

RESOLUTION NO. 157-08

**A RESOLUTION AUTHORIZING THE MAYOR TO
EXECUTE A NEW STATEMENT OF INTENT FOR THE
SOUTHWEST DOWNTOWN URBAN RENEWAL PROJECT**

WHEREAS, City Council has found it desirable and in the public interest that the Colorado Springs Urban Renewal Authority (CSURA) undertake the redevelopment described in the Southwest Downtown Urban Renewal Plan (the Plan) adopted by Resolution on August 14, 2001; and

WHEREAS, one of the projects vital to the continued development of downtown into an urban setting is the development of America the Beautiful Park, the redevelopment of adjacent properties; and

WHEREAS, this new Statement of Intent (SOI) for the Southwest Downtown Urban Renewal project replaces the SOI adopted by City Council in November 2006; and

WHEREAS, this new SOI has been negotiated between the City of Colorado Springs, Colorado Springs Urban Renewal Authority (CSURA), M&M 03 LLC, and John Q. Hammons Hotels and Resorts that outlines development goals and responsibilities for Phase I of the Southwest Downtown Urban Renewal project; and

WHEREAS, the SOI proposes construction of a 225-room hotel by John Q. Hammons Hotels and Resorts, an Arts District comprised of 26 residential live/work units with 57,000 square feet of commercial/warehouse/storage space by Murphy Constructors Inc., a 200-car parking structure funded from the City's Parking System Enterprise, and public infrastructure necessary to support the hotel and the Arts District financed by the CSURA; and

WHEREAS, the SOI identifies necessary land transactions between the City and the CSURA that are necessary to implement Phase I of the Plan; and

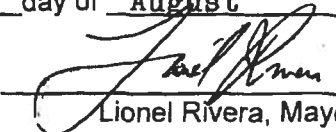
WHEREAS, the SOI identifies project funding sources and distribution of funds for environmental remediation, infrastructure construction, land acquisition, bond issuance costs, and a possible contribution to the proposed pedestrian bridge over the railroad switching yard as part of the Downtown Transit Center.

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

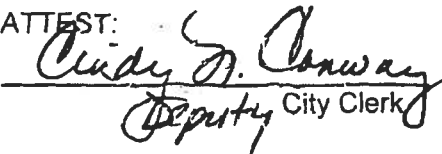
That the Mayor is authorized to sign and execute the Statement of Intent between the City, CSURA, M&M 03, LLC, and John Q. Hammons Hotels and Resorts for Phase I development of Southwest Downtown Urban Renewal project.

That City Council hereby approves the Statement of Intent for Southwest Downtown Urban Renewal project.

Dated at Colorado Springs, Colorado, this 26th day of August, 2008.


Lionel Rivera, Mayor

ATTEST:


Cindy S. Conway
Deputy City Clerk

S/BAED 10/16/08

Southwest Downtown Urban Renewal Project Statement of Intent

The purpose of this Statement of Intent (SOI) is to mutually define and agree upon the revised development goals for Phase I of the Southwest Downtown Urban Renewal Project, Colorado Springs, Colorado and to define the responsibilities of each party for its implementation.

This SOI replaces, in full, the SOI executed by all parties in 2006. It is expected that all parties will enter into the appropriate contractually binding agreements, as project details and participant roles are clarified.

Development Goals

- Preparation of a revised site plan reflecting the new development goals to be funded by the Colorado Springs Urban Renewal Authority (CSURA). Completed
- Preparation of a new urban renewal plan by CSURA by November 8, 2008.
- Construction of a 225-room hotel with meeting facilities on north half of Lot 2 and south half of Lot 4, in Confluence Park South, by John Q. Hammons Hotels and Resorts (Hammons) by December 31, 2011.
- Construction of approximately 200 structured parking spaces (expandable to 600) by the City of Colorado Springs' (City) Parking Enterprise on the north half of Lot 4, Confluence Park South, for use by the hotel, Arts District, and the general public, to be completed no later than December 31, 2011.
- Conversion by the City, of the former Gas Operations building on Lot 3, Confluence Park South, into offices for the United States Olympic Committee National Governing Bodies (NGB's) by the end of 2010.
- Construction of 26 residential units by M&M 03 LLC (M&M), no later than December 31, 2011.
- Construction of 37,000 sq. ft. of commercial space by M&M by December 31, 2010.
- Construction of 20,000 sq. ft. of warehouse/storage space by M&M by December 31, 2010.
- Construction of the public infrastructure necessary to support the above development goals, by CSURA, by the end of year 2010.
- Reservation of certain tax increment funds to contribute to possible construction of transit center and pedestrian bridge.

**Southwest Downtown Urban Renewal Project
Statement of Intent**

Proposed Public Financing

Using annual property and sales tax increments generated by the Phase I developments, CSURA intends to issue tax increment bonds, after execution of all redevelopment agreements, in the approximate amount of \$7,252,859. Bond proceeds will be used for the following in priority order, based on the availability of funds. All parties recognize the preliminary nature of these figures:

• Bond costs, reserve funds, etc.	\$1,885,743	
• CSURA administrative fees (1.5%)	108,793	
• CSURA annual fee (3 yrs)	150,000	
• New urban renewal plan	50,000	
• Knowles acquisition	200,000	
• Common infrastructure	1,250,000	
• Environmental mitigation (Lots 2 and 4)	1,500,000	
• School District #11 payment	225,000	*
• Reserve fund	<u>1,883,323</u>	**
Total	\$7,252,859	

- * 25% of fee due to School District #11 per intergovernmental agreement between CSURA and D-11
- ** For future or unforeseen project costs, including contributions to the proposed transit center/pedestrian bridge project

Within six months of the date of execution of this document, the City, CSURA, M&M, and Hammons will enter into separate redevelopment agreements setting forth the development and financing requirements for Phase I.

Necessary Land Transactions

- City conveys Lot 2 and south half of Lot 4 to CSURA. CSURA assumes all responsibility for environmental costs and demolition costs.
- M&M purchases Knowles property for \$500,000 and is reimbursed \$200,000 by CSURA for excess acquisition costs.
- CSURA deeds north half of Lot 2 and south half of Lot 4 to Hammons for an agreed price.
- CSURA retains south half of Lot 2 for future development. Any land sale proceeds will be used for mutually agreed upon project activities directly related to the projects listed in this Statement of Intent.

Land transactions are intended to occur after execution of redevelopment agreement(s) between CSURA, City, M&M, and Hammons. CSURA to retain reversion rights to any property conveyed by CSURA for non-performance, where necessary.

Southwest Downtown Urban Renewal Project
Statement of Intent

City of Colorado Springs

By: [Signature]
Date: 8/28/08

Colorado Springs Urban Renewal Authority

By: [Signature]
Date: 8-27-08

M&M 03 LLC

By: [Signature]
Date: 8/27/08

John Q. Hammons Hotels and Resorts

By: [Signature]
Date: 10-16-08