

Urban Renewal Authority Meeting

September 2, 2021

Called to order at 10:02 a.m.

Present: Katy Brown (president), Rob Graham, Ken Dugas, Ryan Whitehead, Chet Halverson

Not Present:

Non-Committee members present: Mike O'Donnell, Andy Worshek, Mayor Patrick Collins, Charles Bloom, Mark Christensen, Matt Kim-Miller, Bob Jensen, Mike Scholl, Stephanie White, Tom White, Brendan Ames, Melissa Burke, Randy Byers

Minutes from last meeting approved: The minutes from the July 22, 2021 meeting were approved.

Audience Business: none

Old Business: none

New Business:

- a) **Hitching Post Urban Renewal Plan Update:** Mr. Christensen introduced himself and summarized recent events regarding the Hitching Post Urban Renewal Plan. The Plan was approved by the Planning Commission. In addition, a public hearing was held. During the public comment period, there was feedback that there should be more outreach on Urban Renewal Plans in the future. There is an agenda item to discuss this in relation to future policies of the Authority. The Plan was adopted unanimously by City Council. Staff has met with the County Assessor to discuss how TIF funds will be collected and is searching for a solution to this issue. Mr. Graham asked for further detail regarding conversations with the County Assessor. Mr. Christensen talked about the open house which was held for taxing entities in the area as an outreach measure. Representatives from Laramie County Community College and Laramie County Weed and Pest attended. He also mentioned that staff was able to alleviate many of the concerns of the County Assessor and County Treasurer through discussion.

There was some discussion on base value of the tax increment. Mr. Christensen clarified assessed values will revert to the last certified levels set in June. There is no proration or re-assessing. Ms. Brown asked for any other questions. None. Ms. Brown asked if Mr. Christensen was done with his update on this item. He confirmed that he was.

- b) **Discussion on Distribution of TIF Funds:** Mr. Christensen gave a report on TIF Distribution options. He summarized options which included private financing, developer reimbursement, City of Cheyenne backing, and bonding. Ms. Brown asked for comments. Mr. Whitehead asked if staff has looked into borrowing directly with the private finance option. Mr. Christensen answered that in this situation, public improvements would be in the loan package and, because they are for a public purpose, staff does not foresee legal issues. Mr. Whitehead followed up with a question about how early forecasting is available. Mr. Christensen cited the Hitching Post Plan, explaining that project cost has been forecasted. He emphasized that there is still

uncertainty and this number would be refined as the redevelopment continued. Mr. Whitehead asked at what percentage the TIF financing would be available. Mr. Bloom replied that projections would be included in the agreement. Mr. Dugas asked if financing interest costs would be paid for using TIF proceeds. Mr. Christensen answered that the legislation allows for interest to be paid for with TIF revenue. Mr. Bloom confirmed. Ms. Brown asked if it is possible to choose multiple options outlined in the staff report. Mr. Christensen answered that this is possible and could be specific to each project. Mr. Kim-Miller mentioned case law in other jurisdictions that supports legality in cleaning up blighted areas for the public good and said it is possible to research this further. Ms. Brown thanked him and asked for other questions.

Mr. Christensen presented the application staff created for urban renewal projects and asked for feedback. Ms. Brown asked to include a section requiring proof of funds previously secured. Mr. Christensen stated that it may be pertinent to get feedback from members of the development community as well. Stephanie White introduced herself as a property owner neighboring the Hitching Post property. Randy Byers, TDSi, spoke on behalf of Ms. White. There was discussion between Mr. Byers and Mr. Christensen regarding timelines, suggestions for the application, and current processes. The following points were clarified by Mr. Christensen: the application will be released when the board approves it; the development agreement has not been finalized; an area of the application which confirms if the applicant seeks reimbursement should be included; the processes followed thus far with the Hitching Post Plan will be further refined in the future through the application. Mr. Byers asked about the equitability of the process to distribute funds to various potential developments. Mr. Bloom explained that the current process would be specific to each project, as the projections will be calculated for those areas. He went on to say that if additional funds are collected, public improvements in the larger area may be discussed.

