other municipal taxes) resulting from new investment in the Area. Assumptions related to project expenditures, income generation, and absorption will be used to estimate the cost of remedying conditions of blight, and completion of eligible improvements. Impacts from both net new incremental revenues and blight mitigation to relevant taxing entities, including El Paso County, will be documented in separate reports. (See list of taxing entities in the footnote below for whom reports will be prepared.) If requested to do so, RC will be available to assist with presentation of this information to relevant audiences.

Task 11: Property Owner and Business Interest Notification (Optional)

RC can be available to assist with preparing language for a notice to owners of property and business interests in the Plan Area that a public hearing is scheduled to consider adoption of the

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1 Taxing entities have jurisdiction in the proposed Plan Area including: City of Colorado Springs, El Paso County, EPC Road and Bridge District, Academy School District 20, and Pikes Peak Library District.
Urban Renewal Plan authorizing the collection of incremental revenues. If requested to do so, we can assist with identifying the names and addresses of these entities and distributing the notices to them. As per the Act, notice must be received by the interested parties and appear in the newspaper of general circulation for the municipality within 30 days of the public hearing.

**Task 12: Legal Description(s)**

According to the Act, a legal description of the Plan Area and TIF District (if different) must accompany the Urban Renewal Plan, and be prepared and certified by a licensed surveyor. If the Authority does not have access to these services, RC can contract for them, but only after receiving your written consent to do so. Fees associated with preparation of any legal description(s) are not included in the estimate of fees presented herein.

**Task 13: Commission and Board Presentations**

Once all final documents are completed, RC will be available to present the findings to the Authority, Planning Commission, and Colorado Springs City Council. Any additional presentations beyond those identified in the Act and in this proposal, along with associated fees and expenses, will be billed to you at-cost.

**Urban Renewal Project Financial Examination**

**Task 14: Supplemental Analyses (Optional)**

Representatives of RC will be available to provide additional assistance to the Authority associated with: quantifying the market feasibility of the various Development Project components; estimating the fiscal and economic impact of the Project to the community; and verifying the accuracy of project-related expenditures and necessity for Authority participation. Time spent in completion of these or similar tasks, will be billed to you on a time-and-materials basis.

**Work Products**

Work products to be delivered to the Authority include:

- Draft and Final Conditions Survey and Supporting Maps
- Draft and Final Urban Renewal Plan
- Impact Reports for Taxing Entities
- Synthesis of Key Market Assumptions
- Language and Illustrations for Public Notices (Optional)
- Meeting and Public Hearing Presentation Materials
- Informational Materials (as requested)
Timing

While the timeframe for completion of this work will ultimately be influenced by the availability of public officials to receive and consider the findings and recommendations; we do not anticipate requiring more than eight (8) to 10 weeks to prepare the documents referenced herein. This schedule assumes the timely delivery of information and data requested during the Survey phase of the assignment, and the prompt review of all reports and transmittal of any comments for editing.

Fees and Expenses

Fees associated with completion of the major work elements described above are outlined as follows and based on the hourly rates for the professionals involved. Expenses associated with the provision of 15 bound color copies of the final documents to the Authority, and attendance at meetings specified herein, are included in this estimate. Expenses associated with data purchases and reproduction of materials and notices will be charged at-cost, but are not expected to exceed 10% of the total professional fee estimate.

Major Work Elements:

- Conditions Survey $10,500
- Urban Renewal Plan $13,500
- County Impact Report $8,500
- Additional Taxing Entity Impact Reports ($750 each) $3,000
- Supplemental Analyses (Task 14) (Optional) Time-and-Materials
- Legal Description(s) TBD
- Notifications (Optional) No Charge

Hourly Rates:

- Anne B. Ricker, Principal $185 ³
- Bill J. Cunningham, Principal $185

² We would propose billing against an initial not-to-exceed amount of $10,000.

³ 2018 rates.
GIS Mapping $105

Invoices will be issued twice monthly. The final invoice for any outstanding balance associated with incurred professional fees and expenses will be submitted with the final documents and due and payable upon their delivery.

Acceptance of Proposal

Thank you for your request and consideration of this proposal to assist the Colorado Springs Urban Renewal Authority. We would welcome this opportunity to work with you and the Authority Board members again in advancing such an essential community development objective. If you have any questions regarding this submittal, please contact either Anne Ricker or Bill Cunningham at 303.458.5800. Both of these individuals are authorized to execute an agreement on behalf of Ricker Cunningham. In order to initiate our services according to this proposal, please sign below and return a copy to the address on the cover page.

Sincerely,

Ricker Cunningham

Anne B. Ricker
Principal
anne@rickercunningham.com

Bill J. Cunningham
Principal
bill@rickercunningham.com

Accepted By:

__________________________________  ___________________
Mr. Jariah Walker  Date
Executive Director
Colorado Springs Urban Renewal Authority (CSURA)