



Downtown Development Authority of Colorado Springs  
Board of Directors Meeting  
Dec. 11, 2018 at 8 am  
111 S. Tejon St., Plaza of the Rockies North Tower, Suite 703

**Board members present:** Carrie Bartow (on phone), Aaron Briggs, Jordan Empey, Jeff Finn, Jill Gaebler, Dot Lischick, Dave Lux, Jessica Modeer, Darsey Nicklasson, Ingrid Richter, and Tony Rosendo

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

**Guests:** Jim DiBiase, Gary Feffer, Chris Jenkins, Chuck Murphy, David Neville, Joe Niebur, Ryan Phipps, Ryan Tefertiller and Jariah Walker

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#### Call to order

Ingrid Richter called the public hearing to order for the purpose of approval of the final 2019 budget. She invited any members of the public present to make comment. No comments made.

Susan Edmondson explained the revised revenue projections provided by the county and their impact on the 2019 budget. She said the number of property abatements for 2019 was larger than usual, and several properties moved to non-profit status. Thus, 2019 TIF revenue projections have dipped from the earlier August forecast.

Treasurer Carrie Bartow referred the board to the DDA proposed budget which showed about \$1.86 million in revenue, primarily from mill, TIF and ownership tax, and \$2.7 million in expenses, due to significant commitments for gateway and alleyway projects, US Olympic Museum payment, ArtSpace contract, etc.

Following discussion, Ingrid read out loud the following resolutions:

- Resolution 1812-01 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 2019 AND ENDING THE LAST DAY OF DECEMBER 2019.*
- Resolution 1812-02 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 2019 BUDGET YEAR*
- Resolution 1812-03 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 1812-04 to Amend 2017 Budget of the Colorado Springs Downtown Development Authority
  - *A RESOLUTION WHICH AMENDS THE 2018 BUDGET TO EXPEND ALL FUNDS NOT REQUIRED BY DECEMBER 31, 2018, TO MEET EXPENDITURE OBLIGATIONS AS ORIGINALLY SET FORTH IN THE BUDGET INTO THE UNRESTRICTED OPERATING RESERVE FUND.*

Each resolution passed by unanimous vote. Resolutions and budget are attached and made part of these minutes.

*Darsey Nicklasson arrived at the meeting at 8:15 a.m.*

**Motion to close public hearing**

Jessica Modeer moved to close the public meeting, seconded by Tony Rosendo and approved unanimously.

**Motion to open board meeting**

Tony moved to open the board meeting, seconded by Jessica and approved unanimously.

**Welcome and minutes**

Board reviewed minutes dated November 13, 2018. Following a motion by Dave Lux, seconded by Jordan Empey, minutes were approved unanimously. Board reviewed minutes dated November 29, 2018, and Jill Gaebler moved to approve, seconded by Tony and approved unanimously.

**Financials**

Board reviewed financials for the period ending November 30, 2018. Susan referred board to a rough operating forecast for years 2019 through 2024. Board discussed the various significant commitments for the near-term years, which leave the Operating Fund and the TIF Fund with very little in reserves.

**Grants**

Job incentive application: Sarah Humbargar presented an application by BombBomb, a growing tech company headquartered in Downtown, seeking incentives to add jobs within a Downtown location. Sarah explained her staff memo recommending payment of \$1,100 per job created, based on weighted criteria due to factors such as wage rate, headquarters location, etc. Upon a motion by Dave, seconded by Darsey, board voted unanimously to provide job incentives to BombBomb under the following general terms:

- \$1,100 per net new qualifying job
- Up to five consecutive years for agreement
- Capped at \$250,000 total, not to exceed \$50,000 in any given calendar year
- Paid through the TIF Fund

528 S. Wahsatch resubmittal: Sarah directed the board to her staff memo regarding a Building Enhancement Grant application from Gary Feffer, for improvements to 528 S. Wahsatch Ave. Sarah reminded the board that the applicant had originally submitted the application in August; at that time board requested the applicant to resubmit with more details on public improvements and a specific amount requested. The resubmitted application provides greater detail on costs but still did not include a dollar amount requested. Staff memo recommended declining funding or very minimally funding the project, noting that the project does not rise to a great enough level of public improvement or catalytic improvement to merit competitive grant dollars, nor has the resubmitted application provided a dollar amount requested nor has it addressed the question of surface parking potentially being provided as a public parking amenity. Board reviewed the application and discussed. Darsey disclosed that she has a relationship with a neighboring property and will recuse herself

from voting. Following further discussion the board instructed the applicant to once again resubmit with a clear ask amount and a clear plan explaining how the property will be utilized for public parking.

