MONTROSE URBAN RENEWAL AUTHORITY
BOARD of COMMISSIONERS MEETING
Thursday, October 7, 2021, 3:00pm
City of Montrose Centennial Meeting Room
433 S 1st St. Montrose, CO

Public participation for this meeting will also be available virtually via Zoom:
https://us02web.zoom.us/webinar/register/WN_Zv_JxlhPRO-SBQ0zFyQq9w
Additional access details are available at the end of the agenda.

AGENDA

1. **CALL TO ORDER**
   - Board Chair Tad Rowan

2. **THE PLEDGE OF ALLEGIANCE**

3. **ROLL CALL**
   - Deputy City Clerk Mikayla Unruh

4. **CHANGES TO THE AGENDA, INCLUDING ADDITIONS AND DELETIONS**

5. **CALL FOR PUBLIC COMMENT**

   The "Call for Public Comment" agenda item is a time when concerned members of the community may publicly voice their concerns and discuss items of interest. Please note that no formal action will be taken on the matters raised during this time.

   Individuals wishing to speak will be recognized by the Chair and asked to state their name and address. Each speaker will be allowed three minutes to speak. Comments made during this time should be addressed to the MURA Board of Commissioners and pertain to matters of at least general importance to the Montrose Urban Renewal Authority and its operations.

   Please be aware that neither the MURA Board nor staff are expected to respond or engage in discussion or debate. Personal attacks and disagreements, personnel and employment matters, the use of profanity or ethnic, racial or gender-oriented slurs are prohibited, as is any "disorderly conduct" which violates state or local law and shall not be permitted.

6. **CONSIDERATION OF MINUTES**
   - Deputy City Clerk Mikayla Unruh

   Action: Consider making a motion to approve the minutes of the August 18, 2021 meeting.

7. **MURA SUMMARY OF TIF EXPENDITURES TO DATE**
   - City Engineer Scott Murphy and Executive Director William Bell

8. **FLEX BUILDING PROJECT DISCUSSION**
   a. **Presentation by David Dragoo of Colorado Outdoors**

b. Consideration of Resolution 2021-01

- Community Program Manager Kendall Cramer

Action: Consider the approval of Resolution 2021-01, a resolution authorizing the filing of a Colorado Community Revitalization Grant Program application; authorizing the MURA Board Chair and MURA Executive Director to execute an agreement with Colorado Outdoors for the development of horizontal site improvements related to the Flex Building Project at Colorado Outdoors upon a grant award; authorizing the MURA Board Chair and MURA Executive Director to execute the grant contract with the Colorado Office of Economic Development and International Trade; and authorizing City of Montrose staff to act on behalf of the grant award.

c. Development Agreement and Promissory Note Discussion

- Executive Director William Bell

Action: Consider authorizing staff to draft a Developer's Agreement between the MURA and Colorado Outdoors, as well as a Promissory Note between the MURA and the City of Montrose related to the construction and installation of horizontal site improvements to support the Flex Building Project described above.

9. SCHEDULE FUTURE MEETINGS

10. ADJOURNMENT

Zoom Meeting Information

Phone Numbers:
(346) 248 7799
(669) 900 9128
(253) 215 8782
(312) 626 6799
(646) 558 8656
(301) 715 8592

Webinar ID: 871 6565 0021
International numbers available: https://us02web.zoom.us/u/keyDhpaFjb

A regular meeting of the Montrose Urban Renewal Authority (MURA) Board of Commissioners was held on Wednesday, August 18, 2021 at 2:00 p.m. in the Centennial Meeting Room, located at 433 S. 1st Street. Said meeting was posted in accordance with the Sunshine Law, including a Zoom meeting link and phone numbers for additional virtual public participation.

