



15 June 2015

Mr. Jim Rees
Executive Director
Colorado Springs Urban Renewal Authority
30 South Nevada Avenue, Suite 640
Colorado Springs, Colorado 80903

RE: Proposal for Professional Services Associated with Creation of the South Nevada Avenue Corridor Urban Renewal Plan

Dear Mr. Rees:

On behalf of Ricker|Cunningham (RC), Real Estate Economists and Community Strategists, we are pleased to present this proposal to assist the City of Colorado Springs (the City) and Colorado Springs Urban Renewal Authority (CSURA, or the Authority) with preparation of documents associated with a proposed urban renewal area located in the vicinity of South Nevada Avenue generally between East Fountain Boulevard and East Cheyenne Road and within the municipal boundaries (the Study Area or Area). The Colorado State Urban Renewal Statute (the Statute or Act) requires that a conditions survey (the Survey), urban renewal plan (the Plan) and county impact report (the Impact Report) be prepared for any urban renewal area being considered by the governing body of the municipality where it will be located.

In addition to preparation of these documents, you have requested that we estimate the revenue potential of various development programs within the Study Area in order to understand impacts associated with different land use combinations, as well as the inclusion and exclusion of select parcels. As we understand the situation, the results of this preliminary financial analysis will be used to inform the final boundaries of the Area to be studied.

Presented below is a description of tasks related to both the land use and boundary impact analysis, and preparation of the statutorily-required documents associated with creation of an urban renewal area. These are followed by a list of work products resulting from these work tasks, along with a summary of assignment terms, a fee estimate, and explanation of timing. We welcome any questions you might have about any aspect of this proposal.

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Land Use and Area Boundary Sensitivity Analysis

Task 1: Market Assumptions

Using preliminary development programs and site plans, along with estimates of on-site and off-site costs, provided by property owners and other business interests in the Area, RC will conduct various sensitivity analyses associated with variations in both the mix of land uses and inclusion or exclusion of specific parcels. In order to ensure that the development programs are market-supported, RC will complete a limited review of market conditions to confirm assumptions generally related to hard and soft costs, product values, and project timing and absorption. Final assumptions will be shared with the Authority, property and business owner interests, and their input requested prior to commencement of the analysis.

Task 2: Summary Report (Memorandum) and Presentation of Findings

Findings from the work described in Task 1 above, will be summarized in a technical memorandum addressed to the Authority and made available to both Authority staff and private sector development interests. If requested to do so, we will take the final preliminary development program and estimate potential impacts to specific taxing bodies. Finally, representatives of RC will be available to meet and discuss the findings and how they might be used to inform the final Study Area boundaries.

Conditions Survey

Task 3: Data Gathering and Base Mapping

RC will collect information including electronic GIS base map files / aerial photography (if available) that shows the location of features such as streets, parcel boundaries, etc., as well as other relevant physical, regulatory, and political data. From these resources, RC will prepare a base and supporting maps, as well as other exhibits documenting conditions within the Area.

Task 4: Property Owner Notification

As per the Statute, all property owners in a survey area must be notified within 30 days of commencement of the Survey that a study is being conducted. Whereas the existing property owners are voluntarily requesting creation of the urban renewal area, they may waive their statutory right to receive notice; however, if they would like to receive notice or attorneys for the Authority determine that notification to the owners is statutorily required or advisable, RC assumes the Authority will prepare and distribute the notifications.

Task 5: Field Work

RC will physically visit each real property parcel and public right-of-way (s) within the Area and document conditions of blight that are visually apparent. Observations of private real property will be made from public rights-of-way or other areas on parcels that are commonly accessible to the general public. RC does not inspect the interiors of structures, public or private, unless specifically requested to do so and only after access has been arranged for by the Authority, City or private property or their representatives.

Whereas some conditions, such as building code violations, traffic accident data, or street capacity and design deficiencies are not visually observable, RC will contact appropriate individuals within various departments of the City and other public agencies that may have this information. Regarding the statutory blight factor “defective or unusual conditions of title rendering (a property) the title non-marketable”, whereas RC does not conduct a review of titles in the context of this type of assignment, a finding of this factor will depend on the provision of information to this effect by either the Authority, City or agent of the property where it is thought to exist.

Task 6: Survey Findings and Report

RC will prepare a draft report for the Area that documents the various conditions of blight present along with an explanation of how those conditions relate to requirements set out in the Statute. The report will include maps and other exhibits that illustrate the location of “blighting conditions” (if any) within its boundaries. RC will transmit the draft survey report to the Authority and any other owner interests, as directed, in electronic (PDF) format for review.

Upon receipt of comments, if any, RC will revise the draft and prepare a final Conditions Survey report. The final report will be formatted in a manner suitable as either a stand-alone document or as an attachment to the Urban Renewal Plan.

Urban Renewal Plan

Task 7: Urban Renewal Plan Components

RC will review all policy and regulating documents which could influence future development in the Area. With this information and an understanding of conditions and other influences, RC will define near- and long-term objectives for public and private investment in the Area, as well as necessary priority initiatives and commitments, if any.

Task 8: Urban Renewal Plan(s) Documents

RC will prepare a draft report for the Area including the objectives referenced above in Task 7, along with a description of both potential and planned public and private investments. In addition, this document will identify priority initiatives necessary to advance the stated vision and objectives; and confirm that these are consistent with the current plan for the community. RC will transmit the draft plan report to the Authority and any other owner interests, as directed, in electronic (PDF) format for review.

