

**Montrose Urban Renewal Authority**  
**June 26, 2024**

A regular meeting of the Montrose Urban Renewal Authority (MURA) Board of Commissioners was held on Wednesday, June 26, 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: J. David Reed, Judy Ann Files, Dave Frank, Doug Glaspell, Ed Ulibarri, Brad Hughes, Allison Howe, Jim Haugsness, Executive Director William Bell

ABSENT: Stephen Bush

GUESTS: David Dragoo, Doug Dragoo, Gail Marvel, Briceida Ortega, Jeff Lamont, John Stueber, Rob Mackenzie, Anthony Russo, Ray Cody

**CALL TO ORDER**

The meeting was called to order at 2:00 p.m. by J. David Reed.

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was recited.

**APPOINTMENT TO FILL VACANCY – JIM HAUGSNESS, AT-LARGE REPRESENTATIVE**

Executive Director William Bell clarified that the MURA bylaws, available on the website, outline the process for filling vacancies. Barbara Bynum was removed from the board due to term limits on her City Council position, and her vacancy has since been filled by Judy Ann Files. Regarding the At-Large Representative position, Tad Rowan's resignation allowed the Executive Director, per the bylaws, to appoint a replacement, with Jim Haugsness selected to fill that role.

**ROLL CALL**

Board members J. David Reed, Judy Ann Files, Dave Frank, Doug Glaspell, Ed Ulibarri, Brad Hughes, Jim Haugsness, and Executive Director William Bell were present.

Stephen Bush was absent.

**MURA BOARD OFFICER APPOINTMENTS – President, Vice-President, Secretary**

Executive Director William Bell explained that, according to the bylaws, officer roles are appointed by the entire URA board. He outlined the responsibilities of each position.

Dave Frank nominated Allison Howe for president, and the board all voted in favor.

Doug Glaspell nominated Dave Frank for vice president, with all members voting in favor.

Allison Howe moved to nominate Briceida Ortega as secretary, and the board all voted in favor.

**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 April 10, 2024, regular MURA board meeting.

A motion was made by J. David Reed, seconded by Dave Frank, to approve the minutes of the April 10, 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 highlighted all the major expenditures since exception. A lot of them are funded through promissory notes. Projects progressed from approval to contract awards and then implementation. All anticipated expenditures have been covered to date, with no outstanding balance remaining. Two grants were awarded to the URA—\$21,300 and \$784,588—for the river improvement project. Of the promissory notes, loans from the City to the URA, the total is \$13 million. The total anticipated out of pocket expenses are \$13.3 million, which the City decided to loan the money as TIF revenues started coming in, which was then able to cover the balance. Mr.

Murphy mentioned that interest was now included in the financial spreadsheet. All the promissory notes between the City and the URA, included repayment at 4% compounded annually. The total promissory notes with interest to date is \$16.2 million. These are the same numbers that were presented in the Anderson Analytics report.

Scott reviewed the annual net TIF revenues, noting that \$1.67 million has been collected to date. After deducting \$324,000 in expenditures, there's currently \$1.3 million that has been allocated to expenditures.

### **INCENTIVES FUNDING FORMULA DISCUSSION**

Executive Director William Bell explained that himself, Barbara Bynum, and Brad Hughes shared numbers and talked about the pros and cons of doing the incentives funding formula in different ways. The proposed approach includes two distinct formulas based on project type, to be added to the bylaws. For horizontal improvements—such as water, sewer, parking lots, lighting, and sometimes irrigation—the URA board may approve up to 25% of all TIF revenues to be generated by the project, if the project is primarily commercial or retail in nature. These projects typically offer a quicker payback period of 7–10 years. For mixed-use or warehouse projects, which require a longer return period, the board may approve up to 40% of all TIF revenues to be generated by the project.

Brad Hughes shared a spreadsheet with each board member and explained each section. Mr. Hughes proposed a method that includes that Anderson Analytics determines the total property tax revenue up to the 40% for residential or mixed-used projects. If it is not residential it would be 25% reimbursable. Mr. Hughes made it clear that no vertical improvements would be included.

The board shared their opinions on each of the methods presented. The board agreed that at the next MURA meeting, they would discuss the two methods again with scenarios to each method and the board can decide on what method they would like to move forward with.

