

**GRAND JUNCTION CITY COUNCIL
WORKSHOP**

**MONDAY, APRIL 21, 2014, 11:30 A.M.
CITY AUDITORIUM
250 N. 5TH STREET**

To become the most livable community west of the Rockies by 2025

**JOINT MEETING WITH THE BOARD OF DIRECTORS FOR
THE DOWNTOWN DEVELOPMENT AUTHORITY AND
THE DOWNTOWN GRAND JUNCTION BUSINESS IMPROVEMENT DISTRICT**

- 1. Review and Discussion of Downtown Development Authority and Downtown Business Improvement District Programs and Activities:** Grand Junction City Council meets at least once a year with the jointly appointed Grand Junction Downtown Development Authority (DDA)/ Downtown Grand Junction Business Improvement District (BID) Board of Directors to discuss general issues related to Downtown and the specific activities and current concerns of the DDA and BID.

Discussion topics have a variety of policy implications that require Council input and direction, and may necessitate subsequent Council action to implement policy directives or changes.

This workshop session is intended to inform Council of the broad scope of DDA and BID functions, to offer background and answer immediate questions on the four primary discussion topics, to explore policy options for Council's consideration, and to identify next steps and possible Council actions related to implementation. Given the scope of discussion items, a second follow-up meeting is anticipated. [Attachment](#)

- 2. Other Business**
[Supplemental documents](#)



CITY COUNCIL STAFF REPORT WORKSHOP SESSION

Date: April 17, 2014

Author: Harry Weiss

Title/ Phone Ext: DDA Exec.

Director, ext 4134

Proposed Meeting Date:

April 21, 2014

Topic: Review and Discussion of Downtown Development Authority and Downtown Business Improvement District Programs and Activities

Staff (Name & Title): Harry M. Weiss, Executive Director, GJDDA

Summary:

Grand Junction City Council meets at least once a year with the jointly appointed Grand Junction Downtown Development Authority (DDA)/ Downtown Grand Junction Business Improvement District (BID) Board of Directors to discuss general issues related to Downtown and the specific activities and current concerns of the DDA and BID.

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Background, Analysis and Options:

Four background briefs have been prepared for Council's review prior to the meeting, each addressing one of the four primary discussion topics.

The overarching context for the discussion of these items is to identify how the DDA and the BID can achieve greater effectiveness and positively impact the ongoing improvement of Downtown, and to identify the constraints that exist today that may impede the realization of that potential. A primary concern is how both organizations can adapt and innovate, within the limits of their respective statutory authorities and financial resources, to better respond to the economic malaise that persists regionally.

Board or Committee Recommendation:

This meeting is primarily informational and exploratory in nature. A limited number of specific actions will be suggested with the understanding that additional options and recommendations will be forwarded for Council's consideration based upon their input and direction.

Financial Impact/Budget:

No new budget items are contemplated here.

Potential changes in Tax Increment Financing (TIF) policies will be explored as well as potential economic development initiatives.

Legal issues:

The legal process for renewal of the BID will be discussed along with potential changes in the organizational structure of the BID pursuant to state statute. Policies concerning the regulation and permitting of community events Downtown will be reviewed for possible amendment.

Other issues:

None.

Previously presented or discussed:

None.

Attachments:

1. Potential expansion of economic development activities by the DDA and BID
2. Review of TIF Mechanism and Restrictions on Use of TIF Resources
3. Regulation and Management of Community Events and Their Impacts in Downtown
4. BID Renewal Requirements and Considerations

POTENTIAL EXPANSION OF ECONOMIC DEVELOPMENT ACTIVITIES BY THE DDA and BID

In recent months the DDA/BID Board of Directors has been exploring potential new economic development strategies that either agency might pursue. The discussion centered initially on the concept of business recruitment (which is a specific activity authorized by the BID statute). The discussion quickly discovered that business recruitment could take any one of a number of forms – from direct recruitment efforts, to capital improvement grants, to major investment in public infrastructure like high-speed internet service in the Downtown – all of which have variable funding requirements and would be more appropriate to one or the other agencies.

