

**5th Street Bridge
and
Connection Road
Community Presentation**



Ross Aragon Community Center

March 17, 2016

6:00 pm – 8:00 pm

WELCOME

- Town Council and staff introductions
- Springs Partners introductions



TONIGHT'S AGENDA

- Core Principles
- How We Got Here
- Assertions Not In Support Of The Project
- Assertions In Support Of The Project
- Summary
- What's Next



CORE PRINCIPLES

First and primary consideration should be:

“What is best for the community now and into the future. Why is it best?”

“This is an extremely important decision that will significantly impact the future of our community.”

“All opinions should be considered.”

HOW WE GOT HERE

What property are we talking about?

The 27 acre parcel that is located between the Springs Resort and the Community Center.

In 2012 the Town and Springs Partners signed a 10 Year Vested Rights Agreement that permitted development on the 27 acres.

In 2015 the Springs Partners approached the Town inquiring what it was planning to do about the bridge.

The requirements of the agreement were new to many of the Council members and staff.



In initial discussions, parameters of the project were centered on the following:

- Reviewing the nature of the 2012 Agreement and the Town's obligations.
- Having assurances that:
 - The bridge/road would be a partnership
 - Development would have to occur in concert with the bridge construction.
 - Both sides would perform.
- How would this possibly transpire?



160

San Juan St

US-160

Pagosa

San Juan River

Hot Springs Blvd

San Juan St

Park St

Park St

Spring St

S 7th St

S 6/7 Alley

S 6th St

S 6th St

S 7th St

Hot Springs Blvd

S 7th St

S 6th St

The 2012 Agreement contemplates 2 development scenarios

Sketch plan A (development with a bridge)

Sketch Plan B (development without a bridge)

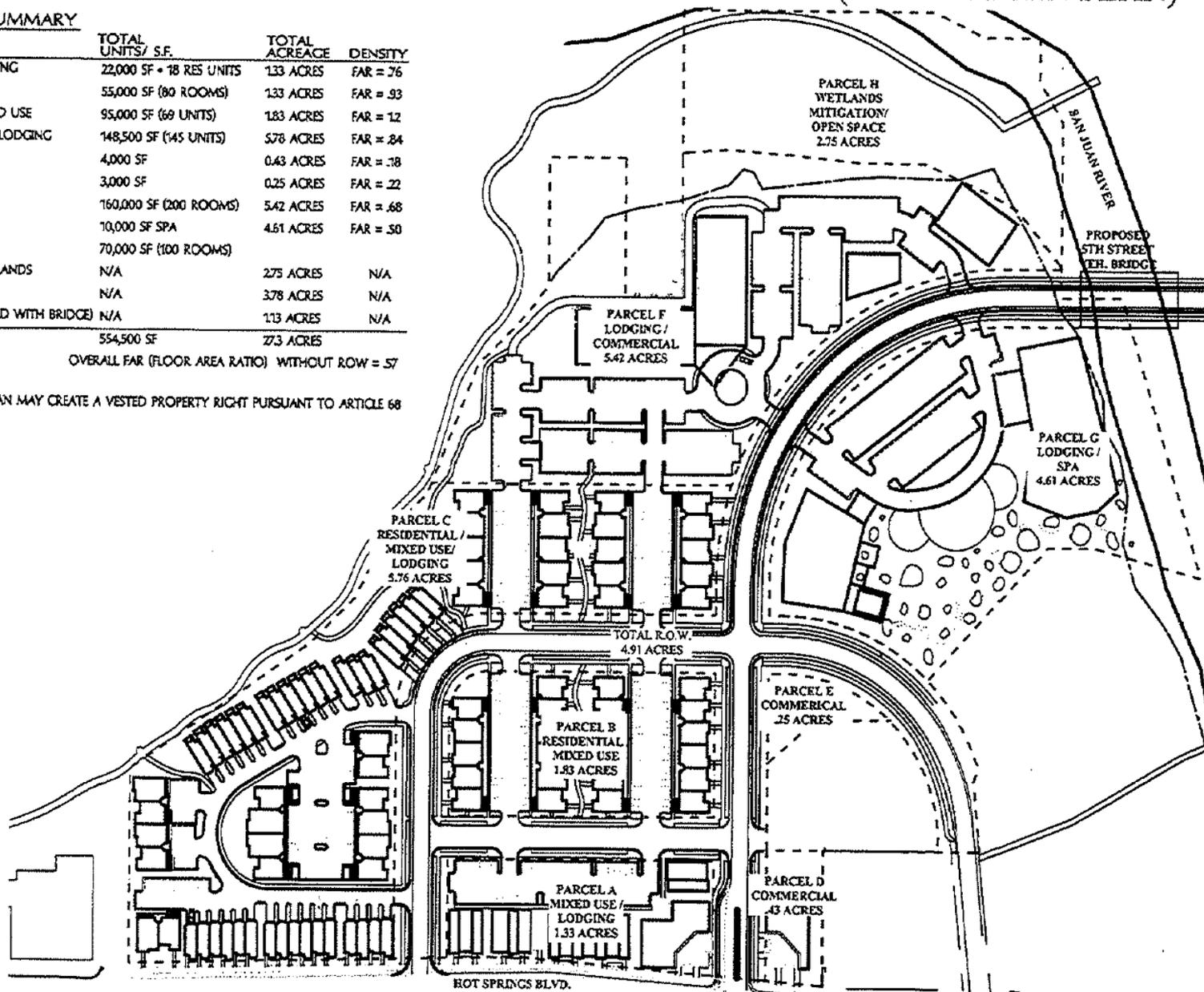
SPRINGS DEVELOPMENT MAJOR SUBDIVISION SKETCH PLAN A (CONCEPTUAL PLAN)

