

## River corridor plans flowing along

### Montrose moves ahead with Uncompahgre projects

By Tanya Ishikawa, Watch Contributor

A blend of Durango's Animas River corridor and San Antonio's Riverwalk area--that's what Montrose city officials envision for proposed development surrounding the Uncompahgre River. Montrose plans to complete a riverside trail system, including bridges at strategic points, and other projects including residential, light industrial, retail and recreational buildings and facilities over the next 10 to 15 years.

Montrose City Manager Bill Bell said the city is following the 2011 Uncompahgre Riverway Master Plan to beautify about 10 miles of the river corridor, and extend the recreation trail from the current section that starts near Chipeta Lake to north of Taviwach Park, near the Montrose Regional Airport. The master plan was developed through cooperation with Great Outdoors Colorado, the Montrose Recreation District, the Montrose Community Foundation and Friends of the River Uncompahgre.

The most ambitious part of the project, announced publicly in October, will be the development of 158.2 acres through the consolidation of more than 10 properties into Colorado Outdoors Recreation Business Park. The project is being proposed by Mayfly Outdoors, the Montrose-based investment company that operates Ross Reels and Abel Reels.

Mayfly plans to construct a new building, west of the Ford auto dealership and the Montrose Justice Center on North Townsend Avenue, where it, and its two fly fishing tackle manufacturers, will relocate. Along with other partners, the plan is to surround that building with 670,000 square feet of commercial space, including other light industrial buildings, retailers, restaurants and a hotel with an estimated 230 rooms. The developers also would build 15 single-family homes, 52 live-work units, 70 townhomes and 306 apartments in the same area.

The company estimates that private investment in the development will include \$203 million of vertical construction costs, in addition to land-acquisition costs. Economic studies, commissioned by Mayfly, calculate the project will create 3,203 one-time, construction-related jobs (2,021 of them direct, and 1,002 indirect) with an annual payroll of \$111.1 million and a total economic impact of \$354.6 million. Annually, the economic impact is estimated to be 1,726 long-term jobs (1,205 direct, 520 indirect) with an annual payroll of \$70.7 million and a total economic impact of \$253.9 million.

In addition to Mayfly, the development team includes Renfrow Realty of Montrose, multinational real estate developer Stantec, Montrose architect Phil Motley, Colorado Springs-based Bryan Construction, Colorado Springs-based economic research firm Anderson Analytics, and attorney Paul Benedetti of Boulder.

The project's infrastructure, such as roads, sidewalks, lighting and riverbank improvements is estimated to cost \$83 million, and will rely on the city getting an urban renewal area designation and the subsequent "tax increment financing" for the property.

Tax increment financing is a mechanism whereby all increased tax revenues earned from additional development on a property are retained by the city to pay for infrastructure costs, instead of being split among other government entities that usually receive property taxes. The entities continue to take in the tax amounts received prior to development for a period of 25 years; after that, they begin to receive increased taxes.

"Some people call these types of properties blighted. We call them underutilized," said city manager Bell of the mostly vacant acreage along both sides of the river.

The Montrose City Council will vote this month to create an Urban Renewal Authority, and will establish the URA's board of directors, to be comprised of five city council members, one Montrose Schools RE-1j representative, a Montrose County Commissioner, a special district representative and an at-large citizen representative. In addition to the county and the school district, other government entities that will be impacted by the URA are the Montrose Rural Fire District, Montrose Metropolitan Recreation District, Montrose Library District, Tri-County Water Conservancy District, Bostwick Park Water Conservatory District, Colorado River Water Conservation District and Uncompahgre Valley Pest Control.

“Any taxing entities that are impacted by this development” and which must provide services, such as fire protection or EMS, “will have a negotiated revenue sharing plan established over the next month or so,” Bell said.

The URA Plan of Development will be reviewed by city council in January or early February, at which time more budgetary and timeline details will be set.

Bell added that other funds will be sought from grant programs such as the state’s Department of Local Affairs, Colorado Parks & Wildlife’s Fishing is Fun program, Trout Unlimited, and other sources. Additional organizations supporting the project’s goals include the Montrose Economic Development Corporation and the nonprofit Region 10 League for Economic Assistance and Planning.

Mayfly President David Dragoo said, “This type of project warrants a lot more collaboration” than smaller developments. “The goal for this property is twofold: to sustain and protect the river and to bring jobs to the community,” Dragoo explained about the project, which encompasses nearly 1.5 miles of the Uncompahgre River.

“We will be the first tenant on the property,” Dragoo said. “Our phase one goal was to bring our company to the area, build our building, and move our business there. Our phase two goal is to bring other businesses like ours to the area, businesses that each employ 10 to 75 people. It’s not going to happen in two or five years. It will probably take 10 years.”

