

RECORD OF PROCEEDINGS

CITY OF DURANGO
DURANGO RENEWAL PARTNERSHIP
VIRTUAL MEETING
1235 CAMINO DEL RIO, DURANGO, COLORADO
MONDAY, JULY 12, 2021
MINUTES

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

2. **ROLL CALL :** In Attendance: Assistant Community Development Director Nicol Killian; Planning Manager Scott Shine; Mayor Kim Baxter; Council Member Melissa Youssef; Council Member Olivier Bosmans, Council Member Jessika Buell, Business Improvement District Board Member John Mahoney; La Plata County Assessor Carrie Woodson; La Plata County Deputy Manager Mike Segrest; Durango 9R School District Board Member Andrea Parmenter.

Council Member Barbara Noseworthy was absent.

3. **APPROVAL OF MINUTES :**
 - 3.1. **Approval of Minutes of June 14, 2021**

The Minutes of June 14, 2021 were approved via a unanimous vote of all Board members present.

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

5. **REPORTS :**
 - 5.1. **Budget Timeline**

Scott Shine went through the City's Budget Process timeline, outlined the State Statutory requirements for URA budgets, and went through the 2022 Strategic Initiatives. He stated he will put together a draft budget to the September URA meeting.

Board Member Carrie Woodson brought up the budget needs for work that has already been completed. TIF administrative fees were discussed and Chair Baxter volunteered to look at how other URA's have done this.

Scott Shine mentioned that the City has advertised for the Business Development position and staff is working with the City's Media and Community Engagement team to update the online presence for the URA.

6. **NEW BUSINESS**
 - 6.1. **MidTown TIF Agreements**

Scott Shine presented the draft TIF Agreements for the Southwestern Water Conservation District, Animas Mosquito Control District, and the Animas La Plata Water Conservation District. He gave a brief explanation of how these TIF Agreements are structured. He indicated that the Boards of all three Districts have approved or indicated support for the TIF Agreements. He also updated the Board on the status of the La Plata County TIF Agreement.
 - 6.1.1. **Southwestern Water Conservation District**

Motion by John Mahoney, second by Melissa Youssef to approve TIF Agreement with the Southwestern Water Conservation District.
Motion approved unanimously.
 - 6.1.2. **Animas Mosquito Control District**

a partnership to develop the property. He stated the downside to this option would be the time for a development entity to come up with a design to work with the parking encumbrances.

Ms. Baxter asked if the City owns Parcel B and they purchase Parcel C and that possibly those two parcels together as a housing project could be enough incentive for a developer to also provide the parking spaces off-site. Mr. Shine continued to say that if you provide more parking spaces on this and free up all this site then you are not working around the designated 51 spaces. Chair Baxter asked about the terms of the lease. From what he can tell the lease renewed on the property January 1, 2021 and will expire the end of 2022. There is a termination clause..

He went on to say that there is an infinite number of ways to move the pieces around. He explained the Board could work with SEH to understand the costs with developing the site and come up with a conceptual design for the project. Then the Board and City could engage with a general contractor to develop the site in partnership. The City could hold those units and rent them out or sell them, utilizing the money to fund projects in the future. This would be a more hands on approach which would take time and more work with the URA Board.

Mr. Bosmans asked how many residential units are in A and D. Mr. Shine said that they are all office spaces. Mr. Bosmans asked how many parking spaces there are now in the combined area. Mr. Shine said there are more than 170 spaces between parcel A, B, and C. Mr. Bosmans stated the parking would not have to just be offset once developing the property, but with building more residential units they would have to provide more. Mr. Shine explained in the example model it showed parking off the alley for the residential units and parking in a front lot which would be shared per the Planned Development agreement. There was clarification on the zoning of the area and surrounding neighborhood.

Mr. Bosmans asked from Mr. Shine's experience is there a positive feedback from contractors if the City takes over the design portion of the project. Mr. Shine said it would depend on who they partner with whether it would be development firm or a construction firm. Construction firms would be more than happy to take a design and build. A development firm would want to be more involved in the upfront design decisions.

Mr. Mahoney asked what the building height limit is for Parcel C and B. Mr. Shine stated he thought the building height limit for both is 35 feet. Ms. Vandegrift clarified the parcel C is 35 feet height and parcel B could go up to 40 feet in height.

Mr. Mahoney asked whether underground parking would be an option to provide parking to tenants. Mr. Shine said the Agreement does not specify, but he believes underground parking would satisfy the agreement.

