1. CALL TO ORDER : Alex Rugoff called the meeting to order at 4:45 p.m.

2. ROLL CALL : In Attendance: Assistant City Manager Kevin Hall; Nicol Killian, Assistant Community Development Director; Scott Shine, Planning Manager; Alex Rugoff, Business Development Coordinator; Mayor Dean Brookie; Mayor Pro-Tem Kim Baxter; Councilor Barbara Noseworthy; Councilor Melissa Youssef; Councilor Chris Bettin; La Plata County Manager Mike Segrest; Business Improvement District Board Member, John Mahoney; and 9-R Board of Education representative, Andrea Parmenter; and La Plata County Assessor, Carrie Woodson

3. APPROVAL OF MINUTES : This was the first meeting of the Durango Renewal Partnership.

4. DISCUSSION ITEMS :

   4.1. Opening & Introductions.

       The board members each introduced themselves and gave a brief statement about their interest and vision for the Durango Renewal Partnership.

   4.3. Overview of Durango Renewal Partnership Structure.

       Alex Rugoff said he sees the structure of this board as similar to Durango City Council, 9-R School District Board, BID Board, and the Board of County Commissioners. There are nine (9) board members, including Durango City Councillors and members of other local civic and administrative boards and commissions. He explained that the Board gives direction to staff who will then administer and implement the plan.

       Mr. Rugoff presented a list of key phrases, concepts, and terminology that will be used in developing urban renewal plans.

       The Urban Renewal Area (URA) is the boundary where the urban renewal activities will take place. The Urban Renewal Plan is the document that authorizes activities. Mr. Rugoff presented an example of an Urban Renewal Area Map. He noted that the area must be drawn as narrowly as possible, but can be as small as a single parcel, or as large as a district, such as North Main and Camino del Rio. If it is a bigger district, there can be multiple projects within the district. What occurs within those projects is considered activities, such as landscaping or infrastructure improvements, new development, or new façade improvements.

       Mr. Rugoff explained that when analyzing development proposals, the board will utilize the “but for” principle. That means considering whether or not the project could be undertaken “but for” URA assistance. If the market can accommodate a project, then there would be no need for public assistance.

       The Tax Increment Financing (TIF) clock stipulates that a project can last as long as 25 years. Mr. Rugoff stated it is important
to start the TIF clock before a project is ready to start. He explained the importance of this concept.

Before any URA can undertake urban renewal activities, a conditions survey must be conducted by a qualified professional. Blighting factors are identified in the survey. Four of the 11 conditions of blight as set forth in Colorado State Statutes must be met for an area to be considered blighted and eligible for urban renewal.

Intergovernmental Agreements (IGAs) must be entered into before authorizing TIF financing.

Public Private Partnership (PPP) is the collaboration between the public and private sectors and is foundational to the Durango Renewal Partnership.

Developer Agreements are needed whenever the authority works with a private developer. These agreements lay out terms and conditions specific to a project.

4.4. Presentation of Urban Renewal Process.

Mr. Rugoff reviewed the Urban Renewal Process. The Board will first establish a set of goals and objectives, such as mixed use, housing, walkable areas. The Board will determine which areas are prime for redevelopment and what projects are best suited for those areas. Financial review will be done by staff and consultants, who will also perform the conditions survey. They will review the developers' pro forma, draw the area boundaries, and consider the TIF clock. The Board will review the plan and make a recommendation. Then the plan goes to a public hearing before the Planning Commission, and they make a recommendation to City Council, who will consider approval of the plan at another public hearing. If the plan is passed, staff will implement the plan.

Mr. Rugoff presented a detailed flow chart of the process, which he estimates takes four to eight months depending on the size of the plan. He explained there are two options for the process: One is for a developer to present their project before the Renewal Partnership Board or for the Board and staff to identify an area for renewal and then staff would consult with property owners and developers to see if there is interest in redeveloping the property through a URA.

Carrie Woodson asked how many districts staff anticipates. Mr. Rugoff said that is contingent upon where the Board wants to start. The Board needs to decide if they want to target smaller areas or take a larger redevelopment approach. He suggested starting smaller could help to build momentum for the program. Ms. Woodson explained her reason for asking was to get a sense of how many different areas she will need to track for the basis. Then after the urban renewal has been completed for an area, how much staff she will need to complete the assessment process.

Assistant City Manager Kevin Hall commented that he anticipates getting a sense of capacities, and project ideas as the Board conducts future meetings. The Board will drive the direction of this program and determine how many projects are done over a period of time with the guidance of staff.

