

MINUTES
Downtown Development Authority
Regular Meeting of Board of Directors
October 16, 1998
233 S. 5th Street, C.D. Smith Building

Present: Becky Brehmer, Chris Launer, Mark Hermundstad, Bruce Hill, Bruce Bengel, Teresa Kareus, Pat Gormley – Ex-officio, Kathleen Killian, Barbara Creasman and Lori Hogan

Absent: Bill Petty, Mary Crumbaker, Gene Kinsey and Rich Helm – Ex-officio,

CALL TO ORDER

The meeting was called to order by Mark Hermundstad at 7:30 a.m.

APPROVAL OF MINUTES

The minutes for September 4, 1998 were approved as submitted.

FINANCIAL REPORT

Reviewed the financial report and everything looks fine. \$30,522 was received for TIF project fees. The executive committee will meet to discuss 1999 budget revisions.

TIF BOND UPDATE

Barbara discussed increased TIF revenues with Ron Lappi and he is comfortable with a \$1.5 million bond. New bond issues are usually discussed with City Council at the annual dinner. Due to the delay of the dinner, Barbara asked the board if they wanted to wait or proceed. It was decided to present our proposal at a City Council workshop. Barbara will prepare a draft budget and cover memo to submit to Council.

MUSEUM UPDATE

Mark Hermundstad, Becky Brehmer and Bruce Hill were contacted by Tim Foster to meet with Tim, Herb Bacon and Lena Elliott. The Museum Board had met with the County and City elected officials individually to request additional capital funding for the museum expansion. This is a large request and they want to confirm everyone's support for the museum expansion. Mark, Becky and Bruce assured everyone in the meeting that the DDA is very supportive of the Museum and its expansion remains a priority for downtown.

It was also noted at the DDA board meeting that the DDA will spend approximately \$125,000 on the parking lot located at 6th & Ute which will serve the expanded Museum and also have invested \$405,000 for the purchase and \$15,000 for roof repairs for the Reed Building to support the Dinosaur Valley division of the Museum.

TWO RIVERS – CSL STUDY

Mark asked Barbara to review the background of the Two Rivers study. Barbara related the work we have done since the 1993 proposed development to construct an office building with a parking structure on the lots owned by the DDA east of Two Rivers. The DDA and City Council agreed to undertake a joint effort to hire a consultant with development expertise. A series of meetings were held over 1 ½ years from development of the RFQ sent to consultants, interviews and at each phase of the study. All DDA Board members and City Council members were invited to these meetings. Through this process there have been changes on Council and the Board. Coley Forrest was hired to do a study on the potential development opportunities and constraints of the property. They found that a hotel or office project would not pay for itself and therefore a subsidy would be needed to secure a private development. Their work pointed out that Two Rivers would be a concern for any adjacent development. This study was funded 50/50, City/DDA

Jim Hire was then hired to do a study specifically on Two Rivers and how it could assist in stimulating the adjacent development. He found that there had been minimal maintenance / refurbishing on the building since 1974 and therefore, was not a major asset and could even be a concern for a developer who might spend several millions dollars. Jim was then directed to evaluate the potential for improving Two Rivers so it would be an asset. The report discussed various scenarios regarding improvements and expansion of exhibit and meeting room space, kitchen needs and a proposed relocation of the truck ramp. Outlined options estimated costs from \$1 million to \$4.5 million to improve and expand the facility.

In October of 1997 the DDA met with City Council and recommended that they budget \$3 million, and DDA would contribute \$750,000 from TIF. The majority of Council members agreed that Two Rivers needs to be improved and they budgeted \$2,750,000 for 2002. However, concern was expressed that the Hire study did not address the bigger question, the need for a real convention center

The Horizon Drive Association then expressed concern that if there was going to be a new convention center built that it should be located on Horizon Drive near the majority of the hotels.

In order to address these concerns, the City decided to undertake a second study and the DDA agreed to participate 50/50. The second study was undertaken with input from a committee made up of representatives from Horizon Drive, VCB, DDA, Parks, and Council. John Kaatz, of CSL (Convention, Sports, Leisure) was hired to do this additional work.

A preliminary draft of the recent CSL Study was presented to City Council in August. Mark, Becky, Chris, Gene and Barbara met with Parks Board representatives to discuss the draft report. The Parks & Recreation Advisory Board wrote a memo making some recommendations to City Council, and a copy was included in board packets.

Since this meeting we have received an updated draft and had a meeting with the consultant. Consultant John Kaatz, CSL presented updated information. Chris Launer, Barbara Creasman, Janet Terry, Gene Kinsey, Lena Elliot, Joe Stevens, Mari Steinbrach, Mark Hermundstad, and Becky Brehmer attended. At the end of the meeting the DDA & Parks Board representatives agreed to meet to develop a joint recommendation.

Bruce Hill made a motion to support the Parks Board recommendation and meet with them to develop a joint recommendation to City Council. Chris Launer seconded it, all approved. Mark Hermundstad will contact Lena Elliot and set up a meeting. All board members will be notified.

POLICY ON OVERHEAD UTILITIES

Barbara related concerns over new utility lines in the north/south alley by the Avalon, Colorado to Rood. The DDA boards needs to consider development of a policy to prevent overhead utilities from being installed in areas where we have place utilities underground. It should probably be part of the City Development Code. The board agreed we should recommend a policy. Barbara will talk to Mark Relph and Scott Harrington on wording and the process to do this.

REED BUILDING UPDATE

The DDA Office has been asked to see if we can move by the first of this year. The Museum needs to move everything from the Whitman School building over to the C.D. Smith building to proceed on the construction. Ed Chamberlin has discussed with the Building Inspector the possibility of the DDA occupying part of the second floor of the Reed Building to determine what work will be required. The main concern is electricity, plumbing and heat; there is also some finish work that needs to be done. Barbara will contact an electrician and plumbing contractor to get an estimate to bring the south side of the building to code. It will be fall 99 or later before work could be completed in accordance with our CHS grant request. It is possible we could move sooner but will not know exactly what it will take until we have this information. The Botanic Gardens office will be moving their offices to the gardens in late October or November. The Riverfront office will go with the DDA staff to the Reed Building. Barbara would like to move as soon as we can but would not want the museum to count on this until we know for sure what it will take.

CHRISTMAS LIGHTING DOWNTOWN

The DTA has contracted with Amber Floral to place garland and bows on all of the light poles and Curbcoco to install lights on the kiosks and the bench covers on Main Street. They have also planned to have 5 Family/Holiday movies at The Avalon Theatre throughout November. Dates and time will vary depending on the availability of the theater; admission will be \$1 per person all ages. The DTA will underwrite cost of approximately \$500 per film.

DIRECTOR'S REPORT

3rd & Main Parking Lot

The City leases 3 lots that Ralph Schmidt owns in the middle of the parking lot. Ralph wants to sell the lots. The City has the first right of refusal so they can purchase the lots or let Ralph sell them. Mark Relph thinks we can buy them for \$80,000. He asked that the DDA cost share with the City - \$40,000 each. Bruce Hill made a motion to cost share with the City up to \$40,000. Chris Launer seconded it, all approved.

Main Street Historic District

The State Historical Society has recommended that we pursue a local district. They feel the proposed national district is not cohesive enough.

Avalon Theatre Funding

City Council approved \$150,000 for a new HVAC system.

Annual Dinner Meeting with City Council

The Annual Dinner Meeting has been postponed until after the first of the year.

ADJOURN

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