



**Downtown Development Authority of Colorado Springs  
Board of Directors Meeting  
Dec. 12, 2017 at 8 am  
111 S. Tejon St., Plaza of the Rockies North Tower, Suite 703**

**Board members present:** Aaron Briggs, Jill Gaebler, Chris Jenkins, Dot Lischick, Jessica Modeer, Chuck Murphy, Darsey Nicklasson, Ingrid Richter, and Tony Rosendo

**Staff:** Susan Edmondson, Sarah Humbargar, Laurel Prud'homme, Ana Valdez, and Margo Baker

**Guests:** Will Law, Ryan Tefertiller and Bob Wolfson

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**Welcome**

Ingrid Richter called the meeting to order at 8 a.m.

**Motion to open public hearing and public hearing call to order**

Chuck Murphy moved to open the public hearing for the purpose of approval of the final 2018 budget, seconded by Chris Jenkins and approved unanimously.

**Finance**

Susan Edmondson said the 2018 budget figures have been revised based on final projections from the county. The change is not remarkable, in that the mill levy revenue was reduced by less than \$1,000 and the TIF revenue is up by about \$2,000 resulting in small budget adjustments.

- Resolution 1712-01 to Adopt Budget
  - *A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE COLORADO SPRINGS DOWNTOWN DEVELOPMENT AUTHORITY, COLORADO SPRINGS, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2018 AND ENDING THE LAST DAY OF DECEMBER 2018.*
- Resolution 1712-02 to Appropriate Sums of Money
  - *A RESOLUTION SUMMARIZING APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE COLORADO SPRINGS DOWNTOWN DEVELOPMENT AUTHORITY, COLORADO SPRINGS, COLORADO, FOR THE 2018 BUDGET YEAR*
- Resolution 1712-03 to Set Mill Levies
  - *A RESOLUTION OF THE COLORADO SPRINGS DOWNTOWN DEVELOPMENT AUTHORITY REQUESTING THAT THE COLORADO SPRINGS CITY COUNCIL SET THE MILL LEVY AND APPROVE APPROPRIATIONS FOR THE BENEFIT OF THE COLORADO SPRINGS DOWNTOWN DEVELOPMENT AUTHORITY.*
- Resolution 1712-04 to Amend 2017 Budget of the Colorado Springs Downtown Development Authority

- *A RESOLUTION WHICH AMENDS THE 2017 BUDGET TO EXPEND ALL FUNDS NOT REQUIRED BY DECEMBER 31, 2017, TO MEET EXPENDITURE OBLIGATIONS AS ORIGINALLY SET FORTH IN THE BUDGET INTO THE UNRESTRICTED OPERATING RESERVE FUND.*

Chris moved to approve the resolutions as presented and approve the 2018 budget, seconded by Tony Rosendo and approved unanimously. Resolutions and budget attached and made part of these minutes.

#### **Motion to close public hearing**

Chuck moved to close the public meeting, seconded by Chris and approved unanimously.

#### **Motion to open board meeting**

Chuck moved to open the board meeting, seconded by Chris and approved unanimously.

Ingrid introduced Ana Valdez, new finance officer for Downtown Partnership, and guests Bob Wolfson and Will Law.

#### **Welcome and minutes**

Board reviewed minutes dated November 14, 2017. Chris sought clarification on the prior board vote approving a grant of up to \$150,000 for the Stratton block utilities. Following a motion by Chris, seconded by Tony, revised minutes were approved unanimously.

#### **Financials**

Board reviewed financials dated November 30, 2017. Susan mentioned that DDA has made very large commitments in 2017. She stated that she will continue to find financial presentation formats to make clear cash flow and expenditure commitments into the future. Chris moved to accept financials, seconded by Chuck and approved unanimously.

