



**Downtown Development Authority of Colorado Springs  
Board of Directors Meeting  
March 9, 2021 at 8 am  
Convened via Zoom Meeting**

**Board members present:** Carrie Bartow, Aaron Briggs, Jordan Empey, Jeff Finn, Stella Hodgkins, Chris Lieber, Dave Lux, Darsey Nicklasson, Ingrid Richter and Tony Rosendo

**Staff:** Jan Branham, Susan Edmondson and Ana Valdez

**Guests:** Bill Butler, Jenny Gentry, Sarah Humbargar, Scott Kilkenny, Greg Pettigrew and Ryan Tefertiller

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### **Welcome and roll call**

Ingrid Richter called the meeting to order at 8:07 a.m. and roll call was taken.

### **Minutes**

Board reviewed minutes dated February 9, 2021. Following a motion by Jeff Finn, seconded by Tony Rosendo, minutes were approved unanimously without change.

### **Financials**

Board reviewed financials dated February 28, 2021. Susan Edmondson shared that there is very little to report as it is still early in the month. Grant and job incentive payments were made since our last meeting. The February letter from the county treasurer indicated projected revenue to the TIF Fund will be about \$70,000 less than budgeted. Susan is in communication with the County Tax Assessor to determine why there is such a discrepancy.

Susan also reported that DDA Executive Committee met with the auditor and accepted the 2020 audit. Ingrid added that the audit presentation went smoothly and the DDA has a clean audit.

### **TIF Reimbursement Agreements**

Susan introduced Bill Butler, Scott Kilkenny and Sarah Humbargar, representing Randall Hinton Development to request a TIF reimbursement for 345 E. Rio Grande. The project is a 62-unit multifamily development in the Lowell District. Susan reminded the board that last year it approved a petition to include the property into the DDA boundaries. The situation is made more complicated by the Lowell Metro District which has a 54-mill levy and desires to retain the increment on their levy, which thus has stalled the petition for inclusion. Staff states that the project is desirable with mid-level density, quality exteriors and a more accessible price point.

*Carrie Bartow joined the meeting at 8:20 a.m.*

Bill Butler provided background that Randall Hinton Development is the third owner of the property, as the previous owners found the financial challenges to be insurmountable. Scott Kilkenny added that raw material costs have increased substantially, with lumber alone doubling in price since last September. The developers have chosen this parcel due to its location in Downtown Colorado Springs and the walkability opportunities. The developers hope to maintain an attainable price point. The project has surface parking with carports.

*Jenny Gentry and Jordan Empey joined the meeting at 8:30 a.m.*

Sarah Humbargar provided a cost analysis, explaining the developer seeks a 75 percent TIF reimbursement due to escalating material costs.

Susan commended the project in particular for the use of brick on the exterior, which is substantially more expensive than other building materials. Board asked Ryan Tefertiller to weigh in and Ryan affirmed that the project development plan has been submitted and meets approval. Board discussed issues regarding the metro district.

*Darsey Nicklasson joined the meeting at 9:03 a.m.*

More board discussion centered on merit of a 75 percent TIF reimbursement based on current application. Jeff Finn led a motion to approve a 75 percent TIF reimbursement to Randall Hinton Development for the project at 345 E. Rio Grande if the project contingent upon the parcel being included into the DDA boundaries, and with the following terms:

- Minus School District 11 reimbursement
- Minus increment on DDA's 5 mills
- Minus treasurer's collection fee.
- Minus increment on the total Metro District mills, which shall instead be reimbursed to the district.
- Administrative fee of 5 percent on for first five years of agreement, scaling to 2.5 percent thereafter.
- Capped at eligible costs noted in the application of \$2,008,132
- Effective date for base tax year 2020.
- For the remaining years of the TIF, to 2037

Tony Rosendo seconded the motion. Board approved unanimously, with Darsey Nicklasson abstaining because she joined the meeting late to the discussion. Susan was encouraged to pursue any compromise on sharing of increment with the Lowell District, acknowledging that at this point such a compromise is made unlikely.

