

# Montrose Urban Renewal Authority

February 14, 2024

A regular meeting of the Montrose Urban Renewal Authority (MURA) Board of Commissioners was held on Wednesday, February 14, 2024, at 12:00 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, Allison Howe, Stephen Bush, Executive Director William Bell

ABSENT: Tad Rowan

GUESTS: Graham Anderson, David Dragoo, Doug Dragoo, Gail Marvel, Briceida Ortega, Joel Evans, John Stueber, Jeff Lamont, Rob McAllister

## **CALL TO ORDER**

The meeting was called to order at 12:00 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, Allison Howe, Stephen Bush, and Executive Director William Bell were present.

Tad Rowan was absent.

## **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 January 3, 2024 regular MURA board meeting.

A motion was made by Dave Frank, seconded by Doug Glaspell, to approve the minutes of the January 3, 2024, regular MURA Board meeting as presented. All voted yes. Motion passed.

**TIF EXPENDITURE UPDATE**

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

Scott Murphy explained that Basecamp Apartments has about \$4,000 left of reimbursements. The board decided to keep adding new projects to the current spreadsheet and to include the spreadsheet on the MURA meeting agendas even if there are no changes.

Scott Murphy shared that the Fairfield Inn is opening in March. Basecamp Apartments have been completed and Shelter Distilling is still determining their opening date.

Brad Hughes would like to see the fund balance in the URA account. The board agreed that a line item for the fund balance should be included in the spreadsheet.

**2<sup>nd</sup> HOTEL AT COLORADO OUTDOORS (HOME2SUITES BY HILTON OR SIMILAR BRAND)**

John Stueber presented information about the second hotel. They are projecting about 90 hotel rooms. The location of the hotel would be across the street from the current Fairfield Inn. Mr. Stueber expressed that the second hotel might be a Home2 Suites by Hilton. The proposed cost and timeline were discussed.

Bill Bell stated that they haven't fine tuned the horizontal site improvements numbers. William Bell, Scott Murphy, and Anthony Russo will meet with Lamont Companies to discuss the numbers before they come to the board for approval. William Bell mentioned that they will make sure to have a breakdown of all the costs.

Jeff Lamont explained they are hoping to be open in the next few months because there was a setback with the elevator company. The elevator company is having a tough time getting the elevator parts. Jeff shared that management staff, lower mid-scale housekeeping, and front desk personnel have been

hired. They are not planning on sharing staff with the Fairfield Inn hotel. Each hotel will have their own staff.

Brad Hughes recommended that a market analysis be done to figure out what the community's demand is for hotel rooms. Mr. Hughes pointed out that the concrete slab should not be included as part of the horizontal improvements. Bill Bell confirmed that the concrete slab wouldn't be part of the horizontal improvements. Mr. Hughes asked if there will be an appraisal done for financing. John Stueber confirmed that prior to groundbreaking there will be an appraisal done.

Jeff Lamont would like to see 1 year of operations of the Marriott hotel, from there they would submit project plans and building permits. Barbara Bynum mentioned that it is in the MURA's interest to move this project forward in a timely manner.

Dave Frank asked if there would be a conference room included in the hotel? Jeff Lamont mentioned that a 500 to 1,000 square foot meeting conference room would be included.

Doug Glaspell asked if there would be a restaurant at this hotel. John Stueber mentioned that there would be a breakfast option but was unsure if there would be an actual restaurant or bar.

### **PROJECT REVIEW AND APPROVAL PROCESS DISCUSSION**

Executive Director Bill Bell discussed the MURA Purpose Statement and Project Application review process.

Bill Bell explained that the MURA purpose statement and project application review process will be included into the MURA policy manual, including the bylaws. The language that was used came from email correspondence with Paul Benedetti who was the attorney at the time who helped the City negotiate with all the taxing entities and language also came from the original plan of development.

Mr. Bell summarized the document and mentioned that the Introductory piece included who MURA is and what they do, then followed by a detailed finance piece. All gross revenues, sales tax and property taxes were also included. The second half include facts and figures by DA Davidson and Anderson Analytics.

Brad Hughes had a question regarding the last sentence on the second page. Mr. Hughes didn't agree that 40-60% should be the range for contribution from the MURA.

J. David Reed believed that there should be some flexibility and to be cautious about what type of range is decided.

Stephen asked the board if they would consider up to 40%, if sales tax were added. Brad Hughes agreed that it should be up to 40% and have that be the maximum. Bill Bell mentioned that they can't exclude the sales tax component. Barbara Bynum mentioned that the City's sales tax is all dedicated to the URA.

Bill Bell added that the City signed an agreement with the URA to contribute all the sales, lodging, and meals tax to the URA. Brad Hughes proposed 20-25% including sales and property tax for MURA contributions to projects. J. David Reed mentioned that it is the board's responsibility to take both taxes into consideration when talking about the incentive program.

The board decided to move forward with including both sales and property tax.

Barbara Bynum asked if they could see a chart to be able to analyze the numbers and be able to come up with a good range at the next MURA meeting. Bill Bell added that he will use Brad Hughes chart and will add a sales tax column to it.

### **FUTURE PROJECT FINANCING STRATEGIES PRESENTATION**

Kyle Thomas, D.A. Davidson & Company discussed bond financing and how it can come into play for the URA. Mr. Thomas mentioned that some URA's have only property tax and other URA's have both sales and property tax. Mr. Thomas shared the three financing options for the URA.

Barbara Bynum explained that the City didn't take on debt to give it to the URA. The URA borrowed the money from the City's water fund. Kyle Thomas explained that a current option for the URA would be for the URA issuing tax-exempt bonds and pledging TIF revenue as security for the bonds.

Bill presented an alternative option to the board called TIF mechanism. This option would allow the developers to pay for their project up front and through the TIF agreement the URA allows them to keep the revenues to pay themselves back. The board didn't like this option.

The next MURA meeting is scheduled for March 20, 2024 at 1:30 PM.

### **ADJOURNMENT**

A motion was made by Barbara Bynum, seconded by Dave Frank, to adjourn the meeting at 1:42 p.m. with no further action taken. All voted yes. Motion passed.

ATTEST:

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Barbara Bynum, Chairperson

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William E. Bell, Executive Director