The following comments were drafted to help frame the Board's discussion of potential economic development initiatives:

New economic development initiatives undertaken by the DDA and/or the BID should amplify the unique role Downtown plays in defining the community's identity, regional character and quality of life. Thirty-three years ago this community took the bold step forward in establishing the DDA and implementing Tax Increment Financing, thereby allocating a portion of future tax revenues that would otherwise flow to other taxing authorities for other public purposes, in order to achieve a socially, culturally and economically vibrant Downtown. Interestingly we often default to recreational and outdoor opportunities when describing regional quality of life when in actuality the members of our community spend the vast majority of their time and energies in the city where they work and dwell. Access to meaningful work with avenues for economic advancement, along with social and cultural vitality, are essential components that complete the full understanding of quality of life.

While the Grand Valley is blessed with rich outdoor recreational opportunities, those opportunities are not especially unique when compared to communities across the western US, many of which have equal or better assets. The quality of life quotient must be strengthened by the commitment to urban vitality that will leverage economic, social and cultural dynamism. The extraction of value and products from natural resources, whether it be energy, mining or agricultural production, will no doubt remain a fundamental component of the regional economy. But how we evolve as a city and how we harness its inherent economic, social and cultural generative power will be the more important narrative of Grand Junction's success in the years ahead.

This is the intrinsic orientation and focus of the DDA and BID, and fundamentally distinguishes our work from that of our economic development colleagues. It shines a bright light on tensions that exist regionally between rural and urban sensibilities, between tradition and innovation, and the widening difference between generations in their aspiration to community service and leadership. Having focused for three decades primarily on the practical, nuts and bolts capital investments that have set the physical stage for Downtown, we are now challenged to identify the catalytic strategies that can spark a greater urban vitality that seems nascent, but whose emergence has nonetheless lagged. Without a doubt there will remain plenty of capital projects to pursue, but an effective program of economic, social and cultural invigoration requires a fuller spectrum of programmatic strategies along with traditional capital improvements.

Whether we can develop a complement of programmatic strategies within our existing organization or whether we will have to look to the outside for those resources will depend largely on the creative use of our existing authority and the thoughtful removal of constraints that unnecessarily inhibit our capacity to innovate.

Among the many possible areas of expanded economic development activity discussed by the DDA and BID Board of Directors, four areas of focus were identified for the immediate future:

1. Engage more directly in the economic restructuring of Downtown commercial property to achieve greater economic productivity.

The Board considered this primarily as a function of greater DDA engagement in assisting property redevelopment. The intention was to respect and collaborate with commercial real estate brokers who are the front line of leasing and recruitment to understand the impediments they regularly encounter with prospects, and the limitations of their local clients in making redevelopment investments in their properties. Specifically this would entail:

- monitor and provide marketing support for current properties for sale or lease

- assess conditions that impede successful transactions such as:

 - functional obsolescence

 - impediments that arise from contextual conditions/activities

 - attitudes of tenants and property owners

 - access to capital for owner or tenant funded improvements

- DDA/BID host quarterly meetings for all brokers; schedule periodic meetings with staff at individual brokerage firms

- Technical assistance/information for proposed projects and a redevelopment toolkit

2. Commission a Retail Mix and Recruitment Study for a strategic business recruitment program (the DDA Plan of Development (PoD) specifies this kind of study as an authorized planning function of the DDA)

- develop comprehensive commercial space inventory of the Central Business District and DDA districts

- expand BID business directory database to include pertinent building data, sale/leasing history

- commission study to identify existing retail strengths and new niche opportunities that will complement and diversify the commercial core

- document building and spatial characteristics of niche targets to correlate to inventory facilitate and forge a common vision for new commercial development in Downtown

3. Investigate the Creative Industries Sector of the regional economy as a targeted focus for Downtown

- convene and facilitate discussion of the creative sector that documents/quantifies the extent of its economic impact throughout the Grand Valley

- identify appropriate organizational structure for a valley-wide initiative on creative

industries

recruit effective leadership from the creative business sector

pursue State of Colorado Creative District certification for Downtown as collaborative effort of DDA and creative sector leadership

identify additional ways DDA can support the creative sector in collaboration with sector leadership

