

URBAN RENEWAL AUTHORITY BOARD

January 3, 2017

9:30 PM

- **ROLL CALL**

PRESENT: Overbeck, Campana, Troxell, Cunniff, Horak (Remote), Martinez, Stephens
Staff Present: Atteberry, Daggett, Winkelmann

- **AGENDA REVIEW**

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

- **DISCUSSION ITEMS**

1. **Resolution No. 082 Approving a Redevelopment Agreement between the Fort Collins Urban Renewal Authority and the Lyric Cinema Café. (Adopted)**

The purpose of this item is to consider a Redevelopment Agreement between the City's Urban Renewal Authority and the Lyric Cinema Café for up to \$252,650 of tax increment financing (TIF) assistance. The TIF assistance will be utilized to reimburse the applicant for stormwater improvements, a right-of-way repayment associated with the North College Improvements Project, and landscaping improvements.

Josh Birks, Economic Health Director, stated this request for tax increment financing will support the relocation and expansion of a local business from the downtown area to North College Avenue. It will introduce a new movie theater business use for the area.

Patrick Rowe, Redevelopment Coordinator, discussed the proposed Lyric Cinema project and location. The new venue will include three movie screens with seating for 500, a restaurant, and a bike-in movie venue. The request is for a total amount of up to \$252,650 to be paid over time as a reimbursement for stormwater improvements, a right-of-way repay, and landscaping. He noted the TIF support was made a condition of the loan extended to the applicant. Staff is recommending approval of the proposal.

Eric Sutherland questioned how the structuring of this deal complies with Urban Renewal Authority statutes.

Mike Pruznick questioned whether President Troxell has a conflict of interest as he was present at the groundbreaking for the theater. He asked if the County and School District have had input regarding this deal and questioned how this project eliminates blight.

Sue Ellen Kline stated this is a unique opportunity to support a small local business and encouraged the Board to approve the item.

Commissioner Cunniff asked if any comments were received from governmental partners. Rowe replied in the negative.

Commissioner Campana asked about the seating capacity of the restaurant. Ben Mozer, applicant and theater owner, replied it will seat 80.

Commissioner Campana expressed concern regarding the 32 parking spaces for up to 580 people. Rowe replied there are 32 on-site parking spaces and 60 off-site spaces.

Commissioner Campana expressed concern regarding whether expected revenue can be generated if parking is difficult. He also stated the third-party financial analysis had completely different numbers for the tax increment.

Tom Leeson, Community Development and Neighborhood Services Director, stated there were two parts to staff's consideration of the parking. The Land Use Code does allow alternative compliance for parking and both staff and the hearing officer found the additional 60 off-street parking spaces was sufficient. Off-site, on-street parking was also considered.

Commissioner Campana stated the objective is to look at catalyst projects and expressed concern putting the business at risk of failure would not be catalyzing the area.

Vice-President Horak requested information regarding the financial analysis. Rowe replied the table included by the third-party analyst was incorrect; however, the staff presentation numbers were correct.

Vice-President Horak requested staff input regarding parking. Birks replied staff defers to Planning staff to help determine whether standards have been met. Staff also found this development will ultimately be good for the area.

Vice-President Horak asked what types of activities occurred at the groundbreaking given the loan for the project is contingent on this action. Mr. Mozer replied a date was set for groundbreaking; however, no other actions can occur until the result of this item is determined.

President Troxell stated he did attend the groundbreaking ceremony although he had no official role and has no financial stake in the project.

Commissioner Martinez asked what would occur should the theater not be successful. Birks replied the agreement is specific to the LLC that will own and operate the theater; if that entity goes away, the agreement is non-transferrable and payments would halt.

Commissioner Campana expressed concern regarding the financial analysis of the building cost and worth. Rowe replied the \$4 million building cost figure was provided by Mr. Mozer and the County has its own appraisal methodology which is a conservative estimate.

Commissioner Campana agreed the direct financial risk to the City is very limited; however, he expressed concern this project could derail progress on North College given the financial information as presented.

Commissioner Cunniff asked how this project compares to typical parking ratios in the city. Leeson replied parking ratios are based on square footage; therefore, for a theater use, parking is calculated at one space per six seats and the restaurant is calculated at ½ space per 1,000 square feet. The theatre use required roughly 69 off-street parking spaces and the restaurant required 17. A reduction in that total number to 77 was allowed because of the alternative transportation mode level of service A.

Commissioner Cunniff asked if the Land Use Code parking standards for theater uses have been examined to prove they are providing sufficient but not excessive parking. Leeson replied the parking ratios appear to be adequate for the mall theater.

Vice-President Horak made a motion, seconded by Commissioner Overbeck, to adopt Resolution No. 082.

Commissioner Cunniff stated this project would improve stormwater for the region; however, should the specific use of the building not be sustainable, it has the potential of becoming an unoccupied building and creating blight.

Commissioner Martinez asked about the parking agreements. Mr. Mozer replied there are parking agreements with Ken's Muffler next door, Watchdog, across Hickory, and Jax, across College. He stated he has lease agreements with Ken's and Watchdog and a written agreement with Jax.

Vice-President Horak stated the URA will not be hurt by this should the theater fail and the parking agreements will aid in assuring the project does not fail. He supported the use as being new for the area.

Commissioner Overbeck asked Mr. Mozer what other types of uses he is planning for the building. Mr. Mozer replied the expansion is needed due to the change in what the Lyric is hosting. He discussed the proposed outdoor use.

Commissioner Stephens stated she would support the motion and supported the fact a large parking lot is not being built. She supported investing in a local business with an artistic component.

Commissioner Cunniff stated the parking seems to be compatible given the alternative compliance. He stated he would support the motion.

Commissioner Campana stated he could not support the motion given the financial analysis.

President Troxell stated he would support the motion and the use will be a catalyst for North College.

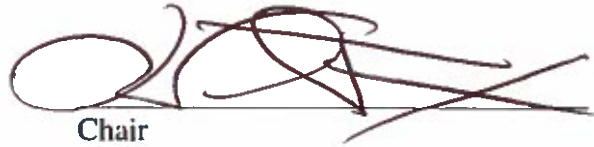
RESULT:	RESOLUTION NO. 082 ADOPTED [6 TO 1]
MOVER:	Gerry Horak, District 6
SECONDER:	Bob Overbeck, District 1
AYES:	Overbeck, Troxell, Cunniff, Horak, Martinez, Stephens
NAYS:	Campana

- **OTHER BUSINESS**

Vice-President Horak requested a staff report on the economic analysis and reconciliation thereof.

- **ADJOURNMENT**

The meeting adjourned at 10:38 PM.



Chair

ATTEST:



Secretary

