STEAMBOAT SPRINGS BASE AREA

REINVESTMENT PLAN

STEAMBOAT SPRINGS REDEVELOPMENT AUTHORITY

JANUARY 2005

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STEAMBOAT SPRINGS BASE AREA REINVESTMENT PLAN

DECEMBER 2004

I. INTRODUCTION

1.1 Preface

This Steamboat Springs Base Area Reinvestment Plan ("Plan") has been prepared by the Steamboat Springs Redevelopment Authority ("SSRA") for adoption by the City Council of the City of Steamboat Springs pursuant to provisions of the Urban Renewal Law of the State of Colorado, Article 25 of Title 31, Colorado Revised Statutes. This Plan is prepared and adopted to satisfy the requirements of § 31-25-107, C.R.S., that an urban renewal plan be adopted by the governing body of the municipality before an urban renewal authority undertakes an urban renewal project. The administration of this project and the enforcement and execution of this Plan shall be performed by SSRA.

1.2 Background

The Steamboat Springs Base Area ("Base Area") encompasses approximately 347 acres at the base of the Steamboat Springs Ski Area. Much of the development of the area occurred over a number of years with little coordinated planning. As a result the pedestrian and vehicular circulation patterns are neither logical nor functional. Visitors have a difficult time understanding the location and function of many of the facilities which are vital to a successful resort experience. The dysfunctional circulation patterns are magnified by the lack of adequate sidewalks to encourage a proper separation of vehicular and pedestrian circulation. Parking for skiers remains a problem and as parking at greater distance from the lifts has become more prevalent, traffic and circulation for skiers trying to access the Base Area services has become increasingly difficult.

In addition, the public infrastructure in the Steamboat Springs Base Area has deteriorated. Extremes of temperature and topography as well as the intense utilization of the area by residents and guests has caused streets, sidewalks, curbs and gutters, and retaining walls to be subject to accelerated deterioration.

The citizens of the Steamboat Springs' community have studied the Base Area extensively and have determined that the Base Area is old, has many dated structures and facilities, and has a deficient circulation plan for vehicles and pedestrians. The citizens of the Steamboat Springs' community have concluded that the Base Area needs to be redeveloped. The Steamboat Springs Area Community Plan ("Community Plan"), adopted by the City Council and the City Planning Commission in May 2004, specifically describes the goals and policies for the Base Area (described as the Mountain Planning Area in that document). Section 3 of this document, entitled Description of Plan Objectives will include specific language from the Community Plan.

The City of Steamboat Springs has initiated the Base Area Redevelopment Plan to identify specific public infrastructure improvements that need to occur and which will encourage new private redevelopment. The Base Area Redevelopment Plan is intended to be an update to Chapter 4 of the Mountain Town Sub-Area Plan, which was adopted by the City in 1999 as an implementation of the Community Plan, first adopted in 1995. This Plan is intended to provide the financial mechanisms necessary to support the renovation and reconstruction of the public infrastructure as may be identified in the Base Area Redevelopment.

1.3 Definitions

Cooperation Agreement: Any agreement between SSRA and the City of Steamboat Springs or any other public body regarding action taken pursuant to any of the powers set forth in the Urban Renewal Law, or in any other provision of Colorado law, for the purpose of facilitating public undertakings deemed necessary or appropriate by SSRA under this Plan.

Plan: This Base Area Reinvestment Plan as it may be modified from time to time.

Plan Area: The area described in Section 2.6 of this Plan, and depicted on Figure 1, which has been found to be blighted and for which the undertaking of urban renewal projects is declared to be necessary.

Redevelopment Agreement: An agreement between SSRA and a developer or developers respecting the redevelopment or rehabilitation of property within the Plan Area.

2. LEGISLATIVE FINDINGS

2.1 Qualifying Conditions

Based on the Base Area Reinvestment Study prepared by URS Corporation, dated December __, 2004, and evidence presented at the public hearing, the City Council finds that there exists blight, as defined by § 31-25-103(2), C.R.S., in the Plan Area.

The Base Area Reinvestment Study found that blight conditions were prevalent throughout the area. The conditions found to exist include:

a) Deteriorated, or deteriorating structures;

b) Defective and inadequate street layout: Street system does not provide adequate access for motorists, pedestrians and emergency vehicles. Turning radii are often inadequate;

c) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;

d) Unsafe conditions that endanger life or property: Traffic and circulation patterns are dangerous for both pedestrians and motorists;

e) Deterioration of site improvements: Public parking areas and concrete retaining walls are deteriorating. Curbs and gutters on public property also show deterioration;

f) Inadequate public improvements: Streets and sidewalks on public property are not adequate for the traffic and do not provide a safe separation for pedestrians from motor vehicles. Pavement, curb and gutter and retaining walls on public property are deteriorating. Overhead utilities are present and stormwater management is inadequate; and

g) Substantial physical underutilization or vacancy of sites, buildings, or other improvements

The City Council finds that the presence of these factors substantially impairs or arrests the sound growth of the City of Steamboat Springs, retards the provision of housing accommodations, constitutes an economic and social liability and is a menace to the public health, safety, morals and welfare of the City of Steamboat Springs.

