

MINUTES
Downtown Development Authority
Regular Meeting of Board of Directors

October 3, 1997
233 S. 5th Street, C.D. Smith Building

Present: Karen Hayashi, Mark Hermundstad, Becky Brehmer, Diana Osborne, Bruce Bengé, Gene Kinsey, Lani Duke, Barbara Creasman, Lisa Nassour

Absent: Chris Launer, Bill Petty, Bruce Hill

CALL TO ORDER

The meeting was called to order by Chair, Karen Hayashi at 7:30 a.m.

APPROVAL OF MINUTES

The minutes of September 5, 1997 were approved.

REVIEW DINNER MEETING WITH CITY COUNCIL

Gene felt that the dinner meeting went well and we had a good discussion with the Council. Mark asked if there were any minutes prepared for this meeting, and Barbara commented that there were really no decisions made at this meeting, and further discussion would occur at the upcoming October 21st meeting with Council.

The DDA's current bond proceeds need to be expended in the next two years and so it is important that several projects are decided on for funding within the next few months. Barbara said that when the DDA proposes development to potential developers or the Two Rivers Area, if there is no commitment from the Council to improve Two Rivers, then most developers would be reluctant to develop in the area.

Currently, the DDA has \$300,000 to go toward redevelopment projects, but the board has not decided that all of the funds would go towards Two Rivers - but maybe the DDA should consider doing this.

Barbara wants to have different scenarios to present to the City Council at the next meeting - October 21. The board feels that the DDA should ask for the budgeting now, and if that is not possible - to ask for the budget to be in place in the next few years. Barbara presented one scenario to the board - with a \$4.5 million project: \$2.5 from the City, \$750,000 from DDA, \$750,000 from EDA, and the remaining \$500,000 from community groups; i.e., Lion's Club, etc. Barbara will draft a letter to Council to send to them before the next meeting.

PARKING DEVELOPMENT

The board discussed using the parking fund for parking development. The council would need to be willing to pick up the operating expenses. Certificates of Participation could also be used for this project - A Parking Authority could be used but due to Amendment 1 tends to be too complicated. Bonding of this fund could get us \$2.5 million for parking development from a 20 year bond.

FINANCIAL REPORT - SEPTEMBER 1997

The financial report for September was passed out and is attached as a permanent part of these minutes. Barbara suggested that we request the \$24,000 in TIF admin from the City now so that we could get it by the end of the year. The board agreed.

Barbara also passed out a memo from Randy Booth, City Finance which explains how sales tax revenues contribute to tax increment financing. It is attached as a permanent part of these minutes. The board members asked several questions about the history and how it works. The memo does not cover all of the needed information. Barbara will contact Randy to get more information. Barbara explained the increment in sales tax in 1996 and the zero increment in 1995; and that the City and the DDA split the increment. At the request of the Executive Committee Barbara has requested the ballot information when the $\frac{3}{4}$ cent sales tax was approved but has not yet received copies from the City, but will request it again. The TIF has not benefited from the $\frac{3}{4}$ cent increase in sales tax the way it does from mill levy increases. No one knows why not. Mark asked what the rationale was for the 70-30 split and 80-20 split. It was not required by statute, it was more or less an agreement made between the DDA and the City at the time. Karen asked Barbara what she thought the DDA should do; and Barbara commented that she would like to investigate other communities and what they do for TIF funding. Karen suggested that we look through City Council minutes to find the information on the split; however, the minutes probably would not reflect this agreement. It was the understanding by merchants that the $\frac{3}{4}$ cent tax increase was temporary and would be lifted - but it is still in effect; it has been in effect since 1989. Mark suggested that the research time on this issue may be extensive. Barbara said that the $\frac{3}{4}$ cent is the City's general fund capital budget and she doesn't see how they could give it up. Gene Kinsey agreed. The issue, however, should be clarified and understood by both parties.

CORRIDOR IMPROVEMENTS

Colorado Ave. Concept Design

Barbara informed the board that improvements from 3rd to 7th would be approximately \$200,000 based on Mark Relph's estimate of \$50,000 per block, and asked the board if the DDA wanted to make a commitment toward this project. The Council would also need to commit funds toward this project.

7th Street Open House

There will be public open houses to discuss different design scenarios on 7th Street designs.

DIRECTOR'S REPORT

American Wholesale Building Update

This building also needs to be used. The project would help facilitate building the justice center and would enable the Incubator to relocate.

Mesa Theatre

Barbara met with the proposed buyers last week. They suggested that they could buy the building, and perhaps have the DDA develop the project and run the theater. Barbara said she would need to really think about this option and discuss it with the DDA board. Currently, they are supposed to close the purchase in December. Barbara mentioned that the idea of having an out-of-town owner watching over us was not desirable.

Lighting Demo Project

Craig Roberts of Ciavonne & Associates informed Barbara that the demo project would be in place soon.

CHS GRANTS

Dinosaur Valley/Reed Building

Barbara informed the board that the grant application was submitted for this project. The DDA does need to assist the Museum with the roof replacement/repair. The owner feels that the Museum should be responsible for fixing the roof. The bid from Kruger Roofing was \$14,000.

CO Riverfront Interpretive Plan

Barbara informed the board that the grant application was submitted for this project.

Avalon Roof Replacement/Exterior Masonry Repair

Barbara informed the board that the grant application was submitted for this project.

ADJOURN

The meeting was adjourned at 9:00 a.m.