CITY COUNCIL EXECUTIVE COMMITTEE MEETING
CITY COUNCIL CHAMBERS, THIRD FLOOR, CITY HALL,
#1 CITY HALL PLACE, PUEBLO, COLORADO 81003.

**THURSDAY, SEPTEMBER 25, 2025**
**5:30 PM**

***Individuals Requiring Special Accommodations Should Notify the City's ADA Coordinator at (719) 553-2295 by Noon on the Friday Preceding the Meeting.***

***Executive Committee meetings are special meetings of the City Council and are informal Council meetings for the purpose of receiving information and discussion among Council Members; no official action is taken at such meetings. The public is invited to attend, but public comment is generally not received unless otherwise noted.***

# Agenda

**CALL TO ORDER**

**PRESENTATIONS**

**A. COLLABORATION UNDER THE URBAN RENEWAL LAW** 5:30 PM
Corey Y. Hoffmann - Hoffmann & Parker & Wilson & Carberry P.C.
90 minute presentation

**B. PURA LOAN FORGIVENESS** 7:00 PM
Cherish K. Deeg - Interim Executive Director
Chris DeLuca - Treasurer
20 minute presentation

**ADJOURNMENT**

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# Collaboration Under the Urban Renewal Law

Corey Y. Hoffmann

Hoffmann, Parker, Wilson & Carberry, P.C.

cyhoffmann@hpwclaw.com

# Introduction

- The purpose of tonight's presentation is to discuss urban renewal in general, and the interplay between the urban renewal functions of the Pueblo Urban Renewal Authority ("PURA"), and the policy-making function of the City of Pueblo (the "City").
- More specifically, tonight's discussion is intended to address the respective roles of PURA and the City, and to discuss best practices in implementing urban renewal in the City.

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# What is "Blight"

- A blighted area is an area that substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare, by reason of at least four of the following factors:
  - Slum, deteriorated, or deteriorating structures;
  - Predominance of defective or inadequate street layout;
  - Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
  - Unsanitary or unsafe conditions;
  - Deterioration of site or other improvements;

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# "Blight" (cont.)

- Unusual topography or inadequate public improvements or utilities;
- Defective or unusual conditions of title rendering the title nonmarketable;
- The existence of conditions that endanger life or property by fire or other causes;
- Buildings that are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidation, deterioration, defective design, physical construction, or faulty or inadequate facilities;
- Environmental contamination of buildings or property; or
- The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements.

○ C.R.S. § 31-25-103(2)

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# *Respective Roles*

## Role of the Governing Body of the City

- The City Council is responsible for:
  - Forming the urban renewal authority;
  - Establishing the urban renewal boundaries for each project area;
  - Approving urban renewal plans; and
  - Authorizing the use of eminent domain powers (if applicable).

# ***Respective Roles***

## Role of the Board of Commissioners of PURA

- The Board of Commissioners of PURA is then responsible for exercising the powers provided to an urban renewal authority to carry out urban renewal projects within PURA’s boundaries, and in compliance with the urban renewal plan.

# Representative Powers of an Urban Renewal Authority

- Urban renewal authorities possess a number of powers, including the following:
  - To sue and be sued;
  - To undertake urban renewal projects, and to make and execute contracts;
  - To arrange for the furnishing and repair of streets, public utilities, or educational or other facilities, and to dedicate property for public works, improvements facilities and utilities;
  - To arrange with the municipality for planning, replanning, zoning, and rezoning areas of the municipality; and
  - To provide to the governing body for its consideration various types of plans, including by way of example urban renewal plans, relocation plans, and financing plans.
- Any exercise of these powers must relate to the primary objective of an urban renewal authority, which is the elimination of slum and blighted areas.

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# THEREFORE:

- The City is the Policy-Making Body and PURA Implements the Policy of the City.

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# Why a Separate Board?

- The Urban Renewal Law authorizes either the governing body to act as the urban renewal authority or allows the creation of a separate board at the time the authority is originally established.
- If a separate board is created, the governing body of the City can only transfer the urban renewal functions back to the governing body through voter approval at a regular municipal election.

# Why a Separate Board (cont.)?
# Pros and Cons of Each Approach

- Governing Body as the Urban Renewal Authority:
  - In a general sense, those communities that have the governing body act as the board of the urban renewal authority want the same level of accountability by the elected governing body for urban renewal functions; and
  - The governing body may not have the same level of expertise for the urban renewal function.