2.2 Projects

The Plan Area is appropriate for one or more urban renewal projects and other undertakings of the SSRA as authorized by the Urban Renewal Law.

2.3 Planning Approval

A general plan for the City of Steamboat Springs, known as the Steamboat Springs Area Community Plan ("Community Plan"), has been adopted by the City Council and the City Planning Commission. This Plan has been submitted to the Planning Commission of the City of Steamboat Springs for review and recommendations as to its conformity with the Community Plan. The City Planning Commission met on December 9, 2004, and has submitted its written recommendations regarding the conformity of this Plan to the Steamboat Springs Comprehensive Plan to the City Council.

2.4 Consultation

This Plan has been submitted to the Board of County Commissioners of Routt County as required by the Urban Renewal Law. The Steamboat Springs School District RE-2 has been advised of this Plan and has been given an opportunity to provide comments.

2.5 Public Hearing

The City Council of the City of Steamboat Springs has held a public hearing to consider this Plan after public notice thereof in compliance with the Urban Renewal Law in the

Steamboat Pilot, describing the time, date, and purpose of the public hearing, identifying the Plan Area and outlining the general scope of the projects being considered for implementation pursuant to this Plan. Notice of the public hearing was provided to owners, residents, and business owners in the Plan Area at their last know address at least 30 days before the date of the public hearing.

2.6 Boundaries of the Plan Area

The boundaries of the Plan Area shall be as set forth in Figure 1 attached hereto. The City Council finds that the boundaries of the Plan Area have been drawn as narrowly as feasible to accomplish the planning and development objectives of this Plan.

2.7 Other Findings

2.7.1 One or more of the projects will require the demolition and clearance, subject to other restrictions, of certain public and private improvements within the Plan Area as provided in this Plan. Such actions may be necessary to eliminate unsafe conditions, eliminate obsolete and other uses detrimental to the public welfare, and otherwise remove and prevent the spread of deterioration.

2.7.2 In order to eliminate or reduce the qualifying conditions currently existing within the Plan Area, as well as those qualifying conditions which may be reasonably anticipated to develop within the Plan Area in the absence of public action, it is the intent of the City Council in adopting this Plan that SSRA exercise all powers authorized to be exercised by SSRA under the Urban Renewal Law and which are necessary, convenient or appropriate to accomplish the objectives of this Plan. It is the intent of this Plan that SSRA shall exercise all such powers as may now be possessed or hereafter granted to SSRA for the elimination of qualifying conditions within the Plan Area.

2.7.3 If it becomes necessary for individuals, families or businesses to relocate as a result of the implementation of this Plan, a feasible method exists for the relocation of individuals, families, and business concerns that may be displaced, insuring that decent, safe and sanitary dwelling accommodations and business locations can be made.

2.7.4 The powers conferred by the Urban Renewal Law are for public uses and purposes for which public money may be expended and the police powers exercised, and this Plan is in the public interest and necessity, such finding being a matter of legislative determination by the City Council.

2.7.5 SSRA may, in its discretion, issue debt, including bonds or other obligations, to the extent permitted by law.

3. DESCRIPTION OF PLAN OBJECTIVES

3.1 The Plan as a Tool.

This Plan is an important tool to address the problems confronting the Steamboat Springs Base area. The objectives for the Plan include the following:

- Create a sense of place and an improved aesthetic character for the Steamboat Springs Base for both residents and guests.
- Renovate or redevelop the deteriorated and/or outdated residential and commercial buildings and provide enhanced amenities.
- Enhance the aesthetic appearance of the area to make it more appealing.
- Improve pedestrian, bicycle, mass transit and auto accessibility and circulation.
- Eliminate impediments to the redevelopment of key facilities with the Plan Area.
- Upgrade and restore public infrastructure including transportation facilities, parking, sidewalks and streetscapes.

3.2 Plan Conforms with Steamboat Springs Area Community Plan.

This Plan is intended to not only comply with the state statute, but also to conform to the desires of the citizens of the Steamboat Springs' community as embodied in the Steamboat Springs Area Community Plan ("Community Plan"). What follows is a verbatim section of the Community Plan, updated and adopted in May 2004, that deals specifically with the concerns about the Base Area, which is for all intents and purposes the equivalent of the Plan Area described in the Plan:

Mountain Planning Area Goals and Policies

Goal SPA-2: Our community will continue to promote the Mountain Area as the focal point for tourism activity.

