

Montrose Urban Renewal Authority

January 03, 2024

A regular meeting of the Montrose Urban Renewal Authority (MURA) Board of Commissioners was held on Wednesday, January 03, 2024, at 2:00 p.m. in the City Council Chambers, located in Elks Civic Building at 107 S. Cascade Avenue. Said meeting was posted in accordance with the Sunshine Law.

PRESENT: Barbara Bynum, J. David Reed, Dave Frank, Doug Glaspell, Ed Ulibarri, Brad Hughes, Tad Rowan, Allison Howe, Stephen Bush, Executive Director William Bell

GUESTS: Graham Anderson, David Dragoo, Doug Dragoo, Gail Marvel, Briceida Ortega, Joel Evans

CALL TO ORDER

The meeting was called to order at 1:59 p.m. by Chairperson Barbara Bynum.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

ROLL CALL

Board members Barbara Bynum, J. David Reed, Dave Frank, Doug Glaspell, Ed Ulibarri, Brad Hughes, Tad Rowan, Allison Howe, Stephen Bush, and Executive Director William Bell were present.

CHANGES TO THE AGENDA, INCLUDING ADDITIONS AND DELETIONS

No changes were made to the agenda.

CALL FOR PUBLIC COMMENT

No comments.

CONSIDERATION OF MINUTES

The MURA Board considered the minutes of the September 20, 2023, regular MURA board meeting.

A motion was made by Dave Frank, seconded by Ed Ulibarri, to approve the minutes of the September 20, 2023, regular MURA Board meeting as presented. All voted yes. Motion passed.

J. David Reed joined the meeting at 2:07 p.m.

TIF EXPENDITURE UPDATE

City Engineer Scott Murphy provided an update on current TIF expenditures within the Colorado Outdoors development.

The Fairfield Inn has one payment remaining. They are working on staffing and opening. Base Camp project completed their site work and landscaping. The Shelter distilling project has \$163,986.56 remaining of \$700,000 allocated.

Expenses to date are \$13,869,080, grants revenues \$809,588, and \$13,005,153 in promissory notes. The URA is now direct funding since the promissory notes have been used up.

MURA FINANCIAL SESSION

Executive Director Bill Bell and Graham Anderson with Anderson Analytics presented a financial report that was created based of input from Finance Director Shani Wittenberg, County Assessor Brad Hughes, the City team, and the Dragoo's.

Mr. Bell highlighted the cumulative revenues that come into the MURA. The TIF is a 25-year project. Mr. Bell mentioned that the Fairfield by Marriott, Toasty – All Day Eatery, Shelter Distilling, and the Pediatric Center are the businesses that will provide sales, meals, lodging tax TIF to the MURA.

Mr. Bell highlighted the prospective projects. Project Green is mixed use development with residential upstairs and retail downstairs. This project hasn't come before the board for approval. Marriot - Lamont Companies are talking about two more hotel projects. The first project is a Hilton hotel, and the other project would be a boutique style hotel on the riverfront. Anthony Russo mentioned that they have been working on putting together a packet for the Hilton hotel project to present to the MURA board in February. The boutique style hotel project will likely not happen until another year or two. Dave Frank and Barbara Bynum would like for there to be a footnote added that would explain what each prospective is on the Cumulative TIF Revenues to MURA – Projected report (page 1 of the financial report).

Mr. Bell and Mr. Anderson provided an overview of the projected TIF revenues and repayment of MURA investments. Mr. Anderson explained the chart that was included as part of this presentation. Mr. Anderson highlighted the annual TIF revenues shown on the top part of the chart until 2042. The bottom half of the chart includes the accrued interest, promissory notes and outstanding TIF reimbursement. The MURA board had concerns about the chart. The board would like for there to be two different charts to separate the information. Dave Frank mentioned that one thing that the chart highlights is that the URA is doing a great job. Doug Glaspell stated that the life of the URA could be extended. Mr. Bell agreed that the life of the URA could be extended if it was suffering or if a recession were to happen, but the board doesn't need to worry about that at this point.

Mr. Bell gave an overview of page 4 of the financial report. Mr. Bell pointed out that the MURA board did not incentivize the Colorado Outdoors Medical Center project, but it will be generating a lot in property tax. Mr. Bell mentioned that the next hotel project that will be presented to the board will be in a different economic climate than when the first hotel project was presented. The cost of construction is higher now. Mr. Bell believes that they will be requesting a higher amount for this second hotel project. They anticipate that the hotel will have 90-120 hotel rooms.

Mr. Bell presented the board with the idea of creating general guidelines for the amount the MURA board would be willing to offer as an incentive. An example would be to include an up to percentage of the overall revenue to be generated by the project. These guidelines could then be included in the policy manual.

Brad Hughes presented the board with a table that includes dollar amounts on what has been provided to the projects that have come before the board. Mr. Hughes noticed that 40% is what historically the MURA board has been comfortable with. Mr. Hughes shared that he would like to have the baseline of 40% so developers are aware of the type of incentive available to them ahead of time. Mr. Hughes did not incorporate sales tax into his table because he believes they fluctuate more based on the economy and the property taxes are going to be paid annually. Mr. Hughes considers the sales tax as an additional revenue to the URA that could pay the outstanding debt in place. Barbara Bynum stated that she likes the idea of having bumpers to a number instead of having a black and white formula. She would like sales tax, excise tax, and paying jobs to be highlighted. Dave Frank would like a set metric and having a starting point so developers can have clear expectations. Mr. Frank agrees that not including the additional monies created by sales tax, excise tax and lodging tax would allow for more headroom in reinvestment. Mr. Hughes mentioned that 40% would be for horizontal site improvements and does not include incentives like City permits. Bill Bell expressed to the board that if the MURA board decides not to fund a project they could be charged with discrimination. Mr. Bell would like the board to consider including guidelines to why a project would not be funded.

Barbara Bynum mentioned the idea of creating a rubric that includes property tax, sales tax, jobs created, etc. Brad Hughes expressed community development and tax increment financing shouldn't be mixed. Mr. Hughes noted that the role of the board is to look at how a project will be developed and how much tax revenue the project will generate. Tad Rowan and Stephen Bush expressed their support for 40% as the maximum for contributions from the URA.

J. David Reed left the meeting at 3:02 p.m.

Tad Rowan mentioned that sales tax should be a bonus to the URA to pay off principal and interest. Doug Glaspell and Ed Ulibarri shared their support for having a rubric and establishing a 40% baseline. Allison Howe shared that she agrees with having a policy manual. Executive Director Bill Bell will present a draft rubric at the next MURA meeting.

The next MURA meeting is scheduled for February 14, 2024.

ADJOURNMENT

A motion was made by Doug Glaspell, seconded by Dave Frank, to adjourn the meeting at 3:35 p.m. with no further action taken. All voted yes. Motion passed.

ATTEST:

Barbara Bynum, Chairperson

William E. Bell, Executive Director