

**CITY OF DURANGO  
DURANGO RENEWAL PARTNERSHIP  
VIRTUAL MEETING  
1235 CAMINO DEL RIO, DURANGO, COLORADO  
MONDAY, SEPTEMBER 13, 2021  
DRAFT MINUTES**

**1. CALL TO ORDER :** Chair Kim Baxter called the meeting to order at 4:32 p.m.

**2. ROLL CALL :** In Attendance: Mayor Kim Baxter; Council Member Olivier Bosmans, Council Member Jessika Buell, Business Improvement District Board Member John Mahoney; La Plata County Deputy Manager Mike Segrest; Past Durango 9R School District Board Member Andrea Parmenter; and New Durango 9R School District Board Member Erika Brown.

Staff In Attendance: Nicol Killian, Scott Shine, Tommy Crosby

Council Members Barbara Noseworthy and Melissa Youssef, and La Plata County Assessor Carrie Woodson were absent.

**3. APPROVAL OF MINUTES :**

**3.1. Approval of Minutes of July 12, 2021**

The Minutes of July 12, 2021 were approved via a unanimous vote of all Board members present.

**4. PUBLIC COMMENTS** 4.1. None.

**5. NEW BUSINESS**

**5.1 9R Board Member Appointee**

**6. REPORTS**

Scott Shine announced that Andrea Parmenter moved out of her 9R District, so she has stepped down from the School Board. Stepping into her position is new Board Member Erika Brown.

Scott Shine said the way the State Statute reads, the 9R Board is the one to appoint a member to the URA Board, so there is nothing formal the URA Board needs to do.

**6.1 2022 Budget Presentation**

Scott Shine outlined the City's budget process and timeline. The State Statute requires the URA Board to discuss the budget before September 30<sup>th</sup>. Scott went over the 2021 Accomplishments and the proposed 2022 Strategic Initiatives. The initiatives include: establish partnerships with at least 3 development projects; evaluation of the development potential of City-owned properties; identify 1-2 new Plan Areas; and update and expand the Partnership's web presence and public relations.

The projected revenues for 2022 are approximately \$278,965. The proposed expenses are \$256,291, with \$22,674 in reserves. Mr. Shine walked the Board through the proposed 2022 expenses.

Scott Shine said the City is getting approximately \$95,000 from the mil levy and will turn this money around into the MidTown Grant Program.

Councilor Bosmans asked what Other Contracted Services includes. Scott said Plan Prep and Financial Analysis is proposed to be \$75,000. This includes the services SEH has been providing to City staff. The Mid-Town Grant Program is also listed in the Other Contracted

Services for \$95,000. There was discussion about the SEH contract being necessary and Mr. Shine said that the expertise is important and staff does have a capacity issue. Board Member Mike Segrest agreed this expertise is important for the process.

Next week City staff is on a panel at CML talking about the Durango Renewal Partnership formation and recent initiatives.

## **6.2 Subcommittee Report - Publicly-Owned Properties**

Scott Shine outlined the URA's partnership role in City-owned properties. The subcommittee met to discuss East 2<sup>nd</sup> Avenue and wants to look at all the City-owned properties in this area as a whole before deciding to move forward with one specific property. Board Member Mike Segrest asked if the City is still interested in doing a consolidated parking garage and parking management plan for the downtown so the other properties can be freed up for other uses. Mr. Shine said the City's Parking Division is looking at a parking management plan for the downtown area.

Mayor Baxter said there has been some discussion about leaving the parking lots there and building a structure 3-4 stories above the parking. It was noted by some Board members that the City does not have a parking problem, the City has a walking problem and people want to park right outside their destination.

Councilor Bosmans said the URA Board should determine where they want to put their energy because they do not need to improve three surface parking lots. He said we need to get a developer involved to see what they want to do with the properties. Mr. Shine said that the City Council needs to determine what they want this vision look like before getting a developer involved. The Council will need to decide where the key opportunities and priorities are and then have the URA Board get involved.

Board Member Mike Segrest said we are in a housing crisis, so we need to talk housing. Councilor Bosmans asked if the URA Board believes the City-owned lots should be used for affordable and workforce housing. Mayor Baxter said she would like to see mixed-use so that a commercial component will generate a TIF. Board Member Mike Segrest agreed with Mayor Baxter. Councilor Bosmans said we should look at less expensive properties for this type of housing.

