

**URBAN REDEVELOPMENT AUTHORITY ADVISORY COMMITTEE**  
**URAAC Minutes – FINAL**  
**Thursday January 26, 2023**  
**Hybrid Meeting – Virtual & In Person at the Crawford Room**  
**1:30 – 3:00 pm**

Committee Members	City of Steamboat Springs	Others Present
<p><b><u>PRESENT:</u></b>  <b>Jim Schneider</b>  <b>Gavin Malia</b>  <b>Mike Lang</b>  <b>Charlie Roos</b>  <b>George Noyer</b>  <b>Roger Levanduski</b>  <b>Ryan Stone</b>  <b>Elliot Lawrence</b>  <b>Brian Bavosi</b>  <b>Josh Miller</b>  <b>Dan Pirrallo</b></p> <p><b><u>ABSENT:</u></b></p>	<p><b><u>PRESENT:</u></b>  <b>Dakotah McGinlay</b>  <b>Michael Buccino</b>  <b>Tom Leeson</b>  <b>Jonathan Flint</b>  <b>Jon Snyder</b>  <b>Brad Calvert</b>  <b>Gates Gooding</b>  <b>Danny Paul</b>  <b>Kim Weber</b></p> <p><b><u>ABSENT:</u></b></p>	<p><b>Nikki Erbele</b>  <b>Sarah Jones</b></p>

**AGENDA ITEMS:**

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**1. Call To Order ..... 1:30pm**

Lawrence established a quorum and called the meeting to order.  
Pirrallo moved to approve the minutes from the last meeting on November 3<sup>rd</sup>, which was seconded by Malia. The motion passed unanimously with no changes to the draft minutes.

Recognize Visitors: none

**2. Public Comment.....1:33pm**

**3. Project Updates.....1:35pm**

Complete Streets 2B:

Staff did get the survey finished, and we've been going back and forth to fix some issues that we found with it. That's coming together, but that's basically as far as work has come. The other projects have been totally squeezing out the work on this.

We started working on the RFP for this segment as well as 3B and 4A, but that is waiting because we don't have the time. I also ran out of hours during the last two weeks of 2022, so that put me behind.

Spare Parts:

This year, we're going to do a big URA light purchase. We have a little over \$50,000, and it's going to be used to upgrade upwards of 30 fixtures to use LED bulbs.

**4. SSRA Budget Approval.....1:40pm**

Gooding: At the December SSRA budget meeting, the workplan was approved:

Ski Time Square Drive Construction: \$4.3 million.

Initial appropriation for GTC design: \$300,000.

Closeout work on Mount Werner Road/Steamboat Boulevard roundabout: \$20,000.

Developer Partnership Planning Fund.

Complete Streets 2B, 4B and 4A for design and potentially construction on 2B.

Spare Parts.

Total: \$5.36 million

That's a large budget in comparison to previous years, and it could potentially grow with a supplemental request in March.

The workplan shows \$2.75 million left in 2029. That came from a change in the property tax budget. We have been expecting on the order of 2.7, but it came in at 2.95. Carry that out through the end of the 7-year plan, and it added a couple million to our budget.

**5. Ski Time Square Snowmelt.....1:45pm**

Gooding: This is the same schedule we've been showing everybody since a year ago, and we're still right on schedule. We received the final draft of construction documents from Baseline 10 days ago, and staff made comments. Baseline is getting a revised set back to us.

On this schedule, we were shown going to bid by February 1; we might be a week behind on that, but overall we're still right on schedule.

At the budget meeting, staff got specific guidance from SSRA to explore the snowmelt systems that we're looking at. We got direction to investigate an electric alternative, and we've also been looking into a more exotic waste heat recapture that would be on the sanitary sewer main.

The preliminary findings are that an electric system would be more expensive up front, but the numbers I'm getting are that the operational costs would be more or less on par. That was a surprise, and it kind of conflicts with some other anecdotal information that we've seen in the past.

If we use the Mount Werner Water sewer main going through Ski Time Square, it would be possible to basically put a heat pump on that water and heat the Kutuk and Torian sidewalks for about 20% of the energy that it would take otherwise for either a gas or electric system. But Mount Werner Water has said that they don't want a system on the main. That would be a much larger footprint, and it's just unproven. Both of those property owners have said that they don't want anything to do

with anything that's not gas. The way that we wrote the easement agreements is that they get final say.

We can present something to the property owners, but they've told me it's going to take a compelling economic reason for them to consider anything except gas. Because we have this interest from SSRA, and the property owners are saying no, we wanted to check in one last time with SSRA before we move forward and execute those agreements. We were able to get this issue on the January 17 City Council agenda, and we basically got quick and firm direction to move ahead and sign those easement agreements and get busy.

We're going to present these findings to them at the March SSRA meeting, and we'll see if they want to take this any further.

#### Easements:

We've been working hard to get all these easements granted, and to date we have 5 out of 7. The two remaining are Thunderhead Station and Alterra on the other side of the road. In return for these easements, on Torian and Kutuk, we're melting sidewalks that they have. At Antlers, we're installing tubing under a segment of sidewalk and giving them a very small payment to contribute towards a future boiler upgrade to the tune of about \$5,000.

For Thunderhead Station, we got a couple letters written: one from Rebecca Bessey supporting a 3-foot height variance and another from Jon saying they can take parking in the future to gain access.