4. Identify Tools and Strategies Appropriate to the DDA to Incent Downtown Housing Development
Housing remains one of the great unfulfilled and unrealized components of a diversified Downtown. The Sonoran Institute is currently assisting the DDA in a comprehensive Downtown Housing Study to assess market demand and the economic feasibility of housing development. The Study will be complete in late May and will offer an assessment of appropriate incentives/tools to catalyze new market-rate housing investment, and identify DDA opportunities and resources for potential housing public-private partnerships

REVIEW OF TIF MECHANISM AND RESTRICTIONS ON THE USE OF TIF RESOURCES

DDA Funding

The DDA has two primary sources of public revenue:

- As a separate taxing district, the DDA levies 5 mills on all commercial property within the boundary of the district. This levy funds the general operations of the DDA and can be used for both programmatic and capital purposes as determined by the Board of Directors with City Council oversight and approval. At present, the operating fund of the DDA has approximately a half million dollar fund balance which constitutes some of the DDA's most flexible money.
- The TIF is a diversion of a portion of other taxing authorities' levies which flow to the DDA for capital improvement projects in the DDA district. The TIF is not a separate tax or levy, rather it is an apportionment of other public tax revenues. There is both a sales tax TIF and a property tax TIF. The sales tax TIF comes from the City of Grand Junction. The property tax TIF comes from all of the taxing authorities that levy Downtown property (e.g. City, County, Library, District 51, etc.) While the property tax TIF is paid from the taxes collected from individual Downtown property owners, the funds can also be characterized fairly as public tax revenues diverted from other public purposes for the betterment of Downtown. In this respect, both individual property owners in the DDA district and the community at large share in the financial contribution of the TIF for the improvement of Downtown.

The DDA also has some operating revenue (e.g. parking income, permit fees) and is a 501(c)3 qualified entity for charitable contribution purposes. Return of capital from TIF-funded projects (e.g. net proceeds of sale of DDA owned property) comes back to the DDA as unrestricted working capital.

TIF Restrictions

Use of TIF funds is restricted based on five primary and overlapping legal controls. Currently TIF revenues may only be used for capital expenses associated with public facilities. Any use of TIF for general operating expenses is strictly prohibited, and the utilization of TIF for non-capital economic development purposes is also prohibited. The five legal controls are:

- The Downtown Development Authority Act (CRS 31-25 Part 8) defines the purposes and authorized activities of DDAs and sets forth the TIF mechanism.
- The DDA Plan of Development (PoD) is the mandatory comprehensive statement of specified DDA activities. The PoD and amendments thereto are subject to review by the Planning Commission and final approval by City Council.
- State statute also mandates that DDA Electors (downtown property and business owners and residents) must authorize by ballot the DDA's incurring of debt that is serviced by TIF revenues, and the purposes for which that debt financing is used. In conjunction with the 20-year extension of the DDA, a ballot measure was approved by the DDA Electors authorizing the use of TIF debt for public facilities only.
- Bond covenants reiterate the legal restrictions spelled out in state law and the Electors' ballot authorization and constitute contractual obligations with the bondholder.

- City of Grand Junction Resolution 130-01 (December 2001) clarified that “all bond and loan proceeds from Tax Increment Financing shall be used for capital improvement projects as authorized by the bond documents or City Council... (including the direct administrative costs of those projects). “

Funding for Non-Capital Projects and Non-Public Facilities

DDAs are authorized to undertake a variety of activities to improve downtowns encompassing both physical development projects and economic development initiatives. All activities of the DDA must be incorporated in the official Plan of Development that City Council reviews and approves.

DDA participation or facilitation of real property redevelopment that does not include a public facility is constrained from using TIF. For example, the DDA participated in the land assembly and RFP process that led to the development of the hotels by Two Rivers Convention Center. Under current restrictions, TIF resources would not be available for that kind of project. When the DDA was pursuing the acquisition of the former Assembly of God Church property on Grand Avenue for future redevelopment, bond counsel warned that the pending TIF bond proceeds would not be authorized for that project unless there was a bona fide public facility purpose anticipated on that site. The future redevelopment of the White Hall property is potentially constrained by funding restrictions; should the DDA seek a private developer or otherwise participate in a non-public facility scenario, TIF resources may not be available for such undertakings.