Mr. Rugoff commented that TIF is one of the most valuable tools that the Durango Renewal Partnership has. He presented a chart
showing how TIF works, and stated property sales and use taxes are eligible for TIF. He explained that during the 25-year period, the incremental revenue, and the additional revenue generated by redevelopment and urban renewal activity is eligible to flow back to developers, development plans, grants, and other urban renewal activity. After expiration of the 25-year period, all of the new revenue flows back to the various taxing entities. TIF revenues are shared with the taxing entity and the project in various increments and percentages over time, which is specifically outlined in the IGA.

Mr. Rugoff explained how redevelopment agreements are structured. The least risky method is referred to as a Traditional Tax Increment Refinancing Reimbursement Agreement. Staff would determine how much of a return can reasonably be expected then reimburse the developer based on either a percentage or a dollar amount. The developer then reaches out to a bank or equity partners to raise capital and build the project. Then they collect the tax increment revenue as it is generated by the completed project.

The URA can also take on TIF revenue tax-exempt bonds, which is generally used for much bigger projects. The URA takes on the debt, helps build out the project, then as additional TIF revenue is generated those funds are used to pay back the bonds over time. Mr. Rugoff pointed out that unlike the City, URAs are not subject to TABOR, and therefore do not have to go out to a vote to issue the bonds. Issuing the bonds would be the Board’s decision.

URAs can also take on loans directly from banks, apply for public grants, or apply for low-interest government loans.

4.5. Identify Urban Renewal Goals and Priority Plan Areas.

Scott Shine presented the initial priorities for the Durango Renewal Partnership that were established through many public meetings, and with input from the development community, and research staff did with other communities. He commented that the mission statement and priorities are dynamic and adaptable as proposals are presented. He asked the Board for their comments on the vision and priorities as shown.

Board members briefly commented on each of the priorities. La Plata County Manager Mike Segrest said he thinks it is important to build a strong base with initial projects that create a foundation for further opportunities in the future. Building a stronger and more resilient economy over the long term should be the focus of the URAs.

Andrea Parmenter commented that it is hard to have this discussion without a particular project, and other board members agreed.

Chris Bettin commented that it is important to determine if a project has a logical nexus to the public benefit, and if there is public support for the project and location. He also stated that viability of a project is another consideration, and is the project going to be attractive to the marketplace?

Andrea Parmenter said it would be helpful to have the list of 11 criteria and have the entire greater boundary that is being considered marked with places that meet the criteria.
Mr. Segrest suggested adding return on investment to the list of priorities. He said the URA needs to be fiscally careful that the URA is not just doing projects that break even, but that create additional resources for the URA in the future so there is a positive return on investment that can be used to provide up-front funding for future projects. Staff and the Board will need to do an in-depth analysis of financial projections as the board considers opportunities and projects.

Kim Baxter commented that there may be private partners that are interested in participating who might come forward with a project that the board hasn’t considered, but because they are financially able to proceed with a project could create a good impetus to getting the program going.

Andrea Parmenter commented that it would be good to have specific goals for each project and some sort of metric beyond the return on investment to know if the goals have been met.

Mr. Shine asked the board to select two or three of the listed initial priorities that they think should be placed at the top of the list. Mr. Shine was asked if the URA is limited to projects within City limits. He explained that the URA is only able to undertake planning activities within the City limits. However, there is a way to include unincorporated land in the County in an urban renewal area, but it is a rigorous process.

Mr. Shine then turned the board’s attention to determining where the priorities fit within specific geographic areas of the community. He referred the board to the Character Districts map that helped to form the URA document. He said staff looked at each area and went through the state blighting conditions and evaluated each of these areas as to how they do or do not meet these blighting conditions. He asked the board to consider what areas the board should start to target given the initial priorities. Mr. Shine explained how other URAs have approached projects using marketing tools to generate interest. Mr. Shine briefly reviewed each of the Character Districts and how the priorities relate to each.

Mike Segrest suggested that the area around Elmore’s Corner be considered for a future semi-urban hub as a place where the land is affordable and could provide an opportunity for affordable housing to compliment the more urban commercial development.

4.6. Organization Next Steps.

Alex Rugoff discussed the next steps in the process, which will include drafting board bylaws and electing a Chairman and Vice Chairman for the board. He noted that typically the chair and vice chair are the mayor and mayor pro tem. He asked if holding the meetings on the third Tuesday of the month from 4:30 p.m. to 6:00 p.m. will work with the board members.

5. ADJOURNMENT:

There being no further business the meeting was adjourned at 6:01 p.m.