DBT hasn't really asked for anything. They just went ahead and signed that agreement.

On Parcel B, we found that we wouldn't be able to construct the turnaround as designed without rebuilding their driveway. In return for the easements, we're constructing this new driveway and then redoing their turnaround.

Alterra: Parcel B's access goes through an easement, and we've been working hard to get that easement vacated and therefore disentangle the front part of the Alterra property. This is about a 60-foot-wide easement that encumbers that property. In addition, Alterra just asked us for a cash payment of \$150,000 for this easement with their thinking being that because we're doing sidewalks on Torian and Kutuk, we should consider doing sidewalks on other properties as well. We've been told by Mr. Murray in the past that we can't necessarily put money aside for Phase 2 of this project in 2029 for snowmelt and sidewalks because it looks like it's a completely separate project activity. So, if we want to contribute to any sidewalk snowmelt, it has to take place now as part of this project.

The question that we have for URAAC is: What do you want to do with payments to these undeveloped properties? We have three of them: lots 1 and 2 Station subdivision and the Alterra property. Should we have a policy on this? If we give \$150,000 to Alterra, do we feel okay giving nothing to DBT?

We did go back and look at payments that have been made elsewhere in town. On the CDOT project, it's mandated that you get an appraisal for the easement area and then make a payment in accordance with what that appraisal is. We found that the average value is about a third of what Alterra is requesting. We got the engineer's estimate back on this project, but it hasn't gone to bid yet so we don't know how much room we actually have. The bid could easily come in high, and it's likely if we make these payments that it will result in value engineering someplace else on the project. If you decide that we should be fair as a policy and support all these property owners, then we'll likely need to go back and ask for a supplemental in March.

Lawrence noted that there were some Alterra representatives in the room and wondered if the group would be comfortable discussing this; he suggested there could be some conflicts.

Schneider said he would abstain from any vote.

Schneider: To give a little history of what's behind the request: Originally, the intent was to actually build this sidewalk, but as it's an undeveloped property, the sidewalk is likely to be torn up when the property develops. So, we made the request for the future sidewalk that we would develop before the end of the life of the URA. We got a reading that doing so was not possible, so we came back with a fee in lieu instead. We would build the sidewalk in the future, but because it had to be done this fiscal year, that's the request.

Malia: Was that 150 based on the cost estimate to build it?

Schneider: Approximately.

Gooding was asked what the URA is spending on projects at the other properties; he said in the neighborhood of 500 total for Torian, Antlers, Kutuk, and tubing on Parcel B.

Malia: One of the concerns I have is it kind of creates a slippery slope. URA contributions are supposed to be public dollars to incentivize private investment. Where do we draw the line to say contributing funds for a future sidewalk; contributing funds for what else; all these undeveloped sites. I'm not necessarily saying right or wrong at this point; I'm just calling that out. Have we made such contributions to other undeveloped sites in the past?

Do we know that we can earmark that money for sidewalk development at this time?

Gooding: I think we can negotiate for easements, then we just need to be reasonable.

Stone pointed out that his employer, East West Partners, is a consultant to Alterra, and said he would abstain from voting on this item. He clarified that because the URA can't earmark money for future easements, what Alterra is requesting is a payment today so that they have the money to build that sidewalk when the time is appropriate.

Roos wanted to make sure the sidewalk would be built; Schneider said that Alterra would earmark those funds for a future sidewalk build.

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Miller: We're trying to improve pedestrian access around the properties, right? So, I think there's a case to be made that we should look at this seriously and also consider what's going to happen on the other side of the street as well. So, I don't think I have an issue with it.

Paul: We are putting a sidewalk in on the project this year; just not a snowmelted sidewalk.

Lang [?]: Are these temporary construction easements?

Gooding: The majority is temporary; I think there's 69 feet of permanent.

Lang [?]: So, \$150,000 for 69 feet of permanent easement?

Gooding: When we look at the CDOT standards, it's usually \$0.25 per foot per month. We fully understand that this property is worth more than some property on Downhill Drive, but it's all subjective. The guidance we're looking for from URAAC is: How do you feel about a cash payment? Is that the right number? Should this be a policy or not? We have an agreement with DBT for Lot 2;

Thunderhead Station has not been signed yet. These three properties are in the same boat. We do feel like there's value being realized with the vacation of the easement on the Alterra property, but it's not cash.

Lawrence: I don't have a problem with a cash payment. It does feel like a lot of money to me at \$150,000 for 69 feet. I would probably be more comfortable with a lower dollar amount.

Noyer: If we did nothing, and they wanted to develop that property, they would have to put in a sidewalk.

Gooding: The sidewalk would already be there; it would be their choice whether to heat it or not.

Miller: I think if we're going to do it for one, we should do it for the other two parcels as well. But I don't know about the dollar figure. If it's roughly \$500,000 for all the other snowmelt we're putting in now, does that equate to a similar amount we would be paying for on Alterra's property? How does that work out in terms of actual square footage?

Malia: Do we know what the rough cost would be to snowmelt that section?

Gooding: If you look at Torian and Kutuk versus Alterra and lots 1-2 in the Station subdivision, it looks like we're less than halfway there. I would expect to see a number north of another 500 if we were going to do apples-to-apples if we were going to snowmelt all that frontage.

Noyer: The other properties are already being snowmelted, correct?

