



# City of Colorado Springs

City Hall  
107 N. Nevada Avenue  
Colorado Springs, CO  
80903

## Meeting Minutes Council Work Session

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Monday, April 24, 2017

1:00 PM

Council Chambers

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### 1. Call to Order

**Present** 9 - Councilmember Yolanda Avila, Councilmember Merv Bennett, President Pro Tem Jill Gaebler, Councilmember David Geislinger, Councilmember Don Knight, Councilmember Bill Murray, Councilmember Andy Pico, President Richard Skorman, and Councilmember Tom Strand

### 2. Changes to Agenda

There were no changes to the Agenda.

### 3. Regular Meeting Comments

### 4. Review of Previous Meeting Minutes

4.A. [17-954](#) City Council Work Session Meeting Minutes April 10, 2017

Presenter:  
Sarah B. Johnson, City Clerk

**Attachments:** [4-10-2017 Work Session Final.pdf](#)

The minutes of the April 10, 2017 Work Session meeting were approved by Consensus of Council.

### 5. Executive Session

#### 5A. Open

There was no Open Executive Session.

#### 5B. Closed

There was no Closed Executive Session.

### 6. Staff and Appointee Reports

6.A. [17-937](#) Financial Report - Memorial Health System Enterprise

Presenter:

Kara Skinner, Chief Financial Officer

**Attachments:** [03-March 2017 Monthly MHS Report for Council](#)

There were no comments on this item.

**6.B.** [16-688](#) Agenda Planner Review

Presenter:

Eileen Lynch Gonzalez, City Council Administrator

**Attachments:** [042417 Agenda Planner Review MEMO](#)

There were no comments on this item.

**6.C.** [17-795](#) Southwest Downtown Update

Presenter:

Kara Skinner, Chief Financial Officer

**Attachments:** [SWDT Update 4.24.17.pptx](#)

Kara Skinner gave an update on the Southwest Downtown Urban Renewal Plan. The US Olympic Museum utility work has begun, and there will soon be a groundbreaking for the museum. The design contract has been awarded for the streetscape improvement project. There is a funding plan for the pedestrian bridge. There was a 2 phase RFP for the parking facility, and phase one contract has been let and funded by a Southwest Downtown Parking project established in 2011. For the Sports and Event Center, a feasibility study has been completed and determined that it will be a viable project only if a private entity comes forward to cover a funding gap. If commencement of substantial work has not begun by December 16, 2018, the Proportional State funding for that project element will have to be forfeited.

Councilmember Murray asked if the Statements of Intent that were adopted in 2006 and 2008 were legal obligations of the Council. Attorney Florczak said that he will have to look into it. Councilmember Murray said it was his understanding from City Attorney Massey that this was not a legal obligation, and asked Counsel to clarify this.

Councilmember Murray asked where the funded 2008 downtown parking structure was to be located. Greg Warnke, City Parking Administrator, said that the we were originally going to build a parking structure next to a hotel we were in negotiations with at the time. Now, plans have changed and the hotel is being built in a different spot, so we are looking at building the parking structure there, which will serve the hotel and the USOM, and all future growth.

Councilmember Murray said the USOM has said it will not need any additional parking. Mr. Warnke said the parking study showed they needed an additional 330 parking spaces. Mr. Murray asked why we can't build on the lot at the 25

Cimino property which we already own; Mr. Warnke said the Committee selected the site they determined was best based upon the current plan for development.

Councilmember Murray asked why the PPRTA maintenance cost of \$2.8 million for the streetscape improvement project is coming from the City maintenance fund instead of capital improvement. Kathleen Krager, Transportation Planning Manager answered the figure is the cost estimate from Streets Division for general maintenance for those streets even without an improvement. Since they are being improved, the \$2.8 million in maintenance funds is going to be combined with capital funds so improvements can be made at the same time.