Ms. White detailed her proposed project for 60 to 100 affordable housing units and commercial development, underscoring her hope that Grant Avenue would be extended as this would be beneficial for her project. Ms. Brown asked her to clarify what affordable housing meant in her proposal. Ms. White answered that she has more research to do with Jonah Bank on the feasibility of affordable housing. Mr. Ames asked if the URA financing would be specific to each project. Mr. Scholl answered that setting a precedent for financing is difficult as every project is different. He recommended the Board define their outcomes (jobs, affordable housing, etc.) and prioritize the amount of TIF revenue used based on those desired outcomes. Mr. Christensen mentioned that public improvements for one project may be beneficial to a larger area. Ms. Brown inquired as to the type of account that would hold the funds. Mr. Bloom replied that the funds would be placed in a fiduciary account with the City that draws minimal interest. Ms. Brown asked for other comments. Mr. Dugas commented that he anticipates future changes to the application. Ms. Brown asked who will process applications. Mr. Christensen will process them and bring them before the Board for review at regular meetings or special meetings as needed. Mr. Dugas inquired as to the process if an application is deficient. Mr. Christensen confirmed that applicants would be allowed to fix mistakes and reapply. Ms. Brown asked if the Board should approve the application. Mr. Christensen recommended the Board make a motion to approve the application with the targeted additions discussed.

Motion: Ms. Brown asked for a motion to improve the application with the Board's recommendations. Mr. Graham made the motion.

Second: Mr. Halvorson seconded.

Vote: All in favor. None opposed.

- c) **Future Possible Projects/Additional Blight Studies:** Mr. Christensen updated the Board on the status of the Plan for the Hynds and Hole area. He went on to explain the blight requirements upheld by State Statutes and how a blight study encompassing larger areas of the community (as opposed to a blight study for each project area) would allow for more efficient processes. Staff asked for a motion from the board to expand blight studies and look at areas of the city that may be eligible for an urban renewal project. Ms. Brown asked for clarification about efficiency and the components of a blight study. Mr. Christensen confirmed that this would be more efficient than the current process and summarized the requirements in State Statutes for blight. Mr. Bloom added the first blight study and related documents can be found on the URA webpage.

Mr. Dugas and Ms. Brown asked several questions regarding blight designation, TIF areas, and public documentation of blight. Mr. Christensen clarified the following points: blight is not recorded on the property, nor does it affect the property value; staff's intent is to designate smaller TIF districts within the larger areas of blight; the City Council would adopt a resolution of blight which is a public document accessible through the City Clerk's Office; staff would take recommendations from the Urban Renewal Authority and the public along with the areas they have identified for blight studies (public outreach would include a press release and survey). Mr. Byers, Ms. Brown, and Mr. Dugas asked questions about the expiration of blight studies and if it is possible to declare an area no longer blighted. Mr. Christensen and Mr. Bloom answered that a blight study functions as a "snapshot" of conditions as a specific time, with the implication being that the URA will remedy blighted conditions. Staff will research if it is possible to adopt a resolution remedying the declared blight and if blight must be declared again for future TIFs.

Motion: Ms. Brown asked for a motion for City staff to expand the original blight study to encompass more areas of the community. Mr. Graham made the motion.

Second: Mr. Halvorson seconded.

Vote: All in favor. None opposed.

- d) **Neighbor Notification Processes:** Mr. Christensen summarized feedback received from the community that there is a need for more comprehensive neighbor notification processes. He suggested an internal policy to release a press release for each blight study and hold open houses for neighbors with the announcement of each Urban Renewal Plan. Staff would continue to engage neighbors by drafting a plan two weeks prior to Board presentation, releasing a press release, and sending a mailing inviting them to offer feedback at the upcoming Urban Renewal

meeting. Mr. Bloom summarized past processes of mailing notice 14 days ahead of time. Ms. Brown asked if there was public engagement. Mr. Bloom answered that there were several phone calls from neighbors.

Ms. White spoke about her experience with the notification processes, as she reached out after learning her property was declared blighted. Ms. Brown asked how meetings are currently advertised. Mr. Christensen answered that currently there is a press release for meetings, but in the future staff would send property owners mailed notice. Mr. Bloom wants to add a widget to the webpage to automatically email anyone subscribed to the page when there is a new agenda. Ms. Brown asked where press releases are published. Mr. Christensen answered the newspaper, all social media accounts, and the City website. Mr. Worshek added that Twitter is included. Mr. Dugas asked if there is value in notifying renters and lessees. Mr. Bloom replied that the issue is that contact information is not readily available, so he would recommend notifying owners and possibly including street addresses as well. Ms. Brown asked for other questions. None.