Scott Shine
Scott Shine, Planning Manager

Alex Rugoff
Alex Rugoff, Business Development & Redevelopment Specialist
1. CALL TO ORDER: Board Member Dean Brookie called the meeting to order at 4:31 p.m.

2. ROLL CALL: In Attendance: Assistant City Manager Kevin Hall; Nicol Killian, Assistant Community Development Director; Scott Shine, Community Development Manager; Alex Rugoff, Business Development Coordinator; Mayor Dean Brookie; Mayor Pro-Tem Kim Baxter; Councilor Barbara Noseworthy; Councilor Chris Bettin; La Plata County Manager Mike Segrest; Business Improvement District Board Member, John Mahoney; and 9-R Board of Education representative, Andrea Parmenter; and La Plata County Assessor, Carrie Woodson

Councilor Melissa Youssef was absent

3. APPROVAL OF MINUTES:

   3.1. Approval of Minutes of June 16, 2020

      Motion by Kim Baxter, second by Barbara Noseworthy to approve the June 16, 2020 Minutes as presented. Motion passed with an 8 to 0 vote.

4. PUBLIC COMMENTS: 4.1. None.

5. REPORTS:

   5.1. URA Case Study Presentation & Discussion.

      Scott Shine introduced Steve Art, Wheat Ridge URA Executive Director, who gave a presentation on URA projects that he has overseen in Wheat Ridge, Colorado and spoke about how they managed the negotiations with developers, offering incentives, and what the process was like. Mr. Shine commented that the City of Durango would benefit from using Wheat Ridge’s arrangement with their URA as a model.

      Mr. Art gave the Board information about his background, and noted that he has been with the City of Wheat Ridge for about ten years. He was originally from California where he was the head of the redevelopment agency for twelve years. That agency is similar to URAs in the state of Colorado.

      Mr. Art reviewed the basics of URAs noting that they were created to remediate blighting conditions through redevelopment. He commented on the negative connotation of the use of the term “blight,” and explained the term is used to signify that there are blighting conditions within a specific area rather than referring to a specific building. He noted the twelve blighting conditions, and stated that at least five must be present to form an urban renewal plan area.

      He reviewed terminology used in the urban renewal process and the distinctions between the terms projects and plans. The project is the Urban Renewal Plan adopted by the City, and within that project there are a variety of activities and undertakings.

      Mr. Art explained the concept of tax increment financing that is encompassed by base and increment. The base is the current
property tax that is being paid before any activities or undertakings take place. Once the activity or undertaking is commenced, the property tax is increased and that constitutes the increment. The increment is the funding that will flow to the URA and allows for additional activities and undertakings. Tax Increment Financing is the mechanism that advances the purposes of the URA.

Mr. Art reviewed the definitions of Redevelopment Agreements and Development Agreements, which lays out the purposes of the plan and exactly what is going to occur under that activity or undertaking.

Mr. Art explained that URA funds can only be used for public improvements, and a proposal must prove that “but for” the URA funding the activity or undertaking would not be possible. Mr. Art explained how the TIF clock works for plans and projects. The development has a 25 year period to receive tax increment funding from a particular activity. After that time, the tax dollars would start flowing back to the various taxing entities. The time period can be shortened, but the advantage of the full 25 years is that the URA can use those funds to leverage other activities and undertakings. Mr. Art explained that the other option for starting the TIF clock is to approve a plan area and wait to start the TIF clock until you have an individual activity which requires you to make a substantial modification to the urban renewal plan. This approach is more challenging after recent changes to urban renewal law.

Mr. Art reviewed a variety of case studies as examples of activities and undertakings and the process. He emphasized the importance of being flexible and that each proposed activity and undertaking will be different. He summarized the roles of the URA board versus that of City Council and City staff in the process.

Mr. Art also stressed that the objective of any activity or undertaking is not to make money. It is to remediate blight and create a benefit for the community. He outlined the ways to finance activities and undertakings, which can include both property and sales tax revenues. He explained how the Redevelopment Agreement is used to ensure the activity or undertaking will include tax producing businesses if TIF is used. Mr. Art stressed the importance of understanding the City Council’s goals and objectives, how proposed activities and undertakings align with those goals and objectivities, and the importance of public participation in the process. Mr. Art provided tips on how the URA and the developers can work together as partners in proposed activities and undertakings. He commented that if all proposals can be structured to take tax incremental financing over time, then the risk is assumed by the developer. Mr. Art commented on the importance of working with the county assessor and understanding how they calculate both base and increment.