Gooding: No. It's the same situation where we're installing a temporary sidewalk in front of all these properties.

Lang [?]: Torian is getting snowmelt where they currently do not have snowmelt and a new sidewalk.

Gooding: So is Kutuk. Antlers already has existing and is getting \$5,000 towards a new boiler.

Lawrence: Are we looking for a motion or just discussion?

Paul: Gates and I were somewhat hesitating to bring this to the meeting, but it does have implications on a go-forward basis. It's possible the request could have been handled without you ever knowing about it because it could be absorbed within the budget, but we felt that with the implications it has, it's one we wanted you to weigh in on.

Leeson said a motion wouldn't hurt.

Gooding: If you guys say that you want us to go the full amount and be fair to the other property owners, then we're going to be back in front of SSRA looking for more money. Maybe the bid process will surprise us, but we don't have that much room in the budget right now.

Miller [?]: But we would have to do a cash payment to the other properties at this time in order to be compliant with our charter.

Gooding: It would have to be part of the project, yes.

Noyer: Jim, where are you coming up with the value?

Schneider: It was an approximate estimation of what it would take to heat melt that frontage.

Noyer: Do we have numbers? We're already doing some snowmelt.

Gooding: Between Torian, Kutuk, Antlers and Parcel B, we're around 500.

Noyer wanted numbers on a square foot basis; Gooding said he didn't have those in front of him.

Stone: Is the Torian project 100% supported by a new boiler?

Gooding: Yes. On the Torian project and at Kutuk, there are certain sidewalk portions that are in the public right-of-way and have more of a public feel, and there are others like the Torian mezzanine area in front of the Creekside Building that we're calling add alternates. The property owners have to pay both to upsize the boiler and to install the snowmelt under those portions. The SSRA contribution is only for what feels more public.

Lawrence asked Schneider how Alterra arrived at their calculations; Schneider said he did not have those calculations that were used to start these discussions.

Paul: This Alterra sidewalk frontage is approximately 300 linear feet; the sidewalk proposed is 8 feet wide; the engineer's unit cost for the snowmelt tubing but not the actual sidewalk is about \$20 per square foot; that comes out to just south of \$50,000.

Gooding: Then you have to add boilers...

Paul: Boiler, gas service... I think the engineer had previously been saying double to add in the electrical and mechanical equipment.

Gooding: If you're looking at what it would actually cost to melt that, it's within reason.

Snyder: Is there a desire to make it consistent with how we would do it in the city? What we would typically do is compensate them on the 69 square feet based on the appraised land value. It would not be based off of the assumed cost of a future project.

Paul: Some more data for you: Using about 15 datapoints from compensations that have been made on federally-funded projects throughout town. Taking an average of those for the temporary easement rental for the Alterra property equates to about \$30,000 for the 69 square feet. To actually convert that to a right-of-way is about \$2,000.

Lot 2 Station subdivision, we're seeking a temporary easement and a permanent easement, and those estimated costs using the same datapoints total about \$9,000; Lot 1 temporary easement rental would be about \$5,000.

Pirrallo asked which areas would be temporary easements versus permanent; Gooding showed the relevant areas and said they would all be compensated under a CDOT project.

Paul: The purposes of the temporary easements are to recreate the driveway; there's some grading associated with that existing driveway as well as the existing Slopeside delivery driveway. There's some sewer work in that area as well.

Snyder: Probably the other thing we do different as a city is from the value of the 69 square feet at market value, we would then deduct the value that the property owner gains by this project enabling them to vacate the easement that currently covers the property. This project opens up that frontage.

Gooding: Six months ago when we were talking about whether to snowmelt the other sidewalks, the discussion that you all had was more that you felt snowmelting the sidewalks was your own goal as

much as it was a compensation to those property owners. I hear some of that today. We don't have to follow the city or the CDOT process here; I think that's a structure that's available if you want to follow that. It seems like it would result in lower payments, and we'll have to negotiate that if that's what you decide to tell us. If you recommend higher payments, we have to discuss that with SSRA, and it would come at the cost of something out of our workplan.

Malia: The city model has not been used at the other locations.

Pirrallo: If we do something on this permanent easement with Alterra, we also have to be consistent with any other undeveloped pieces of property where we are asking for permanent easements to accomplish the goal of snowmelting this entire footprint. We need to be consistent. What method we use to compensate Alterra – is it the cost of putting in a snowmelt sidewalk, or is it some assessment based on the value of the land, or some credit back based on the improvements – I think is the debate.

Noyer: I'm all in favor of compensating for this; I'm just hesitant to compensate the \$150,000 without knowing what that's tied to. If between now and several days from now, somebody could say that's fair compensation because compared to what we're already doing or what we're projected to do, that's about what it's going to cost. Or, gee, it's really 100 and not 150.

Gooding: We need to get these agreements signed ideally this week. If you wanted to, we could say something like the compensation can be up to a certain number not more than x, subject to an estimate from our mechanical engineers on the cost to snowmelt.

Malia: We already have a cost per square foot for snowmelted properties. Why don't we apply that same cost per square foot for this easement, and that's the value? What would we contribute if they were developing this site tomorrow to snowmelt their sidewalk?

Gooding: What if that comes out at 250?

Malia: From what I'm hearing, it sounds like it's more like 100.