SKETCH PLAN "A" SUMMARY

PARCEL INFORMATION	TOTAL UNITS/ S.F.	TOTAL ACREAGE	DENSITY
PARCEL A MIXED USE / LODGING	22,000 SF + 18 RES UNITS	1.33 ACRES	FAR = 76
OPTIONAL HOTEL	55,000 SF (80 ROOMS)	1.33 ACRES	FAR = 93
PARCEL B RESIDENTIAL / MIXED USE	95,000 SF (69 UNITS)	1.83 ACRES	FAR = 12
PARCEL C RES. / MIXED USE / LODGING	148,500 SF (145 UNITS)	5.76 ACRES	FAR = 24
PARCEL D COMMERCIAL	4,000 SF	0.43 ACRES	FAR = 18
PARCEL E COMMERCIAL	3,000 SF	0.25 ACRES	FAR = 22
PARCEL F LODGING / COMM.	160,000 SF (200 ROOMS)	5.42 ACRES	FAR = 68
PARCEL G LODGING / SPA	10,000 SF SPA	4.61 ACRES	FAR = 30
	70,000 SF (100 ROOMS)		
PARCEL H OPEN SPACE / WETLANDS	N/A	2.75 ACRES	N/A
ROW	N/A	3.78 ACRES	N/A
5TH STREET ROW (IF CONNECTED WITH BRIDGE)	N/A	1.13 ACRES	N/A
TOTAL	554,500 SF	27.3 ACRES	

OVERALL FAR (FLOOR AREA RATIO) WITHOUT ROW = 57

"APPROVAL OF THIS SKETCH PLAN MAY CREATE A VESTED PROPERTY RIGHT PURSUANT TO ARTICLE 68 OF TITLE 24, C.R.S."



SPRINGS DEVELOPMENT MAJOR SUBDIVISION SKETCH PLAN A

SCALE: 1" = 200'