Other Business: Mr. Bloom updated the Board about the status of the Hitching Post project. The property has been sold to Robert Chamberlain and is set to move forward with the abatement process in the next few weeks. Staff is still exploring financing options but would ask the Board to authorize the remediation to occur and the expenses to be covered by the TIF retroactively, not to exceed an amount of \$1.5 million. He noted that if additional costs of revenues were identified this can be amended. He also detailed projections based on real tax assessments: with no redevelopment, projections anticipate a 20-year revenue of \$1.7 million; with the intended redevelopment, this would increase to \$4.9 million. Mr. Graham inquired about financing. Mr. Bloom answered that it is anticipated to be a blend of City of Cheyenne backing and developer reimbursement at this time and staff can provide further detail soon.

Ms. Brown expressed concern over the binding aspect of this motion. Mr. Bloom and Mr. O'Donnell answered that the intent is to allow expenses occurring next week to be retroactively applied for TIF funds. Ms. Brown asked for other questions. Mr. Byers asked if it is appropriate to approve a conceptual motion but exclude the specific dollar amount until an application is submitted. Mr. O'Donnell disagreed with this suggestion as the dollar amount would set parameters now and the expectation for potential financing could be modified later. He recommended proceeding forward with the motion as is. Ms. White requested clarification on the intended use of the \$1.5 million. Mr. Bloom answered that it would be used for abatement, construction of a road, and utility line relocation. Ms. White said that Grant Avenue is important to her development. Ms. Brown asked if this includes extending that road. Mr. Bloom explained that the construction of a road refers to an internal road in the Hitching Post project area, but the Grant Avenue extension could be applied for in a separate application. Mr. Graham expressed concern that the abatement costs would take the majority of \$1.5 million. Mr. Bloom answered that the abatement should be less than \$1 million. Mr. O'Donnell commented that the motion is general enough to cover all three costs and further restrictions may be set at a special meeting in the future.

Ms. White asked if her attorney had any comments. Melissa Burke asked Mr. O'Donnell to expound upon his previous comment about the \$1.5 million. Mr. O'Donnell explained that he was not referring to the specific number, but rather the passage of the motion in general, as a factor that would jeopardize the development. He added that the specific number provides more clarity for purposes of potential financiers of the project. Ms. Brown asked for further questions or comments. Mayor Collins

commented that he has been in meetings discussing costs with the developer: estimates are just less than \$1 million for remediation, \$350,000 for the road that serve that area and the Ice and Events Center, and \$150,000 for relocation of utilities. Mr. Whitehead repeated the motion to make sure he was understanding it correctly. Mr. O'Donnell confirmed. Ms. Brown and Mr. O'Donnell discussed the necessity of this motion. Mr. O'Donnell explained that with abatement beginning next week, there is concern that without an approved use of TIF financing bankers would leave the developer with obligations for public improvements that could be covered by the TIF.

Ms. Brown reiterated her original concern that this would commit the URA to paying for those expenses regardless of what the application looks like. Mr. O'Donnell acknowledged that concern and recommended including language around preliminary approval to alleviate it. Ms. Brown asked for other comments. Mr. Dugas suggested adding "subject to the approval of the application". Mr. O'Donnell concurred. Mr. Jensen asked Mayor Collins for input. Mayor Collins explained that the timing issue is in relation to remediation, as asbestos remediation cannot be done in windy conditions. He emphasized that this is the first necessary step, so they could limit the motion to remediation and the other items could be included later. Mr. O'Donnell added that if the Board chooses that course, they should reduce the dollar figure to \$1 million. There was more discussion around specific wording of the motion between Ms. Brown, Mr. O'Donnell, and Mr. Byers.

Motion: Mr. Dugas moved to approve abatement and associated demolition costs for the Hitching Post Project not to exceed \$1 million, noting that the financing is still pending, but the TIF will provide obligation of TIF taxes retroactively to the commencement of abatement and associated demolition costs subject to approval of the financial agreement by the URA.

Second: Ryan Whitehead seconded.

Vote: All in favor, none opposed.

Ms. Brown asked for any other business. Mr. Christensen asked to formalize a meeting time and suggested bi-monthly meetings with special meetings for application review if needed. He also said he would look into procuring a different room in the future and will coordinate with the Board for a future meeting time.

Mr. Graham made a motion to adjourn. Meeting adjourned at 11:40 a.m.

Minutes respectfully submitted:

Sam Crowley, Planner I, Planning & Development Department