#### **Projects**

ArtSpace affordable artist housing, predevelopment: Sarah Humbargar introduced Will Law, ArtSpace COO, and reminded the board of the prior month's discussion about the possibility of DDA funding pre-development phases of an ArtSpace project. Mr. Law provided an overview of ArtSpace, which now includes 46 projects nationwide and a \$5-\$6 million annual operating budget. He distributed a pre-development proposal packet. ArtSpace builds consensus and partnerships to develop artist work / live space. The funding, financing, and construction timeframe takes anywhere from about three years to as many as 10. Board discussed various structures of the capital stack of ArtSpace projects. Board discussion acknowledged that the project strongly aligns with Experience Downtown plan goals, and that \$750,000 would be one of the largest DDA financial commitments to date.

Board discussed possibilities for recouping some of the financial commitment further into the project. This could be by some repayment included in the philanthropic capital campaign goal; or perhaps the project/property remaining on the property tax rolls and generating new tax increment; or perhaps other creative solutions. Mr. Law stated that ArtSpace would consider such possibilities.

Susan recommended that an ad hoc committee of the DDA be created to review the ArtSpace contract and monitor/advise on the project.

Chris moved that DDA enter into a contract with ArtSpace for the three phases of pre-development, for a total commitment of up to \$750,000; payments are tiered in three tranches, with the initial pre-development phase at \$150,000 with a list of deliverables, a second payment of \$300,000 with deliverables if the prior phase is

successful, and a third payment of \$300,000 with deliverables; further exploration of possible payback of some of that funding shall be explored. The motion was seconded by Tony and approved unanimously. Bob Wolfson thanked everyone for their work and support of this project. Mr. Wolfson and Mr. Law left the meeting.

Job incentive guidelines: Sarah reminded the board that an ad hoc committee provided feedback on job incentive guidelines. A final guideline document was provided in the board packet for review. Sarah reminded that the program is by invitation only for businesses creating more than 10 jobs, with final decision on incentives to be made by board vote. Targeted sectors align with those of the Chamber & EDC, plus the addition of creative industries, to align with community goals and sectors. On a motion by Tony, seconded by Darsey Nicklasson, board unanimously approved the job incentive guidelines and application.

Gateway / alleyway update: Sarah asked board to review two concept renderings of gateway signage designs. Alleyway planning is not as far along as gateway.

Board discussed future initiatives by DDA and the importance of encouraging other agencies, organizations and partners in the community to do their part, especially in relation to catalytic initiatives. This would ensure that the DDA system is able to grow.

#### **Grants and updates**

Olympic celebration: Board reviewed an application by Colorado Springs Sports Corp for a Special Event Grant of \$25,000 to support the Downtown Olympic Celebration scheduled for the evening of February 9, 2018. The board acknowledged that it has made significant financial commitments this year, and that while the event is a quality event, it is not as catalytic as other projects before the DDA at this time. Jessica Modeer moved to approve a \$10,000 grant for the Olympic celebration, seconded by Jill Gaebler and approved unanimously.

#### **TIF Reimbursement Agreement applications and updates**

418 S. Tejon St.: Sarah presented an overview of a TIF Reimbursement Application by DHN Development, Darsey Nicklasson, for Casa Mundi, a mixed use project on South Tejon Street. The project aligns strongly with the goals of Experience Downtown in that it adds residential units and is designed as mixed use, with street-level commercial space; Sarah commented that due to very low vacancies, Downtown is in strong need of new commercial space. Of the \$8.1 million project total, eligible costs are about \$1.4 million. Following Board discussion, Ingrid Richter moved to approve a 100 percent residential and 100 percent commercial TIF reimbursement, capped at \$278,829, seconded by Chris and approved unanimously. Darsey, as applicant, and Aaron Briggs, whose firm is serving as project architect, abstained from voting. Board discussed that the TIF reimbursement at 100 percent is driven by the catalytic opportunity of the first significant mixed use new development Downtown in recent history.

#### **New or old business**

Susan stated that though the agenda noticed for an Executive Session, there is not a need for Executive Session. She did, however, update the board that Cottonwood Center for the Arts has reached terms with the holders of the second mortgage on their building, with an agreed-upon appraisal and three-year payment plan. With this court action of last week, Cottonwood is no longer in limbo and is able to proceed with plans to pay off that portion of the mortgage. Susan stated a more complete update will be provided in January.

#### **Adjourn**

Meeting adjourned at 10:04 am.