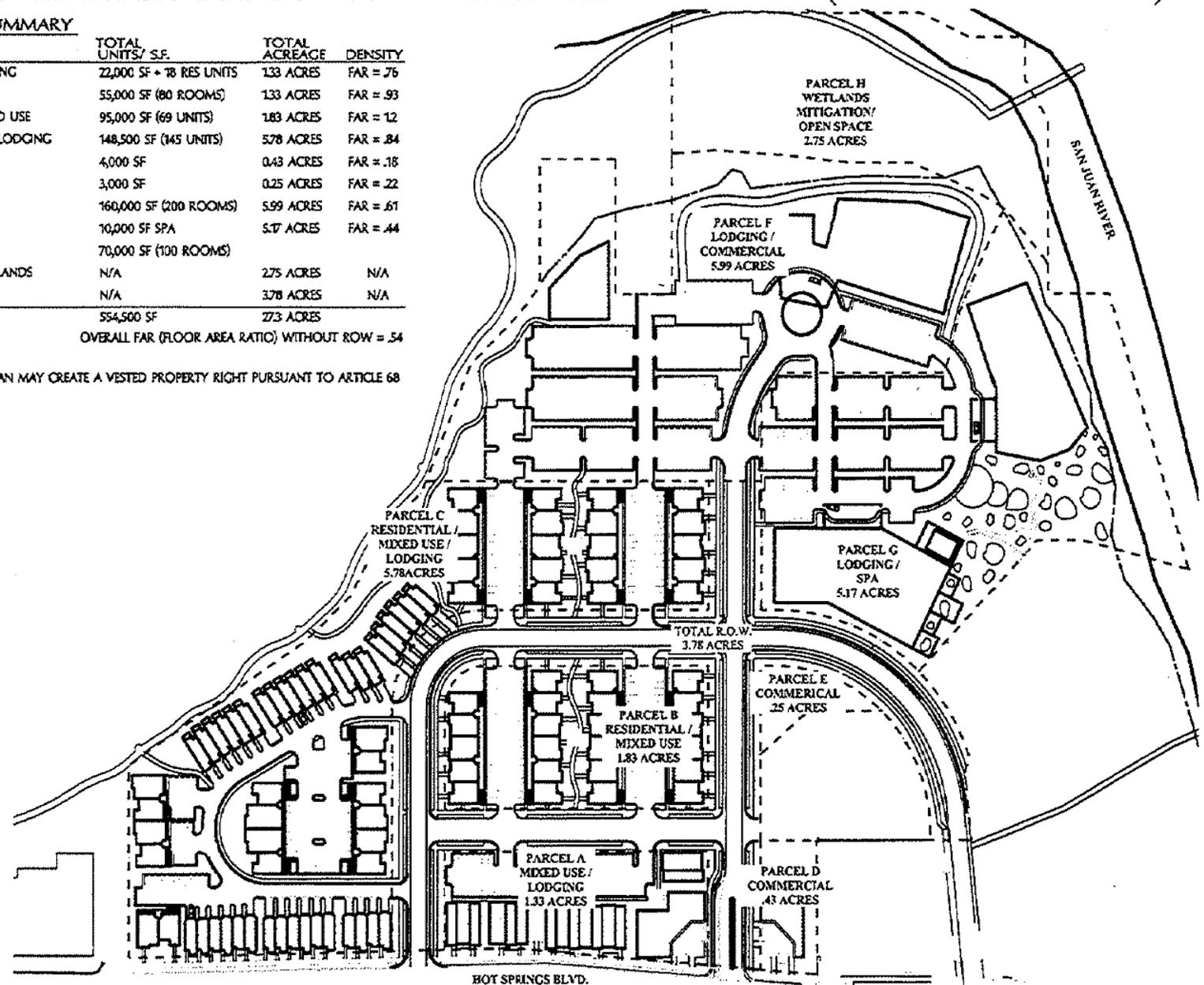
SPRINGS DEVELOPMENT MAJOR SUBDIVISION SKETCH PLAN B (CONCEPTUAL PLAN)

SKETCH PLAN "B" SUMMARY

PARCEL INFORMATION	TOTAL UNITS/ SF.	TOTAL ACREAGE	DENSITY
PARCEL A MIXED USE / LODGING	22,000 SF + 78 RES UNITS	1.33 ACRES	FAR = .76
OPTIONAL HOTEL	55,000 SF (80 ROOMS)	1.33 ACRES	FAR = .93
PARCEL B RESIDENTIAL / MIXED USE	95,000 SF (69 UNITS)	1.83 ACRES	FAR = 1.2
PARCEL C RES. / MIXED USE / LODGING	148,500 SF (145 UNITS)	5.78 ACRES	FAR = .84
PARCEL D COMMERCIAL	4,000 SF	0.43 ACRES	FAR = .18
PARCEL E COMMERCIAL	3,000 SF	0.25 ACRES	FAR = .22
PARCEL F LODGING / COMM.	160,000 SF (200 ROOMS)	5.99 ACRES	FAR = .61
PARCEL G LODGING / SPA	10,000 SF SPA	5.17 ACRES	FAR = .44
	70,000 SF (100 ROOMS)		
PARCEL H OPEN SPACE / WETLANDS	N/A	2.75 ACRES	N/A
R.O.W.	N/A	3.78 ACRES	N/A
TOTAL	554,500 SF	27.3 ACRES	