**EXTENDED STAY HOTEL REVIEW AND APPROVAL OF INCENTIVES**

Anthony Russo provided an overview of the project and explained that they hope to break ground in 2025. The hotel would include 90 rooms. They are seeking \$1.6 million for horizontal improvements.

A motion was made by Dave Frank, seconded by Doug Glaspell, to approve up to \$1.6 million in eligible funding for horizontal site improvements contingent upon approval of City staff and City Engineer for the Extended Stay Hotel project, as presented. All voted yes. Motion passed.

Brad Hughes explained that he would like for the motion to be amended. He would like for the Extended Stay Hotel representatives to explain the cost difference from the first project and to explain the numbers to the board at the next meeting. The board agreed that they would like to see the Development Agreement at the next MURA meeting.

Dave Frank moved to amend the motion, with Doug Glaspell seconding. The amended motion authorizes up to \$1.4 million in eligible funding for horizontal site improvements for the Extended Stay Hotel project, contingent upon approval by City staff and the City Engineer, as presented. Motion passed.

**GREENLINE MIXED USE PROJECT REVIEW AND APPROVAL OF INCENTIVES**

Anthony Russo provided a summary of the Project River's Edge. Mr. Russo mentioned that Greenline owns a 3.5-acre parcel at Colorado Outdoors. They plan to develop a mixed-use project with 10,000 square feet of commercial/retail space and 76,706 square feet for multifamily dwellings. They aim to break ground in spring of 2025.

Rob Mackenzie mentioned that the project has not changed since the last presentation. The plan still includes 10,000 square feet of retail space, 96 multifamily rental units, and on-street parking on Mayfly.

Anthony Russo reminded the board that David and Doug Dragoo from Colorado Outdoors committed that if Project Greenline is approved, they would build a retail center across the street.

A motion was made by J. David Reed, seconded by Dave Frank, to approve up to \$1.3 million in eligible funding for horizontal site improvements for the Greenline Ventures Mixed Used Project, as presented. All voted yes. Motion passed.

### **PARKHOUSE PROJECT INTRODUCTION**

Ray Cody spoke in favor of this project. Mr. Cody mentioned that he lives in Telluride and is the founder of Autumn Classic. The Autumn Classic event brings attendees from all over the world and the car owners are always asking where they can store their cars, so Mr. Cody fully supports this project.

Sean and Jared McCullough provided a summary of the project. Sean McCullough mentioned that they have identified three main challenges facing the Western Slope. While personal storage options are abundant, there's a significant shortage of large-capacity storage facilities, particularly for RVs and other oversized needs. Current providers just can't meet the high demand. The region attracts outdoor enthusiasts for activities like off-roading and fishing. Mr. McCullough explained that right now, there's no dedicated space for enthusiasts to gather, connect, and build a community that reflects the unique culture and opportunities here.

Jared McCullough explained that they see Montrose as one of the best hubs for outdoor recreation and want to build on that. Their vision is to create an affordable garage condominium concept that goes beyond storage, with features like a rooftop deck showcasing stunning views and a clubhouse as a central gathering point. Positioned in the heart of the Uncompahgre Valley, this space would make the area even more appealing as a destination. Recognizing the need for event spaces, their project would include a rooftop deck, bar, restaurant, and event area to serve the community. They also plan to offer concierge services for those flying in from the airport or attending special events, making it easier for people to experience everything the region has to offer.

Dave Frank asked why the Clubhouse wouldn't be built until phase 4 if it is the selling point of the project. Sean McCullough explained that the clubhouse is not a sellable unit like the actual storage units and they need the profits from the storage units to build the clubhouse.

Anthony Russo pointed out that this project is considered commercial and not residential. It would be taxed commercial.

Jim Haugsness asked if there would be some sort of homeowner’s association or onsite management. Sean and Jared clarified that they would have a homeowner’s association although it won’t be classified as a homeowner’s association. They will also have convenance that governs what business activities can take place.

**SCHEDULE FUTURE MEETINGS**

The next MURA meeting is scheduled for July 31, 2024 from 2:00 to 4:00 PM.

**ADJOURNMENT**

The meeting was adjourned at 4:24 p.m. with no further action taken.

ATTEST:

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Allison Howe, Chairperson

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William E. Bell, Executive Director