Board Member John Mahoney asked about who the third party reviewers are and what happens if a property is sold during the TIF time clock period. Alex Rugoff said that the City has a contract with SEH to help with pro forma and financial review. Mr. Art said the provisions related to the ability to assign the activity is written into the Redevelopment Agreement and approval of assignment is at the discretion of the URA.

Board member Brookie clarified that TIF can be generated by either property or sales taxes or both. Scott Shine explained that the URA Plan spells this out specifically, and each Development
Agreement will identify what sources of tax increment are to be used, at what percentage, and the term of the TIF.

Scott Shine summarized the process and timing of a URA plan and TIF clock by explaining that the plan is written for a corridor or neighborhood, but the TIF clock is not started with the adoption of that plan. The plan serves as a signal from the URA Board to the development community letting them know that an area has been identified for redevelopment. A developer or property owner comes forward with a project, and the project is taken back through the substantial modification process. An impact report and analysis are completed, and the project goes back through the review process. That is what starts the TIF clock for that specific undertaking. Mr. Art said the only downside of this option is that all cooperative agreements with the taxing entities would then have to be renegotiated.

Mr. Shine informed the group and listeners that time does not allow for answers to all the questions that have come in from community members, and Planning Commissioners that have been listening in to this presentation. The presentation will be posted on the City’s website at durangogov.org/ura and staff will respond to any written questions that were submitted by attendees. An FAQ section is being developed and will be posted to the website as soon as it is available.

6. NEW BUSINESS

6.1. Review & Consideration of Board Bylaws.

Scott Shine presented a draft of the proposed Bylaws of the Durango Renewal Partnership. He noted the bylaws are the compilation of research of other agencies bylaws and the merging of best practices of each of those communities. The proposed bylaws have been reviewed and approved by the City Attorney.

Alex Rugoff briefly summarized the proposed bylaws, noting the mayor serves as the chair of the board and the mayor pro tem will serve as the vice chair. The bylaws also identify other officers, how and when meetings are conducted, the formation process for committees, and voting procedures. Chair Brookie noted that the bylaws are amendable, which provides flexibility if changes are needed in the future.

Motion by Board Member Brookie second by Board Member Baxter to adopt the Bylaws of the Durango Renewal Partnership as presented. Motion passed with an 8 to 0 vote.

6.2. Organizational Next Steps.

Board member Kim Baxter suggested that City councilors discuss the community vision for the URA at their next retreat. Scott Shine commented that staff has overseen the creation of and are overseeing the implementation of the Comprehensive Plan, which contains valuable information regarding community vision and objectives derived from an extensive community process. The Character District Plans also are also a good source of information on the vision for each of those districts.

Mr. Shine said the next step is to make the board aware of other issues that need to be addressed, such as requirements for budgeting and dates for adoption of a budget. To begin, staff will work with the Finance Department and City Manager to establish processes on how
funds are arranged and categorized for URA purposes. Mr. Shine said his goal is to provide the board with a memo outlining the structure of the organization and the relationship between the City and the URA. This will help the board to understand what the legal requirements are, the audit standards, and review and accountability requirements.

Mr. Shine informed the group that an Executive Committee can be formed if some of the board members wish to be more involved in these processes.

7. ADJOURNMENT: The next meeting will be held on August 18, 2020. There being no further business the meeting was adjourned at 6:06 p.m.

Scott Shine
Scott Shine, Planning Manager

Alex Rugoff
Alex Rugoff, Business Development & Redevelopment Specialist
1. CALL TO ORDER : Chair Dean Brookie called the meeting to order at 4:31 p.m.

2. ROLL CALL : In Attendance: Assistant City Manager Kevin Hall; Nicol Killian, Assistant Community Development Director; Scott Shine, Planning Manager; Alex Rugoff, Business Development Coordinator; Chair Dean Brookie; Vice-Chair Kim Baxter; Barbara Noseworthy; Chris Bettin; Mike Segrest; John Mahoney; Andrea Parmenter; and Carrie Woodson

Melissa Youssef was absent.

3. APPROVAL OF MINUTES :
   3.1. Approval of Minutes of July 21, 2020

      Motion by Mike Segrest, second by Kim Baxter to approve the July 21, 2020 Minutes with a correction as noted. Motion passed with a 7 to 0 vote.

4. PUBLIC COMMENTS
   4.1. None.

5. REPORTS :
   5.1. DOLA Admin Planning Grant and URA Housing Strategy Project.

      Alex Rugoff gave a presentation regarding the $20,000.00 Department of Local Affairs (DOLA) Grant received to help develop an affordable and attainable housing strategy through the URA. He gave a brief history of the project and the intended goal to create a process for assessing and implementing affordable and obtainable housing projects. He spoke about the agencies that staff and the URA will work with during this planning process, and presented a timeline.