Lawrence: Are those dollars based on 2023 dollars? What happens in the future if costs continue to increase?

Pirrallo: I think because we're taking these projects on now, and we have a requirement to fund these projects today, we would do it in today's dollars.

Paul: If we're comparing this to Torian's system where we're putting in a new boiler, the tubing, the pump, the design, all inclusive is about \$60 a square foot, times the 8-foot-wide by 300-foot-long length at Alterra, it does come to \$145,000.

My hunch tells me you'd be looking at a comparable number for Lot 2 Station subdivision and probably like half of that for Lot 1.

Gooding: The sidewalks we're showing are a little bit wider on the north side. That's a decision we made because we didn't want to overspend on sidewalks that are going to get torn out.

Paul: They're slightly wider because the parking and overhang wanted a couple extra feet. This one from Alterra is very likely throwaway. There's no parking adjacent to it.

## **MOTION**

Gavin Malia moved to proceed with the request from Alterra for \$150,000 and apply the same metric to other undeveloped sites.

George Noyer seconded the motion.

## **DISCUSSION ON MOTION**

Pirrallo: Do we create an opportunity to negotiate up to a certain amount to be funded?

Lawrence: We have an approved budget for this project, and if we are making all these payouts, then do we run the risk of not having enough in the budget to finish what this project really wants to accomplish? We're then going back to SSRA to ask for additional funding in March, which then pushes our timeline back on getting this project complete.

Pirrallo: In theory, if we pass this motion and SSRA approves our recommendation, there's the potential we're still going to have to go back and ask them for additional funding because there may be one of the undeveloped lots that comes back to negotiate for the same thing.

Gooding: Unless you decide to have this policy apply to all three of those right now. You guys are recommending this; we need this agreement signed this week; and there's a risk the SSRA could say no. Jim, if URAAC makes this recommendation, and we present it in front of the SSRA, and they turn it down, are you willing to take that risk to sign those easements this week?

Schneider: Then the cart is going to be in front of the horse. The document is going to be signed with that in it.

Gooding: We can make it subject to SSRA approval.

Malia: Doesn't the city have to sign the easement?

Gooding: I don't see any other way that we could do this beyond delaying the project in the case that these payments would put us above our approved budget.

Paul: I plugged all those numbers into our global budget. The big number in there is still based on an engineer's estimate. It is going to kick us over close to \$200,000 assuming we treat the other two properties the same.

Pirrallo: So, even if we pass this motion that's on the table right now, it's unlikely Alterra is going to sign an agreement that is not approved by SSRA.

Schneider: I don't know how to answer that.

Lang [?]: You have an easement already signed by Antlers that pays them money.

Gooding: Yes, 5,000.

Miller [?]: But if we don't approve the other two lots at this time, we still may come in under/at budget and wouldn't have to go back to SSRA this time. That kind of changes it a little bit. Ski Time Square needs this turnaround. I think everyone agrees with that. Getting snowmelted sidewalks on both sides of the road is important, but I think we have to look at it separately now if we don't want to go back to SSRA or want to move forward as soon as possible. Is there a way for us to design this so that we can go back to SSRA and try to get the other two parcels approved in March?

Gooding: In that scenario, we would have all the easements signed. We already have Lot 2 Station Subdivision, and the discussion with Lot 1 has not included any cash payments.

Roos: You could also be over budget when you get your estimate.



Lawrence: What happens when you get this put out to bid, and it comes in over. You still have to go back to SSRA to request additional funds to make up that difference?

Paul: It depends on the order of magnitude that we're over.

Lawrence: Is it like 10%?

Paul: There are some things that could pretty easily without notice be removed from the bid without anyone knowing about it. So, if we're 50-100,000 over, we could probably resolve that. Typically, engineers like to be conservative in their estimates, so we hope the numbers we're playing with here are on the higher side. It's really a volatile climate right now, so it's tricky to know what we're going to see.

Malia: It sounds like you've got one easement, and the other is close. You may be going back to SSRA for budget revisions based on bids.

I'll amend my motion to limit this to just Alterra's property, let you proceed with that last easement negotiation, and let's try to keep things moving forward.

Paul: We did acquire a permanent easement from Lot 2, which was a critical easement. There are design solutions to forego needing temporary easements on those lots, but they would result in a substandard design. Whereas, the Alterra property, primarily because the driveway that we're straightening out and going on the property, I would consider that a critical temporary easement.

## **MOTION**

Gavin Malia moved to approve the requested \$150,000 to acquire the easement for Track B.

Noyer: I believe that that's a fair assessment. By approving this one, our intention is to be reasonable in future negotiations.

Lawrence: As part of that agreement to acquire the easement, there would also be language about that money having to be utilized in future for those improvements related to the 300 feet of sidewalk.

Malia: As long as the language indicates they're obligated to put in a snowmelted sidewalk.

George Noyer seconded the motion.

## **VOTE**

The motion carried unanimously with Schneider and Stone abstaining.

## **6. Gondola Transit Center Gondola.....1:55pm**

Gooding: Since the last URAAC meeting, this project has made a lot of progress. We had a couple in-person workshop charrettes with the design team in December, and we've moved into the current phase of the design process, which we're calling preliminary design.

We're going to have a stakeholder workshop in February to present some concept alternatives and then a second stakeholder workshop and community meeting in March to check in on a preferred design.

