

Minutes of the Downtown Development Authority of Colorado Springs
Board of Directors Meeting
8 a.m., July 12, 2016
111 S. Tejon St., Plaza of the Rockies North Tower, Suite 400
Colorado Springs, CO 80903

Board members present: Steve Engel, Jill Gaebler, Chris Jenkins, Dave Lux, Chuck Murphy, Ingrid Richter, Tony Rosendo and Roger Sauerhagen

Staff: Susan Edmondson, Sarah Harris, Claire Swinford, Heather Whitworth and Margo Baker

Guests: David Lord, Larry Yonker, and Ryan Tefertiller

Welcome

Steve Engel called the meeting to order at 8:05 a.m.

Minutes

The Board reviewed minutes dated June 14, 2016. Following a motion by Chuck, seconded by Jill, minutes were unanimously approved as presented.

Financials

Heather reported that during the period ending June 30, 2016, grant payments were made to ULI Explorer Series and Waldo Waldo. The financials show net income of \$615,000 which puts the budget on track with the Downtown Partnership contract and aids in the ability to end the year with an increase in net assets for future projects.

Governance

With Steve now serving as chair, there is an opening for vice chair. Steve reported that Ingrid agreed to be considered for the vice chair position. Jill nominated Ingrid to be the DDA's vice chair; seconded by Chuck, and unanimously approved.

Special Project Grant

Springs Rescue Mission: Board members reviewed a \$200,000 grant request from Springs Rescue Mission for to help address the community's need for low-barrier shelter beds and a day center for chronically homeless persons. Such a need will contribute to the vitality of Downtown by ensuring that homeless persons have safe shelter off the streets. Steve introduced Larry Yonker, CEO of Springs Rescue Mission. Yonker stated that construction has begun on the shelter (150 - 200 beds) with an anticipated opening date of November 1, essential given the need for shelter during the cold winter months. He shared information about partnerships with other helping agencies and updated the Board on fundraising, pledges received, and grant applications already in the works. The Board discussed the critical need for low barrier beds and having a facility where the homeless will be safe and receive coordinated case management to address medical / mental health services,

transportation and employment needs, among others. Susan stated that a DDA grant could be used to leverage support from Downtown businesses by leveraging the grant as a “challenge.” Following discussion, Chuck moved to approve \$100,000; seconded by Ingrid; and unanimously approved. Susan was charged with working to position the grant as a challenge to raise additional monies.

Pikes Peak Makerspace – Board members were reminded of the May vote approving a two-year grant of \$20,373 to Pikes Peak Makerspace, positioned as a possible match for PPM’s grant request to the state Office of Economic Development and International Trade. Unfortunately, PPM did not receive the state grant. The PPM has resubmitted a grant request for \$15,000 to purchase two pieces of equipment which will fulfill immediate operational needs and are not available locally. (The original grant request was not paid due to lack of receiving the OEDIT grant, therefore this grant request is reduced from \$20,373 over two years to the \$15,000 currently requested.) Board members agreed that the Makerspace is a valuable addition to Downtown, and its ability to provide equipment not available elsewhere in the region makes it attractive to new members and businesses. Chuck moved to approve a grant for \$15,000 to purchase the two items; Ingrid seconded, and unanimously approved.

2017 Budget Draft

Board members reviewed a draft budget for 2017. Key expense areas in the 2017 DDA budget include business development (this is primarily subscriptions to datasets and similar supportive services), marketing/branding (this is a new item, as DDA is taking on a greater role in supporting these efforts), and programming in alignment with the Experience Downtown Master Plan. While BID continues to focus on the clean and safe aspects of downtown, DDA’s focus is more on marketing / branding with an emphasis on residential and living downtown and business development. The IGAs with School District 11 for the two bond issues obligate DDA for approximately \$140,000 TIF revenue back to the district. The Board discussed the DDA’s relationship with the other Downtown family of organizations, seeking to ensure that all Downtown entities are operating efficiently and fully leveraging resources and growing revenue.

The draft budget is developed using revenue amounts from the current year. Because revenue projections are not provided until late August, the budget is quickly prepared for Board approval and submitted to City Council for final approval. A more robust budget and further discussion will occur during the August meeting.

Old Business

Experience Downtown Master Plan update: Susan said the Downtown Master Plan has been structurally rewritten and re-edited to incorporate comments received from stakeholders. There has been confusion between the Master Plan and the Plan of Development, as the original initiative was solely an update to the master plan, which is a land use plan, but late comments from stakeholders made clear that an update to the plan of development would be advisable as well. The two plans are now written in a format that can be combined as two volumes or stand alone as separate documents. The name of the plans has been changed from “Imagine” Downtown to “Experience” Downtown. As requested by the Board, a short two-page memo was distributed which summarizes the revisions. A

final draft is expected this week with plans to distribute hard copies to Board by the end of the week. A Board vote is anticipated at the August meeting.

TIF policy for commercial: The Board reviewed the revised TIF policy for commercial projects. Susan reminded the Board that it's a general policy tool which allows many opportunities for applicants to meet goals. She stressed the need for TIF policy to be finalized in alignment with completion of the Master Plan and Plan of Development. While the recommended policy is flexible and serves a broad base for applicants, the TIF application process continues to be rigorous and detailed. Realizing the economic impact of commercial projects, the proposed policy gives staff and applicants guidelines that are measurable and understandable as they relate to the goals and action items within the Downtown Master Plan and Plan of Development. The policy can be refined and amended as it is utilized. In particular, the guidelines are general because commercial projects can range from very small projects to major catalytic efforts. Upon a motion by Ingrid which was seconded by Dave Lux, the Board unanimously approved the following TIF commercial guidelines:

COMMERCIAL

Recognizing that commercial projects are exceedingly varied, a more general policy regarding commercial TIF, allowing staff leeway to guide applicant expectations, is necessary. As is currently the process on TIF, applicants are directed to first meet with staff. Suggested language / guideline for commercial TIF below.

Tax Increment Financing is available for commercial projects within the DDA that demonstrate strong alignment with multiple action priorities of the Experience Downtown Plan of Development. While projects are reviewed on a case by case basis, in general, commercial projects showing strong alignment with Plan of Development goals may be eligible for up to 60 percent of TIF reimbursement. Projects deemed catalytic in nature may be eligible for higher TIF reimbursement.

Bike Share: Susan reminded the group that the bike share feasibility study (funded in part by DDA) was completed. Downtown Ventures remains the fiscal agent for the project. Currently the committee is recommending utilizing Zagster, as the company offers flexible, turnkey operation, and is affordable. For about \$400,000 to start up the program, Zagster will lease bikes for a two to three year lease contract and provide maintenance, upgrades, and system rebalancing. The committee will collect data, reassess the program and make future recommendations. Comparatively, other bike share companies offer their services for more than \$1.5 million and the bikes are purchased, which does not allow for newer bikes, upgrades, or technology. Phase 1 will have a downtown focus with at minimum 20 stations. Fundraising is anticipated to begin this fall with a spring 2017 bike share program launch. Following initial start-up costs, it is anticipated that annual cost will be approximately \$300,000. Discussion honed in on the need to institutionalize the bike share program to make it sustainable as well as work with stakeholders in the city, Pikes Peak Area Council of Governments, and LART to support it. Jill said data revealed that a large portion of users will be tourists.

Grants update: Susan referred to the one-page memo in the Board packet that summarizes DDA grant and project activity to date.

Ingrid and The O'Neil Group would like to host an all Downtown Board update and mixer at Catalyst Campus as a follow-up to the recent ULI program.

Adjourn

The meeting adjourned at 9:54 a.m.