      Mike Segrest asked if the affordable housing has to be located within a plan area. Mr. Rugoff said staff anticipates that the projects will be within a plan area in order to utilize TIF funding to make the units affordable, at least for this DOLA grant. Scott Shine explained that the intent was to determine what URAs can do and what have they done in other communities to be a part of the solution to affordable/attainable housing issues. The grant is targeted at determining how to use Urban Renewal tools to facilitate affordable/obtainable housing development. For the URA to be involved, the project does need to be part of a plan area.

      Alex Rugoff stated that the Partnership’s legal counsel has clarified that funds generated within an Urban Renewal Plan Area must be used for various projects within the area.

6. NEW BUSINESS

      Scott Shine gave a presentation outlining the URA organizational structure, finances, and strategic plan framework. He explained the URA’s relationship to the City, how it will be staffed, how finances will be managed, and how to set up structures to manage the revenues anticipated. He reviewed the mission and vision of the organization. Mr. Shine reviewed the stated priorities of the
Kim Baxter suggested that transportation should be added to the priorities to look for incentives for development that would result in a reduction of traffic. Dean Brookie concurred, and said transportation based development along transportation corridors should be addressed. Parking, development of transportation corridors, and participation in transit systems are all issues that should be included. Scott Shine suggested including “Support Transportation Alternatives & Systems” as a separate priority. Barbara Noseworthy suggested including a priority related to accessibility for a diverse population.

Governance and staffing issues were also discussed. Mr. Shine commented that while the URA needs to be represented to the development community as a separate entity, the organization also needs to be very integrated and coordinated with City departments to be successful. The URA will be housed within the Community Development Department within the City of Durango, with assistance from other departments.

Mr. Shine explained that the budget will be integrated within the overall City budget to ensure proper accounting practices and that funds are being tracked effectively. He outlined the timeline requirements for developing a budget and the categories for various activities and projects. Diversification of revenue streams was briefly discussed, but it was noted that funding for this year will be primarily from the General Fund.

Mr. Shine presented a draft outline of a 5-year Strategic Plan for the Board’s consideration. He briefly reviewed each of the activities within the plan and the baselines for indicators to track progress and project review criteria. The Strategic Plan also included activities undertaken so far that established the URA.

6.2. Review of Portfolio of Opportunities.

Alex Rugoff and Scott Shine presented several plan areas that staff has identified for the Board’s review and consideration. The first area identified was the Midtown area (between downtown and North Main), with the 9-R School District administration building as an anchor. A plan area south of town would include the area around the Durango Mall. This area could also tie into the Bodo area and include some light industrial uses, or the Bodo area could be a separate plan area. The Board indicated that Bodo should be designated as a separate plan area. The College and 8th Avenue area could be broken into smaller sections. The Camino del Rio corridor is within an existing Character District that outlines the vision for development in the area. North Main also has a Character District Plan, and this area could be broken into three or four subareas within this corridor. The Highway 3/Sawmill area includes several large, underutilized lots that are zoned for commercial and light industrial uses. This area might present good opportunities to tie into the Ewing Mesa area.

Dean Brookie suggested that public open space should be associated with Urban Renewal projects. Kim Baxter commented that the owners of the Ewing Mesa property also own the property to the north of the Rivergate development, which might present good opportunities for open space.

Scott Shine commented that the unincorporated areas
presented would not be suitable for immediate Urban Renewal projects, because those areas would involve either annexation or unanimous consent of the land owners. However, those areas do present some mid-term opportunities.

Dean Brookie suggested that staff review the Grandview area and possibly identify it as a potential overlay area in order to incentivize developers to come to the City seeking to be included in an Urban Renewal project. Mr. Shine commented that it could be identified as a potential area with staff informing owners and developers of the possibilities associated with the Urban Renewal Plan. Mr. Brookie said it would provide the developer with some financing opportunities and enhance the value of their project, and allow the City some control over development.

A plan for developing a prioritized list was discussed. Staff will provide a summary of their top four areas, including any information they may have on potential development plans for the areas. Then Commissioners can provide their feedback individually to staff. Staff will summarize the feedback and determine if there is consensus on particular projects. Scott Shine explained the process for developers to create their own plans, which is a way for the City to respond to opportunities as they are presented.

7. ADJOURNMENT: The next meeting will be held on September 15, 2020. There being no further business the meeting was adjourned at 6:09 p.m.

Alex Rugoff

Scott Shine, Planning Manager Alex Rugoff, Business Development & Redevelopment Specialist