Alterra has proposed including a gondola in the GTC project. In their view, the benefit of this gondola would be that it allows moving a lot of the transit facilities off site and limiting the amount of traffic that comes up to the GTC. This would basically involve re-envisioning the GTC project. Instead of geographically defined, it's a transit system that serves all people arriving at the mountain.

We've been looking at multiple design concepts.

Gooding showed design concepts for the system, including handling private vehicle drop-off and transit at the Meadows Lot.

Gooding: The city's URA attorney, Malcolm Murray, has said that these concepts are not eligible for URA funding if they include a gondola because if you think about what an eligible TIF-funded URA project is, you have to go back and look at the 2004 blight study. Those findings were very limited. One of the issues we have in our URA is that we've already been pushing the boundaries on how to interpret that study.

The 2015 Phase III project justification already included issues that were not cited in the 2004 study. Malcolm has told us that the danger that we're facing is that if we keep pushing the interpretation of what is an eligible project, we're going to open the URA to criticism and potential liability legally and politically. We all know that there's some mistrust of the URA at the county, and if we start doing things that look like they're clearly beyond the smell test for what this funding should be used for, we're just going to be opening ourselves to that kind of criticism. City management supports Malcolm's position.

On the other hand, because the URA already has been interpreted so heavily, and nothing about what we're doing at the GTC was in that 2004 blight study, Ski Corp consulted another attorney, and they said sure. Why draw the line there? It's arbitrary. The gondola could be interpreted to be part of the same transit upgrades that you guys are making with the rest of the project.

If the URA can't participate in any gondola-related aspects of the GTC, it has important implications in a number of ways for the partnership with Alterra, project logistics and funding.

Schneider: I don't think I've ever mentioned that our legal team rendered a public opinion on this. I think that's in my interpretation based on this that I've expressed to you that it just feels like the GTC doesn't work, so a gondola makes sense to help fix the blighted conditions. That's generally what I believe I expressed today.

Sara Jones, Alterra Mountain Company/SSRC:

I do quite a bit of work in the transportation area. I'm on the Innovative Transportation Taskforce with Jonathan; we're looking at regional transportation. I'm on the Climate Action Collaborative on the Transportation Working Group also with Jonathan. I was on the steering committee for the EV Readiness Plan for the city. So, I think a lot about transportation in a low carbon future. In that capacity, I've also been involved in the GTC redevelopment.

Both the study that was done for the mountain area and the Mountain Area Master Plan identifies this as a critical piece for redevelopment. The piece that continues to be hit on is this lack of pedestrian, not welcoming, congestion, difficult transportation. So, I think the URA and these mountain area plans really provide a shared vision for us. Yes, there is this concern with the legal terms for funding, but the MAMP and previous city planning documents identify those needs and the need for a long-term view. That's in the MAMP; it's been a requirement in our development documents; it's something that City Engineering requires for the development of the GTC.

As you look at the GTC and the current constraints in that area, that will not meet our goal for development for what things will look like in 20 years for capacity both at the resort and the city.

That's why we've expanded that view, and that's a huge benefit that we're thinking about our needs in the short term and long term.

From the perspective of both the city and the resort's sustainability goals, we're reducing vehicles miles traveled, getting people out of their cars. The gondola presents a move to a low-carbon transportation system, and it also provides a much more welcoming experience by getting all that traffic out of the GTC.

I think with the value of the URA leveraging funds and thinking about these city documents, it really provides this shared vision of what this space will look like. Ski Corp values the URA, that TIF funding and that shared vision. We appreciate the value that it provides to us and vice versa. There have been things that are identified in URA projects that we've actually paid for through Full Steam Ahead: ice rink, escalator. So, recognizing that it's a balance.

So, our ask is that you would provide a recommendation to SSRC to support the design and development of the gondola from the Meadows Lot as part of the GTC redesign. Think of it as a more broad transit center approach. Recognizing the legal concern and also the concern that the TIF money ends in 2029. Funding that would go to this project now would limit the funding in the future.

We recognize that from the legal perspective there's an opportunity where it's balanced overall, but perhaps URA funds go specifically to work done on the GTC, and Ski Corp/Alterra funds would go more to that design for the gondola to the Meadows Lot. Still, that would come out to a more balanced approach in terms of that overall contribution.

To address the potential that funding from the SSRA would take away from other projects, as you know, Ski Corp is moving forward with a Metro District which would provide funding not only for capital but also for O&M beyond that 2029 date. We're open for discussion to help fund some of those projects identified as URAAC projects that won't be funded if you're contributing more to this specific project.

I used to be in a nonprofit, and when we were trying to get programs running, we would use this analogy of a cake. We all want the cake. This cake is the GTC and a super functional transportation system on the mountain. In the nonprofit world, there's always this issue with grants where a grant will say we'll pay for this part of the program but not the whole thing. So, we'll buy the eggs, but we're not going to pay for the flour. But to get the really good cake which we all want, we all need to be thinking about all the ingredients of that cake and how we all contribute to make that good cake. So, that what I'm asking representing Ski Corp today to ask all of you to consider.