Councilmember Murray asked why the pedestrian bridge to America the Beautiful Park is funded using PPRTA funds. Ms. Krager said they were included as a PPRTA Capital A List project when the funds were appropriated, up to \$3.5 million. This will pay for the most basic bridge, not for the iconic design we want to make. Councilmember Murray asked if that leaves any money for the rest of the trails in the City. Ms. Krager said Parks Department does not receive maintenance money from PPRTA only approved project funds. Their projects are fully funded as approved in the 2012 ballot.

Councilmember Knight asked if the parking garage project's funding was appropriated in the 2008 statement of intent. Ms. Skinner said the SOI did not appropriate it, but the \$1.1 million was appropriated in the 2011 budget, into the project, and has remained appropriated since then.

Councilmember Knight asked if there was a budget in 2008 for the parking structure. Mr. Warnke explained it was an above-ground structure with 350 parking spaces and that the estimate to build it then was \$3.2 million.

Councilmember Knight said that last summer Council discussed letting the parking structure be built privately and then leasing back some spaces. Mr. Warnke did not recall that conversation.

Councilmember Knight said he could support a vertical, multi use parking structure. And, since the City will get only limited benefit from such a structure, he was in favor of the City only paying for part of it, or of the proposal to lease parking spaces. He asked that Council be kept in the discussion rather than being brought a final solution to approve or deny. Ms. Skinner reiterated that Council is always invited to the Committee meetings where these discussions are occurring.

Councilmember Knight asked Ms. Skinner to provide Council a breakdown of all CIPs that already have money obligated to them. He also indicated that Council would not approve giving away the full 2% sales tax money for any of these projects within the URA.

Councilmember Knight asked when phase 1 of the parking garage would be completed. Ms. Skinner indicated that the notice to proceed was received about a week ago, and that it will take 120 days. Mr. Warnke indicated that

Phase 1 will give the Committee the foundation to move forward; they will discuss results of phase 1 and there will be no decision on going to phase 2 without Council first being informed.

Councilmember Strand asked what the definition of substantial work so that we could keep funding for an aviation museum rather than the sports and events center. Bob Cope said it could be breaking ground, issuing debt with RTA proceeds, site grading, etc. We would tell the State what our actions are, and they would decide if they met the standard of having commenced substantial work.

Councilmember Gaebler asked about stormwater costs associated with the streetscaping project. Ms. Krager explained that those costs are included in the cost of the roads themselves.

Councilmember Gaebler asked if the streetscape was more of a pedestrian mall; Ms. Krager clarified that the design concept allowed for a 140 ft. right of way which they are planning on building as 100 feet of sidewalk and 40 feet of of road for vehicles. Additionally, it will be built at all one level without curbs or gutter due to ADA concerns in pedestrian areas like this. City Council will be informed of the Vermijo/Sierra Madre design.

Councilmember Geislinger asked if there were barriers or prohibitions for anyone with property in the area to approach the master developer with ideas. Mr. Cope responded that the master developer has responsibility for the project, but anyone could approach them with ideas as long as those ideas supported the urban renewal plan, and if accepted they would enter into a separate development agreement for that part of the property. Jariah Walker, Executive Director of the Colorado Springs Urban Renewal Authority confirmed this.

Councilmember Geislinger asked if anyone has approached the City to buy property in this area in the last five years. Ms. Krager said no one had. Councilmember Murray asked if any of this property has been declared surplus and offered for competitive sale to anyone in the last five years. Ms. Krager said no one had expressed interest in buying it.

## **7. Presentations for General Information**

### **7.A. [17-915](#) Bancroft Park Update**

Presenter:

Kurt Schroeder, Parks Operations Manager

**Attachments:** [4-24-17 - BancroftPark-Update - PowerPoint](#)

Kurt Schroeder updated Council on repairs to the Bancroft Park band shell. Proposals for the fire repair have come in but the contract has not

been awarded yet. Staff has met with the Procurement Department to ensure that everything is done correctly. Based upon community feedback, staff has a good feel for the direction the project will go, and he went over the three proposals as to how to proceed. Staff will be meeting with the architect. There is not date set for repairs to begin.