### **Urban Renewal Authority**

#### Tejon & Costilla IGA:

The board welcomed Jim DiBiase, developer of a hotel project at Tejon and Costilla streets. Susan directed the board to a staff memo describing how the Colorado Springs Urban Renewal Authority has put forth a proposed Intergovernmental Agreement between DDA and URA regarding the Tejon & Costilla Urban Renewal Area (Marriott project). Susan met with developer DiBiase and URA Executive Director Jariah Walker to discuss the IGA. As a result of that meeting, a draft Agreement is presented to the board proposing that incremental revenue generated by the DDA's 5 mills for the 25-year duration of the URA shall be split, with increment on 3 mills retained by the URA and increment on 2 mills released to the DDA.

Mr. DiBiase gave a brief presentation about the 38,000-square-foot hotel project, which includes a dual branded Marriott with both street-level and rooftop restaurants, more than 200 primarily underground parking spaces that will be publicly available, quality streetscaping, and a possible street-level police hub.

Dave moved to approve Resolution 1812-05, authorizing approval of the Intergovernmental Agreement between CSURA and DDA, seconded by Tony and approved unanimously. Resolution attached and made part of these minutes. Ingrid recused herself from the vote.

*Jessica left the meeting at 9:25 a.m.*

#### Museum & Park IGA:

Susan reminded the board that at its prior meeting, it approved a plan to split the increment on the Museum & Park URA, with the DDA retaining increment on 2 of its mills, and the URA retaining increment on 3 of its mills, restricted to public improvements on streetscapes outside of but adjacent to the URA boundary.

A draft IGA was provided for board review and approval. Susan asked that Section 7 of the IGA be amended to add improvements also to occur "on Sierra Madre Street north from Cucharras," as board had specified at its last meeting.

Darsey moved to approve Resolution 1812-06, authorizing approval of the Intergovernmental Agreement between CSURA and DDA, with the slight amendment as noted above, seconded by Dave and approved unanimously.

#### Grant request: Vermijo streetscape

Susan reminded the board that at its recent separately scheduled meeting it had reviewed a presentation on a grant request to assist with funding new streetscape in the block of Vermijo between Cascade and Tejon Street. Chris Jenkins, Nor'wood Development Group, updated the board on the request.

Board had a robust discussion about limited DDA funds available, the degree of catalytic nature of the streetscape improvement, the need/urgency to improve the block within Phase 1, competing demands for future projects throughout Downtown, the possibility of value-engineering the block to a lower amount, etc. Concerns were expressed about the impact this grant would have on DDA's cash flow. Tony asked about creative financing options.

Chris stated that due to timing on the project and the need to line up financing, a decision is needed soon. While board acknowledged the desire for a quick decision, they wanted to again review DDA finances to determine if funding can be identified while still ensuring reasonable funds for other DDA requests and projects. Tony, Jordan, Carrie, and Ingrid agreed to serve on a one-time sub-committee to delve more into financials.

*Jordan left the meeting at 10:05 a.m.*

*Ingrid left the meeting at 10:09 a.m.*

**Old business**

Susan updated the board that the Cottonwood Center for the Arts second deed of trust is expected to be closed out before the end of the year but has hit a minor delay. Regarding purported mineral rights, an offer is being finalized with target sale before end of year.

**Adjourn**

Meeting adjourned at 10:19 am.

RESOLUTION 1812-01 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 2019 AND ENDING THE LAST DAY OF DECEMBER 2019.