Malcolm Murray, URA Attorney:

I think Gates summarized my views quite well. We're getting too far away from the initial blight conditions that were described almost 20 years ago. There's been a lot of projects and a lot of work on the Transit Center. It looks different than it did in 2004, and the idea was to fix the problems that were acknowledged back in 2004 and part of the 2005 plan adoption. There were a number of things that were identified that we have continued on that weren't covered by the bond funding, but an awful lot of it has been. We're just getting so far in time and in terms of relationship from what was originally identified as blight conditions that I just can't see the connection and cannot advise you that it's authorized as legitimate urban renewal activity.

I heard the presentation about how bad this is needed and how it would help a lot of things, and I'm sure that's all true. One of the things you might want to think about is you might want to do a new blight study and adopt a new plan that focuses on fixing the problems that you are recognizing now. But it's just too far in time and in terms of concept to utilize TIF funding on this kind of gondola activity.

Pirrallo: When you interpret the original blight study that was done in 2004, do you have a sense that transportation, pedestrian safety and interaction, and vehicle conflict with pedestrians were part of that blight study in 2004?

Murray: Sure, those were problems in 2004 when it was done.

Pirrallo: So, if that in fact was the case in 2004, when I look at this 2015 justification, does this definition and description of the blight conditions for the GTC meet that criteria?

Murray: In 2015, those weren't particularly specific, but they were conditions that existed at the time.

Pirrallo: I'm reading this from 2015, and based on my first question from 2004, transportation, pedestrian safety and vehicle and pedestrian interaction were part of the original blight study that seems to be captured in this 2015 justification.

Murray: Similar kinds of issues, sure.

Malia: But if those conditions have not been improved upon today, wouldn't it be fair to say that those blight conditions still exist?

Murray: The blight conditions have changed and evolved over the last 20 years. There are a lot more people using the ski area and the access points and pedestrian ways than there were 20 years ago. Just because you say we have some problems in this area doesn't mean that plan and the TIF revenues that are dedicated as part of that plan can then be used for the full 25 years to deal with relatively dynamic problems. You can always say that there are vehicular and pedestrian circulation concerns. Those change with increased traffic and increased usage. But an urban renewal plan and the dedication of the TIF is intended to correct conditions of blight that exist at the time of the plan's adoption. I would venture to say from my occasional visits to Steamboat Springs that you still have problems with vehicular and pedestrian circulation, but they are very different than they were 20 years ago.

Malia: If we're justifying that the Transit Center is an acceptable project because we're trying to correct what I would describe as ongoing blight conditions, what I took from those stakeholder meetings is we're trying to make the best deal we can with the geography we have, but we are not solving the problem.

Murray: I think there were a lot of solutions to the problem that were developed back in 2005-2006 after the plan adoption. There were bonds issued, millions spent to fix the problems that were identified then. That was where it should have ended. Part of those solutions created some other conditions we've been trying to stretch the use of TIF funds to accommodate, but at some point, you're dealing with new issues and new problems. They may be the same conditions that you experienced in 2005, but it's essentially a different problem, and what's being proposed is a far different solution than was proposed 20 years ago.

Schneider: I don't know that there was ever a solution proposed 20 years ago. It was just that there was a condition that needed fixed, and it's been on the list. I've never seen a solution in the 20 years that the URA has been in existence.

Murray: There's been plenty of money spent on a fix. I can't speak to whether there was a document to fix everything, but the money was appropriated; bonds were issued; money was spent. So, I have to assume that all of that was spent in the effort to correct those blight conditions.

Pirrallo: Just to clarify your thinking about this, if we put in a sidewalk in a particular location that was underdeveloped in year 1 of the URAAC, and in year 15 of the URAAC, that sidewalk needed to be replaced because of new development in the area, that is not permitted under the URAAC?

Murray: That's basically true, yes. A plan is not an authorization to spend 25 years' of TIF in a particular area; it's to fix particular problems that are identified in the blight study, and the plan is an effort to accomplish the alleviation of those conditions of blight. They're not repairs. I've drawn the line as best I can with expenditures to repair or to replace worn out improvements in this area. I've had that discussion with people over the years.

Pirrallo: But if an activity has not been formally initiated to address what was designed in the 2004 plan, we are not repairing or replacing; we are initiating a new activity to address this particular issue in the plan.

Murray: The problem is the conditions are ongoing, and the current conditions are created substantially by the growth and the change that's happened in the last 20 years. If this was a solution to the problem 20 years ago, then somebody dropped the ball by not putting it on the table and getting it done within the last 20 years.

Pirrallo: That was a funding question because of the scope and size of the funding for the activity that's needed to address the blight conditions identified in 2004 in the GTC area. We've not taken on a formal activity within the 20 years that I've been associated with this URAAC project to address the GTC.

Murray: Why not?

Leeson: If you look at the 2004 blight study, that's all we are authorized to fix right there.

Pirrallo: The footprint of URA goes all the way down to 40, and I can give you an argument made by the city manager who pulled dollars from URA to do landscaping on Route 40.

Leeson: The issue is that they've identified what the blight conditions were in 2004. That's what's listed. That's not to say we can't do other things, but I think what Malcolm is saying is that the farther we get away from that, the more legal challenge we're subjected to.

Malia: What if during your design process you reach the conclusion that you cannot solve the problem on that limited piece of dirt?

Paul: This slide was a bit of a stretch from a past project manager; this is not from the blight study.

Pirrallo: That's why I asked Malcolm in 2004, was there a situation of transportation problems, pedestrian safety, vehicle and pedestrian interaction that was a problem in 2004. He said definitely yes.

