



OVERVIEW OF THE MOUNTAIN URA

Introduction:

The Steamboat Springs City Council serves as the governing body for the Urban Renewal Authority (URA) and its Mountain Plan Area. This memo provides a brief history of the URA and the adopted plan area, more commonly referred to as the Mountain Plan Area.

URA History & SSRA:

The Steamboat Springs URA was created by the City in 2004 and the boundary incorporates the entirety of the City limits. When the URA was formed, City Council determined they would serve as the commissioners of the URA, and when conducting business of the URA, you convene as the Steamboat Springs Redevelopment Authority (SSRA).

Bylaws were established to create the structure and roles of the SSRA, with the City Manager serving as the Executive Director. City staff provides support to the Executive Director, and in 2007 the Public Works Department assumed the majority of this internal support role via the Engineering Division. Currently, SSRA meetings are convened on an as-needed basis and precede City Council meetings. The City Attorney provides legal representation for the SSRA for local issues and Malcolm Murray (MDKR LLP, Denver) advises on URA specific issues.

Mountain Plan Area:

On the heels of the creation of the citywide URA, significant redevelopment was forecasted for the area at the base of the ski mountain and a blight study was commissioned in an effort to form a plan area to fund public improvements using Tax Incremental Financing (TIF). In 2005, the blight study was completed and the Base Area Reinvestment Plan was adopted, creating the City's first URA, the Mountain Plan Area. By law the Mountain URA plan area has a 25-year life span that will end in 2029, and uses TIF revenue to fund public improvements. Current statutory and bond requirements obligate the City to adopt a budget before December 31st of each year. The plan area is highlighted in Figure 1 below:

Plan Area Boundary

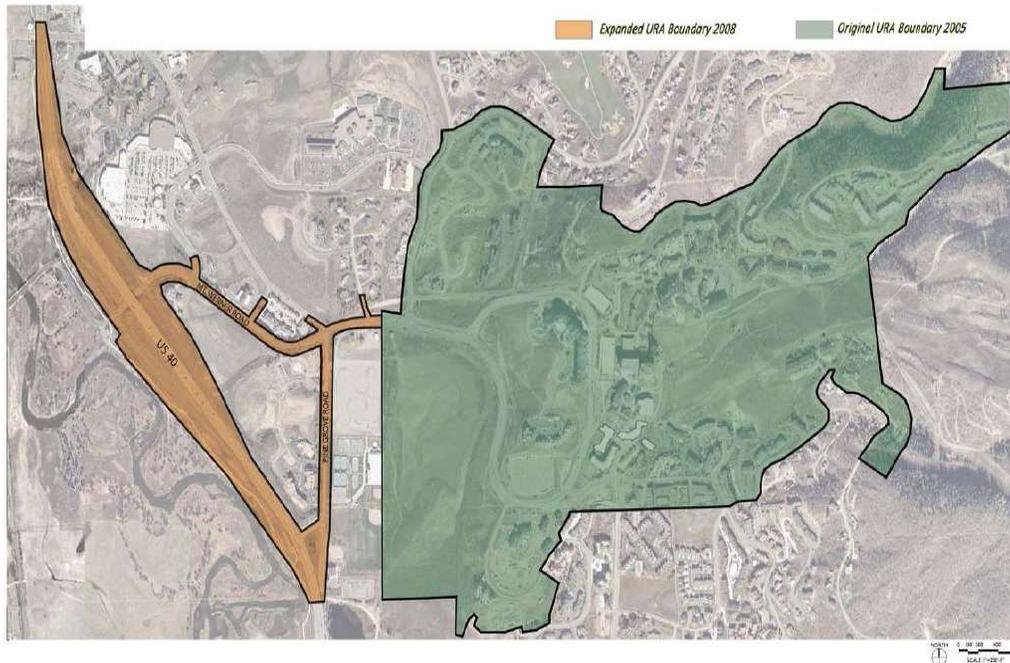


Figure 1 – Mountain Plan Area Boundary

In 2008, the SSRA formed an advisory committee to serve as the visioning and planning mechanism for the Mountain Plan Area. This body is referred to as the Urban Redevelopment Authority Advisory Committee (URAAC). The current committee is comprised of thirteen mountain area stakeholders representing entities such as Steamboat Ski & Resort Corporation, One Steamboat Place, Torian Plum, Sheraton (four main properties at base of ski area), and also include developers, a design professional, business owners, members at-large, and a non-voting representative from the City Council/SSRA. The URAAC is tasked with making advisory recommendations to the SSRA, which include an annual budget and capital improvement plan focused on eliminating the blighted conditions identified in the 2004 blight study. An internal Design Sub-Committee was formed by the URAAC to fully scope, provide design inputs, refine cost estimates and detail plan the recommendations URAAC presents to the SSRA.

