

RESOLUTION NO. 212-06

A RESOLUTION ADOPTING THE SOUTHWEST DOWNTOWN URBAN RENEWAL AREA STATEMENT OF INTENT AND AUTHORIZING THE CITY MANAGER TO SIGN A STATEMENT OF INTENT AND ENTER INTO LAND TRANSACTIONS WITH THE COLORADO SPRINGS URBAN RENEWAL AUTHORITY FOR LOT NOS. 2, 3 AND 4 OF CONFLUENCE PARK SOUTH SUBDIVISION

WHEREAS, City Council has previously found it desirable and in the public interest that the Colorado Springs Urban Renewal Authority (the Authority) undertake the redevelopment described in the Southwest Downtown Urban Renewal Plan (the Plan); and

WHEREAS, the Plan was adopted by City Council resolution on August 14, 2001, is in the custody of the City Clerk, and is available for public inspection during business hours of the City; and

WHEREAS, the Plan states that it is a "vision for the future which establishes the downtown as the center of commerce and cultural activities in the community, recognizes the unique environmental setting and historic precedence in the area, incorporates residential and business characteristics of individual districts within the area, preserves the integrity of adjacent neighborhoods, and improves the livability of the area for all citizens;" and

WHEREAS, the cornerstone of the Plan's vision is developing and sustaining economic health and livability; and

WHEREAS, one of the projects vital to the evolution of downtown into an urban neighborhood are the development of Confluence Park/America the Beautiful Park, the redevelopment of adjacent properties and the completion of public/private linkages between districts; and

WHEREAS, the Authority has developed a Statement of Intent outlining development goals for Phase 1 of the Southwest Downtown Urban Renewal Project; and

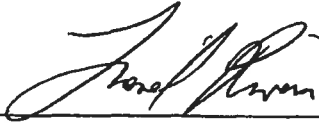
WHEREAS, the Statement of Intent identifies land transactions between the City and the Authority that are necessary to implement Phase 1 of the Plan and achieve the development goals of the Project; and

WHEREAS, these land transactions will provide a public benefit by fostering economic health and livability.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS, COLORADO:

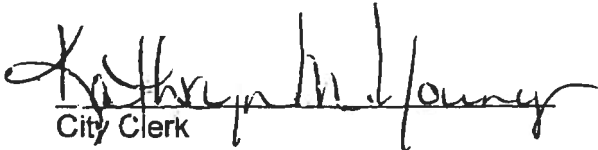
Section 1. The City Manager is authorized to execute the Statement of Intent (attached and made a part of this Resolution as Exhibit "A") with the Authority, Murphy Constructors, Inc., Palmer Village Development, LLC, John Q. Hammons Hotels and Resorts, Inc. and the Downtown Arts District Association to define and agree upon development goals for Phase 1 of the Plan.

Dated at Colorado Springs, Colorado, this 28 day of November, 2006.



Mayor

ATTEST:



City Clerk

Statement of Intent

The purpose of this statement of intent is to mutually define and agree upon the development goals for Phase 1 of the Southwest Downtown Urban Renewal Project, Colorado Springs, Colorado and to define the responsibilities of each party for its implementation. While this document does not constitute a legally binding commitment on the part of any of the parties, it provides the basis for necessary actions in the near term that will lead to future contractual obligations for the implementation of said Phase 1.

Development Goals

- Construction of approximately 30 for-sale residential units on Lot 2 and 100 for-rent residential units on Lot 3 in Confluence Park Subdivision by Palmer Village Development LLC (PVD) by 2010
- Construction of approximately 100,000 sf of office space by PVD on Lot 4 in Confluence Park Subdivision by 2008
- Construction of approximately 600 structured parking spaces by CSURA on Lot 4 in Confluence Park Subdivision by 2008
- Construction of a 225 room hotel, with meeting facilities, on Lots 2 and 4 in Confluence Park Subdivision by John Q. Hammons Hotels and Resorts, Inc. by 2009
- Construction of the proposed fountain in America the Beautiful Park, as currently designed, by the City of Colorado Springs (City) by 2007
- Conversion of the gas operations building on Lot 3 into offices for USOC National Governing Bodies and/or arts-related uses and public assembly space by PVD by 2008
- Construction of 25 live/work units north of Colorado Avenue by Murphy Constructors (Murphy) in accordance with the arts district concept plan by 2009
- Acquisition of Carter and Knowles properties north of Colorado Avenue by CSURA for future development of arts district
- Completion of concept and financing plans for creation of arts district by CSURA and the Downtown Arts District Association

Proposed Public Financing by CSURA

Using annual property and sales tax increments generated by the Phase 1 developments, CSURA intends to issue tax increment bonds, after execution of all redevelopment agreements, in the

approximate amount of \$12,083,946 that, when combined with approximately \$3,045,796 in land sale proceeds, will be used to fund the following, in priority order, based on the availability of funds:

• Bond costs, reserve funds, etc	\$3,644,495
• CSURA fees	181,259
• District 11 payment	900,000*
• Parking garage – 600 spaces (65% of cost)	6,500,000**
• Public infrastructure	1,500,000
• Arts district	900,000
• Carter/Knowles acquisitions	1,500,000
Total	\$15,125,754

* per IGA between CSURA and School District 11

** balance of \$3,500,000 to be financed, using annual net parking revenues for amortization

CSURA will purchase Lots 3 and 4 from the City for \$4,100,000 plus interest accrued from 1 Sep 06 to closing date, to be paid as follows – \$0 down, 25 year amortization at utility bond rate at date of closing. CSURA shall give City an unsecured promissory note, stipulating that annual note payments will receive first priority for payment with annual TIF revenues collected.

CSURA, PVD, Murphy and Hammons will enter into separate redevelopment agreements setting forth the development and financing requirements for Phase 1 within 6 months of the date of execution of this document.

Necessary land transactions

- City deeds Lot 2 to CSURA for no consideration
- CSURA purchases Lots 3 and 4 from City for \$4,100,000
- CSURA purchases long barn, Roby Mill and southerly tilt-up for \$1,500,000 (Carter/Knowles)
- CSURA sells to PVD Lots 2 and 4 for \$5.50 sf and Lot 3 for \$1,600,000
- CSURA sells 20,000sf of Carter property to Murphy for \$5.50 sf

Land transfers to occur after execution of redevelopment agreement(s) between CSURA, PVD, Murphy and Hammonds. CSURA to retain reversion rights for non-performance.

Palmer Village Development, LLC

By: 


Date: 9-15-06

City of Colorado Springs

By: _____


Date: _____

Colorado Springs Urban Renewal Authority

By:  _____

Date: 9-20-06

Murphy Constructors, Inc.

By:  _____

Date: 9/20/06

City of Colorado Springs

By: _____

Date: _____

John Q. Hammons Hotels and Resorts, ~~Inc~~

By:  _____

Date: 09-22-06

Downtown Arts District Association

By:  _____

Date: 27 Sept 06