

**MINUTES  
OF THE BOARD OF DIRECTORS OF  
SALIDA NATURAL RESOURCE CENTER DEVELOPMENT CORPORATION  
A COLORADO NON-PROFIT CORPORATION**

A meeting of the Corporation was held April 19, 2016, at 448 E. 1<sup>st</sup> Street, Salida, Colorado 81021 beginning at 11:00 a.m. Directors present were Tim Glenn, Ray Kitson and Bob Grether, Ron Mazzeo, Susan Hughes, Jim McConaghy, and Dan Tibbetts. Dara MacDonald and Dan Osborn were also in attendance.

Public Comment: Cynda Green offered public comment.

Approval of Minutes: Minutes of April 5<sup>th</sup> were unanimously approved.

Treasurer's Report: McConaghy reviewed the expenses and account balance for February.

Scheduled Items:

1. Discussion with Belmont on tax-credit housing project  
Osborn reviewed the process to date resulting in the selection of Belmont to work with on a tax-credit affordable housing project. NAMES of presenters... Presented a PowerPoint with an overview of their experience, relevant projects and details of the 'Villas at Vandaveer Ranch' project. Aiming for a mix of 80% income restricted, 20% market rate. Targeting 60 units at this time, but that number may move depending on results of the market study currently underway.

The Board asked several questions, including, anticipated cost of land, location on the Vandaveer Ranch, cost sharing of the improvements, restrictions on affordability, design of elevations and timing of the project. For discussion purposes, the discussion has been around \$35,000 per acre for improved land. If tax-credits are awarded, they would hear in late October of early November. It will then take another 6 months to close on the funding.

Questions from the public: Read McCulloch asked about management of the site and what happens after 30 years - Belmont typically owns and manages their projects. Once the tax credits expire Belmont usually reapplied for tax credits to rehab the projects and thus the income restrictions begin again. If tax credits are not renewed, there is a disposition process among the various ownership and lending partners.

Tibbetts asked what Belmont was targeting for the cost of land & utilities. The response was that they are targeting a cost of \$350,000 for land/utilities. The upfront costs are being born by Belmont.

2. Update on Land Sale with Lowry Contracting

Tim Glenn recused himself from discussions due to his business relationships with High Country Bank and Lowry Contracting, Inc ("LCI").

Kitson provided an overview of the background on the project to date and history of working with LCI to extend utilities across the highway.

MacDonald provided an overview of the terms of the deal that have been discussed to date. Questions from the Board include wanting to see more details on the cost estimates from LCI, and how the Board will get verification of the infrastructure costs. Regarding cost recovery, LCI would be seeking cost recovery as the land is sold over time. Mazzeo's concerns are with getting a valuation comp for the cost of infrastructure and validation of the value of the land, crossing of the ditch as CR 107 and something in writing with High Country Bank agreeing in concept with the trade of land for infrastructure. There was discussion on how infrastructure costs would be validated by using an engineer. Mazzeo asked if the City or NRCDC would be on the hook for cost recovery should the project not move forward. The expectation is that future buyers would bear the expense of cost recovery plus reasonable interest. There was discussion about how the 80/20 ratio was arrived at for cost recovery.

Next steps: Hughes made a motion that the Board begin working towards a draft purchase and sale agreement with Kitson and McConaghy as the board representatives. 2nd by Grether. All in favor.

Mazzeo stated he has a problem with the cost recovery agreement proposed and feels like that should be borne entirely by the developer similar to how Belmont is fronting their pre-application costs at their risk. The Board discussed whether there is value to the Board of having the engineered design of the drainage and utility crossing under Hwy 50.

3. Resolution 2016-02, Cost Recovery Agreement

Tim Glenn rejoined the meeting. MacDonald provided an overview of the proposed agreement. Grether made a motion to approve Resolution 2016-02. The Board discussed the proposed agreement. Motion carried with Glenn abstaining and Mazzeo & Tibbets opposed.

4. Payment to Ferbraches

There was discussion about whose responsibility it is to pay for the legal expenses incurred by the Ferbraches related to the culvert installed on the Tenasse Ditch as part of the Gentlemen of the Road music festival. All were in agreement that the Ferbraches should be reimbursed. The Board addressed Mayor Jim LiVecchi who was in the audience asking why the NRCDC should pay rather than the City since the City actually earned money from the festival and worked with Madison House who had the work done to install the culvert. The NRCDC asked that the Mayor discuss with the Council the possibility of sharing the expense. MacDonald was directed to contact Madison House to see if they would share in the expense as well.

5. Board Appointments:

MacDonald updated the Board that the City Council has declined to appoint anyone to fill the Board vacancy at this time.

6. Updates on potential property sales or development

- a. Colorado Parks & Wildlife – MacDonald updated that The Mountain Mail provided wholly inaccurate information on the preceding day when they stated that the NRCDC had already sold Lot 3 to the hospital.
- b. Workforce Housing – No further update.
- c. Light Industrial – No update at this time.
- d. Recreation Area – No update at this time.

Unscheduled Items

1. Tibbets brought up discussion of the McConaghy economic model. The Board had some discussion of the model and expectations for repayment to the City.
2. Mazzeo made a motion to order a new appraisal of the USFS building. The Board disused the motion. The motion failed with Mazzeo and Tibbets in favor.


Executive session

None held.

Report/action on executive sessions matters - None

Adjourn – 12:40 p.m.

The undersigned have executed these minutes effective this 3<sup>rd</sup> day of May, 2016.

  
\_\_\_\_\_  
RAY KITSON, PRESIDENT

  
\_\_\_\_\_  
DARA MACDONALD, SECRETARY

