

DOWNTOWN DEVELOPMENT AUTHORITY  
FEBRUARY 3, 1995

Present: Mark Hermundstad, Glen Dennis, Chris Launer, Jean Sewell, Bruce Hill, City Council Representative Linda Afman, Ex-officio Joe Skinner, Legal Counsel Kathleen Killian, DDA Director Barbara Creasman, DDA Secretary Wendy Schade

Also present: Bob Silbernagel, Daily Sentinel

Absent: Pat Gormley, Karen Hayashi, Bill Petty

CALL TO ORDER

The meeting was called to order by Mark Hermundstad at 7:35 a.m.

MINUTES

Glen Dennis made a motion to approve the minutes of January 6. Jean Sewell second. Approved.

FINANCIAL REPORT - DECEMBER 1994

December's report is not the same as "Year End", since some adjustments will have to be made. When \$16,900 in TIF Admin is received, taxes and fees will be on target.

Special project admin is down \$7,000, almost \$2,000 in EZ admin and \$5,000 in EZ grant. However, \$5,000 in grant will be received in '95. EZ yearly State Grant money is usually given to the DDA in two payments. Initial payment of \$5,000 (November/December) is disbursed for the following year's contract. \$15,000 is received during the contract year. However, this year both amounts - \$5,000 and \$15,000 will be received during 1995.

Although expense for "Communications" (telephone and printing) was over-budget, some of the printing are Avalon and Association expenses. Reimbursements are recorded in the General Budget under "All Others".

The profit made on properties was over-budget, since these buildings were targeted for demolition in 1994.

It is possible to lose money on an event, but not on donations. Predetermined administrative costs are deposited to "Special Project Administration" in the General Fund. The balance is transferred through to the recipients.

Jean made a motion to approve the report. There were no objections.

## REVIEW MARKETING CONSULTANT INTERVIEWS

Last week interviews were held with two consultants from Denver to discuss the properties at 2nd and Main. Meetings were held with Ford Frick on Wednesday and Thursday with Jean Townsend and Arnie Ray. Although both consultants had different approaches, the committee was impressed with both.

Pat chairs this committee, which includes Linda and Karen. Glen, Mark, Ron Maupin, and Barbara were also present at these interviews. The consensus of the group was to check references for both and to first negotiate with Jean and Arnie.

It is estimated that it will cost approximately \$40,000. We have discussed that the City will match DDA. The DDA has \$20,000 earmarked. The City has not yet made a commitment. The consultants will be asked to help finalize a scope of services.

Glen was very impressed with the first presentation but is concerned that their past projects have been too large. Because Jean and Arnie are more in line with our size, they would probably be easier to communicate with and possibly cheaper.

Barbara has called one reference on each. Linda asked that Joe Boyle from Community Hospital be contacted, since he is a local reference. Questions to ask include: How well were you able to work with the consultant? What did you do? Was the fee reasonable?

The Board agreed to choose a consultant at the March meeting. Barbara will complete a summary of references, which she hopes to get to Board members before February's Workshop, subject to references and the ability to negotiate a fee. First preference is Jean and Arnie.

The goal is to have a project completed, not simply to do a study. If the project is done in phases, City Council and DDA will be more involved in decision making and better able to keep the budget under control.

## HISTORIC PRESERVATION GRANTS - MARCH 1 DEADLINE

### St Regis

At the last hearing for grant applications, the Depot was approved, but the Regis was turned down. Both buildings are on the National Register and nothing derogatory was mentioned about the Regis. However, the State Staff felt that the business plan was weak, so Juanita Moston and Quentin Jones are improving the wording for their next application.

Although the grant is for exterior work, the Board wants to know how the second and third floor will be used, since it is a historic hotel. Plans are to have small office suites and possibly an apartment on the top floor.

Six to nine months ago, City Council agreed that apartments were acceptable on the second floor of retail establishments downtown. The building code requires that a fire wall exist between business use and residential use in the ceiling or floor - one hour rated. Linda is concerned because only two inquiries have been made since this change took effect. Barbara noted that we are working to inform people. DDA gets several inquiries, but we don't really have anything available. February's newsletter has an article about this change in policy. Several contacts have been made about making improvements.

Since the Regis is important for Downtown, Barbara recommended that the Regis make a presentation to the DDA at our February workshop meeting. The Board agreed.

If funding is granted, the DDA will be more involved. As a grant sponsor, the DDA would be responsible to make sure that money is spent the way it is suppose to. Mark asked Barbara if she had the staff needed to properly administer this grant. Although time-consuming, Barbara said that she did.

Bruce made a motion for the DDA to sponsor this grant subject to feeling comfortable with the presentation. Jean second. Approved.

#### Avalon

Work is currently being done on the facade contract. Because the Historical Society currently has a lot of money to give, the Avalon has been encouraged to bring the next phase in. Their staff recommends that the Avalon make it clear that this is just one phase. Remodeling is planned for mid-May through August.

The Avalon also needs stabilization, since it is an old brick building. In two to three years, it will also probably need a new roof.

#### City/PSCO building (South 5th Street)

This old steam plant is owned by the city, but has been vacant for a long time and may be used as an Arts Incubator - a foundry art workshop. Such a facility would be welcomed by the sculptors in our area. (It took Jim Haire four months to get a bronze piece out of a foundry.) Such an idea has been discussed with the previous City Council and appeals to Bill Bessinger. Building currently is not habitable; work is required.