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# Why a Separate Board (cont.)?
# Pros and Cons of Each Approach

- Separate Urban Renewal Authority Board (PURA model):
  - Allows for some level of autonomy and insulation from local politics by allowing the implementation of urban renewal plans as a separate function by a separate body; and
  - Allows for the urban renewal authority to act as subject matter experts.
  - However, the creation of a separate board does not mean it acts independently of the City's policy-making function.
  - Also, the urban renewal authority is not a department of the City – it is a separate entity or agency – a body corporate and politic.

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# House Bill 15-1348

- Membership on the Board – Expanded in Pueblo to include at a minimum the following:
  - Member appointed by the Pueblo County Board of County Commissioners (who may or may not be an elected official);
  - Member appointed from one of the special districts levying a mill levy in an urban renewal area, and the member must be an elected official of one of the special districts;
  - Member appointed from school district who must be an elected member of the board of education; and
  - An at-large member appointed by the Mayor with the consent of the City Council (to keep an odd number of Commissioners on PURA).

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# Process Pursuant to Requirements of House Bill 15-1348

- Adoption of New Plans/Substantial Modification to Existing Plans
  - The City is required to notify the Board of County Commissioners and each public body whose property tax revenues would be allocated under the proposed plan in an attempt to negotiate an agreement.
  - The parties then have 120 days (or such shorter or longer time as the parties may agree upon) from the time of the notification to reach agreement on the percentage of property tax revenues to be allocated.
  - C.R.S. § 31-25-107(9.5).

# House Bill 15-1348

- Adoption of New Plans/Substantial Modification to Existing Plans
  - If negotiations are unsuccessful, mediation is required, and the issues to be determined in the mediation include:
    1) "The nature of the project;"
    2) "The nature and relative size of the revenue and other benefits that are expected to accrue to the municipality and other taxing entities as a result of the project;"
    3) "Any legal limitations on the use of revenues belonging to the municipality or any taxing entity;" and
    4) "Any capital or operating costs that are expected to result from the project."

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# House Bill 15-1348

- Money Remaining in the Special Fund
  - The funds remaining in the special fund, if any at the conclusion of a project shall be repaid to each taxing entity on a pro rata basis "based on the pro rata share of the prior year's ***property tax increment*** attributable to each taxing body's current mill levy in which property taxes were divided."
  - Limited to funds generated by incremental property taxes.

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# Terminology

- Definition of an "Urban Renewal Plan"
  - An urban renewal plan is the policy document approved by the City Council following a finding of the existence of blighted conditions that is a plan for an urban renewal project, which is all of the undertakings and activities within a plan (or project) area.
  - However, a plan or project area can be much smaller and project specific. By way of example, if a single parcel or limited number of parcels of property sought to be included as a self-contained new project area, the undertakings and activities within a project area may be synonymous with the plan.
- Definition of an "Urban Renewal Project ": The urban renewal project consists of all of the undertakings and activities within a plan (or project) area.

# Types of Undertakings and Activities

- Larger plan area may include multiple undertakings and activities;
- Project specific redevelopment agreement;
- Issuance of bonds (Note: PURA is not subject to TABOR because it does not impose a mill levy);
- Construction of Public Infrastructure;
- Grant or Reimbursement Programs; or
- Other

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# Administrative Functions

- Urban renewal law authorizes employment of staff and legal counsel;
- Authorizes office space or "suitable quarters for the use of the authority;“ and
- Does not specify how such administrative functions are paid.

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# Questions?

Corey Y. Hoffmann

Hoffmann, Parker, Wilson & Carberry, P.C.

