

**LEADVILLE URBAN RENEWAL AUTHORITY 2023 BOARD MEETING**

**Hybrid In-Person and Virtual Zoom Meeting**

**City Hall**

**800 Harrison Ave, Leadville**

**February 2, 2023, 6:00 P.M.**

**Join Zoom Meeting**

<https://leadville-co-gov.zoom.us/j/84931644290?pwd=NENNZ1hXMVRYIVnemZPNI9TRGhNQTO9>

1. Roll Call
2. Approval of Minutes from January 5, 2023 Meeting
3. Financial Report
  - a. Treasurer's report (Commissioner Kayla Marcella, LURA Treasurer)
  - b. CLA report (Carrie Bartow, CLA Principal for State and Local Government)
4. Presentation: Background on urban renewal laws and TIF (Linda Michow, City Attorney)
5. Chaffee Housing Trust Update (Read McCulloch, Chaffee Housing Executive Director)
6. Administrative Matters
7. Date of Next Meeting: **Thursday, March 2, 2023, at 6:00pm**
8. Adjournment

**APPEARANCE**

*Please call 719-486-0349 at least 24 hours prior to the meeting if you believe you will need special assistance or any reasonable accommodation in order to be in attendance at or participate in the meeting, or for any additional information. Times on the agenda are a guideline and not an exact timeline of when agenda items will be presented.*

# Leadville Urban Renewal Authority

## BOARD MEETING MINUTES

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January 5, 2023 Annual and Regular Meeting

Virtual Meeting via Zoom

1. **Call to order:** The meeting was opened at 6:05 pm.
2. **Roll Call**
  - a. **Present:** Chair Tracey Lauritzen, Mayor Greg Labbe, Board Member Tim Hill, Commissioner Kayla Marcella, Vice-Chair Andrew Purdy, Board Member Rod Weston.
  - b. **Board Members Absent:** Board Member Christian Luna-Leal, Board Member Dana Greene, Board Member Shannon Grant
  - c. **Also present:** City Attorney Linda Michow, paralegal Amelia Schubert-Zhang, CLA Principal Carrie Bartow
3. **Regular Meeting:**
  - a. **Approval of Minutes:**
    - i. Approval of Minutes from December 22, 2022 Meeting: Chair Lauritzen asks for comments or corrections. No comments. Tim makes a motion, Mayor Labbe seconds, all say aye, minutes are unanimously approved.
    - ii. Approval of Minutes from October 11, 2022 Meeting: No minutes seem to have been taken, so we will delay this.
  - b. **Discussion Items:**
    - i. Treasurer's report by Commissioner Marcella: LURA currently has approximately \$59,000. The only notable expenditure recently was a final Cunningham invoice. LURA has spent \$79k through the City. The City has approved an additional \$85,000 for LURA through their supplemental budget, on top of the \$45,000 originally budgeted. Commissioner Marcella is reviewing the financial documents provided by City Treasurer Dawna Schneider; going forward the TIF should be paid directly to LURA. Commissioner Marcella has sent a spreadsheet to Linda with the est. increment for 2023; in addition to what the city has given LURA in 2022, we should anticipate some increment from the City Treasurer's office. Commissioner Marcella estimates that LURA should receive approximately \$153,000 in 2023, when prop taxes are paid.
    - ii. Financial Report (Clifton Larson Allen): No one from CLA was in attendance, so this update was postponed to the Feb. meeting.
  - c. **Action Items:**
    - i. Annual meeting election of officers, per Article II Section 12 and Article III Section 1 of the Bylaws of the Leadville Urban Renewal Authority.
      - 2022 officers: Chairperson Tracey Lauritzen, Vice Chair Andrew Purdy, Recording Secretary Mayor Labbe, Treasurer Kayla Marcella.
      - **Chairperson:** Chair Lauritzen suggested that the current vice-chair, Andrew Purdy, might like to be chair. Vice Chair Purdy agreed to serve as Chair, noting that he is not a

# Leadville Urban Renewal Authority

## BOARD MEETING MINUTES

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member of City Council, and will need help. Chair Lauritzen moved, Mayor Labbe seconded. All present were in favor, so with no further discussion, it was unanimously approved.