OVERALL FAR (FLOOR AREA RATIO) WITHOUT ROW = .54

"APPROVAL OF THIS SKETCH PLAN MAY CREATE A VESTED PROPERTY RIGHT PURSUANT TO ARTICLE 68 OF TITLE 24, C.R.S."



SPRINGS DEVELOPMENT MAJOR SUBDIVISION SKETCH PLAN B

SCALE: 1" = 200'-0"

The Vested Rights Agreement recitals state:



“ The Town is in need of an additional primary transportation route to connect U.S. Highway 160 to Hot Springs Blvd, to serve properties accessed from Hot Springs Blvd, including property developed in the future, and to reduce congestion at the U.S. Highway 160 and Hot Springs Blvd intersection. ”

Other Pertinent Points of the Vested Rights Agreement

- Except for the bridge and connection road, Developer is responsible for all public improvements shown in the Sketch Plans.
- Developer shall provide security for costs to be incurred.
- Developer shall convey to Town the easements for bridge, connection road and other improvements.

Town Obligations

- Town will put the Bridge and Connection Road into the 2017 CIP for 2017.
- Within 2 years of Agreement approval, Town shall proceed with procuring approvals from appropriate authorities as needed.
- If the Town elects to not proceed with construction of bridge and connection road, the Developer may proceed with developing the property without the bridge.

- Matt Mees, one of the Springs Partners, is available to offer observations about initial plans to develop the property and provide thoughts on the negotiations.



The Bridge and the Connection Are Composed of What Elements?

The bridge is composed of three elements:

- Segment 1 - Bridge Approach - The portion from Hwy 160 to the bridge itself.
- Segment 2 - The Bridge - The bridge spanning the river from the geothermal building to the south side of the river.
- Segment 3 - Connection Road - The road coming off the bridge in a soft curve and connecting to Hot Springs Blvd across the Post Office.



What's the cost of the bridge and connection road?

- In 2012, Davis Engineering provided a cost estimate for all 3 segments at \$6.5 million.
- In late 2015, Davis Engineering updated the bridge segment for an increase of \$1 million for a revised total of \$7.5 million.
- In 2016, a 2nd opinion for bridge and road costs was secured from Bohannon Huston with a new estimate of \$6.7 million.

**5th Street Bridge
Preliminary Cost Estimates**

	2012 <u>Original</u>	2012 <u>Revised</u>	2016 <u>Alt 1</u>
Segment 1: Highway to Bridge	2,199,340	2,199,340	1,454,164
Segment 2: Bridge	2,697,500	3,759,500	3,045,248
Segment 3: Bridge to Hot Springs Blvd	<u>1,597,570</u>	<u>1,597,570</u>	<u>2,217,738</u>
Subtotal	6,494,410	7,556,410	6,717,150
South 8th Street Costs (With Multi Use Path)	2,000,000	2,000,000	2,000,000
Total Cost to Finance (With Multi Use Path)	<u><u>8,494,410</u></u>	<u><u>9,556,410</u></u>	<u><u>8,717,150</u></u>

A key question is how might a bridge / road be financed?

- General Obligation bonds
- Revenue bonds
- Lease/Purchase financing



- General obligation and revenue bonds require a vote of the electorate to put into place.
- General obligation bonds are usually supported by property taxes
- Revenue bonds are supported by a specific revenue source.
- Lease/purchase are supported by existing resources.

- The Town is almost exclusively supported by sales tax.
- Any lease/purchase financing would be supported by existing sales tax revenue.
- Sales tax is predominantly paid by visitors to the community.
- It can be inferred that Town residents, proportionally, pay the smallest amount of sales tax the Town receives.



