



**Downtown Development Authority of Colorado Springs
Board of Directors Meeting
August 11, 2020 at 8 am
Convened via Zoom Meeting**

Board members present: Carrie Bartow, Aaron Briggs, Jordan Empey, Jill Gaebler, Stella Hodgkins, Chris Lieber, Darsey Nicklasson and Ingrid Richter

Staff: Alex Armani-Munn, Jan Branham, Susan Edmondson, Len Kendall and Ana Valdez

Guests: Laura Neumann, Steve Schleiker, Ryan Tefertiller and Peter Wysocki

Welcome and roll call

Ingrid Richter called the meeting to order at 8:06 a.m. and verified roll call was taken. Board welcomed new member Stella Hodgkins to the DDA board and introductions were made.

Minutes

Board reviewed minutes dated July 14, 2020. Following a motion by Carrie Bartow, seconded by Jordan Empey, minutes were approved unanimously without change.

Financials

Board reviewed financials dated July 31, 2020. Susan advised the board that July was an uneventful month, without any projects or large expenditures. One grant was paid out last month. The only items remaining on the Gateways project are to complete the electrification and the Conejos mural. Work on the Conejo mural begins this week. DDA is also starting to send out annual TIF reimbursement payments.

Because the county has issued a waiver on late fees and penalties, tax collection is behind schedule. The Mill/Operating Fund is 11% behind in payments and TIF Fund is 21% behind.

Susan stated that in discussions with Ingrid and Carrie, they agreed that the DDA should establish reserves for the operating fund and TIF Fund. She drew board members' attention to a memo recommending a six-month operating reserve for the Mill/Operating fund and holding a \$200,000 TIF reserve. Carrie gave background that a six-month operating reserve ensures the DDA is buffered against a future crisis or if the COVID-19 pandemic does not resolve. Also, income is slow at the beginning of the year, so reserves will help keep DDA financially healthy and operations can continue uninterrupted.

Jordan Empey made a motion to approve a six-month reserve for the Mill/Operating Fund, which for the remainder of 2020 would be \$381,401, and a \$200,000 TIF Fund reserves, seconded by Aaron Briggs and unanimously approved with none opposed.

Susan continued with updates on 2021 budget. The DDA has a very short turn-around between receiving projected income figures and creating a budget. The board must convene to approve the 2021 budget in early September in order to send to the city by deadline. Meeting options will be sent via Doodle to board members later today.

Grants

Susan presented a summary of the Downtown Stadium Special Project Grant Request, which would provide replicas of works by famed artist Leroy Nieman on the east exterior of the stadium. Applicants seek a grant of \$50,000, which represents less than 50 percent of the \$100,000-plus cost of this project. The project supports numerous goals of the Experience Downtown Plan, particularly that of creating an Unforgettable Visitor Experience. Susan introduced project representative Laura Neumann and added that the Weidner and Raigan families have invested heavily in the project success, far beyond what was originally envisioned. Floor was opened for board comments and questions. Board commented that the proposed art is unlike what is typically seen at a midsize city stadium and will convey a fresh and upscale attitude to the area. The bonus is that this art will be available for anyone to enjoy for free.

Ingrid Richter made a motion to approve the \$50,000 grant to the Downtown Stadium, seconded by Aaron Briggs and approved unanimously with none opposed. Abstaining from the vote were Chris Lieber, Jordan Empey, Carrie Bartow and Stella Hodgkins, due to their employment-related involvement with the project.

Laura Neumann thanked the board for their support of this City for Champions project which will become a positive attribute for community.

Ana inquired if the grant was planned to be paid from TIF or Mill. Susan clarified that it will be paid from TIF in 2021.

Laura Neumann left the meeting at 8:37 a.m.

Old Business

Susan and Alex presented to the board a proposal to reconstitute the DDA Building Enhancement Grant Program with a cap of \$10,000 for each grant from a total fund of \$100,000 from the Mill/Operating Fund. Projects that commenced no earlier than May 1, 2020, will be eligible, and the same application process as has been used previously will apply. Projects will be considered on a first-come, first-considered basis, and grants will be awarded until the fund is spent. Projects will be required to finish in a year; grant will be paid at project completion, as is already the protocol. Smaller projects such as simple signage will be allowed to apply. Staff is hopeful the former grant program can resume at a future date, but this modified grant program will bring some hope to our Downtown businesses and encourage those who continue to invest in their properties.

Steve Schleiker joined the meeting at 8:43 a.m.

Floor was opened to questions and comments. Board inquired how DDA would get the word out and how it would manage the limited aspect and first-come, first-eligible approach. Susan assured the board that first Alex would reach out to all businesses with which he already has been in communication about building improvements, and this will be publicized in the biweekly enewsletter.

Jordan Empey made a motion to approve the revised DDA Building Enhancement Grant Program with \$100,000 allocated from the Mill/Operating Fund, and grants not to exceed \$10,000, seconded by Stella Hodgkins and unanimously approved with none opposed.

Stella Hodgkins and Darsey Nicklasson left the meeting at 8:54 a.m.

New Business

Commercial vacancies continue to rise. Alex shared a staff memo documenting the current status and discussed current and expected vacancies; he invited the board to consider DDA's role to improve the vacancy situation. Staff could reach out to brokers or try to fill with temporary activations, such as the Holiday Pop Up

shop program, but market the program year-round. Perhaps repositioning street-level locations to the office sector would be successful. Susan explained that Downtown has a few problem areas, such as Bijou and Nevada, that tend to increase blight and vagrancy and harm the surrounding areas. Alex will provide monthly updates on vacancy rates to the board going forward.

Susan asked the board to consider if and in what structure the DDA wishes to provide Downtown small businesses with an additional round of financial support, and what kind of help would be most effective. Board felt staff should continue being a connector to help our small businesses find funding while possibly creating a gap fund program to help. Susan and staff believe we have a responsibility and unique ability to help Downtown businesses, which could lift the city center out of challenging times sooner than other areas that do not have the unique financial tools that Downtown has. Staff is most concerned about full-service restaurants, as sales tax reports show their revenue is down 47%, while retail is down 26%. There is an inherent lack of equity because restaurants legally cannot be at 100 percent capacity.

Jill Gaebler left the meeting at 9:18 a.m.

Susan shared with the board that two significant sources of funding will be coming available, which staff will heavily publicize and make direct calls to businesses to bring to their attention. Staff nevertheless is concerned about restaurants making it through the winter.

Chris Lieber left the meeting at 9:33 a.m.

County Assessor Steve Schleiker gave an informative presentation on the state of property valuations, commercial property sales, challenges faced with COVID-19 and statutory changes. Some good news is commercial sales are picking up, with recent sales close to 2019 figures for same time periods.

Jordon Empey left the meeting at 9:46 a.m.

Floor was opened for questions and discussion. Ingrid thanked Steve for his presentation and offered to help spread the word, as this would be good information for all commercial real estate brokers in Colorado Springs. Steve wants to reach as many as he can with this message, so a broker meeting would be ideal.

Aaron Briggs made a motion to adjourn the meeting, seconded by Carrie Bartow and unanimously approved. The meeting adjourned at 10:05 a.m.