cyhoffmann@hpwclaw.com

# Regional Tourism Act Funding

01 Review Pueblo RTA State Sales Tax Increment

02 Review funding sources and payment sources.

03 Review what projects were paid for by funding source.

04 Loan Forgiveness Strategy.

05 Proposal for Loan Forgiveness Strategy

06 Pros for taking this step

# Regional Tourism Act Funding

State Sales Tax Increment Overview

TOTAL RTA PLEDGE $35,700,000

FUNDING RECEIVED $25,742,207.22
through 8/31/2025

FUNDING BALANCE $9,957,792.78

| | | |
|---|---|---|
| **2012-2013** | **$ 323,355.00** | |
| **2013-2014** | **$ 544,299.00** | |
| **2014-2015** | **$ 1,107,546.00** | |
| **2015-2016** | **$ 1,772,804.00** | |
| **2016-2017** | **$ 1,881,267.00** | |
| **2017-2018** | **$ 2,467,358.00** | |
| **2018-2019** | **$ 2,122,932.00** | |
| **2019-2020** | **$ 2,797,293.00** | |
| **2020-2021** | **$ 4,123,063.00** | |
| **2021-2022** | **$ 5,933,236.18** | |
| **2022-2023** | **$ 901,925.43** | Begin 3.3% |
| **2023-2024** | **$ 889,591.33** | |
| **2024-2025** | **$ 877,537.28** | |
| 2025-2026 | $ 870,000.00 | |
| 2026-2027 | $ 870,000.00 | |
| 2027-2028 | $ 870,000.00 | |
| 2028-2029 | $ 870,000.00 | |
| 2029-2030 | $ 870,000.00 | |
| 2030-2031 | $ 870,000.00 | |
| 2031-2032 | $ 870,000.00 | |
| 2032-2033 | $ 870,000.00 | |
| 2033-2034 | $ 870,000.00 | |
| 2034-2035 | $ 870,000.00 | |
| 2035-2036 | $ 1,257,792.78 | |
| Total | $ 35,700,000.00 | |

# Regional Tourism Act Funding

Project Funding Sources Review

**State Sales Tax Increment**

Funding used for General Planning and administering costs and Eligible RTA Projects.

$25,742,207

**PURA Series 2017 RTA Bonds**

Funding used for any Eligible RTA Project except the PBR Sports Performance space.

$16,869,240

**Loans from City of Pueblo to PURA**

$12.2M Loan funding used for PBR and any Eligible RTA Project. $2.2M Loan funding used for Grant Match and Gateway Plaza.

$14,400,000

**Other Available Funds**

Funding used for repairs on existing Convention Center space and Gateway Plaza/Walk of Legends and Police Annex Abatement.

$1,416,610

**Grant Funding**

EDA Grant funding used for Gateway and Heritage Plaza. DOLA Grant funding used for infrastructure and landscaping costs.

$1,979,786

**Total Funding ***

**$60,407,814**

*** These funds do not include the locally funded HARP Boathouse funds.**

# Regional Tourism Act Funding

Projects by funding source

### Fan Zone, Tower and Police Annex

$1,553,941

Fan Zone: $12,812 Bonds; $847,275 12.2M Loan; $39,906 DOLA Grant

Tower: $28,053 SSTIF; $531,700 Bonds; $1,309 12.2M Loan

Police Annex: $92,885.43 PURA Funding Downtown Expanded

### Other Expenses and Prior Expenses

$5,312,144

Other Expenses: $614,963 SSTIF; $300,846 Bonds; $81,763 12.2 M Loan; $47,541 DOLA Grant

Early Expenses, Bond Cost of Issuance, Reserve and Surplus funding: $4,267,031 SSTIF

### PBR Sports Performance Center

$9,877,177

PBR Sports Performance Center and Equipment: $12,861 SSTIF; $2,100 Bonds; $9,135,998 12.2M Loan; $726,218 DOLA Grant

RTA SSTIF Balance $5,070,678

DOLA Grant Balance $23,504

### Gateway, Heritage, Walk of Legends

$4,158,364

Plazas: $1,031,960 EDA Grant; $2,200,000 2.2M Loan; $579,935 LeVert Hoag Foundation; $346,469 SSTIF

### Exhibit Hall, Parking Garage and Convention Repairs

$19,882,581

Exhibit Hall: $461,295 SSTIF; $10,046,166 Bonds; $70,310 DOLA Grant

Parking Garage: $502,484 SSTIF; $5,974,517 Bonds; $2,131,670 12.2M Loan; $40,347 DOLA Grant; $155,792 PURA Funding Downtown Expanded

Convention Center Repairs: $400,000 Vendor Fee Funding; $100,000 PURA Funding Downtown Expanded