PRESENT: Tad Rowan, Dave Frank, Barbara Bynum, J. David Reed, Brad Hughes, Gayle Johnson, William Bell

ABSENT: Doug Glaspell, Anthony Russo, Mark Plantz

GUESTS: City Engineer Scott Murphy, Community Program Manager Kendall Cramer, Business and Tourism Director Lisa Kuczmarski, Deputy City Clerk Mikayla Unruh, Executive Assistant to the City Manager Dawn Dovey, Nick Orros, Joel Evans, Ken Van Skiver, Gail Marvel

CALL TO ORDER

The meeting was called to order at 2:01p.m. by Chairman Tad Rowan.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

ROLL CALL

Board members Tad Rowan, Dave Frank, Barbara Bynum, J. David Reed, Brad Hughes, Gayle Johnson, and Executive Director William Bell were present. Board members Doug Glaspell, Anthony Russo, and Mark Plantz were absent.

CHANGES TO THE AGENDA

There were no changes to the agenda.

CALL FOR PUBLIC COMMENT

No comments were received.

CONSIDERATION OF MINUTES

A motion was made by J. David Reed, seconded by Dave Frank, to approve the minutes of the June 16, 2021 meeting as presented. All voted yes. The motion passed.

PROJECT FINANCING STRATEGY DISCUSSION

Executive Director William Bell led a discussion regarding Urban Renewal Authority (URA) financing options. Mr. Bell explained that there are several different ways a URA can finance development utilizing TIF revenues.

Mr. Bell presented three financing scenarios to fund potential horizontal site improvement costs associated with the Flex Building project at Colorado Outdoors, including developer reimbursement, bonding or traditional bank loans, and the issuance of URA promissory notes with loans from the City's water fund reserves, as is the current MURA practice.

FLEX BUILDING PROJECT DISCUSSION

David Dragoo with Colorado Outdoors provided an update on the Flex Building project. Mr. Dragoo noted that construction of the building's core/shell will be completed in October 2021 with tenant-specific improvements to be finished in the third and fourth quarters of 2021. Tenant occupancy is anticipated by the end of the first quarter of 2022.

Mr. Dragoo presented an overview of the project costs for the Flex Building. The cost anticipated for the current core/shell construction is $7,715,112.71. The cost of land purchased for the project was $1, 500,000.00. The estimated cost for tenant improvement work is $3,981,943.38. In all, the anticipated total cost of the Flex Building project is $13,197,056.09.

Mr. Dragoo explained that of this total cost, $12,097,056.09 (92%) will come from private investment while $1,100,000.00 (8%) will be requested from public/MURA investment. The request for $1,100,000.00 is based upon the estimated cost of horizontal site improvements for the property.

Community Program Manager Kendall Cramer presented a grant funding opportunity through the Colorado Office of Economic Development and International Trade for the Colorado Community Revitalization Grant. Mr. Cramer explained that the State of Colorado has reserved $65 million for the development of mixed-use commercial, downtown, historic, and creative-district areas with the goal of providing gap funding to support creative projects that combine commercial spaces, community gathering spaces, creative industry workforce housing, retail partnerships, child care centers, and/or performance space. The program seeks to support creative sector entrepreneurship, community non-profits, and/or economy recovery efforts. Selected projects are eligible to receive up to $5 million in funding, however grant funding may not exceed 50% of the total project cost.

Mr. Cramer explained that the Montrose Urban Renewal Authority is eligible to apply for funds under this program for the Flex Building at Colorado Outdoors. Due to the COVID-19 pandemic, the cost to complete tenant site improvements for the Flex Building project has increased by 149% since 2020 with material costs increasing from $28.19 to $70.29 per square foot. This project would fulfill the Community Revitalization Grant program's goal of easing

the funding gap created by the pandemic and reducing the financial impact future tenants would face as a result of the increased material costs.

Mr. Cramer noted that the pre-application for the grant program is due by October 1, 2021. At that time, successful applicants will be invited to submit a complete application for consideration.

The Board directed City staff to complete the pre-application process for the Colorado Community Revitalization Grant program. If approved, the Board will consider authorizing the submission of a complete grant application at the next MURA Board meeting.