Economic development initiatives of a non-capital nature are similarly constrained. For example, any one of a variety of potential business recruitment strategies would require non-TIF sources of funding to implement.

Flexible Funding for Economic Development Activities

The DDA has pursued a fairly traditional approach to downtown redevelopment over its 33 year history. The vast majority of its resources have been invested in improving public infrastructure and facilities, thereby setting the stage to attract private investment in business and real property development. In the past decade alone, the DDA has invested over \$18 million dollars in public facility improvements, not including the Rood Street Parking Garage. For some period the DDA was directly involved in real property redevelopment with the private sector but has now significantly curtailed that involvement. State statute specifically acknowledges that DDAs may undertake authorized economic development programs as well as capital improvement projects. The statute does not distinguish between the two activities with regard to TIF utilization.

Preservation of property values is one of the primary statutory purposes of the DDA, but the enhancement of values and the attraction of new investment are the higher objectives and performance metrics for a healthy and vibrant Downtown and an effective DDA. The Great Recession has dramatically impeded new private investment in Downtown that would capitalize on the DDA's prior investments in public infrastructure. As the community seeks to rebound from the diminished economic conditions of

the region, we can consider allocating a portion of DDA resources to economic development strategies and incentives targeted more directly at attracting and leveraging private investment in the district.

The DDA has a limited amount of unrestricted working capital and discretionary funds for non-TIF capital projects and programmatic purposes. Pursuit of either of these areas of economic development activity may depend upon access to funding beyond our current capacity. Allowing greater flexibility in the utilization of TIF resources for specified undertakings that are fully described and duly authorized in the PoD is one avenue worthy of Council's consideration.

Appendices:

Chart of DDA and BID Funds

Selected TIF Improvements 2003-2013

	DDA Operating Fund 103	DDA Capital Improvement Fund 203	DDA Debt Service Fund 611	Downtown BID Fund 711
SOURCES	Real & Personal Property Tax (5 mill) Specific Ownership Tax Allocation Operating Revenues (license/permit/parking revenues) Grants Donations (Legends) Interest on 103 balance Interest on 611 balance	TIF Bond Proceeds Other TIF Borrowing Proceeds Return of Capital/Sale of Assets (non-TIF restricted) Grants Donations Transfers from 103 Interest on 203 balance	Real & Personal Property Tax Increment Revenues Specific Ownership Tax Allocation (directly from County Assessor) Sales Tax Increment Revenues (transfer from CGJ) Interest	Special Assessment PILTs (CGJ & DDA) Operating Revenues Grants Donations Sponsorships Interest
USES	DDA Operations 31-25-807 Purposes* 31-25-808(1)(a)&(b) Nondebt Funded Expenses* Legends Sculpture Program AOTC Program Expenses DDA PILT to BID *see statutory citation	TIF Capital Projects: Public Facilities/Purposes AOTC Purchases Façade Grants Non-TIF Capital Projects: Private Development Activity Allocable OH/L&B	Treasurer Fees 611 Interest transfers to 103 TIF Bond Repayment TIF Debt Service Reserve Payment of Other Debt	BID Operations Current BID Services: District Marketing & Promotion Special Events Add'l Statutory BID Services: plan/manage development maintenance business recruitment security snow/refuse removal design assistance Other Uses: Real Property Acquisition Improvements Debt Service

**DDA/TIF IMPROVEMENTS TO CITY-OWNED ASSETS, 2003-2013
(W/OUT PARKING GARAGE)**

12/31/2003 Two Rivers Sign	\$	42,000.00
12/31/2006 7th Street Design	\$	500,000.00
12/31/2007 Colorado Avenue Design	\$	100,000.00
12/31/2007 7th Street Improvements	\$	4,281,301.37
12/31/2008 Colorado Avenue Improvements	\$	3,500,000.00
12/31/2009 Main Street Design	\$	88,522.18
12/31/2012 Main Street Improvements (Phase I)	\$	3,330,389.49
12/31/2012 Main Street Improvements (Phase II)	\$	3,530,466.06
12/31/2013 Avalon Theatre	\$	3,000,000.00
TOTAL	\$	18,372,679.10