### Debt Service Series 2017 Bonds and City Loan Interest

$14,529,456

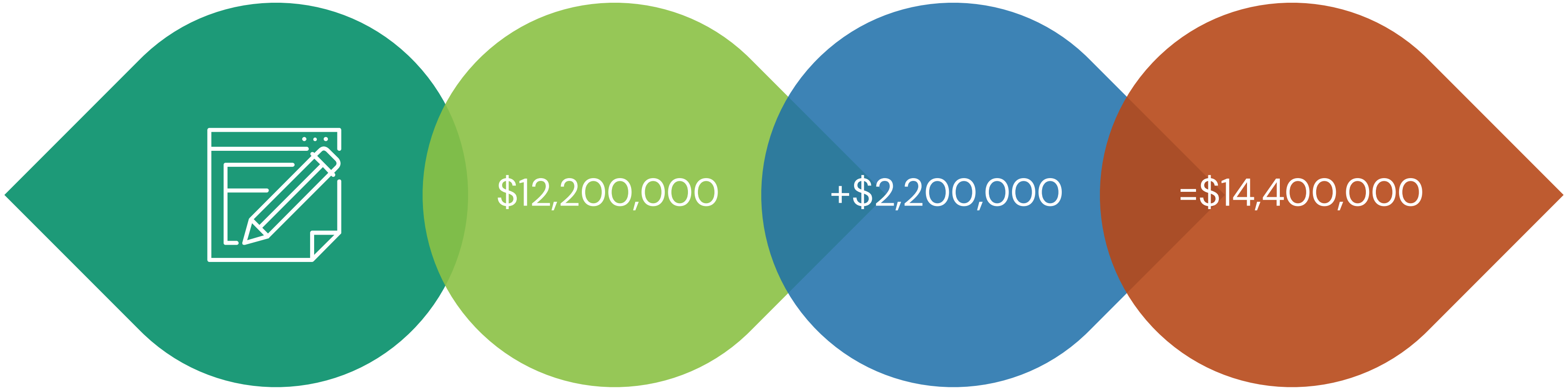
Debt Service Series 2017 Bonds: $12,755,547 SSTIF

City 12.2M Loan (Interest ONLY): $1,772,808.18

City Fee: $1,100 Bonds

# Loan **Forgiveness** Strategy

$14.4M Loans

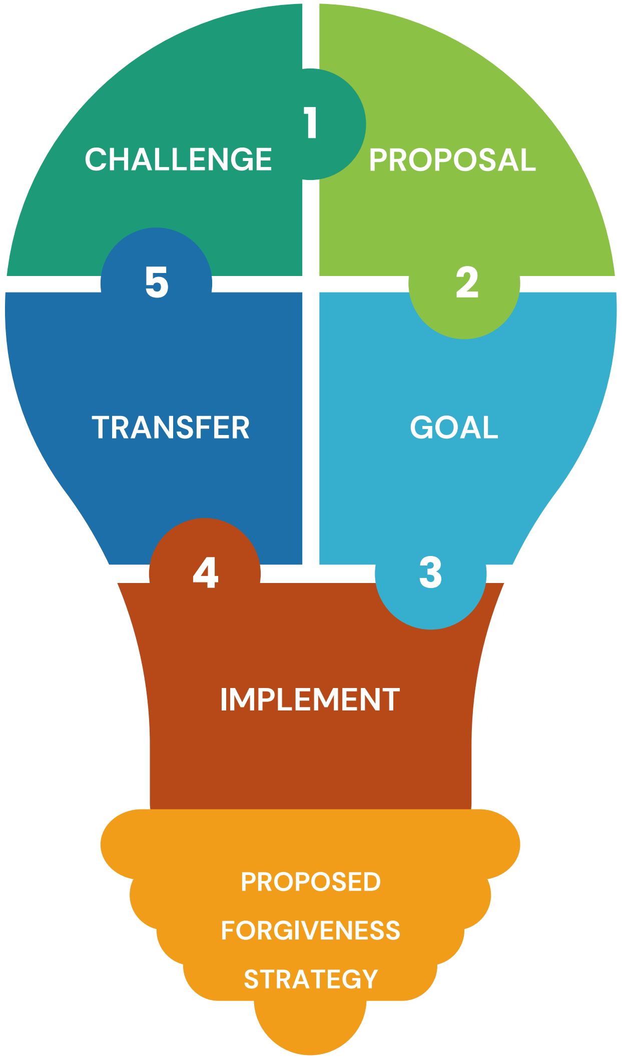



In March 2017, the **City approved two loans totaling $14.4 million from the ½ Cent Sales Tax Fund** to support the Regional Tourism Act projects which are **secured by a Deed of Trust**. The loans showed local buy in and strategic use of funding to support tourism and economic growth, revitalizing downtown Pueblo as a regional destination.

State Sales Tax Increment funds are **eligible for interest** only payments, principal payments are **NOT** considered an eligible use of these funds. **$1,772,808** of State Sales Tax increment funds have been used for interest payments to the ½ Cent Sales Tax Fund as of 12/31/2024.

# Proposed Forgiveness Strategy

$14.4M Loans




## CHALLENGE

PURA seeks to repay the $14.4 million loans from the City of Pueblo through a strategic asset transfer.

## PROPOSAL

Transferring ownership of the Main Street Parking Garage to the City in satisfaction of the debt.

## GOAL

The strategy supports urban redevelopment, economic activity, and simplifies financial liabilities for PURA. This approach strengthens cooperation between the City and PURA, reduces PURA's debt and increases the City's assets for public use.