WHEREAS, the Board of Directors of the Colorado Springs Downtown Development Authority has appointed Susan Edmondson, Executive Director, to prepare and submit a proposed budget to this governing body on December 11, 2018, for its consideration, and;

WHEREAS, Susan Edmondson, Executive Director, has submitted a proposed budget to this governing body on December 11, 2018, for its consideration, and;

WHEREAS, upon due and proper notice, published and posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on December 11, 2018, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget, and;

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

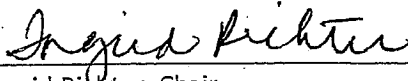
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Colorado Springs Downtown Development Authority, Colorado Springs, Colorado:

Section 1. That the budget as submitted, amended, and herein above summarized by fund, hereby is approved and adopted as the budget of the Colorado Springs Downtown Development Authority for the year stated above.

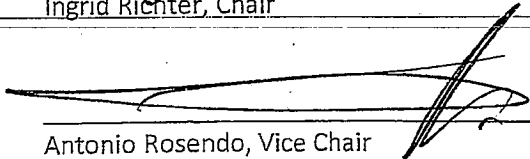
Section 2. That the budget hereby approved and adopted shall be signed by the Chair and made part of the public records of the Authority.

Adopted, this 11th day of December, A.D., 2018.

Signature

  
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Ingrid Richter, Chair

Attest

  
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Antonio Rosendo, Vice Chair

RESOLUTION 1812-02 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 201~~8~~<sup>9</sup> BUDGET YEAR.

WHEREAS, the Board of Directors of the Colorado Springs Downtown Development Authority has adopted the annual budget in accordance with the Local Government Budget Law on December 11, 2018, and;

WHEREAS, the Colorado Springs Downtown Development Authority has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the Authority.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Colorado Springs Downtown Development Authority, Colorado Springs, Colorado:

Section 1. That the following sums are hereby appropriated from the revenue of each fund, to each expenditure fund, for the purposes stated:

General Fund:	
Current Operating Expenses	\$ \$2,726,811
Capital Outlay	\$ 0
Debt Service	\$ 0
Total General Fund	\$ \$2,726,811

ADOPTED this 11th day of December, A.D. 2018.

Signature Ingrid Richter  
Ingrid Richter, Chair

Attest Antonio Rosendo  
Antonio Rosendo, Vice Chair

RESOLUTION 1812-03 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

WHEREAS, the Colorado Springs Downtown Development Authority approved the 2019 preliminary budget at its meeting of August 30, 2018; and

WHEREAS, the preliminary budget was forwarded to the appropriate offices of the City of Colorado Springs; and approved by City Council on October 23, 2018; and

WHEREAS, the Colorado Springs Downtown Development Authority in the City of Colorado Springs, Colorado, (the "DDA") was created pursuant to Ordinance No. 07-15 under the provisions of Part 8 of Article 25 of Title 31, Colorado Revised Statutes (the DDA statute); and

WHEREAS, the DDA statute authorizes the City Council to impose an *ad valorem* tax of up to 5 mills on the real and personal property within the boundaries of the Authority; and

WHEREAS, Resolution No. 56-07 adopted the Imagine Downtown Final Plan for Downtown Colorado Springs dated February 7, 2007 (the "Plan") as the plan of development for the DDA, as amended by the Experience Downtown Plan of Development Vol. 1, approved by the City in Resolution No. 116-16 on November 8, 2016, setting forth the plan of development area, and the adoption of tax increment financing as set forth in the Plan, and;

WHEREAS, proceeds from the revenues received by the DDA will be used for "residential growth and variety of housing; retail growth; jobs and employment growth; arts and culture, and entertainment activities; urban design and environmental improvements; technology, sustainability components; parking supply and management; transportation options and pedestrian-orientation," operating expenses, general expenses and other expenses of the DDA as set forth in the 2019 budget.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE COLORADO SPRINGS DOWNTOWN DEVELOPMENT AUTHORITY:

Section 1. The Board of the DDA requests that the City Council of the City of Colorado Springs certify a mill levy of 5 mills on real and personal property within the boundaries of the DDA for taxes payable in 2019.