SCHEDULE FUTURE MEETINGS

The Board agreed to reschedule the regular MURA Board of Commissioners meeting scheduled for September 22 due to a conflict with the Colorado Municipal League Special Conference in Westminster, CO. The meeting will be rescheduled for Thursday, October 7, 2021 at 3:00 p.m. in the Centennial Meeting Room.

ADJOURNMENT

A motion was made by Dave Frank, seconded by Gayle Johnson, to adjourn the meeting at 2:54 p.m. with no further action taken. All voted yes. The motion passed.

ATTEST:

_____
Tad Rowan, Chairman

_____
William E. Bell, Executive Director

TABLE 1
Montrose Urban Renewal Authority
Summary of TIF Expenditures to Date
Rev. 9/23/2021

Work Element	Promissory Note Date	Promissory Note Amount	Contract or Expense Authorization Date	Contract or Expense Authorization	Consultant/ Contractor	Expenses to Date	Anticipated Outstanding Expenses	Grant Revenues (Where Applicable)	Total Anticipated Out of Pocket Expense[(a)]	Project Number	G/L
Stantec/Black Mtn. Design Reimbursements	5/11/2017	$353,759.55	5/11/2017	$353,759.55	Black Mtn. Reimbursements	$353,759.55	$0.00		$353,759.55	-	
Phase I Civil Design	6/5/2017	$552,570.00	6/5/2017	$462,370.00	Del-Mont Consultants	$462,118.83	$0.00		$462,118.83	17.25.1	260-6110-962-000
Phase I Design Incidentals				$90,200.00	P. Hayes et. al.	$90,207.73	$0.00		$90,207.73	17.27.1	260-6110-962-000
Uncompahgre River Improvements Design	7/24/2017	$121,881.00	7/24/2017	$146,881.00	Ecological Resource Consultants	$118,568.52	$28,312.48	$25,000.00	$121,881.00	17.28.1	260-6100-962-000
Sewer Materials Direct Purchase	10/5/2017	$6,750,000.00	11/16/2018	$413,208.24	Winwater GJ Pipe	$417,329.40	$0.00		$417,329.40	17.25.1	260-6110-962-000
Phase I Civil Design Change Order			1/2/2018	$95,250.00	Del-Mont Consultants	$80,292.90	$0.00		$80,292.90		
Phase I Design Incidentals Change Order				$10,175.00	P. Hayes	$10,175.00	$0.00		$10,175.00		
Power Utilities				$1,080,000.00	DMEA	$676,916.84	$0.00		$676,916.84		
Natural Gas Utilities				$375,000.00	Black Hills Energy	$371,016.09	$0.00		$371,016.09		
SCADA and Hot Tap				$43,115.00	Multiple	$42,860.00	$0.00		$42,860.00		
Survey and Const. Support				$274,100.00	Del-Mont Consultants	$172,327.95	$0.00		$172,327.95		
Entrance Drives/Access Road Along Mayfly				$204,459.60	Rundle Const. Ridgway Valley Ent.	$188,747.02	$0.00		$188,747.02		
Support/Planning Services				-	Multiple	$136,354.73	$10,000.00		$146,354.73		
Phase I Construction - Base Bid				$4,254,692.00	Ridgway Valley Ent.	$3,346,750.69	$0.00		$3,346,750.69		
Phase I Construction - Bid Alternates						$665,116.82	$0.00		$665,116.82		
Fairfield Hotel Horiz. Site Improvements	Savings		1/21/2020	$600,000.00	LaMont Companies	$0.00	$600,000.00		$600,000.00	-	260-6000-488-000
Mayfly Site Horiz. Site Improvements	10/15/2018	$805,937.09	10/15/2018	$805,937.09	Black Mtn. Capital	$653,078.89	$0.00		$653,078.89	-	260-6000-488-000
Phase I River Construction	3/6/2019	$1,100,000.00	2/3/2020	$1,600,000.00	ERC/Naranjo	$1,602,969.34	$0.00	$784,588.00	$818,381.34	17.28.1	260-6100-962-000
Phase II Infrastructure Civil Design	Savings		1/14/2020	$111,300.00	Del-Mont Consultants	$88,716.68	$0.00		$88,716.68	20.15.1	260-6110-962-000
Colorado Yurt Horizonal Site Imp.	4/7/2021	$853,935.00	4/7/2021	$853,935.00	Alcorn Const.	$318,803.62	$535,131.38		$853,935.00	21.22.1	260-6000-488-000
Basecamp Apt. Horiz. Site Imp.	6/16/2021	$1,367,000.00	6/16/2021	$1,367,000.00	Mountain Valley Cont.	$43,628.60	$1,323,371.40		$1,367,000.00	21.23.1	260-6000-488-000
	TOTAL	**$11,905,083**				**$9,839,739**	**$2,496,815**	**$809,588**	**$11,526,966**		