- Vice Chair: Board Member Rod Weston then nominated Chair Lauritzen as 2023 Vice Chair. Mayor Labbe seconded. All present were in favor, so with no further discussion, it was unanimously approved.
- Secretary: Mayor Labbe stated that he would be willing to continue serving as secretary. Commissioner Marcella nominated Mayor Labbe for secretary, Board Member Tim Hill seconded. All present were in favor, so with no further discussion, it was unanimously approved.
- Treasurer: Commissioner Marcella noted that Lake County Commissioner Sarah Mudge has expressed interest in replacing Commissioner Marcella on the LURA board. Commissioner Marcella agreed to continue as Treasurer as long as she remains on the LURA Board. Mayor Labbe nominated Commissioner Marcella for treasurer; Board Member Rod Weston seconded. All present were in favor, so with no further discussion, it was unanimously approved.
- The board then moves to create and approve LURA Resolution No. 23-01 Appointing Officers to the Board of Directors, with the following members:
  - Andrew Purdy – Chairperson
  - Tracey Lauritzen - Vice Chairperson
  - Commissioner Kayla Marcella - Treasurer
  - Mayor Greg Labbe - Recording Secretary
- Chair Lauritzen asked for a movement to approve Res. 23-01. Board Member Tim Hill moved to approve. Board Member Rod Weston seconded. All present were in favor, so with no further discussion, it was unanimously approved.

#### 4. Administrative Matters –

- a. Confirming Appointments and Terms of Commissioners to Serve as the Urban Renewal Authority: Terms were established for council members as 5-year-terms, but co-terminus with their seat on the Council (same as school board member). So when their city council term expires, so does their membership in LURA. There is a current vacancy on hospital board. Their term doesn't start over, the members change because they are just finishing out the term from 2017. Chair Purdy raised the question of the Special District Term, which is his seat, a one-year term. Assistant City Attorney Carmen Jackson-Brown stated that MCM will provide a table showing all the members, their terms and expiration dates. Vice Chair Lauritzen noted that the member at large is the hospital.

## **Leadville Urban Renewal Authority BOARD MEETING MINUTES**

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- b. Chaffee Housing Trust is going to move ahead with the deed transfer, they can't wait any longer for the Regional Housing Authority to get up and running, so they can't get the special deed they want, but they want to break ground in the next few months. CHT Chair Read McCullough will update the Board next meeting.
- 5. Date of Next Meeting: February 2, 2023 at 6 p.m.
- 6. Adjournment: Adjourning at 6:28 pm



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ATTORNEYS AT LAW

# LURA Board Meeting – 2/2/2023

- Background on urban renewal laws and TIF
- Tax increment financing shareback agreements with other Lake County taxing entities
- Development Agreement with High Country Developers and TIF shareback





MICHOW COX & McASKIN LLP  
ATTORNEYS AT LAW

## URBAN RENEWAL LAW AND TIF

- Urban renewal laws first enacted in Colorado in 1958 and were expanded in 1975 to allow for tax increment financing
- TIF is a tool used to help finance urban renewal projects
- The tax increment is identified as the difference between the initial revenue base (property tax) within the TIF district and the amount of additional tax revenue generated by the new development in the TIF district
- In 2015, Colorado Urban Renewal Law (HB15-1348) was amended to require, prior to adopting/modifying urban renewal plans with TIF provisions, to negotiate with taxing entities in the plan area





MICHOW COX & McASKIN LLP  
ATTORNEYS AT LAW

## OVERVIEW OF RAILYARDS DEVELOPMENT AGREEMENT AND OTHER TAX INCREMENT AGREEMENTS

- Central Leadville Urban Renewal Plan adoption on June 4, 2019
- Negotiations with all taxing entities within the plan area
  - Lake County
  - Lake County School District
  - City of Leadville
  - Leadville Sanitation District
  - St. Vincent Hospital District
  - Colorado Mountain College



# Relevant Negotiating Points with Taxing Entities

- Negotiations focused on:
  - estimated impacts of the urban renewal plan on county or district services associated solely with the urban renewal plan
  - Where impacts identified, parties negotiated TIF share backs generated by the taxes levied upon taxable property by that taxing entity
  - LURA 1% administrative fee equal to incremental property taxes generated by the district
  - County 1% administrative fee (after LURA receives 1% administrative)