Public Improvement Construction:

The most significant public improvements completed to date in the Mountain Plan Area are:

- Burgess Creek culvert replacement under ski area (2007)
- Ski Time Square roundabout and bus stop (2007)

- Apres Ski Way/Mt. Werner Cr. roundabout (2008)
- Promenade Construction and Burgess Creek daylighting (2009-2012)
- Mt. Werner Cr. median beautification (2013)
- Highway 40 median beautification in collaboration with City (2013)

Approximately \$20 million in public funds have been invested in the mountain plan area over the last 11 years. These improvements were completed in Phase I and Phase II of the project via bond financing, leveraging the revenues of the URA. These revenues consist of the increment of property taxes and sales taxes over the 2004 base year level as illustrated in Figure 2.

URA Revenue Sources

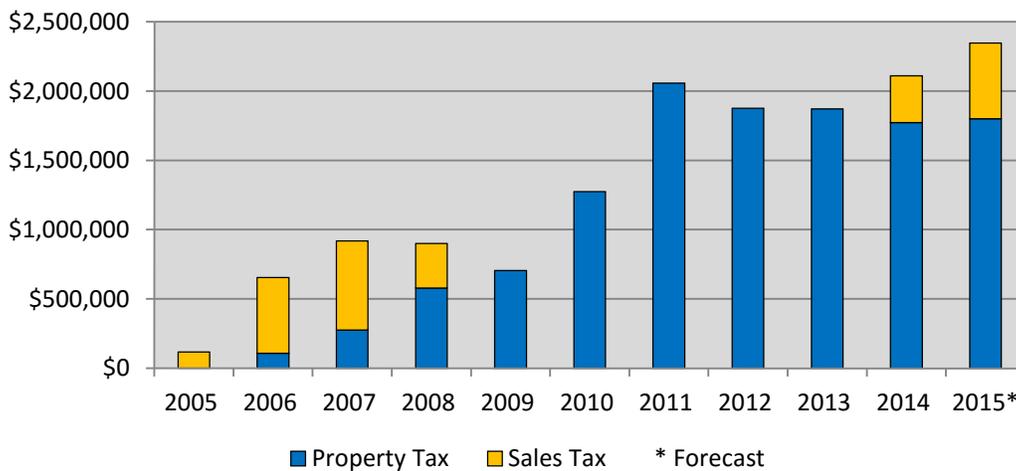


Figure 2 – Mountain/Base Area Revenues

A significant item to note is that an operations and maintenance mechanism was not created with the establishment of the Mountain Plan Area. Easements and agreements have been executed between the City and the private properties where public improvements have been constructed on private property. To date, the City has accepted the maintenance responsibility associated with the public improvements constructed in the public rights-of-way at an estimated annual cost of \$65,000. Via separate private property agreements the City is obligated to monitor some public improvements constructed on private properties.

Recent Occurrences:

During the 2013 budget adoption process the URAAC proposed to include in the operating portion of the budget a contracted project manager position to oversee the Mountain Plan Area. This line item was endorsed by the SSRA as part of the budget and is proposed again for 2016. The current SSRA Project Manager is Ralph Walton who reports to the Public Works Engineering staff. This contracted position provides a

dedicated resource to manage the Mountain Plan Area and allows the engineering staff time to focus on city-wide capital improvements and development obligations.

In 2014, URAAC working with City Staff completed a strategic prioritization of the remaining large infrastructure improvements envisioned in the various founding documents used to establish the Mountain Plan Area. This prioritization matrix was endorsed by the SSRA. In September 2015, the SSRA adopted a Phase III Activity list for the Mountain Plan Area project, which included a majority of these large scale infrastructure improvements (attachment 1). During this meeting, there was debate amongst the SSRA about the state of the Mountain Plan Area and whether or not there was reason to preserve the plan area that continues to collect TIF. URAAC maintains that there are many conditions identified in the blight study that have not been addressed and if future planned improvements are realized, they will achieve that objective of eliminating the blight.

In May 2015, Governor Hickenlooper signed into law House Bill 15-1348, legislation that could have the ability to affect the Mountain Plan Area. The SSRA legal counsel was consulted over the course of several months and briefed the SSRA on the steps needed to meet these possible future obligations. As a result, the SSRA adopted the Phase III Activity list and committed to not change the existing Mountain Plan Area to ensure we are managing the URA in accordance with the new law.

Attachments:

No. 1 – Description of Phase III Activities Adopted by the SSRA on 9/15/15