Councilmember Knight expressed concern that there were no target dates presented going forward with the plan, and that staff might not be acting with the sense of urgency Council has directed. Councilmember Strand echoed this concern and asked for an estimate of when repairs would occur. Mr. Schroeder said staff understands the necessity of acting quickly, and that he could give Council some of those dates in two weeks.

## **8. Items for Introduction**

- 8.A.**     [17-924](#)     A resolution appointing directors to the Interquest South Business Improvement District (Legislative).

Presenter:

Carl Schueler, Comprehensive Planning Manager, Planning and Development

**Attachments:**   [Interquest S BID PowerPoint - 4-24-17](#)

[RES-apptBdMembers-04-11-17](#)

[Ltr CSchueler - Board Appointments 2017-cleaned](#)

[Interquest South BID Operating Plan 2017 \(2\)](#)

[CRS 31-12-1209 BID](#)

[Ordinance No 15-71](#)

Carl Schueler will be meeting individually with new Councilmembers to talk about how special districts are handled in the City.

Interquest is asking for board appointments. There is a role for Council to replenish the Board by appointing members 3 and 4.

Councilmember Knight asked for more information on the individuals they are being asked to appoint.

Pat Hrbacek, Attorney with Spencer Fane representing the district, said that he will ask for resumes and provide them to Council.

- 8.B.**     [17-909](#)     A Resolution Approving the Issuance of Debt by Colorado Crossing Metropolitan District Nos. 1, 2 and 3 in the Form of a Series 2017 Limited Property Tax Supported Revenue Bond issued by Colorado Crossing Metropolitan District No. 2 and a Capital Pledge Agreement Supporting the 2017 Bonds entered into among Colorado Crossing Metropolitan District Nos. 1, 2 and 3

(Legislative)

Presenter:

Carl Schueler, Comprehensive Planning Manager, Planning and Community Development

**Attachments:** [RES City Resolution Re. Approval of Debt \(00549093-3x9C7A0\)](#)

[Figure 3- Letter to City Council Re. Issuance of Debt Instrument \(3.24.17\) \(00545594x9C7A0\)](#)

[Figure 4- Draft Bond Resolution \(3.24.17\) \(00545606x9C7A0\)](#)

[Figure 5- Draft Capital Pledge Agreement \(3.24.17\) \(00545605x9C7A0\)](#)

[Figure 6- Draft Indenture \(3.24.17\) \(00545603x9C7A0\)](#)

[Figure 7- Draft Term Sheet \(3.24.17\) \(00545595x9C7A0\)](#)

[Figure 8- Financial Forecast \(3.24.17\) \(00545597x9C7A0\)](#)

[Figure 9- Statement of Service Plan Compliance \(3.24.17\) \(00545599x9C7A0\)](#)

[Figure 10 - Summary of Known Public Improvement Fees](#)

Carl Schueler gave background on Metropolitan Districts, and presented the request for approval from Colorado Crossing Metropolitan District 2 to issue bonds. While only the Residential District 2 would be issuing bonds, there would be benefits to all the districts from this so revenues would come from all districts to pay off this debt.

Councilmember Strand asked if the amount of bonds would go up, because the resolution says it will be up to \$14.6 million. Megan Becher, legal counsel for this district, indicated that the initial estimated amount of bonds requested was \$14.6 million, but may go up to \$15 million. The district would like to support these bonds with public improvement fees (PIFs) like some local hotels do, which would be the first time a PIF would be used for a district.

Councilmember Murray noted that if we authorize a PIF for this district, it's like an additional tax so that if we then add a LART increase on top of it, they may object. He asked if there is a precedent for one district to use other districts as a funding source, and, can this be a one-time environment or would we be setting a standard for everyone.

Mr. Schueler responded that it is not uncommon for consolidated districts to have intergovernmental agreements among themselves where funding is shared such as we are suggesting. He estimates the City has a dozen such district structures right now. As far as setting a standard, Council has already adopted a model service plan that says PIFs can be put on properties by property owners in Metropolitan districts, and technically and legally they are not a tax. Only PIFs in Business Improvement Districts require Council approval.