Leeson: Definitely yes in certain areas of the URA but not necessarily on this particular parcel. That's the issue.

Pirrallo: But the URA study didn't specifically say these areas exist on Mount Werner Road or the GTC; it said in the geographic area that's identified as the URA, these conditions exist.

Paul: Every parcel within the URA meets with a category. The ones you are relating it to is under this Defective Street Layout. For each site, it went through, and none of these boxes were checked at the GTC site or at the Meadows site.

Malia: If the argument is that you can only limit URA funding to this geographical area, or that it was not identified on this geographical area prior, how is it that this more reduced scope to only work on the GTC area is eligible for funding?

Gooding: He's asking if all that we look at is redoing the bust stop and stuff, but that wasn't listed in the 2004 blight study, can you still give us a favorable opinion on that?

Murray: Sure. You don't have to limit your activities to properties or areas that are adjacent to properties where you identify blight conditions. If you've got a defective street laid out, you may notice that it may be marked on specific properties, but your fix is going to have to involve other properties as well.

Malia: Now, I'm confused because now what you've said is if we can't find a solution using the existing property, it is eligible to expand the scope to adjacent properties to address that blight. We did a study to try to redesign the GTC, and what I'm hearing is it doesn't fix the blight. So, they've expanded to an adjacent property; the only way that's possible is via a gondola; and that fixes the problem. That's an adjacent property solution. Isn't that what you just stated?

Murray: No, not really. What I think you're identifying is problems and a solution that are appropriate for a new urban renewal plan, not under the urban renewal plan with the circumstances and situations that you found in 2004-2005. That's really the essence of what I'm saying.

Gooding: Could you take us through a little bit of the imprecise boundaries between where different interpretations might leave us and what the consequences might be of falling on the wrong side in your view?

Murray: If you fall on the wrong side, it's very possible that the county commissioners could sue the city for misusing TIF funds. Those kinds of lawsuits are rare; I'm not aware of any that have been successful; but you certainly run that risk. Because remember, the TIF funds are dollars that the county and special districts and in a roundabout way the school district would otherwise have. So, they've got a stake in this, and that's why you try to spend that TIF money within the boundaries of the urban renewal plan and obviously the Urban Renewal Act. But I think you've got an obligation to follow laws in good faith. You can stretch and squeeze and turn a rationale on its head to justify spending this money. But in good faith, I've got to tell you you're crossing the line, and I wouldn't do it. I can't advise you to do it.

Leeson: Do you think the SSRA can spend money on improvements to the GTC? No gondola, just the GTC?

Murray: I think you're so far into it in terms of trying to proceed on your workplan that I wouldn't advise any city employee that's assigned to the URAAC to get up and leave the meeting when you discuss the gondola. Obviously, the whole GTC discussion has an impact on the rest of the traffic circulation around the ski area. Ultimately, the city has got to be involved because it has got to be responsible for traffic and transportation in this area long after the urban renewal plan expires.

Lawrence: In your opinion, do the current layout ideas fall within the purview of the URAAC and what's identified as blight? Are we stretching the definition of that with looking at some of these concepts that are on the table right now with how the GTC is currently looked at being revised and updated and improved?

Murray: I haven't really been involved in any of this. All that's been put on the table is a gondola, participating in the gondola. Lawyers are not necessarily the best ones to make those fine distinctions between what part of this is really traffic and transportation related and what part of it is connected to a private activity. You guys are going to have to work out the details, but my advice to

you is that certainly, traffic and transportation is an important function of the city. The URA is an entity created and answerable to the City Council. So, let's kind of leave it at that. I don't want to get into splitting hairs on how much time Gates spends on one activity or another.

Leeson: I think this group has for years been working through improvements in the GTC. They've been accepted by multiple SSRAs over the years that that's an acceptable activity. I think that this SSRA would also accept that as an acceptable activity. I can guarantee you they're not going to accept paying a dime towards the gondola, but I don't hear you necessarily asking that. I hear you saying – at least Sarah says the SSRA will pay for the flour, and you guys are going to pay for everything else. If you're asked: Can the SSRA continue to look at the GTC, particularly those things that are in the right-of-way, those improvements that normally the SSRA would approve, I think we should move forward on that. I would highly recommend you do not ask the SSRA to pay anything related to the gondola. Obviously, there's some grey area. There's going to be some crossover, particularly with design. But if the ask is to spend any money on the gondola itself, that's probably a nonstarter, particularly when you have their attorney saying that's a nonstarter.

Schneider: I think you make valid points. I think it's the blended piece that is the issue at hand in my opinion. Because we're in design, and you can't just design one and not the other collaboratively, how do we get to an agreement on how we work through the design process? So, I think the question for this group is: Is there a path to recognizing the advice that we've gotten from Malcolm, continue on design in some sort of a blended fashion? Because once you put the egg and the batter in, you don't know which is the egg and which is the batter. We need to be able to continue to move forward with design, which will inform a PIA and a cost share of these components, which can't be answered right now.

Pirrallo: In this proposal, it appears that skier drop-off shifts from the traditional Gondola Square area down to the Meadows Parking Lot. Even possibly public drop-off shifts from the Gondola Square transit center down to the Meadows Parking Lot. You've clearly stated that the gondola will be a problem to fund with URA funds. But would the component of a public drop-off area down at that location be something that may be considered as this blended approach moves forward?

