

**Downtown Development Authority
Board Meeting
Thursday, November 7, 2002
Reed Building, 350 Main Street**

PRESENT: Doug Simons, Becky Brehmer, PJ McGovern, Harry Griff, Bruce Hill, Larry Botkin, Janet Terry, Gregg Palmer, Harold Stalf, John Shaver, Steve Jennings, Ron Lappi and Sue Schore.

ABSENT: Pat Gormley and Bruce Bengé

CALL TO ORDER: The meeting was called to order by Doug Simons at 7:35 a.m. Greg Palmer moved, with second by PJ McGovern, to approve the minutes of the last meeting. By unanimous vote, the minutes were approved as written.

DDA / DTA MOU: A draft of the MOU had been previously written by Gregg and Janet but put aside temporarily to finalize after the Main Street Program is implemented. Harold reported that the MSP outlines much of what should be incorporated into the MOU between the two agencies. Assistant City Attorney John Shaver reported that his research showed that the DTA is incorporated but he was not able to find any information on its status as a 501(c)(3) non profit organization. The DTA cannot receive City funds because they are considered a private entity and a problem would arise if the City were to place funds into the DDA's accounts, or for City services to be provided to the DDA, then to be transferred to the DTA. Harold added that Ed Lipton will assist the DTA in applying for a 501(c)(3) status, but Janet suggested that as the legal counsel for the DDA, John Shaver oversee the work. The Board's general consensus was to have Gregg, Janet, Harry and John pursue discussions with the DTA in order to finalize the MOU by January 1, 2003. Harry suggested that perhaps there would be accountants or lawyers within the downtown district who would assist the DTA in its application process.

TWO RIVERS SIGN: Bruce Hill spoke with Joe Stevens, Director of Parks and Recreation, but did not receive specific information on the cost of the sign. Doug said the sign is an electronic marquee which costs approximately \$45,000 and that the DDA had agreed to split the cost with the City. Janet added that the City Council had seen the information at a recent workshop and had given the go ahead to pursue one sign for Two Rivers; however, they felt that one at the other end of downtown would not be as aesthetically pleasing. John said that Council had adopted a code that prohibited a scrolling, tickertape type sign. It must be "bulletin board static." According to Bruce Hill, the sign's message can be changed only one time a day and any changes would be made by computer software which is controlled by Two Rivers. In response to questions regarding a possible conflict between the two agencies in the type of messages which are shown and whether or not it is a wise expenditure of the DDA's money, Harold said the main purpose of the sign is to promote activities and events at Two Rivers. That in turn would benefit downtown simply by bringing more people into the downtown area. Bruce Hill and John both emphasized the importance of having a written agreement in place stipulating that half of the sign must be reserved for the DDA to promote its events and that stipulation should be part of the contract agreement. Bruce will have an agreement written to present for the Board's ratification at the next meeting.

BUS DEPOT: Harold met with the City's property agent, Tim Woodmansee, to learn of some of the environmental conditions and estimated abatement costs for the depot and land surrounding it. The concerns are asbestos in the building and oil in the ground soil, as well as an oil/water separator. Discussion focused on the City's decision not to pursue its option on the property and why it is seeking proposals, as well as the potential liability of any agency taking on that property. Harry said the property is owned by the CD Smith family which, over the years, has been the biggest benefactor to the Museum and suggested that if the property is contaminated, perhaps it isn't worth the \$350,000 asking price. He asked why the City doesn't consider turning the property back to the Smith family so the Museum could negotiate with them directly. He feels the conversations should be between the City, the Museum and Smith, but Janet said the City isn't interested in being in that position. Council believes the property should be preserved for public parking but doesn't want to put City money into it. Harry suggested that the Museum Board President, Brad Higginbotham, meet with Dick Scariano to discuss this possibility, and Harry agreed, per Doug Simon's suggestion, to take the lead role in talking with Scariano regarding the Smith family's views on this, possibly asking the Smith family to extend the option time. Harry will continue to communicate with John Shaver so that John can keep Council informed.

PJ McGovern has applied to review the environmental reports and informed the Board that there are funds available for remediation to any agency that can identify a plan and inform the State of its intent, but it's important for interested parties to apply in order to get on that list. He also recommended that the City consider leasing the property for a fee for a very long-term lease in order to avoid liability due to the environmental impact issues.