(a) Expenses to Date + Outstanding Expenses - Grant Revenues

Completed lines shaded grey

TOTAL PROMISSORY NOTES LESS TOTAL ANTICIPATED EXPENSES = $378,116

RESOLUTION 2021-01

A RESOLUTION AUTHORIZING FILING OF THE COLORADO COMMUNITY REVITALIZATION GRANT APPLICATION WITH THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE - COLORADO CREATIVE INDUSTRIES DIVISION

WHEREAS, the Montrose Urban Renewal Authority (MURA) and Colorado Outdoors, LLC collaboratively work to create public infrastructure, public open space, and zoning required to accommodate the project's mixed-use intent which includes commercial, hospitality, and residential sites.

WHEREAS, the Colorado Office of Economic Development's Colorado Creative Industries Division (OEDIT-CCI) in conjunction with the Colorado Department of Local Affairs Division of Local Government (DOLA-DLG) is overseeing implementation of the Colorado Community Revitalization Grant Program created by Colorado Senate Bill 21-252 to provide funding for organizations looking to revitalize buildings or start new construction.

WHEREAS, the Colorado Community Revitalization Grant Program provides gap funding at a 1:1 grant to match funding ratio up to $5 million for projects in creative districts, historic districts, main streets or neighborhood commercial centers and supports creative projects that combine creative industry workforce housing, commercial spaces, performance space, community gathering spaces, child care centers, and retail partnerships for the purpose of economic recovery and diversification by supporting creative sector entrepreneurs, artisans, and community non-profit organizations.

WHEREAS, the Montrose Urban Renewal Authority is an eligible applicant of funds, and due to the COVID-19 Pandemic the cost to complete tenant site improvements for the Flex Building at Colorado Outdoors has increased by 149% creating a gap of $2,384,647.38 in project financing.

WHEREAS, funds provided by the Colorado Community Revitalization Grant may be used to cover this gap and the Montrose Urban Renewal Authority's match will be covered by horizontal infrastructure improvements in the amount of $1,100,000.00 and Colorado Outdoors' investment of $1,597,296.00 for tenant site improvements.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE MONTROSE URBAN RENEWAL AUTHORITY BOARD:

Section 1: The Montrose Urban Renewal Authority Board authorizes the filing of the grant Application seeking $2,384,647.38 with the Colorado Office of Economic Development and International Trade - Colorado Creative Industries Division (OEDIT-CCI).

Section 2: The Montrose Urban Renewal Authority Board commits to providing a 1:1 match not to exceed $1,100,000.00.

Section 3: The Montrose Urban Renewal Authority Board agrees funds may only be used on eligible expenditures as outlined in the program guidelines.

Section 4: If the grant is awarded, the Montrose Urban Renewal Authority Board hereby authorizes the chair of the board to execute the grant contract with the Colorado Office of Economic Development and International Trade - Colorado Creative Industries Division (OEDIT-CCI) and permits city staff to act on behalf of the grant agreement.

Section 5: This resolution to be in full force and effect from and after its passage and approval.

ADOPTED this ____ day of _____ 2021, by the Montrose Urban Renewal Authority Board.

MONTROSE URBAN RENEWAL AUTHORITY BOARD

BY: _____
Tad Rowan, Chairman

ATTEST

_____
William E. Bell, Executive Director