Rationale

The Mountain area serves as the primary base facility for the Steamboat Ski Area and houses the majority of the resort accommodations in the community. It is the center for commercial resort activities and it provides the mainstay for the tourism economy. Resort and recreation commercial activity is concentrated around Ski Time Square. The area also contains several of the community's commercial shopping centers at US 40 and Pine Grove Road, and a US 40 and Mount Werner Drive.

This ski base area began to develop in the 1960's. Over a thirty-year period the ski area has become one of the country's premier winter resorts. However the age and somewhat disjointed growth over time means that many of the structures and facilities are dated, and the circulation system and way finding is less than optimal. The community believes that the base area requires significant improvements to infrastructure and physical form to make it more functional and attractive. The Mountain Town Sub-Area Plan identifies the following improvements:

- Improve public spaces;
- Improve pedestrian connections between destinations in the core, especially between the base village and the ski mountain and reduce conflicts between pedestrian crossings and vehicles;
- Improve the road and path circulation patterns and "wayfinding" to make circulation less perplexing;
- Diversify the mix of retail to make it less seasonal and more vigorous on a year-round basis;
- Improve the quality of the architecture;
- Develop a multi-purpose Civic Center facility; and
- Increase the connections (visual and physical) with the natural environment in the mountain area.

Policy SPA-2.1: Promote redevelopment of the Mt. Werner base area.

The community will support continued improvements and redevelopment of the Mt. Werner base area to enhance the public spaces, improve pedestrian circulation, make transportation and mobility within and to and from the ski base more efficient, and improve the visual quality of the architecture and landscape.

Strategy SPA-2.1(a): Implement the Mountain area primary recommendations in the Mountain Town Sub-Area Plan, including:

- Bus turn-around in Ski Time Square;
- New public spaces and streetscape treatment in Ski Time Square;
- Burgess Creek trail corridor and park;
- High frequency SST base area circulator shuttle;
- Reconfiguration of Mt. Werner Circle;
- Expansion and improvement of the Gondola Transit Center; and
- Development of a Civic Center facility.

3.3 Plan to Encourage Private Investment through Construction of Public Infrastructure.

An objective of the Plan is to encourage private investment by using TIF funds to construct or improve public infrastructure that is intended to alleviate conditions of blight present in the Plan Area.

4. PLAN IMPLEMENTATION

In order to accomplish the objectives of this Plan and to fully implement this Plan, SSRA shall be authorized to undertake the following activities:

4.1 Redevelopment and Rehabilitation Actions

Redevelopment and rehabilitation actions within the Plan Area may include such undertakings and activities as are in accordance with this Plan and the Urban Renewal Law, including without limitation: demolition and removal of public buildings and improvements as set forth herein; installation, construction and reconstruction of public improvements as set forth herein; elimination of unhealthful, unsanitary or unsafe conditions; elimination of obsolete or other uses detrimental to the public welfare; and other actions to remove or to prevent the spread of deterioration. SSRA is authorized to negotiate and enter into agreements with landowners, developers, and investors regarding appropriate projects throughout the Plan Area which will generate incremental sales and property tax revenues. Notwithstanding any language that could be construed to the contrary in § 31-25-107(8), all development in the Plan Area shall be processed in accordance with the ordinances and rules and regulations in place at the time of the application for said project, including, without limitation, the provisions of the Community Development Code.

4.2 Property Acquisition

The principal purpose of this Plan is the rehabilitation and enhancement of public infrastructure in the Plan Area and the support of new private investment occurring on private property. The power of eminent domain as authorized by the Urban Renewal Law may be utilized only upon amendment of this Plan as provided in the Urban Renewal Law.

4.3 Relocation Assistance and Payments

In the event it is necessary to relocate or displace any business or other commercial establishments as a result of any property acquisition, SSRA may adopt relocation policies for payment of relocation expenses. Such expenses may include moving expenses, actual direct losses of property for business concerns, and goodwill and lost profits that are reasonably related to relocation of the business, resulting from its displacement for which reimbursement or compensation is not otherwise made.

4.4 Public Improvements and Facilities

SSRA may undertake certain actions which would make the Plan Area more attractive for private investment by providing public improvements consistent with the Base Area Redevelopment Plan. These improvements include street and traffic improvements, streetscape improvements, a transportation center, landscaping, park and recreation facilities, utility improvements, open space acquisition, stormwater improvements, public art projects, and other similar improvements necessary to carry out the objectives of the Base Area Redevelopment Plan.

4.5 Redevelopment Agreements

SSRA is authorized to enter into one or more Redevelopment Agreements with developer(s) and such other entities as are determined by SSRA to be necessary or desirable by SSRA to carry out the purposes of this Plan. Such Redevelopment Agreements may contain such terms and provisions as shall be deemed necessary or appropriate by SSRA for the purpose of undertaking the activities contemplated by this Plan or the Urban Renewal Law, and may further provide for such undertakings by SSRA, including financial assistance, as may be necessary for the achievement of the objectives of this Plan or as may otherwise be authorized by the Urban Renewal Law.