# Relevant Negotiating Points with Taxing Entities

- See attached document for summary of TIF shareback agreements
- LURA has agreements with all taxing entities, but only shares tax increment as follows:
  - St. Vincent Hospital District -25% of property tax increment generated by Hospital District's mill levy is shared back
  - School District - 10% of property tax increment generated by School District's mill levy is share back
  - Leadville Sanitation District - 15% of property tax increment generated by District's mill levy is shared back



# Railyard Leadville Development & Cooperation Agreement

- LURA also entered into an agreement with High Country Developers, LLC, to assist in providing public improvements to the Railyard Leadville project
- Terms of the Agreement:
  - ✓ Developer obligated to design, finance & construct **Phase 1** public improvements - sidewalks, streets, utilities, environmental remediation, parking facilities, stormwater, parks, open space
  - ✓ Development of Phase 1 includes Railyard at Leadville Phase 1 PUD, 1<sup>st</sup> Am., SIA, and 2019 Final Plat (recorded in 2020)



# Railyard Leadville Development & Cooperation Agreement

## Terms of the Agreement:

- ✓ Developer will dedicate Lot 1, Block 6 to LURA for workforce housing
- ✓ Developer will notify LURA & City of any property tax abatement or property tax appeal it seeks
- ✓ LURA to establish special fund into which incremental property taxes from the Railyard property will be deposited (above the base)
- ✓ Incremental property tax revenue is the portion of property taxes derived from the Railyard Property that is in excess of the Property Tax Base (Property Tax Base initially set at \$8.1 M)



# Railyard Leadville Development & Cooperation Agreement

## Terms of the Agreement:

- ✓ The total incremental property tax revenues generated from Railyards will be used to:
  - Pay LURA its 1% administrative fee
  - Pay the City Reimbursement Increment\* (to pay back the City the “start up” URA costs in the total amount of \$215,000)
  - Pay sharebacks to taxing entities pursuant to the shareback agreements
  - THEN, after those deductions, the Developer will be paid its percentage share of the pledged property tax revenues



# Railyard Leadville Development & Cooperation Agreement

- ✓ Developer Receives: “Pledged Property Tax Revenues” from incremental property taxes up to \$4 Million, PLUS up to an additional \$150,000 (as Developer Reimbursement) only if \$4Million is received by LURA and remitted to Developer prior to September 19, 2044 and only to extent incremental property tax revenues are available per the percentage allocations



# Railyard Leadville Development & Cooperation Agreement

Pledged  
Property Tax  
Revenues:

- Years 01-04 (2020-2023) - 85%
- Years 05-06 (2024-2025) - 80%
- Years 07-08 (2026-2027) - 75%
- Years 09-10 (2028-2029) - 70%
- Years 11-12 (2030-2031) - 65%
- Years 13-14 (2032-2033) - 60%
- Year 15... (2034-) - 55%



# Railyard Leadville Development & Cooperation Agreement

## EXAMPLE OF PLEDGED PROPERTY TAX DISTRIBUTION:

If in Year 04 the Authority receives Incremental Property Taxes in the aggregate amount of \$200,000, the Administrative Fee would be \$2,000 [ $\$200,000 \times 1\% = \$2,000$ ], which would not constitute Pledged Property Tax Revenues. For illustrative purposes only, if the contractual payments under the Taxing Body Agreements for Year 04 are \$8,000 in the aggregate, such amount would not constitute Pledged Property Tax Revenues and the **subtotal** of Pledged Property Tax Revenues would be \$190,000 [ $\$200,000 - \$2,000 - \$8,000 = \$190,000$ ]. The City Reimbursement Increment (including the Authority 20% share of 15% equaling \$5,700 and the Developer 20% share of 85% equaling \$32,300) would be \$38,000 [ $\$190,000 \times 85\% \times 20\% = \$32,300$  PLUS  $\$190,000 \times 15\% \times 20\% = \$5,700$ ], and such amount would not constitute Pledged Property Tax Revenues. Accordingly, the Pledged Property Tax Revenues for Year 04 would be \$129,200 [ $\$190,000 - \$38,000 = \$152,000$ ; and  $\$152,000 \times 85\% = \$129,200$ ].



