

MINUTES
Downtown Development Authority
Board Meeting
Thursday, July 12, 2001
Reed Building, 350 Main Street

PRESENT:

Bruce Bengé, Bruce Hill, Doug Simons, Becky Brehmer, Chris Launer, Janet Terry, P.J. McGovern, Kathleen Killian, Barbara Creasman and Tressa Fisher

ABSENT:

Pat Gormley

CALL TO ORDER:

The meeting was called to order by Bruce Bengé at 7:37 a.m.

APPROVAL OF MINUTES:

The minutes for June 1, 2001 were approved on a motion by Chris Launer and a second by Bruce Hill. Motion carried.

ELECTION OF OFFICERS:

Bruce Bengé passed on the position of Chair to Bruce Hill. Bruce Hill accepted the new position and called for a motion for Vice-Chair. Bruce Bengé made a motion for Doug Simons to be the new Vice-Chair. Bruce Hill seconded. Motion Carried. Bruce Hill stated that Doug would now serve as the DDA's financial liaison working with Ron Lappi.

PARKING RATE INCREASE:

Barbara Creasman presented a map prepared by Public Works for everyone's review. The map shows the changes and addition of parking meters. P.J. will make a short presentation to City Council on July 16th at their workshop meeting, and reiterate the board's recommendations that 10 hour meters increase to \$0.80 per day and fines to \$10 and parking passes to \$30/month. Discussion ensued regarding the actual benefit of purchasing a parking pass vs. plugging a 10-hour meter. It was decided that there is not a monetary benefit at this time since the meter will probably cost less than \$20 per month, however it does offer more convenience. It was discussed if the price of the passes should be lowered. Since the Council already has this info in their packets we'll discuss this option at the workshop. The city will administer the passes, which allow parking in any of the 4 hour and 10 hour metered spaces.

TWO RIVERS CONVENTION CENTER (TRCC):

Bruce Hill expressed his concern that as a TRCC building committee member, he has not received any recent updates on the construction and design status. The issue of the "color scheme" as related in the newspaper was also discussed and concern expressed that neither the Council nor committee felt they had been informed concerning design issues. Janet Terry stated that City Council has given Kelly Arnold the direction to hire a Manager for TRCC.

TIF FUNDING / PHILOSOPHY:

Kathleen Killian began the discussion with a legal background and the decisions that had been made years ago. She stated that the Denver Bond Council determined that the DDA's actions, in

using TIF funds for administration costs, were perfectly legal and that the law provided more leniency than we were taking. A maximum amount for administrative purposes has not been established; the law only states it as a “reasonable” amount.

P.J. agreed that the statute allows for the broad use of these funds but that the board needs to determine priorities and what’s prudent. He further discussed the capitalization of cost for TIF projects and noted the opinions included in the information packet provided by staff. The final determination by Chadwick Steinkirchner Davis specifically allows for the capitalization of costs for TIF projects to be paid by bond proceeds. Also included is the City Council’s approval of the transfer of TIF funds without limitation.

Discussion ensued concerning the TIF Revenue and bond accounts. There can be TIF projects and activities that are not major capital but are allowed TIF expenses. An example of a TIF project that was a major capital project and now has annual operations and maintenance issues is the Avalon Theatre. Many capital improvements are still needed, however between these major projects the theatre needs to be managed and maintained. It was not the original intent of the DDA to manage the theatre long term and the Avalon board has undertaken most of the day-to-day management. However, without additional funding or city support the DDA has continued its support.

Doug expressed concerns that operating expenses from the 203 fund are too high and that TIF funds should go to capital. It was noted that urban renewal authorities do not have a separate mil levy and pay all of their operating expenses with TIF revenue, not necessarily bond funds. We need to clarify how they do this. Bruce Bengé pointed out that on the very first page of the statute it states “the rule of strict construction shall have no application...but it shall be liberally construed to effect the purposes and objects for which it is intended.”

Chris Launer expressed concern that we are not working on projects and need to get back to this.

The board agrees that once the TIF project has been completed, then the “philosophical” debate begins. Janet stated that she would like to summarize the discussion as follows: the DDA board has the “authority” to make the necessary philosophical decision and should do so as soon as possible. Discussion ensued with a philosophical agreement by the DDA Board that the DDA’s mission should include the pursuit of capital improvements in the downtown as well as providing the necessary and ongoing support of those projects in the area of maintenance and operations. The extent to which funds are expended toward the latter will be discussed more fully within the context of the upcoming budget deliberations. The other board members agreed.

FINANCIAL REPORT:

Barbara reported that the 2002 and 2003 budget deadline is August 22, 2001. She will provide the board with a “proposed” budget at the July 26th workshop. At the meeting, she will also provide a 6-month staff time report.

The board discussed the appropriate date for presenting the DDA budget to City Council. It was decided there were too many conflicts with the original August 13th meeting. Janet recommended that the budget be presented at the upcoming Annual Dinner with City Council. The board members all agreed and asked Barbara to confirm a date.

EXECUTIVE COMMITTEE:

Bruce Hill requested clarification of who represents the DDA Executive Committee. It was decided the committee would continue to consist of the Chair, Vice-Chair and Past-Chair. A motion to approve this decision was made by Janet Terry with a second by Bruce Bengé. Motion carried.

NEW DDA BOARD MEMBERS:

Janet Terry announced that the three open positions have now been filled. At the July 11th public hearing, City Council appointed Ed Chamberlin and Greg Palmer, as well as reappointed Becky Brehmer. The two new board members will be invited to attend the July 26th workshop.

ADJOURN:

The meeting was adjourned at 9:01 a.m.