

Town of Lyons, Colorado
Board of Trustees
BOT Agenda Cover Sheet
Agenda Item No: XIII.3.
Meeting Date: April 4, 2022

TO: Mayor Angelo and Members of the Board of Trustees
FROM: Philip Strom, Director of Community Development
DATE: April 1, 2022
ITEM: Resolution 2022-36 – a Resolution of the Town of Lyons, Colorado Approving a Development Agreement with Moss Rock Development, LLC.

ORDINANCE
 MOTION / RESOLUTION
 INFORMATION

I. REQUEST OR ISSUE:

Moss Rock Development, LLC (Moss Rock) wishes to develop a hotel project on 343, 347, 349, and 355 Main Street. Per Lyons Municipal Code Section 16-17-30(b), the Town requires that Moss Rock execute a development plan agreement. Staff and Moss Rock have negotiated the Development Plan Agreement (Attachment 2) for the Board of Trustees (Board) review and approval.

II. RECOMMENDED ACTION / NEXT STEP:

Approve Resolution 2022-36 Approving a Development Agreement with Moss Rock Development, LLC.

III. FISCAL IMPACTS:

The proposed hotel development will burden the Town's utility infrastructure, parks infrastructure, and emergency management. However, the anticipated revenue increase provided to the Town both directly from lodging, sales tax, real estate tax, and development and use fees during development and construction as well as indirectly through construction workers, hotel guests, and employees spending in the town is anticipated to offset that burden.

IV. BACKGROUND INFORMATION:

Moss Rock submitted an application for Development Plan Review in late 2021 and after the Planning and Community Development Commission's Public Hearing and recommendation of Conditional Approval to the Board, the Board conducted a public hearing on February 7, 2022, on the application. The Board approved the application with conditions, one of which was the Developer negotiate and execute a Development Plan Agreement with the Town.

The Development Plan Agreement creates obligations to develop necessary public improvements such as sewer, water, electric infrastructure, landscaping, and addresses the respective responsibilities of the Town and Developer during the development. Staff has negotiated the Development Plan Agreement at the direction of the board and would like to specifically note the following terms:

- Moss Rock agrees that the Project shall comply with all applicable local, state, and federal laws.
- Offsite parking lots will be used to satisfy parking requirements and includes the lease of the “Triangle Lot” located at the corner of Railroad Ave and 3rd Avenue containing 16 spaces, and up to 33 spaces if valet parking is used. And the “2nd Avenue Parking Area”, located at 198 2nd Avenue, for up to 30 spaces. Both lease terms would include an initial 5-year term with two 3-year renewal options. The lease rental rate will be equal to the fair market rental rate for lots similar and shall be subject to an annual escalator for inflation.
- Moss Rock shall continue to work with the Town to identify ongoing improvements to serve the overall parking needs of the Hotel and the retail businesses contained within the Hotel.
- Moss Rock has purchased 9 shares of Lake McIntosh Reservoir Company water stock, and subject to the Board’s approval, is prepared to assign those shares to the Town upon the determination by the Town of the number of shares required to support the hotel.
- Public improvements in the Town ROW will be built by Moss Rock and owned by the Town, with Moss Rock responsible for maintenance. A preliminary scope for the public improvements has been developed with the estimated cost of those improvements confirmed by the Town Engineer. Financial security will be provided by Moss Rock to the Town for the construction of the public improvements prior to issuing a building permit.
- Moss Rock agrees that they will outsource laundry and that no laundry services for the Hotel will be located on the property upon the opening of the hotel. At a future date, Moss Rock may request to locate laundry services on site with the Town’s approval and confirmation that the Town facilities can handle the load of the proposed laundry services.
- Moss Rock intends to stage construction materials and equipment on CDOT ROW to the south of the property, subject to CDOT’s approval. While the Town will continue to coordinate with Moss Rock, it is anticipated that the US36 Multimodal Project will be completed prior to the completion of the hotel construction. Moss Rock has an obligation to restore any area used for staging to the same condition prior to the use.
- Moss Rock agrees that all new electric service lines will be buried underground.
- Moss Rock agrees that the proposed hotel shall use sandstone and will use a reasonable effort to source from local Lyons suppliers. The sandstone is proposed

on the exterior walls facing the public ROW and within 50 feet of the property lines, excluding the east-facing wall and the area of doors and windows, in the following percentages:

- 15% of total surface area if the Developer does not secure Tax Increment Financing (TIF) through the Town Urban Renewal Authority
 - 20% of total surface area if the Developer does secure TIF through the Lyons Urban Renewal Authority
- Moss will incorporate environmentally sustainable materials as well as sustainable methods of construction wherever feasible and possible. They agree that:
 - Low flow toilets and sinks will be used
 - Water bottle filling stations will be used
 - Each room will have wastebaskets that separate garbage from recyclable materials

V. LEGAL ISSUES:

The Town Attorney has reviewed and approved the Development Plan Agreement in form.

VI. CONFLICTS OR ENVIRONMENTAL ISSUES:

None known.

VII. SUMMARY AND ALTERNATIVES:

1. Approve the Resolution approving the Development Plan Agreement.
2. Approve the Resolution with Amendments to the Development Plan Agreement.
3. Direct staff to continue to negotiate the Development Plan Agreement and return with for approval.

VIII. PROPOSED MOTION:

"I move to approve Resolution 2022-36 approving a Development Plan Agreement with Moss Rock."

IX. ATTACHMENTS:

1. Resolution 2022-36
2. Development Plan Agreement