REGULATION AND MANAGEMENT OF COMMUNITY EVENTS AND THEIR IMPACTS IN DOWNTOWN

The staging of community events Downtown is a long-standing tradition in Grand Junction as it is in most other cities. As the pre-eminent common ground of the community, Downtown is where the community showcases its diverse breadth through social and cultural celebration. At the same time, Downtown is a setting made up of a multitude of private interests, and is one of the City's most important commercial districts. Community events in Downtown pose a number of thorny challenges and come with a slew of impacts. Finding the right balance among competing interests requires setting public policy that can guide the regulation and management events.

Main Street as a Place of Public Assembly

Main Street is an iconic space that the community seeks out for its events. Yet Main Street is at its heart a commercial street where many earn their livelihoods. We have continually improved the public realm of Main Street to make it attractive, inviting and hospitable, which strengthens its commercial success. Since the completion of the Uplift Project, we have experienced, not surprisingly, increased demand to use Main Street for public events, and an exacerbation of impacts on Downtown business. Make no mistake, this is a great problem to have. Our community identifies strongly with Downtown and wants to gather there for events. Yet we must address the impacts that come with that increasing demand and strike a reasonable balance of the interests of the community at large and the Downtown business community. This is especially important as businesses continue to weather the persistent economic downturn.

Downtown does not have a dedicated and proper place of public assembly designed to accommodate the variety of events currently being staged. We utilize and adapt Main Street to accommodate this purpose within the physical limitations of the street. But the intensity and frequency of events can result in disproportionate burdens on the core commercial function of Main Street and the individual businesses located there, all of whom depend upon convenient and ready access to their establishments that is typically disrupted by street closures, and in the case of special events serving beer and wine, security perimeters for the event area.

The DDA has suggested that the development of a more fitting and purpose-designed place of public assembly in Downtown would relieve the burden on Main Street. To that end the DDA is exploring how Whitman Park could evolve from a passive park into more active uses that include accommodation of special events. Alternatively there may be other opportunities to create a wholly new space elsewhere in the DDA district.

DDA Involvement in Permitting in Downtown

The City Council first delegated certain functions to the DDA concerning the permitting of activities on Main Street in 1981. As the City's main advisor on all things Downtown, the DDA was charged with reviewing and recommending approval or denial of permits for sidewalk vending. Over the years the permitting of commercial activity and special events Downtown has expanded and has become more varied and complex. The general standard cited in permitting ordinances is to "maximize the use of Downtown."

The DDA serves as a primary reviewer of permit applications which are coordinated by staff in neighborhood services with input from a number of City departments – e.g. GJPD, GJFD, Transportation, Streets, Parks and Recreation. It is important to note that along with impacts to Downtown businesses, special events can have direct operational and financial impacts on each of these departments, from public safety considerations and staffing to trash removal and street cleaning. City Manager Rich

Englehart has directed that all permit review agencies convene to identify and discuss the full breadth of the impacts of events on City services so that can be included in Council's consideration of potential changes in management policies and regulation.

BID Perspectives on Downtown Events

Special event promotion and general district marketing are the two primary BID programs. The BID is one of the major producers of special events Downtown including the Art and Music Festival, Farmers Market, Fourth of July Parade, Annual Car Show, Spooktacular, and Parade of Lights. BID events are intended to draw visitors to Downtown and provide broad marketing exposure for BID members, as well as provide commercial opportunities for BID businesses. The BID itself is a large and diverse community not all of whom agree on what the benefits and burdens are of its own events or those produced by third parties, or how they should be staged.

The standards for approving special event permits are broadly accommodating of the community's use of Downtown. Permit approvals issued by the DDA under applicable legal standards are sometimes felt to be at odds with the interests of BID constituents and illustrate another inherent conflict between the fulfillment of DDA responsibilities and the advocacy of the interests of the BID.