Section 2. The Board of the DDA requests that the City Council of the City of Colorado Springs adopt a resolution to appropriate funds for the benefit of the DDA for 2019.

ADOPTED this 11th day of December, A.D. 2018.

Signature Ingrid Richter  
Ingrid Richter, Chair

Attest Antonio Rosendo  
Antonio Rosendo, Vice Chair

RESOLUTION 1812-04 TO AMEND 2018 BUDGET OF THE COLORADO SPRINGS DOWNTOWN  
DEVELOPMENT AUTHORITY

WHEREAS, The Board of Directors of the Colorado Springs Downtown Development Authority has adopted the annual budget in accordance with the Local Government Budget Law on December 11, 2018 and;

WHEREAS, the Colorado Springs Downtown Development Authority has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget, and;

WHEREAS, the Colorado Springs Downtown Development Authority has found need to amend the 2018 Budget,

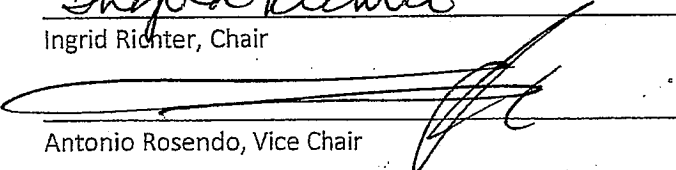
IT IS HEREBY RESOLVED that said Budget shall be amended to expend all funds not required by December 31, 2018 to meet expenditure obligations as originally set forth in the budget into the Unrestricted Operating Reserve Fund.

ADOPTED THIS 11th day of December, A.D. 2018.

Signature

  
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Ingrid Richter, Chair

Attest

  
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Antonio Rosendo, Vice Chair



**COLORADO SPRINGS DOWNTOWN DEVELOPMENT AUTHORITY**  
**SUMMARY**  
**2019 PROPOSED BUDGET**  
**WITH 2017 ACTUAL AND 2018 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/11/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ 2,643,266	\$ 1,234,988	\$ 1,393,163
REVENUE			
Income from Mill Levy - Other	719,325	774,558	837,255
Income from Mil/Prior Yr Tax	920	1,861	-
Specific Ownership Tax	105,058	81,000	100,471
Interest Income - Mill collections	2,412	760	100
Interest Income	205	240	-
Cottonwood Pymts/Interest	23,375	25,200	25,200
Advertising	9,800	8,150	10,000
Misc. Income	4,300	-	-
Return of Grant Funds	3,401	-	-
Line of Credit Repayment	-	-	250,000
Income from TIF - Other	491,736	627,195	638,045
Interest Income - TIF Collection	1,752	645	75
Total revenue	<u>1,362,284</u>	<u>1,519,609</u>	<u>1,861,146</u>
TRANSFERS IN	<u>-</u>	<u>1,255,133</u>	<u>-</u>
Total funds available	<u>4,005,550</u>	<u>4,009,730</u>	<u>3,254,309</u>
EXPENDITURES			
Administrative	49,290	49,817	50,987
Board Support	4,580	2,484	3,104
Professional Services	28,931	30,746	57,000
Other Administrative	250,600	250,570	5,000
Program	1,708,995	687,293	1,119,887
TIF	728,835	341,894	1,467,652
Total expenditures	<u>2,771,231</u>	<u>1,362,804</u>	<u>2,703,630</u>
TRANSFERS OUT	<u>-</u>	<u>1,255,133</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>2,771,231</u>	<u>2,617,937</u>	<u>2,703,630</u>
ENDING FUND BALANCES	<u>\$ 1,234,319</u>	<u>\$ 1,391,793</u>	<u>\$ 550,679</u>
EMERGENCY RESERVE	\$ 80,155	\$ 25,800	\$ 28,200
SPECIAL REVENUE RESERVE	-	1,255,133	425,601
TOTAL RESERVES	<u>\$ 80,155</u>	<u>\$ 1,280,933</u>	<u>\$ 453,801</u>