# NEXT STEPS

1. **County Treasurer Follow-up**
2. **Confirm total property tax increment received to date**
3. **Calculate base and increment solely within the Railyards development**
4. **Calculate/distribute increments for taxing entities**
5. **Calculate/distribute increment to High Country Developers (Railyard Leadville)**





**QUESTIONS?**



Central Leadville Urban Renewal Plan Shareback Agreement Summary  
As of 4/15/2021

Taxing Entities	Final Shareback Amount Agreement	Authority Administrative Fee	Timing of Payment to Entity	Other Terms
Lake County	1% administrative fee only, equal to that portion of total incremental property tax revenues generated within the plan area by all of the taxing entities after LURA receives its 1% fee for the entire term the TIF district is active	1% administrative fee equal to that portion of incremental tax revenues generated within the plan area levied by Lake County for the entire term of the TIF district is active	Administrative fee to be reimbursed to County by LURA after receipt of 100% of increment	1. Lake County maintains the ability to negotiate future amendments if unforeseen impacts arise
High Country Developers	Maximum award of \$4,150,000.00		Within 30 days upon approval of eligible expenses submitted to LURA for approval; limited to (4) quarterly submittals per year	20% share of increment received will be paid to the City for reimbursement of expenses associated with creating and adopting the urban renewal plan (up to \$215,000); see other terms in attached agreement
Lake County School District	LURA will retain 90% of incremental property tax revenues generated within the plan area levied by the School District for the entire term the TIF district is active.	1% administrative fee equal to that portion of incremental tax revenues generated within the plan area levied by St. Vincent Hospital District for the entire term the TIF district is active	August 1 or within 60 days of receipt from Lake County, whichever occurs first, and beginning in the first year in which TIF revenues are received by LURA and annually thereafter, revenue associated with voter approved mill levies increases will be due and payable to the Lake County School District on or before the 15th day of the month immediately succeeding the month on which amount was received by LURA	1. LURA must create special interest-bearing School District Account, and deposit 10% shareback amount to that account; 2. If, in the future, voters of the Lake County School District approve an increase in property taxes, LURA agrees to pay to the Lake County School District an amount equal to the mill levy imposed times the incremental assessed value within the plan area (n.a.)
City of Leadville	LURA will retain 100% of incremental property tax revenues generated within the plan area levied by the City of Leadville for the entire term the TIF district is active.	n.a.	n.a.	n.a.

Taxing Entities	Final Shareback Amount Agreement	Authority Administrative Fee	Timing of Payment to Entity	Other Terms
St. Vincent Hospital District	LURA will retain 75% of incremental property tax revenues generated within the plan area levied by the St. Vincent Hospital District for the entire term the TIF district is active.	1% administrative fee equal to that portion of incremental tax revenues generated within the plan area levied by St. Vincent Hospital District for the entire term the TIF district is active.	LURA shall pay the amount due to the District once a year or within thirty calendar days from the date upon which the District requests payment, if earlier; requests for early payment are limited to once per year.	1. Hospital District maintains ability to negotiate future amendments if unforeseen impacts arise. 2. CEO of the Hospital District shall be appointed to serve on the Authority Board as long as such individual serves in such capacity with the Hospital District upon the first vacancy in office of the Board following execution of this Agreement or, at the expiration of the term of office of the "at-large" Board member, whichever occurs first. Once no longer the CEO, the successor interim or permanent of the Hospital District shall be appointed to serve. If in the future voters of the Hospital District approve an increase in property taxes, LURA agrees to pay to the Hospital District an amount equal to the mill levy imposed times the incremental assessed value within the plan area.
Leadville Sanitation District	LURA will retain 85% of incremental property tax revenues generated within the plan area levied by the Leadville Sanitation District for the entire term the TIF district is active.	n.a.	n.a.	n.a.
Colorado Mountain College	LURA will retain 100% of incremental property tax revenues generated within the plan area levied by the Colorado Mountain College District for the entire term the TIF district is active.	n.a.	n.a.	1. If, in the future, voters of the Mountain College District approve an increase in property taxes, LURA agrees to pay to the Mountain College District an amount equal to the mill levy imposed times the incremental assessed value within the plan area (n.a.)

Source: Ricker | Cunningham and Michow Cox & Meakin LLP