Ms. Youssef asked about the potential of using some of the rescue plan funds for the water, sewer, and the potential broadband infrastructure. Mr. Shine answered that it could qualify as an eligible use because the terms for the Rescue Plan funds are flexible.

Ms. Woodson had an earlier conversation with Ms. Baxter that discussed the challenges of attaining affordable housing is primarily the cost of land. She believes the URA should move forward and

become involved with developing this property for affordable and attainable housing.

Mr. Segrest stated there is potential to use the rights-of-way to have a more creative campus approach to the area. Ms. Baxter agreed with Mr. Segrest and stated that Parcel B could become more than just a parking lot. There was discussion on appreciation with deed restricted buildings and putting together a sub-committee.

Ms. Parmenter asked about the pros and cons of selling the lot to a developer to develop the property versus the property staying under City ownership.

Ms. Baxter said even if the City leased it you could still have a developer develop it. Ms. Baxter stated the benefit of keeping it under City ownership is increasing the asset value within the City and credit ratings.

Ms. Woodson stated if the URA does not hire a developer there will not be any “soft costs” as the City would be the developer.

There was discussion on forming a sub-committee to spend time on researching potential properties. Mr. Segrest, Ms. Parmenter, and Ms. Baxter expressed their interest in forming a sub-committee to explore these options further.

Mr. Bosmans asked for elaboration on the City owning and renting these units. Mr. Shine stated the if the City owned the rental units, they could be used for housing City workforce or other members of the public workforce. The property could also be subdivided and sold. There was some discussion on the City becoming a landlord and how that role would look. The City Council would need to discuss this further before a decision is made..

7.2 33rd and E 2nd Avenue: URA Project

Mr. Shine said this potential property is currently privately owned. He said if the URA could do a single site URA plan there is potential to build 20 or more units and provide some deed restricted units in partnership with this developer.

Mr. Shine has had conversations with the owner and developer to establish their interest and agreement in getting some affordable units. Mr. Shine walked through what an agreement would look like with the property owner and developer. He presented the area map of the subject property and examples of some potential scenarios for this property besides single-family housing. He explained that development of this property would be subject to the Fair Share program. He said if the URA designated these 2 lots under an urban renewal plan for 20 units the URA could generate between \$500,000 and \$600,000 in TIF over 25 years. Mr. Shine went on to explain the fees associated with developing the property including Fair Share in lieu fees, water, and sewer plant investment fees and options for utilizing TIF to cover those fees. He went over several examples of terms for a potential agreement.

Mr. Shine opened the conversation to questions or comments from the Board members. Mr. Bosmans asked if this would be a separate renewal area. Mr. Shine stated that it would be.

Mr. Segrest asked if we knew what the market rate potential is in terms of what the developer is looking at without an agreement with the URA. Mr. Shine said that, excluding the public improvements, the

Fair Share costs, real estate commission or developer fees, “Soft costs” like Ms. Woodson mentioned, the projected cost to build the units would be \$416,000. If the URA did not participate, then the soft costs would be added as well. There was some discussion on how much the units would be sold for in comparison to similar projects and what would be considered “affordable” and “attainable”. There was also discussion on the type of workforces in Durango and which types would be able to afford these units.

Mr. Bosmans asked where the benefit comes for the developer partnering with the URA versus the developer going through the change of zoning on the lots and what would the developer end up saving. Mr. Shine stated the developer would have access to the TIF money which would go towards the project to offset some of their expenses. The benefit for the URA and the community would be some deed restricted units that would serve the local population.

Ms. Youssef asked who did the design for the lots. Mr. Shine stated Reynolds & Ash Associates was the architect. She asked if the lots were able to have different types of housing to potentially get more deed restricted units. Mr. Shine stated the process would already be a rezone and it would be possible to go back to the developer and owner to ask about more density.

There was discussion on pursuing more research into the project and delegating this to the sub-committee.

Mr. Shine thanked the Board for their feedback.

8. ADJOURNMENT:

There being no further business the meeting was adjourned at 6:28 p.m.

Kim Baxter

Kim Baxter, Chair

Scott Shine

Scott Shine, Planning Manager

Signature: Kim Baxter
Kim Baxter (Sep 23, 2021 08:34 MDT)

Email: kim.baxter@durangogov.org

Signature: Scott Shine
Scott Shine (Oct 12, 2021 09:43 MDT)

Email: scott.shine@durangogov.org









7-12-2021 URA FINAL Minutes

Final Audit Report

2021-10-12

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