Scott Shine said that staff will schedule a time with City Council to discuss the use of City-owned properties for housing, but this process has led to a better inventory of what the City owns. Councilor Bosmans asked if there is a way to speed this process up by talking with a developer. Some properties can go on the market immediately, but others will take more time to evaluate.

Councilor Bosmans said the Bodo lot is used for storage and could help free up the Mason Center storage so that property could be used for something else.

## **6.3 MidTown TIF Projections - 9R Admin Building and River City Hall**

Scott Shine said that SEH ran some numbers to see what the TIF generation would be if these two buildings were to become private properties rather than remain public. For the MidTown Area Plan, both these properties were assumed to be private and TIF generating,

but things have changed since the Plan was adopted. Board Member Mike Segrest asked how the 9R Building and River City Hall are tied together. Mr. Shine said that the Fire District is currently located at River City Hall, if they relocate to the 9R property, then that would free up River City Hall for redevelopment. Councilor Bosmans said that DFPD met with City Council to discuss the option of combining the Police Department at the 9R property also. Mr. Shine said the Police Department building is currently outside of the MidTown boundary, but there is a process to expand the boundary.

Scott Shine said that Councilor Bosmans asked staff to look at TIF calculation for the Police Department building. Andy Arnold with SEH ran 2 scenarios for this property. If the Police Station were to become a commercial use the assessed value would be just shy of \$670,000 and the TIF generation for 25 years would be \$300,000. If the property was to redevelop, the assessed value would be \$820,000 and the TIF would be \$400,000.

Councilor Bosmans asked Board Member Mike Segrest if the County is interested in exploring their properties. Board Member Mike Segrest said they are assessing and evaluating their properties. They are hiring a consultant next year to update their facilities master plan.

## 7. PROJECT REVIEW

### 7.1 33rd and E 2nd Ave Townhome Project Overview

Scott Shine said this property is designated as high density residential on the City's Comprehensive Plan, but could be developed with 6 high-end single-family homes by right. The Developer would like to build 22 townhomes on a 0.895 acres (11- 3 bedroom units and 11 – 2 bedroom units). Mr. Shine met with Kent Curtis of 1<sup>st</sup> Southwest Bank to go over the TIF projections for this project. Conceptually the URA Board would borrow \$546,000 up front and contribute that to the project. The loan would be able to be paid back in TIF over the next 25-years. The return on investment would be four long-term deed-restricted units built attainable for 100% AMI household (approximately \$100,000 under projected market value). Lisa Bloomquest Palmer with the HomesFund said that the deed restricted units need to be highly discounted to make it worth it for someone to take on a deed restriction, which will limit the appreciation and pool of resale buyers. The developer said they would also consider providing 6-8 more units that would be restricted for purchase by local workers only with no other limitations.

Board Member Mike Segrest said they should look at a mortgage buy-down program for additional units. He said the City park across the street should be updated with amenities to help with this project. He has other ideas to maintain long-term affordability. Mayor Baxter said the park across the street has been improved recently with a playground. She also said that the mortgage assistance program does not actually create long-term affordable units.

Councilor Bosmans asked if the developer designed the 22-unit townhome project, or if the city designed it. He thought they were moving forward with 6 units. Mr. Shine said that they did receive approvals for the 6 units, but City staff asked if they would be interested in looking at a higher density project at this location if the URA can provide support. Councilor Bosmans said he thinks this would be a great project, but why would the developer change course on this. Mr. Shine said we are looking at ways to run the URA process and the City Development review process concurrently to help them reach their desired date to start construction. Andy Arnold said this developer wants to do a project like this, and we are creating a

partnership with them so that this could become a model project for the URA.

Councilor Bosmans asked why we would pull a loan on this if most of the costs are City fees and the City has money available for housing right now. Mr. Shine said that this is one option that he wanted to explore, but there are other options out there for funding. But we do want to use the power of TIF.

With the URA Board approval, staff will prepare a more detailed financial analysis, prepare a process flow chart outlining the timeline, initiate Conditions Survey and Urban Renewal Plan process, continue conversations with banks regarding access to capital, and initiate search for grants and other sources of funding. Mr. Shine said before we move forward with a contractual document, a letter of intent will be completed.

Board Member Mike Segrest said he would like to meet with City staff and SEH staff to discuss other funding options and long-term affordability options.

**8. ADJOURNMENT:** There being no further business the meeting was adjourned at 6:05 p.m.

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Kim Baxter, Chair

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Scott Shine, Planning Manager