Chris is concerned about EPA issues with this type of use and recommends that regulatory agencies be contacted early in the process. PSCO is responsible for any existing environmental concerns.

This would be a cooperative effort between the Arts Commission, DDA, and Incubator. A mini-grant would provide the funds necessary to do a feasibility study. Projected cost is \$10,000. \$5,000 will be requested from the Historical Society, \$3,000 from the City, \$1,000 from DDA, and the Incubator will provide \$1,000-\$2,000 in-kind.

Ed Chamberlin, Jon Schler, and Tim Sarmo will join the committee in making recommendations. Ed has drawings of the existing floor plan and concept design and cost estimates to rehab. This will be a big help.

Bruce made a motion to approve contributing \$1,000 to this project as long as the funds are available. Barbara will check, but is confident that there will still be \$1,000 left in TIF even after paying the consultants \$20,000. It was approved.

DDA will probably be the sponsor with the Incubator being the applicant. However, it might be better for the city if DDA was the applicant with the Incubator in charge of coordination.

#### EZ UPDATE

Every six months, DDA documents the number of businesses we have certified for EZ credits and sends into the state, which does an aggregate report. This information is becoming more important as more and more legislation is being initiated. Information is taken off of the business forms submitted. DDA doesn't count employees or confirm numbers. Its only obligation is to verify that businesses are truly located in the Enterprise Zone. Turn into state what we actually have received.

Denver has some concerns. Statewide legislation could hurt rural zones. When EZ was established, Mesa County qualified because it had an unemployment rate of 13%. Today, however, this is no longer true. If EZ credits are taken away, then Mesa County would be punished for being successful. At the statewide meeting this coming Monday, the proposed bill will be reviewed.

In Mesa County 38 businesses claimed credit of some kind. When EZ was first established, it was thought that only large manufacturing businesses would benefit from this credit. However, even new retail businesses can claim tax credits.

Overall contributions for 1994 totaled \$414,719; DDA received \$13,179 for administration. \$15,000 was budgeted for 1994, which included the Museum's capital campaign that fell short.

Entities receiving donations from \$0-\$100,000 in a calendar year are charged 5% admin; \$100-300,000 pay 3%; over \$300,000 pay 2%. MCEDC and Museum are currently being charged 2%. The only other project that may hit \$300,000 in 1995 is the Resource Center. They are currently paying 5%.

### DIRECTOR'S REPORT

#### Page Parson's Clock

DDA is sending a one page letter to City Council. It states the DDA accepts this piece of antique street furniture as over all street scape on permanent loan. Page Parsons agrees to manage and fix the clock when repairs are needed.

#### Office Space

City Council will decide whether further remodeling takes place on the C.D. Smith Building. Anticipated cost is \$50,000-\$60,000 and figures should be available in the next couple of weeks. This will include a conference room. All improvements, if possible, are to benefit the overall future plans of the Museum.

Plans are for DDA to move across to the warehouse area after offices are constructed. The Riverfront and Arts Commission won't need to move. The Botanical Society and other groups are interested in relocating to this facility.

#### City/County Land Use

No notice has been given for the next county meeting. Larry Timm says Michael Lauer, city consultant from Kansas City, will be here Friday morning, February 10th. He will meet with Barbara. Any Board members interested in attending this meeting should let Barbara know.

Consultants have heard message from the community loud and clear. Downtown is a unique entity.

#### Meet The Candidates

Tentatively scheduled for March 8 from 5:30 to approximately 7:30 p.m. at Two Rivers. Deadline for City Council applications is March 4. This will be an informal reception where persons can talk one on one and ask questions that interest them.

#### Annual Dinner

This annual event is usually held on a Thursday night. Plans are to hold it earlier than previous years. Mid April to end of June is difficult for the Association. Possible dates available

include April 6, 12, or 13. Mark would be unable to attend if held on April 12. This would also be difficult for those who have regular commitments on Wednesday nights. Barbara will notify Board members who aren't here today to check their schedules. Barbara would like all Board Members to get back to her if unable to attend on April 6.

#### Mid-Winter IDA Conference

Jean and Mark will represent the DDA. Pat and Linda might also attend. Rock Cesario will represent the Association. Fay Timmerman will be in Denver on other business and may be able to attend part of it.

#### 5th Street Project

The state will review this project Thursday, February 16, 5:00 p.m. in Greeley. Ron Maupin will represent City Council. Linda will also try to attend since it is such an important meeting. Mark agreed to represent DDA.

This is a recommendation meeting where every project applying for Energy Impact and Block Grants makes a five minute presentation. If the State Team wants elaboration, they will ask questions. Presentation should include why the project is important and why it addresses the interests of the state/CDBG. We should be prepared to answer the question, "what will happen if less money is funded?" It's important that the state be aware that this is a community project - not just a street project.

The Resource Center has also applied for a block grant.

A vote is taken after every presentation, but final decision is made by the Executive Director within thirty days, making sure he is able to balance his budget.

Barbara will get prices on charter flight and make arrangements. This will really save time. Bernie Buescher is not able to attend but wants to stay informed.

#### ADJOURNMENT

Jean made a motion to adjourn the meeting. Glen second. The meeting was adjourned at 9:58 a.m.

Workshop will be held on February 17. Location of board meetings will continue at A.G. Edwards until further notice.