- The Town has used lease/purchase financing before for both the Community Center and the Lewis Street rebuild.
- Regardless of the bridge, it would be proposed to use lease/purchase financing for the S. 8th Street project.
- In the past, the Town has used Town facilities as collateral for the lease/purchase financing.

- In 2015, the Town has budgeted \$680,000 to payoff the Lewis Street lease/purchase.
- In prior years lease payments were \$463,000.

Most Expensive Case Scenario:

Total Bridge/Connection Road/8th Street

- Costs of \$8.7 to \$9.5 million.
- S. 8th St = \$2.0 million
- Bridge/Road = \$6.7 to \$7.5 million

To finance \$9.5 million for 25 years at interest rate of 4.75% would cause an annual debt service of about \$655,000.

Other Factors:

- What deal would look like is still unknown.
- Possible funding of up to \$2.0 million from DOLA for Bridge portion.

ASSERTIONS NOT IN SUPPORT OF THE PROJECT

- The current proposal for the Town to fund the bridge at any level is “unprecedented” and “unconscionable”.
- The Town leadership has attempted to proceed with a decision about the bridge without informing the public or allowing public participation.
- Town leaders have not performed their due diligence and are making decisions without adequate information i.e. an updated traffic study, an economic feasibility study, and sales tax projection information.



- Town leaders should not proceed on just a “hope” that this project will benefit the community as a whole and the downtown in particular.
- Investing Town resources to build the bridge is much too risky and the investment of tax payer resources will most likely be wasted.

- Developers should not be trusted.
- The bridge is not needed to improve downtown traffic flow.
- These developers have already received “sweet heart deals” for past developments.
- Helping to build or building the bridge for the developers is not fair to other developers who had to, and did, pay for their infrastructure.

- Public money should not be used to enhance private development.



- This huge expense should be avoided and Town resources should be allocated for more important infrastructure maintenance and/or development. The bridge should not be a priority.
- Town resources would be better utilized by purchasing vacant land and constructing affordable housing.
- The developers should pay for the bridge because it is infrastructure that primarily benefits their development.

- We have no demand for commercial space and we have plenty available that doesn't require building a new bridge.
- This new development will negatively impact downtown merchants who are already established.
- This will end up being a “bridge to nowhere.”
- A “lease-purchase” financing package is an “end run” around the tax payers' bill of rights (TABOR).

ASSERTIONS IN SUPPORT OF THE PROJECT

- It was the Town in 2012 that asked the developers to consider including a bridge in their development.
- The developers can build on the 27 acres up to 500,000 sq. ft of development without a bridge.
- There are 3 other five acre parcels that are undeveloped south of Hwy 160 off Hot Springs Blvd.



- Another bridge is vital for accommodating future traffic flow if vacant properties south of the river are developed.
- The developers will not build the bridge without the Town's financial assistance.
- The 5th Street location is the best and possibly the only logical location for a bridge.
- If development proceeds without a bridge it will be virtually impossible to build one later.

- A window of economic opportunity has opened but it will close.
- The bridge will benefit the downtown core area, and consequently the whole community. But, obviously, the developers will benefit too.
- This is a public works project not just infrastructure for a private developer.
- “Build out” of developments south of the river will significantly stimulate our economy, create jobs and increase sales tax revenue.

- Downtown is the “heart” of the community.
- This is a wise investment in the future of our Town.



SUMMARY OF TONIGHT

- Town Council Comments
- Public Comment
- (Limit comments to 2 minutes and please do not be repetitive of earlier statements.)

WHAT'S NEXT?

- Town is considering commissioning a traffic study to analyze the impact of the buildout of development south of Hwy 160 along Hot Springs Blvd.
- Town will partner with the developers to analyze the economic impact of the 27 acres build out.
- Town Council will consider at least three possible options going forward, as follows:

What are the options?

- Option #1 - Do nothing and all development occurs south of Hwy 160 with no bridge.
- Option #2 - Negotiate a deal with developers and proceed with financing whatever portion of the project to which the Town commits.
- Option #3 - Negotiate a deal with developers and proceed with placing the deal involving the financing to a vote before the electorate.