## IMPLEMENT

Once appraisals are finalized a formal agreement between the City and PURA will be drafted outlining transfer terms and responsibilities.

## TRANSFER

Plan operational transition including ownership updates and lease agreement handovers for smooth transfer of ownership.

# Proposed Forgiveness Strategy

Pros for taking this step.

## Current Lease Revenue

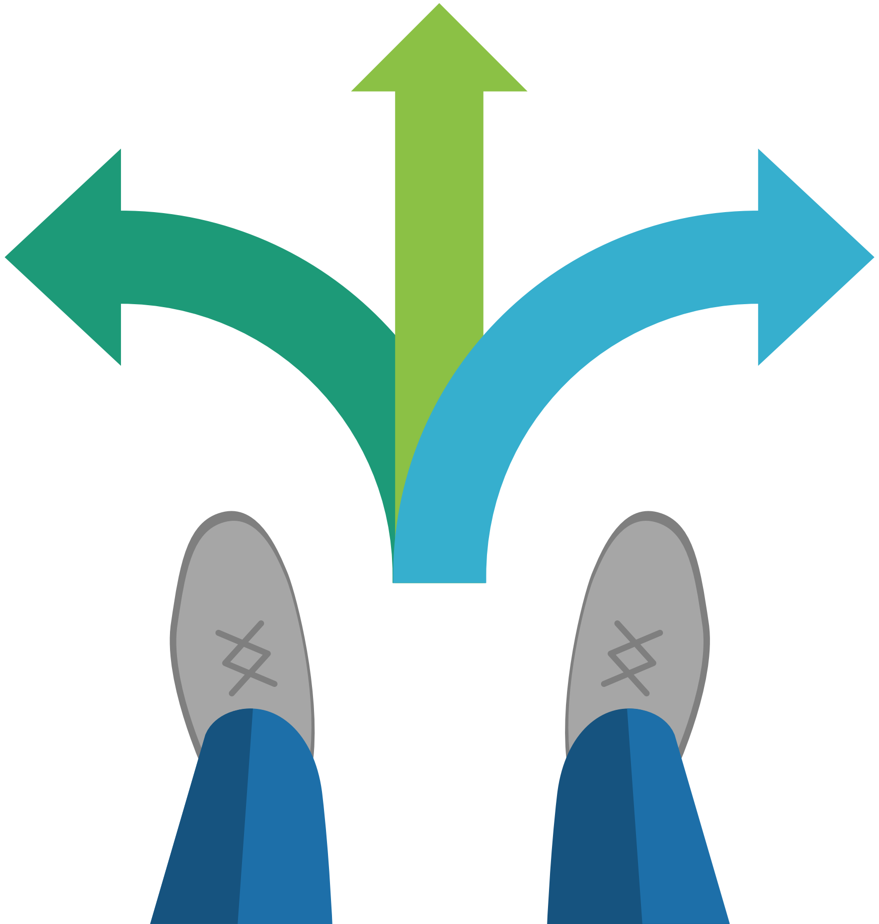
There are several existing lease agreements which total $86,520 ($32,520 & AT&T $54,000) annually. This revenue is currently pledged to offset the PURA 60% portion of the MSPG Expenses. This lease revenue would remain with the City instead of being paid to PURA.
*note the AT&T parking lease may expire with the closure of the call center

## Potential for additional Revenue and City Asset

AT&T is currently working through a lease on the MSPG for antenna installation which will require the use of 2 parking spaces. The current rental rate is $26,400 a year ($2,200 a month) for this lease.

Also, the proposed hotel for the current HARP office site has expressed interest in a parking lease for Valet Parking.

The MSPG will become a full asset of the City to be used as collateral for future COP's or any other use as a City asset.



## PURA Annual Payment allocation

The Letter of Understanding dated 01.08.2007 approved by Resolution 10907 explains the lease revenue allocation and the expense sharing of 60% PURA and 40% City.

The Letter of Understanding may require revision to remove the lease revenue allocation and the 60% PURA/ 40% City expense sharing for operating and maintenance expenses.

Debt sharing of 60% PURA/ 40% City should be retained for Debt Service of the PURA Downtown Expanded Bond. This is a TIF Bond and the MSPG building is owned free and clear.

PUEBLO URBAN RENEWAL AUTHORITY

# Thank you.

Chris DeLuca, PURA Treasurer
cdeluca@district70.org
719-542-2577
115 E Riverwalk Suite 410
Pueblo, CO 81003

Cherish K. Deeg, Interim Executive Director
cdeeg@puebloura.org
719-542-2577
115 E Riverwalk Suite 410
Pueblo, CO 81003