County Impact Report

Task 9: Tax Increment Analysis and Impact Reports

RC will either use the final preliminary development program and absorption schedule resulting from work associated with completion of Task 1 above, or formulate a market-supportive development program, as the basis for the County Impact Report. The Impact Report, which is required by Statute, will include estimates of net new taxable revenue (incremental real property and sales taxes) to the County resulting from investment within the Area boundaries. Although the Act does not require preparation of an impact report for other impacted taxing entities, RC will prepare these additional reports for the following organizations, which have a presence in the Area:

- City of Colorado Springs
- Colorado Springs School District 11
- Pikes Peak Library District
- Southeastern Colorado Water Conservancy District
- Others, as identified.

RC will transmit all draft documents to the Authority in electronic format. Fifteen (15) color-bound hard copies, as well as electronic files, of all final documents (including the Survey, Plan and County Impact Report) will be provided to the Authority and any other owner interest, as directed, upon completion of the assignment.

Additional Work

Task 10: Property Owner and Business Interest Notification

Similar to the statutory notification requirements described under Task 4 above, all property and business owner interests within a proposed urban renewal area must be notified 30 days prior to the public hearing when the plan will be considered for adoption by the governing body. Whereas the existing property owners are voluntarily requesting creation of the proposed Area, they may waive their statutory right to receive notice; however, if they would like to receive notice, or the Authority's attorneys determine that notification to the owner interests is statutorily required or advisable, RC assumes the Authority will prepare and distribute the notifications, as well as complete all other notice requirements described in the Statute including publication of the hearing date, time and location in the newspaper of general circulation for the City.

Task 11: Legal Description(s)

A legal description describing the boundaries of the Area and TIF District within it (if different than the Area's), must be prepared and certified by a licensed surveyor and included in the Plan and public notice. RC is prepared to subcontract for these services, but will only do so at the expressed written consent of the City. Note: Costs associated with the preparation of the legal description or descriptions is not included in the fee estimate presented herein.

Task 12: Public Hearing

Once all final documents are complete, RC will be available to present the findings at necessary Authority and City Council meetings as per the Statute. Presentation of the Survey findings to the Authority may occur prior to or in concert with presentation of the Plan. Note: Fees associated with presentation of the Survey at a separate meeting of the Board is not additive, but rather included in the fee estimate presented here.

Work Products

Work products to be delivered to the Authority include:

- Draft and Final Market Assumptions (sensitivity and boundary analyses)
- Memorandum Summarizing Findings of Sensitivity and Boundary Analyses
- Base Maps
- Factor and Miscellaneous Maps
- Draft and Final Conditions Survey Reports
- Draft and Final Urban Renewal Plan
- Draft and Final County Impact Report
- Draft and Final Impact Reports (for all impacted taxing entities)
- Legal Description or Descriptions (to be contracted for)
- Authority and Council Meeting and Hearing Materials

Proposed Schedule

Ricker|Cunningham (RC) will complete preparation of all work products described herein by 30 August 2015. This schedule assumes:

- the prompt transfer at the commencement of the project of all requested information by RC from the Authority, City and private sector property interests; and
- prompt review and transmittal of comments to RC by the Authority and other interested parties of all draft and final documents.

Time for presentations to the Authority, City Council and/or Planning Commission, as per the



Statute, will depend on their availability, and therefore dictate the final project schedule.

Proposed Fees

Fee estimates for the major phases of work proposed herein are as follows:

Land Use and Boundary Analysis	\$6,300 *
Conditions Survey	\$15,200
Urban Renewal Plan	\$12,200
County Impact Report	\$7,500
Taxing Entity Impact Reports (4 @ \$750 per)	\$3,000
Legal Description(s)	TBD
Notifications	n.a.
Attendance at Team Meetings	TBD
Sub-Total	<u>\$44,200</u>

* If requested to prepare estimates of impacts to relevant taxing entities (as references in Task 1 above), fees for this work will be adjusted accordingly.

Fees associated with preparation of the above work products are based on the hourly rate (see below) of the professionals involved and includes out-of-pocket expenses such as local travel, meals, data purchases, telephone, postage, etc. and the delivery of 15 copies of all final documents to the Authority. If the either the Authority or private sector interests request additional copies, they will be billed at-cost. These fees do not include costs associated with the preparation or reproduction of materials including maps, power point slides or other information that may be produced for presentation to various groups and audiences. Expenses associated with reproduction of these items will also be billed at-cost.

Hourly Rates:

Anne B. Ricker, Principal	\$175
Bill J. Cunningham, Principal	\$175
GIS Mapping	\$100

Progress invoices will be issued bi-monthly. A final invoice for any outstanding balance associated with incurred professional fees and expenses will be issued upon completion of all final documentation, and due and payable upon delivery of the same.



Summary

In summary, we are excited about this project and the opportunity to work with you, the Authority and private sector team, and welcome the opportunity to serve you through completion of this assignment. In order to initiate our services according to this proposal, please sign below and return a signed copy of this proposal along with a retainer check in the amount of \$7,500 to RC at the address on the first page.

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.

Sincerely,

Ricker|Cunningham

Anne B. Ricker
Principal
anne@rickercunningham.com

Bill J. Cunningham
Principal
bill@rickercunningham.com

Accepted By:

Mr. Jim Rees
Executive Director
Colorado Springs Urban Renewal Authority

Date