Councilmember Knight asked if there are any hotels that are in a District that have PIFs. Mr. Schueler will find out and report back. Councilmember Knight asked what the implications of a 2% PIF that mimics a LART would have on

the citywide LART fees. Doug Price, Convention and Visitor's Bureau said he could bring an answer back to that question in two weeks.

Councilmember Geislinger asked if individual property owners will be affected by an increase in the mill levy. Mr. Schueler said there would be no change to people who currently own homes.

- 8.C.**     [17-956](#)           An Ordinance Amending Ordinance No. 16-116 (2017 Appropriation Ordinance) for a Supplemental Appropriation to the Memorial Health System Enterprise Fund in the Amount of \$2,581,000 to Pay Costs Related to Third-Party Payor Audits and to Transfer monies to the Colorado Springs Health Foundation

Presenter:

Kara Skinner, Chief Financial Officer

**Attachments:** [Supplemental Approp Ord for MHS 3rd Party Insurance Settlements](#)

Kara Skinner reported that when we leased Memorial Hospital, we made assumptions about accounts receivable and liabilities and agreed to periodically review and reconcile, moving funds if necessary. We will again be moving \$2,581,000 from the enterprise, which will pay \$35,000 to auditors and with the rest of the money going to the Colorado Springs Health Foundation.

Councilmember Bennett commented that we'd estimated that it might take 10-15 years to begin to receive money from the Hospital, but now we've had a contribution to the Colorado Springs Health Foundation two years in a row.

- 8.D.**     [CPC CA](#)  
[17-00026](#)           An ordinance amending Section 502 (Development Plans) of Part 5 (Concept Plans and Development Plans) of Article 5 (Administration and Procedures) of Chapter 7 (Planning, Development and Building) of the Code of the City of Colorado Springs 2001, as amended, pertaining to Development Plan Review Criteria.

(Legislative)

Presenter:

Peter Wysocki, Planning and Community Development Director  
Carl Schueler, Comprehensive Planning Manager

**Attachments:** [Figure 1\\_Plan\\_Dev-DPReviewCriteria-2017-02-21](#)

[Figure 2-Concept Plans and Development Plans](#)

[Figure 4- CPC Staff Report\\_DP Review Criteria Code Change\\_3\\_16-17](#)

[Figure 5- DP Review Criteria PowerPoint - 4-24-17](#)

[CPC Minutes\\_3.16.17\\_Draft](#)

Carl Schueler explained that this ordinance is a code change replacing the 12 existing development plan criteria with revised criteria to modernize the

language and make it more supportive of infill and land use change. These changes maintain the City's discretion to ensure that development plans are harmonious and compatible, even with future planned land uses.

Councilmember Knight asked if Council was involved in the code review process. Peter Wysocki said that Council has been invited to attend their meetings, but were not directly involved. Councilmember Knight noted that the new code language leaves things out that previously were included, such as the words "overburdening streets". He asked if this means that it is no longer a criteria that streets not be overloaded.

Mr. Wysocki said that the criteria was still there, but is linked more to engineering specifications and adopted standards and levels of service.

Councilmember Knight asked why the word "safe" was taken out and substituted with "proportional and practical."

Mr Wysocki explained that they are tying the criteria to accepted City standards, which will always be safe. He invited Council to meet one on one with him to provide further recommendations.

Chief of Staff Jeff Greene noted that all code scrubs go through a very rigorous process and that Councilmember liaisons should work with the Committee very closely.

Staff requested that this come before Council at the May 23 meeting. Council agreed.

**8.E.**     [17-851](#)     A Resolution Authorizing a Land Exchange between the City of Colorado Springs and CSJ No. 7, LLC and Urban Enterprises, LLC.