DIRECTOR'S REPORT:

- 1) City Council approved the request for granting money from the parking fund to the DDA for the Main Street Program.
- 2) The Reed Building will soon be vacated as the staff hopes to move within the next several weeks. A lease has not yet been signed with the Museum, but Harold has negotiated a one-year lease at \$600/month. PJ moved, with a second by Bruce Hill, that Harold Stalf be authorized to negotiate the option for a one-year extension of the lease and that he also be authorized to execute the final lease agreement. The motion passed.
- 3) City Council also approved the DDA's recommendation for free holiday parking again this year, but staff expressed concern about the request to have parking officials enforce the two-hour limit. Enforcement will be continued in all non-metered and handicapped parking areas. Harold believes a big challenge will be to inform the public that enforcement will continue in all non-metered areas. To help inform the public, a press release will be available for review at the next Board meeting.
- 4) Kelly Arnold has suggested changing the format of the annual DDA/City Council meeting and has recommended a noon lunch meeting in an informal setting. General consensus was to schedule a lunch meeting for mid-January.
- 5) Doug Simons will discuss the annual awards banquet with the DTA and, with his input from that meeting, this Board will then review the options of continuing this event or changing its format.
- 6) The Art on the Corner golf committee met and determined that changes must be made so that more profit is made in order to continue the event. They are considering looking for major sponsors for the tournament and major contributors to subsidize the

\$10,000 - \$12,000 cost of printing the AOTC brochures. Bruce Hill added that Kitty Nicholason has been very supportive with her work and perhaps her employer, Pyramid Printing, would consider an in-kind donation toward some of the layout and printing costs. Harry suggested contacting Dan Thurlow at Colorado Printing because the DDA had purchased his property which now houses the Doo Zoo.

FINANCIAL REPORT: Doug Simons introduced Ron Lappi, the City's Director of Finance, who also serves as the Board's treasurer. Ron reported that Harold has been working diligently with the city staff on the financial status and reports for the DDA, and added that, because of several of the City's Human Resources entries, Harold's reports differ slightly from those that Ron tracks. He discussed the impact the current interest rates have on the fund balance and the future outlook for bonding. He stated the assessed values for the TIF revenue fund increased very significantly this year, most likely due to the Hawthorn Suites property. That should put the City/DDA in a very comfortable position at the end of 2003 as they would have approximately \$3.5 million in funds available for capital expenditures without extending the TIF. Bruce Hill asked if it were important to get the TIF extension before bonding and added that it is important to determine how fast the Board should move in determining when to work towards an extension. John Shaver will research the extension requirements. Harold recommended that a one-year lead-time might be adequate for the work necessary for the TIF extension bid. Ron distributed a chart showing the budget projections for the 2003 which shows \$75,000 in and out for the DDA. A projection of a \$6,000 deficit for 2002 would be easily covered as a temporary cash shortage due to the unemployment claims that were not anticipated. He also added that there were significant savings to the DDA due to the City's coverage of the \$7,000 fee for AOTC insurance. Harold continued, stating more savings were seen due to the City covering the insurance on the Reed Building, the 421 Colorado Building and the liability insurance for the Board. Janet recommended that it is time for the DDA to go before Council to update them on its financial status as a result of the \$200,000 transfer for 2002. Harold reassured the Board that he is approving staffs' spending only the bare minimum and the biggest decrease in revenue for this year was due to the \$43,000 grant for the Union Depot which wasn't received. Doug reported that he had approved the request to the City for transfer for approximately \$65,000 from a line of credit for reimbursement of funds to the Colorado Historical Society and for payment of the alley improvements recently completed. Ron assured the Board that things are going well and added that Harold has established a good working relationship with Finance, Information Systems, Purchasing, and the Legal staff.

Doug Simons thanked Ron for his support and assistance and the assistance of his staff over the past year.

Pursuant to Colorado State Statute 24-6-402, the Board moved into executive session to discuss property negotiations at 9:10 a.m.

At 9:50 a.m. the board returned to regular session for adjournment. John Shaver disclosed that no matters outside of those identified by State Statute were discussed during the executive session.

By unanimous agreement, the Board meeting was adjourned at 9:53 a.m.