Since Ross Reels moved to Montrose in early 2016, 13 jobs have been created; the company’s goal is to create a total of 54 jobs by 2019. The goal is part of an incentive agreement with the city which stipulates that Montrose will pay Mayfly \$5,000 for each new full-time job with an annual salary of at least \$29,923. The incentive package could total \$325,000; it also provides \$50,000 in marketing funds for advertising that specifically promotes Montrose (in addition to Mayfly), as well as fee abatements for future construction.

“We want to be slow and deliberate, because our building will set the tone for other buildings and the quality that comes after it. The hard costs of our building, at 35,000 square feet as proposed now, are roughly \$120 per square foot,” meaning the structure will cost \$4 million, Dragoo said.

Recreational use of that particular stretch of river is key to the company’s plans, and Dragoo said the partners have been conducting “extensive wetlands studies” of the area to understand how to manage it.

“The biggest investment we’ll make on the river is deeding back a section of it to the city of Montrose,” he said, adding that the company hopes a federal grant will help fund part of the river restoration work — but only municipalities can obtain such grants. “The public will own it eventually,” he said. “I don’t know the value of that, but it is expensive.”

Mayfly will sell parts of the property to other developers to build the other commercial and residential parts. “Unless there is a section we want to build and lease, all or most will be developed by others,” Dragoo said.

The area includes a wetlands property off of Marine Road on the west side of the river, purchased several years ago by the city in partnership with the Audubon Society to preserve bird habitat. The city plans to add gravel parking, a raised boardwalk and platform and a parameter fence to provide public access to bird viewing.

The city is also using funding from the EPA’s Brownfields Program to study, clean up and plan future development along other river areas previously used for industrial activity. So far, 16 properties have been studied in order to determine the level of contamination from industrial pollution and the resources necessary to redevelop the land, explained Erica Weeks, the city’s Brownfields Program coordinator.

Weeks said the defunct Bullock Power Plant, between the river and South Rio Grande Avenue north of Baldrige Park, was determined to be “free and clear” of environmental contamination, and could be repurposed for other uses such as shops, restaurants or a brewery.

The former Sharing Ministries building near the river at West Main Street is another property deemed safe for redevelopment as part of the river corridor's revitalization. The city recently hired a new planner, Ty Johnson, who will handle future Brownfields grant projects.

City Manager Bell said Montrose "has its eye on several properties up and down the river to acquire. The city can acquire them if it is financially healthy and can invest."

In the spring of 2015, the city completed and opened the Water Sports Park, one of the master plan's key objectives to increase recreation and improve fishing habitat. The city plans to improve the boat put-in/take-out area at the park and build a \$300,000 restroom facility with changing rooms and outdoor showers, as well as a sheltered area with a mini interpretive visitor center, by the end of 2018.

"We are constructing a \$75,000 community dog park near the river in Cerise Park this spring, and we will hire an acoustical engineer and designer to prepare plans for a community amphitheater in Cerise Park, as well," Bell said.

Over the next couple of years, the city also will be improving put-in and take-out areas for kayaks, stand-up paddleboards, rafts and other users up and down the river in various locations to make the riverfront more accessible and user-friendly, Bell added. He said spots near the Chipeta Lake wildlife area, on the south end of town, and at the West Main trailhead in the center of town, are two likely places to be improved.

Bell also mentioned the city's plan to work with agricultural water users to improve the safety of a water diversion structure, north of Taviwach Park near Lasalle Road, which makes it impossible for boaters to proceed farther along the river. A final project that he discussed was a private development along the river, south of the Target store, that is being reviewed by the city's planning department. The property, which would be built with connections to the trail system, would include an assisted-living facility combined with independent living units for seniors as well as "medical-style retail."

"We are where Durango was 15 to 20 years ago," said Bell, noting that Durango's river area is an excellent model of how Montrose and the Uncompahgre River could develop. "Durango is landlocked; they cannot grow. We can grow a lot; we have a lot of land. We want to do it the right way, professionally and cost effectively."

Durango's river-trail system stretches about seven miles through the Animas River Greenway, with access to parks, open spaces, other trails, the community recreation center, the library, homes, businesses, hotels, restaurants and schools. The greenway's planning area is approximately a quarter-mile wide along a 16.27-mile stretch of river and includes a whitewater park.

"Another good model for the business side of the river corridor is San Antonio," Bell said. "They have a great boardwalk in San Antonio with mixed-use, light industrial, housing and restaurants. That's the big picture, and what we're planning here."

The \$384.1 million San Antonio River Improvements Project was a 13-mile urban revitalization project. It provided flood control and increased recreational and economic development opportunities, including the popular San Antonio River Walk connecting the city's major tourist attractions.

For Montrose, Bell said, "The grand vision is not only to improve the look and feel of the natural setting, but also mixed development — so we are using the river as well and not just looking at it."