

URBAN RENEWAL AUTHORITY BOARD

May 10, 2016

6:00 PM

- **ROLL CALL**

PRESENT: Overbeck, Campana, Troxell, Cunniff, Horak, Martinez, Stephens

Staff Present: Atteberry, Daggett, Winkelmann

- **AGENDA REVIEW**

Executive Director Atteberry stated there were no changes to the published agenda.

- **CITIZEN PARTICIPATION**

Eric Sutherland expressed concern regarding the management of the Fort Collins Urban Renewal Authority (URA) and discussed laws governing public finance, URA requirements, and tax increment financing.

- **CITIZEN PARTICIPATION FOLLOW-UP**

Commissioner Martinez requested staff input regarding Mr. Sutherland's comments referencing tax increment accounting. Josh Birks, Economic Health Director, replied the City accounts for property tax increment collected by each district.

Commissioner Cunniff asked if a separate fund for tax increment exists, from which funds can only be drawn for debt service. Mike Beckstead, Chief Financial Officer, replied the City has a separate URA fund and funds from each district are separately accounted for within the single fund. The City's legal counsel has a different opinion regarding the ability to use those funds than does Mr. Sutherland. City Attorney Daggett stated the statute limits the use of tax increment revenues to certain kinds of debt obligations which are clearly defined. Mr. Sutherland's interpretation is narrower than that of the City, which is generally consistent with the interpretation of that term throughout the state.

- **DISCUSSION ITEMS**

1. **Consideration and Approval of the December 15, 2015 Urban Renewal Authority Meeting Minutes. (Adopted)**

*The purpose of this item is to approve the minutes from the December 15, 2015 Urban Renewal Authority meeting.*

Vice President Horak made a motion, seconded by Commissioner Martinez, to approve the December 15, 2015 URA meeting minutes.

<b>RESULT:</b>	<b>ADOPTED [6 TO 1]</b>
<b>MOVER:</b>	Gerry Horak, District 6
<b>SECONDER:</b>	Ray Martinez, District 2
<b>AYES:</b>	Campana, Troxell, Cunniff, Horak, Martinez, Stephens
<b>NAYS:</b>	Overbeck

2. **Resolution No. 080 Appropriating Prior Year Reserves in the URA's Prospect South Tax Increment District Fund for Payment to Capstone Development Corporation. (Adopted)**

*The purpose of this item is to consider the appropriation of \$598,281 in prior year reserves in the Prospect South URA Fund to reimburse the Capstone development project (now known as "The Summit on College") for completed eligible improvements as required by the Capstone Redevelopment Agreement.*

Patrick Rowe, Redevelopment Manager, stated this action appropriates funds for the final reimbursement payment to Capstone for The Summit project per a previously executed redevelopment agreement. Rowe reviewed the project and detailed reimbursements which have occurred to date. This final reimbursement payment corresponds with the execution of an additional commercial lease and a reconciliation payment for the Red Robin lease.

Josh Birks, Economic Health Director, reviewed the fiscal state of the Prospect South URA district and projections for 2016.

Eric Sutherland stated this project is not affordable housing for veterans and does not hold \$5 million in public benefit.

Commissioner Cunniff requested additional information regarding the reimbursement payments. Birks replied the URA Finance Committee had intended for this payment to be made in 2015; therefore, it was not part of the 2016 budget. Additionally, the redevelopment agreement requires the URA to act on payment within 45 days of receipt of notification from the developer that it has complied and that notification was received on April 20.

Commissioner Cunniff asked why this item was not scheduled for next Tuesday's meeting and questioned the lease-ups referenced in the AIS. Birks replied there was just under 8,000 square feet of gross leaseable commercial space and \$875,000 was held back until that entire space was leased.

Vice Chair Horak made a motion, seconded by Commissioner Campana, to adopt Resolution No. 080.

Commissioner Cunniff stated he would prefer to delay the vote to next week in order to notify potential new URA boardmembers and due to the seeming rush of the timing of the item.

Vice Chair Horak noted this amount is already a part of the redevelopment agreement.

Chair Troxell stated the public investment in the Prospect South district has resulted in public benefit.

Commissioner Cunniff stated he would not support the motion given the lack of notification of potential new URA boardmembers.

Executive Director Atteberry stated an initial conversation with the Finance Committee and Leadership Team regarding notification will be scheduled. Commissioner Cunniff replied he would withdraw his protest vote.

<b>RESULT:</b>	<b>RESOLUTION NO. 080 ADOPTED [6 TO 1]</b>
<b>MOVER:</b>	Gerry Horak, District 6
<b>SECONDER:</b>	Gino Campana, District 3
<b>AYES:</b>	Campana, Troxell, Cunniff, Horak, Martinez, Stephens
<b>NAYS:</b>	Overbeck

• **OTHER BUSINESS**

Vice Chair Horak stated new URA boardmembers, if already appointed by an entity, should be informed of URA items and meetings and entities should be informed if no new boardmember has been appointed. He asked about future process changes for the budget. Executive Director Atteberry replied he will confer with staff and report back to the Board.

Chair Troxell suggested the formation of a report on how the use of tax increment has benefitted the community overall and for specific districts.

Commissioner Cunniff commented on the potential use of tax increment financing for the East Mulberry area, should it be annexed, and mentioned the importance of examining best practices in order to ensure appropriate use of tax increment.

Commissioner Martinez asked Commissioner Overbeck why he voted no on approval of the December minutes. Commissioner Overbeck replied his comments were not accurately captured.

Commissioner Campana stated The Futures Committee met on May 9 and the use of URA tools was discussed at length.

• **ADJOURNMENT**

The meeting adjourned at 6:35 PM.



Chair

ATTEST:

*Rita R. Knoll*  
Asst. Secretary