BID RENEWAL REQUIREMENTS AND CONSIDERATIONS

Establishment of the BID

The Downtown Grand Junction Business Improvement District was proposed pursuant to the procedures detailed in the Business Improvement District Act (CRS 31-25-Part 12) and enacted by City Council through the passage of Ordinance No. 3815. The BID became effective January 1, 2006.

Constitution of the BID Board

State statute offers four options for the creation of the governing board of a BID:

- City Council itself can constitute ex officio the BID Board
- Council may appoint a separate and independent BID Board of Directors drawn from qualified BID constituents as defined in statute
- Where a BID is largely contained within an existing DDA, Urban Renewal Authority (URA), or General Improvement District (GID), Council may designate the DDA, URA, or GID Board of Directors as the BID Board
- If included in the original petition initiating the BID or subsequent petition by a majority interest of the BID, the Board shall be elected by the electors of the BID.

City Council chose to designate the DDA Board as the BID Board. This choice reflected some concern at the time that a newly created and independent Board might not have sufficient experience in the management of public monies authorized for the BID's use, whereas the DDA had a long history of financial accountability and management.

Sunset of the BID

City Council also opted to establish the BID for an initial ten-year term, after which it would expire if not renewed. State enabling legislation provides for the perpetual existence of BIDs and for their dissolution, but does not contain any provisions for limiting the duration of a BID. However, such limitations can be imposed at the discretion of the local elected body through ordinance. Ordinance No. 3815 does not spell out any procedure for how renewal is to be considered, but the legal authority to renew the BID rests solely with City Council. Thus, the BID is set to expire on January 1, 2016, unless it is renewed by City Council. Renewal can be acted upon at any time before the expiration date.

BID Funding

The BID is funded by a Special Assessment calculated on the square foot area of land and the square foot area of first floor building space of commercial properties in the district. A tiered rate structure assesses property on Main Street at a higher rate than properties located off of Main Street. State statute provides that the rate may be increased up to 5% each year at the discretion of the BID Board. Additionally, the BID receives program revenue from special events, sponsorship support from the community, and a contribution from the DDA and the City.

Partnership with the Downtown Association (DTA)

The DTA was the precursor organization and leading advocate for the creation of the BID. The DTA was a not-for-profit 501(c)6 organization (trade association or chamber of commerce) that was primarily a Main

Street merchants' association. Prior to the BID, the DTA undertook the marketing and special event promotions for Downtown that the BID now provides. Membership in the DTA was voluntary; however, the establishment of the BID largely superseded the membership function of the DTA. The DTA remained an active and separate entity that partnered with the BID for marketing and special events; non-assessment revenues were taken in through the DTA and pooled with the BID for its program expenses. The DTA served as the steering committee of the BID, attending to programmatic decisions and routine operations. The formal BID Board (aka the DDA) met quarterly for the purpose of financial oversight of the BID, but otherwise delegated operational matters to the DTA.

The existence of three separate entities – the DDA, the BID, and the DTA - with overlapping missions related to Downtown resulted in some organizational redundancy and general confusion as to the roles of each entity. At a joint retreat of the DDA/BID with the DTA in February 2013, the organizations reached consensus that the DTA should dissolve and its functions be absorbed into the BID. Consolidation of the DTA and BID was completed during that year and the DTA filed Articles of Dissolution effective December 30, 2013.

Current Circumstances and Concerns

We are now eight years into the existence of the BID and less than two years away from expiration. The BID Board of Directors requests that City Council take up the matter of renewal in a timely manner and provide a clear path forward for its consideration.

The Importance of the BID to a Healthy and Successful Downtown

Downtowns are complex environments unlike any other areas of the community. Diversity is one of its core strengths and at the same time one of its greatest challenges. Diversity of uses, diversity of activity, diversity of opportunity, and perhaps above all, the involvement of diverse constituencies are essential characteristics and ingredients for its success. Downtown is a place where many divergent interests converge, and our challenge is to coalesce those interests into a common vision that captures interests and aspirations of its many constituents.