4.6 Interagency Cooperation

SSRA may enter into one or more Cooperation Agreements with the City of Steamboat Springs or other public bodies pursuant to the Urban Renewal Law. Cooperation Agreements may provide, without limitation, for financing, for construction of public improvements, for administration, for technical assistance and for other purposes.

4.7 Advisory Committee

SSRA shall establish an advisory committee of Base Area residential and commercial property owners to advise the SSRA on matters related to the implementation of the Plan. The composition of the committee shall be determined by the SSRA.

5. PROJECT FINANCING

5.1 Tax Increment Financing

The primary method of financing the projects undertaken in furtherance of this Plan shall be the use of tax increment financing pursuant to Section 31-25-107(9), C.R.S., which is by this reference incorporated herein as if set forth in its entirety. If there is any conflict between the Urban Renewal Law and this Plan, the provisions of the Urban Renewal Law shall control. All sales and property taxes collected within the Plan Area shall be divided as follows:

a) That portion of sales taxes equal to the amount collected within the boundaries of the Plan Area in the twelve-month period ending on the last

day of the month prior to the effective date of the approval of this Plan, and that portion of property taxes which are produced by the levy at the rate fixed each year by and for each public body upon the valuation for assessment of taxable property in the Plan Area certified by the Routt County Assessor on or about December 1, 2004, shall be paid into the funds of each such public body as are all other taxes collected by or for such public body.

b) Except as SSRA may legally provide otherwise under the Urban Renewal Law, the portion of not more than $.04 of each dollar of gross sales that are subject to sales tax and such property taxes in excess of the amounts described in paragraph a), above, shall be allocated to and, when collected, paid into a special fund to fund SSRA's obligations with respect to any project within the Plan Area to the extent necessary for payment of the principal of, the interest on, and any premiums due in connection with the bonds, loans or advances to, or indebtedness incurred by (whether funded, refunded, assumed, or otherwise) SSRA for financing or refinancing, in whole or in part, the projects in the Plan Area.

c) When, in any calendar year, all amounts due and owing on such bonds, loans, advances, and other indebtedness, if any, including interest thereon and any premiums due in connection therewith, have been paid, but in no event later than 25 years following the adoption of this Plan for the construction of the projects' improvements, any excess sales and property tax collections not allocated pursuant to this paragraph or any Cooperation Agreement between SSRA and City or other taxing jurisdiction, shall be paid into the funds of said jurisdiction or public body. Unless and until the total sales and property tax collections in the Plan Area exceed the base year property tax collections in the Plan Area, as provided in paragraph a), above, all such sales and property tax collections shall be paid into the funds of the appropriate public body. SSRA reserves the right to enter into Cooperation Agreements with select taxing jurisdictions relative to allocation of incremental tax revenues to support the purposes of this Plan and projects undertaken pursuant to this Plan.

d) The adoption of this Plan shall be deemed an adoption of a provision that taxes, if any, levied after the effective date of the approval of this Plan upon taxable property in the Plan Area shall be divided among SSRA and various taxing entities for a period of 25 years thereafter or such lesser period as provided in Section 31-25-107(9), C.R.S

5.2 Additional Taxing Entities

SSRA recognizes that tax increment financing is the primary tool for funding redevelopment activities. However, Colorado law allows the creation of additional political subdivisions within a municipality to provide services within a defined area.

These entities include metropolitan and other special districts as well as business improvement districts. These districts have certain taxing powers that can generate revenues in addition to those generated by tax increment financing.

SSRA is committed to exploring a variety of strategies and mechanisms to complement tax increment financing. SSRA recognizes that it is imperative that financing mechanisms be flexible and creative to provide necessary assistance to a broad range of redevelopment activities.

5.3 Participating Interest in Projects

In the event a project derives particular and unique benefits from public improvements financed by the Steamboat Springs Redevelopment Authority , the public should share in the success of the project. The terms of the participating interest will be specified in the Redevelopment Agreement at a level and on terms appropriate for each project.

6. MODIFICATIONS TO THIS PLAN

6.1 This Plan may be amended or modified pursuant to provision of the Urban Renewal Law as provided in § 31-25-107, C.R.S. Major modifications to this Plan will require appropriate notification in accordance with the Urban Renewal Law, including submission to the Board of County Commissioners of Routt County and written notice provided to all property owners, residents, and owners of businesses in the Plan Area not less than 30 days prior to the consideration of an substantial modification.

6.2 Prior to the initiation of any projects pursuant to this Plan or to the commitment of any portion of the Tax increment Financing identified in Section 5 of this Plan by the SSRA, this Plan shall be amended to identify what projects are authorized to be undertaken and what Tax Increment Financing will be committed.

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FIGURE 1