

Urban Renewal Authority Meeting

March 3, 2022

Called to order at 10:00 a.m.

Present: Katie Ames (President), Rob Graham (Vice President), Ken Dugas, Ryan Whitehead, Chet Halverson

Not Present:

Non-Committee members present: Charles Bloom, Mark Christensen, Sam Crowley, Casey Palma, Patrick Collins, Pete Laybourn, Renee Smith, Stefanie Boster

Minutes from last meeting approved: The minutes from the February 3, 2022 meeting were approved.

Audience Business: none

Old Business: none

New Business:

- a) **Hitching Post Plaza Development Agreement – Phase II (POSTPONED):** Mr. Christensen let the Board know that this item has been postponed. The applicant submitted an Engineering Plan Review (EPR) in late February 2022 and staff is reviewing that document. Mr. Bloom reviewed the EPR with the Board. He explained that the accuracy of the cost estimates for the project are dependent on the EPR.

Ms. Ames asked the Board for questions. Mr. Dugas asked how the TIF amount is changed when there is a cost adjustment. Mr. Christensen summarized the financing for the Board. He also said that staff has been working with the County Assessor to make the model as accurate as possible and refine the estimates; this will be brought before the Board soon. Mr. Bloom added that as the scope of the project changes over time, staff will adjust the increment using the original model with updated numbers. Mr. Dugas commented that delays may impact future tax assessments; he will not request an update to projections each time but would like an update every six months or a year. Ms. Ames asked for further discussion. None.

Ms. Ames asked for public comment. None. Ms. Ames asked if staff is recommending that the Board move to postpone this item. Mr. Christensen confirmed.

Motion: Mr. Dugas made a motion to postpone the Hitching Post Phase II Development Agreement to the April Meeting of the Urban Renewal Authority. Mr. Whitehead seconded. Motion passed unanimously.

- b) **Hitching Post Plaza Asbestos Overages TIF Application:** Mr. Christensen gave a staff report. Mr. Whitehead asked how much was allocated for the original asbestos removal application. Mr. Christensen shared the original budget with the Board.

Ms. Ames asked for further discussion. Ms. Ames expressed concern that the Board has not yet set parameters around approving increases in costs. She wants to make sure the TIF is not being used to cover costs that should fall on the developer. Mr. Whitehead agreed and added that there are increasing costs around construction now. Mr. Graham commented that from his experience with construction and recent supply chain issues it is nearly impossible to get an accurate projection and these overages are probably out of the developer's control. Mr. Dugas shared the concerns of the other board members. He said he understands the inherent risks of cost changes but would like to discuss who should be responsible for those changes. Mr. Halvorson agreed with the other board members and asked for an explanation of where these costs came from. He reiterated Ms. Ames' earlier comment that it is important to lay out a framework for how cost increases are handled. Ms. Ames asked for further comment. None.

Ms. Ames asked for public comment. Casey Palma, representative of the applicant, commented that these are all valid concerns. He went on to explain that the overages were discussed when the application was submitted; the asbestos and demolition costs were general estimates that were further refined as the developer discovered the exact volume of the asbestos removal. He said these overages are less due to COVID and supply chain issues – they are expected overages. He suggested setting a cap on expected overages in the future.

Ms. Ames asked for further questions. Mr. Graham asked if this is a new application as opposed to an adjustment to the previous application. Mr. Christensen answered that it is a new application but will be viewed as an amendment to the original development agreement. Mr. Bloom added that the original application approved future expenses, so this is authorized for approval on the original application, but the Board can decide if they will approve it in whole, part, or not at all. Ms. Ames asked for further public comment. None.

Ms. Ames commented that her concern is setting a precedent for how cost increases will be addressed going forward.

Motion: Ms. Ames made a motion to table discussion on the Hitching Post Plaza Asbestos Overages TIF Application until the April meeting as well as hold a work session for this topic before the next meeting. Mr. Halvorson seconded. Motion passed unanimously.

- c) **Hitching Post Plaza Asbestos Abatement Overages Development Agreement:** Mr. Christensen told the Board this item is contingent on the approval of the previous item so it will be tabled, along with Item B, for the April meeting.
- d) **Hitching Post Urban Renewal Plan Amendment Request:** Mr. Christensen gave a staff report. Staff discovered that the drainage improvements were not approved with the original plan, so this would be an amendment to allow drainage improvements to be an eligible expense. Drainage improvements are considered public improvements under Section 15-9-113 of Wyoming's State Statutes. This amendment would go through the City Council process. Ms. Ames asked if this is a new application. Mr. Christensen answered that it is a plan amendment

and would be processed in the same way that the original plan was adopted, through Planning Commission and City Council.

Ms. Ames asked for comments from the Board. None.

Ms. Ames asked for public comment. Casey Palma gave a report, detailing storm water and drainage issues at the site. Ms. Ames asked if it is common for a developer to carry the burden of the cost of the drainage improvement. Mr. Graham answered that this is typically the case; however, in his opinion, the Urban Renewal Authority was formed to assist with those hurdles, and this fits well within the Board's scope. Mr. Halvorson agreed and said he wants to continue focusing on funding public infrastructure improvements. Ms. Ames asked for further discussion. None.

Ms. Ames asked for further public comment. Mr. Palma addressed Ms. Ames' previous question. He explained that typically, City Code requires on-site detention; however, with this project there was an exception for this requirement. He added that this includes regional improvements, rather than exclusively on-site improvements. Ms. Ames asked for any other comments. Mr. Dugas asked staff to include this in the work session topics and asked how it was overlooked in the original plan. Mr. Bloom answered that the original letter was not broad enough to include this. He added that he will invite the City Engineer to the work session to discuss how this specific area relates to the city and how the development process works.

Ms. Ames asked for further comment. Mr. Christensen said that in the future, the Board will be much more involved in crafting eligible expenses for development agreements. Ms. Ames asked for further comment. She agreed that for this project drainage is part of the scope. She asked for a motion.

Motion: Mr. Halvorson moved to instruct staff to incorporate drainage improvements as an authorized Urban Renewal activity in the Hitching Post Plan and Project and bring the amendment before the Planning Commission and Governing Body of the City of Cheyenne with a recommendation of approval, noting the construction of drainage improvements is an eligible activity under Wyoming State Statutes 15-9-113. Mr. Whitehead seconded. Motion passed unanimously.

Other Business: Mr. Christensen asked the Board to schedule their next work session and suggested March 24th at 10:00 am. There was discussion. The Board members agreed this time works for them. Mr. Bloom added that staff will verify that the City Engineer can attend and notify the Board with any alternative dates. Mr. Whitehead asked if staff could present a budget comparison at the work session. He also suggested the Board should discuss precedents as well as a contingency number to include in the application. Ms. Ames agreed. Mr. Dugas asked how long the work session will be. Mr. Bloom suggested to plan for an hour. Ms. Ames asked for other items. Mr. Christensen said staff is continuing with the updated blight study and will present it to the Board. She asked for other comments. None.

Mr. Dugas made a motion to adjourn. Mr. Whitehead seconded. All in favor. Meeting adjourned at 10:47 a.m.

Minutes respectfully submitted:

Sam Crowley, Planner I, Planning & Development Department