Leeson: Yes, I think so. I think I would feel more comfortable if you focus public dollars at the existing GTC because that's where it was identified as blighted. But I think there's probably some room. It is within the URA, and it is addressing some issues.

Jones: We want to come up with the best solution in the short term and the long term. I made that cake analogy because we don't want the "we'd only pay for this; we can't pay for that" to ruin the cake. We want to choose the best plan for now and the future. I appreciate the legal and the GTC, but I don't want us to lose sight of that bigger picture because of that.

Leeson: I agree. But we have a responsibility to be good stewards of those public funds, and we have some people that are watching us extremely closely and waiting for an opportunity to say gotcha, and we don't want to go there.

Pirrallo: How would you propose that we might proceed with what Jim has pointed out looking at the big picture knowing that there are some restrictions about what dollars can be spent from the URA and how to get to a total?

Leeson: I think it's got to be through the PIA and who's paying for what.

Schneider: I think that is true particularly when we get from a certain point to construction. The issue we have at the moment is that we've got design work that we need to complete to get there. We've got to draft reimbursement agreements currently at 50-50 as some other percentage. It's going to be hard to slice and dice that this is gondola and this is GTC when you're having these

design discussions. So, how do you build that and pay for that? I think if we can come to some rough order of magnitude of the gondola is this and the GTC is that, and that becomes the split even in the design. Then, it doesn't matter the conversations you blended to get there.

Gooding asked Murray if an arrangement like what Schneider put forward would be advisable.

Murray: I think that might work. I think the other thing that needs to be discussed is at what point does the city take over participation in these activities? Because as I pointed out earlier, URAAC will disappear in a few years. There won't be any TIF funding, but these problems will continue, and they need to be a city activity and a city function unless there's a new urban renewal plan. So, it's probably time for you and I to discuss with the city how the city is going to ultimately transition into funding the kind of activities that you may have been doing over the years. But that's a different discussion for a different group.

Lawrence: At the last URAAC meetings, the gondola wasn't even on the table. All the other previous looks at the GTC we had were closing it off and restricting traffic through there. Are you guys saying now that this gondola is definitely going to be part of the GTC and that's what the vision is going to be moving forward? Or does this gondola depend on whether there's funding from URAAC? Or...

Schneider: I think it's a little bit of both. We're working through designs that have maybe no gondola. I don't know if that's the best solution because we've already identified that there's not enough room for all the uses. But yes, I think we think this is the best solution, and we're working on identifying funding sources. But in order to get there and identify how to draft the PIA, you've got to have a design that is accepted by the public that we can all buy into so we can divvy up the parts.

Lawrence: Do we feel like a gondola is a viable solution to solve the issues with the GTC and the transportation issues?

Leeson: What happens when it's windy?

Stone: I think the intention here is to answer those questions through the design and analysis that's going on, so I don't know that we have perfect information. When the gondola shuts down because it's windy, they're working on what is the capacity to have temporary busses serve that purpose. It's not going to be an ideal situation, but is it a manageable situation. Those are definitely being considered, and I wouldn't say it's a foregone conclusion that you have to have a gondola in there. Having gone through the MAMP, it always seems to come back to how do you get vehicles off the roads between the Meadows Lot and the GTC? It always seems to come back to here, but we're working on the engineering and analysis to justify and prove that.

Pirrallo: What do you need from the URAAC?

Schneider: You heard that it probably is okay to come up with some sort of a split so that we can continue the preliminary design. If we've got the advice that we can do that, I think we're in a good place.

Pirrallo: So, does the SSRA need a motion from us to look at this in a design/holistic manner?

Schneider: I think we've got the direction we need. When we need a motion, I think it's a matter of negotiating the cost share and reimbursement for this second tranche of design work while we're negotiating the DIA.

Leeson agreed.



Stone: In a way that confirms and recognizes that SSRA money is not directly contributing to a gondola design. What I'm hearing is it doesn't have to be so specific as you have separate contracts and separate time sheets.

Noyer: I think there's consensus in this group that we definitely think it is a good idea to pursue, and we would be in favor of supporting that pursuit in any way we can, legally.

Flint: From a transportation standpoint, I would strongly recommend that operations are a strong consideration in the design. Using our buses as an example, if the gondola operates seasonally, what do we need to operate on a year-round basis? If it operates on an hourly basis, what do we need? I think in a case like this agreeing on an operational parameter is very important as the design is going through.

Pirrallo: What might this do in terms of the timeline that has already been discussed for this project?

Schneider: I think if we walked out of this meeting today with a different answer than we just got, I'd say the timeline is changing, but I think we can stick with the schedule based on this information.

Leeson asked Schneider if Ski Corp is also looking at the metro district for funding this; Schneider said they are working that process in parallel.

-MEETING ADJOURNED HERE-

- 7. **March 21 SSRA Meeting**.....**2:50pm**
- 8. **Other Business**.....**2:55pm**
- 9. **Adjournment**.....**3:00pm**  
**The meeting adjourned at approximately 3:23 p.m.**

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**UPCOMING MEETING CALENDAR:**

***URAAC: March 2, April 6 (Carver Room for the rest of the Year)***

***DSC (Pirrallo, Schneider, Roos): TBD***

***2022 Tentative SSRA / City Council Dates: March 21, September 5, November 14***

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