Presenter:

Kathleen Krager, Transportation Planning Manager - Traffic Engineering

Darlene Kennedy, Real Estate Services Manager

Bob Cope, Manager - Economic Development

**Attachments:**   [LandExchange-CityCSJRES-2017-04-18 for granicus](#)

[Figure 2](#)

[2006 SOI](#)

[2008 SOI](#)

[Table 1](#)

[Southwest Downtown Land Exchange - Closed Legal Session 4-10-17](#)

Councilmember Murray asked Legislative Counsel what was acceptable to discuss in public with regard to the appraisals of these properties. Deputy City Attorney Tom Florczak deferred to the Chief of Staff Jeff Greene, who relayed that Mayor Suthers was comfortable with the release of appraisals and environmental reports during the discussion of this item.



Bob Cope spoke about this significant opportunity for a land exchange that would be of benefit to the City. Kathleen Krager said this opportunity came up because of a piece of right of way that became important for the City to acquire. Mark Andrews, Head of the North Program of Region 2 of CDOT, said that the contractor is ready to finish this project and fulfill their commitment to provide a reasonable connection to the trail system that is ADA compliant, by October.

Karen Palus explained that the original proposed trail design was not acceptable to the City because the numerous switchbacks it includes make it a difficult route, especially in terms of the ADA. This land exchange will allow for an accessible trail design to be constructed.

Travis Easton, Director of Public Works, said they are in favor of the land exchange because it helps improve the quality of runoff before it runs into Fountain Creek.

Darlene Kennedy discussed the appraisals and environmental reports of this project. James Bittle, Appraiser, explained how he appraised all three properties, and answered Councilmember Murray's questions about some of the appraisal terms he used as well as clarifying the property's access to Cimarron, which exists on paper. Ms. Krager explained that the property we are acquiring includes enough for our right of way to Cimarron while still leaving some developable land for the landowner. In response to Council President Pro Tem Gaebler's question, Ms. Krager and Renee Congdon, City Attorney's Office, explained that we already have a sufficient easement and the City will reserve an easement in the deed needed for the pedestrian bridge to meet the requirement that it be on public land.

Nick Talocco, Environmental Engineer for LT Environmental (LTE) explained how they developed the cost estimate of remediating a site. LTE relied upon a report from 2007-08, which included samplings done on the City properties. Councilmember Knight expressed concern regarding the environmental condition of the property that the city would be receiving in the land exchange, specifically that while nothing on the surface of the property has changed, there has been a lot of water movement; since the property is next to contaminated properties we can't be sure that it is clean, and that we won't have an expensive clean up to do once we acquire the property.

Ms. Congdon explained, and Chief of Staff Greene clarified, that the City has the right to do an environmental audit of the property and closing will be contingent upon the property be acceptably clean. The City can terminate the agreement or have the other party pay to clean it. The City Attorney's Office will draft something in writing as part of the land exchange agreement.

Councilmember Geislinger asked if a new study shows that these parcels need extensive remediation, would the City be responsible to pay for it. Ms. Congdon explained that it is a condition of the sale that we be satisfied with the condition of the property. She also gave Council a red-lined copy of the proposed resolution and explained the changes. Ms. Congdon explained that

CSJ intends to create a new entity to hold title to the City properties if the exchange is approved. She also explained CSJ would like to have a 99-year lease for economic development purposes for the area underneath the Cimino right-of-way adjacent to the City properties to provide for underground parking as part of its development of the properties. Ms. Congdon agreed to revise the Resolution to include the provisions regarding the environmental condition of the property the City would be receiving and bring the revised Resolution to Council the next day for approval.

Councilmember Murray was excused from the meeting.

## **9. Items Under Study**

There were no Items Under Study.

## **10. Councilmember Reports and Open Discussion**

Councilmember Knight was asked by the Chamber of Commerce and agreed to attend the Association of Defense Community Seminar in June, in Washington, D.C. He asked Council's permission to use funds to do so. Consensus of Council agreed he should attend.

## **11. Adjourn**

There being no further business, Council was adjourned.

Sarah B. Johnson, City Clerk