The BID plays a unique role in Downtown. Its current functions of marketing and promotion, as well as other statutory purposes it might pursue in the future, are essential to the success of Downtown. It complements the functions of the DDA (which cannot fulfill the functions of the BID) and is immeasurably important to the health of the core commercial activities that form the foundation of the Downtown economy.

The prior model of a volunteer-based DTA providing the services of the BID was found to be unsustainable and in some aspects inequitable. The adoption of the BID has addressed in part the concern for sustainability and equitable participation, but it remains a work in progress that must adapt to new circumstances and challenges to achieve greater effectiveness.

Governance of the BID

There is concern among the BID Board and among many BID constituents that the designation of the DDA Board as the BID Board is not the best or most effective option for structure and governance.

From the Board's perspective, the joint designation imposes an additional set of conflicts of interest upon the Directors. The DDA statute explicitly recognizes that Directors have an inherent conflict of interest in that they have personal vested interests in Downtown, and that the decisions of the Board will likely have indirect and perhaps direct benefits to them individually. Those same inherent conflicts of interest pertain to the role of BID Director, although they arise from different activities and decisions.

The DDA and BID are distinct organizations with complementary missions and programs, but very different responsibilities, duties, and factors of accountability. The DDA maintains a very broad perspective on the future of Downtown, is highly focused on capital-intensive improvement project, has regulatory functions delegated to it by City Council, and owes its duty to the community at large as well as Downtown vested interests.

In contrast the BID is highly focused on the programmatic functions of marketing and promoting the BID (itself a subset of the larger DDA district), and is by its nature an intensive constituent services organization. The special assessment funding mechanism for the BID amplifies an accountability expectation of greater direct representation of BID interests. The joint appointment as DDA and BID directors compounds the inherent conflicts entailed in serving in either capacity by placing dual responsibilities and loyalties at odds with each other.

Many BID constituents have expressed a desire for reconsideration of the BID governance structure. In the past when the formal BID Board concerned itself primarily with financial oversight, there was a feeling that the Board was not fully engaged in the concerns of the BID and was not as attuned to representing BID interests. In some instances, decisions made in the context of the DDA's responsibilities were viewed as adverse to BID interests.

The dissolution of the DTA was understood to be a necessary measure of consolidation. It was also anticipated as a first step of organizational restructuring, particularly with an eye toward the implementation of a robust committee structure to engage broader participation among BID members. Effective leadership of such an organizational approach will demand even greater commitment and involvement of the Directors of the BID, and one must acknowledge that a dual appointment may seriously overtax Directors' capacity.

These sometimes irreconcilable tensions of representation, advocacy of interests, and effectiveness warrant City Council's close consideration during the renewal discussion. Of the four options for constituting a BID Board of Directors, the first three are exclusively reserved to City Council's discretion. The fourth – the establishment of a Board elected by the BID constituents is dependent upon a valid petition requesting such structure.

SCHEDULE A
 Meridian Park Municipal Fees
 3/8/2014

168 units

	Total Fee	Per Unit	Credits	Adjusted Fees
- Transportation Capacity Fee	297,192.00	1,769.00	200,000.00	97,192.00
Parks Impact Fee	37,800.00	225.00	20,000.00	17,800.00
Open Space Fee	20,000.00	118.34	15,000.00	5,000.00
* School Impact Fee	94,080.00	560.00		94,080.00
- Development Inspection Fee	1,790.00			1,790.00
* Ute Water Fees	688,000.00	4,095.24	350,000.00	338,000.00
Sewer Plant Investment Fee	501,321.60	2,984.06	300,000.00	201,321.60
* Pipe Use Fee	182,520.00	1,086.43	100,000.00	82,520.00
Total	1,822,703.60	10,849.43	985,000.00	837,703.60

TCP	297,192	97,192
Parks	37,800	17,800
ops	20,000	5,000
Dev. Fee	1,790	1,790
	<u>356,782</u>	<u>121,782</u>

STAFF OPTION

- 5 year payment plan -
 DEFERRED w/o INTEREST

\$ 235,000

SUWER PIF - 501,321

201,321

300,000

\$ 535,000