*Bill Butler, Sarah Humbargar, Scott Kilkenny and Dave Lux left the meeting at 9:17 a.m.*

### **Grants**

Susan drew board members attention to the Building Enhancement Grants memo in the board packet. The memo proposes terms for an ongoing reinstatement of Building Enhancement Grants as this program is relatively low cost with high impact to the Downtown environment. In August of 2020, the board approved a pool of \$100,000 for grants capped at \$10,000 max reimbursement. \$70,000 of that has been allocated to approved grants. Staff seeks board approval to implement a standard plan moving forward with no more than 50 percent reimbursement on eligible costs, which would have three main grant allotments:

- \$10,000 max for projects demonstrating at least \$25,000 in eligible exterior improvements
- \$25,000 for projects demonstrating at least \$50,000 in eligible exterior improvements
- \$50,000 for projects demonstrating at least \$50,000 in eligible exterior improvements and more than \$500,000 in total property improvements and/or unique circumstances such as first-to-market offerings meeting the goals of the Experience Downtown Plan.

Board discussed the proposed grant program and agreed it seems a fair way for staff to manage grant requests.

Ingrid Richter led a motion to approve the grant program as outlined in the memo. The motion was seconded by Tony Rosendo and approved unanimously with none opposed.

720 N. Tejon St.: Susan provided background on a building enhancement grant for 720 N. Tejon St., which will house the Southern Colorado Public Media Center, to include KRCC, Rocky Mountain Public Media's Regional Innovation Center, and the Colorado College Journalism Institute as well as a 40-seat meeting space. Updates will include a fresh coat of paint, removing an outdated planter, extending windows to the ground and new electrified signage. Susan introduced Jenny Gentry to answer any questions. Jenny thanked the board for consideration of this grant, which would be a considerable help to their improvement plans.

Carrie Bartow led a motion to approve the recommended grant of \$25,000, seconded by Jeff Finn and unanimously approved.

*Jenny Gentry left the meeting at 9:25 a.m.*

330 N. Nevada Ave.: Susan then provided background on a grant request for 330 N. Nevada Ave, the new home of ELKE Modern Beauty, a day spa. Plans for new signage to replace the former business signage will help to modernize the property, which has not seen any improvements in many years. That said, this is a very minor improvement to the property.

Jeff Finn led a motion to approve the recommended grant of \$750 to ELKE Modern Beauty. Carrie Bartow seconded the motion, which was unanimously approved.

11 E. Bijou St.: Susan provided an overview of the last grant request on the agenda for Yobel at 11 E. Bijou St. A fair-trade market, Yobel moved back to Downtown last summer and has made significant improvements at its current location. Yobel is requesting a grant for installation and electrification of signage with the addition of perpendicular blade signage to capture pedestrian notice.

Chris Lieber led a motion to approve the recommended grant of \$1,500. Stella Hodgkins seconded the motion, which was unanimously approved. All grants approved today will be paid from the Mill/Operating Fund and complete the board commitment of \$100,000 in grants that were authorized in 2020.

### **Job Incentives**

Susan drew board members' attention to the job incentives memo in the board packet. Susan wished to share updates on payments made this year. Kinder Morgan was paid \$20,000 for maintaining minimum of 200 employees Downtown. Formstack was paid \$7,000 for net seven new qualifying jobs from the year prior. Bluestaq was paid \$18,900 for 21 net new qualifying jobs from the year prior. BombBomb did not show net growth in new employment, so no payment will be made this year, instead returning \$50,000 to unrestricted funds.

### **New business**

Loan fund: Susan referenced the loan fund memo in the board packet. Susan sought board discussion and input on retaining the loan fund that was established early this year. Only one business took advantage of the loan fund, but staff feels it is worthwhile to keep the loan fund active if future needs arise in pandemic-related hardship cases. Susan emphasized that the application will still follow a rigorous process to approval, and this fund currently is not structured to support larger loans to launch new businesses. Board was in favor of retaining the program as it took a fair amount of effort to create the program, but although there is no need to market the program, it is important that it is fairly accessed by any qualifying Downtown merchant. Susan affirmed that the program will be posted on the website and mentioned to any business that may be a suitable fit. Susan seeks a motion from the board to retain the loan fund program and authorize staff to screen applicants before they are presented to the board.

Stella Hodgkins led a motion to retain the loan fund program to be administered by staff and individual loans to be approved by the board. Chris Lieber seconded the motion which was unanimously approved.

Artspace: Susan provided an update on the Artspace property at 315 E. Costilla St. Sun Pilates has engaged in a short-term lease of the space until early next year. Susan thanked Ingrid Richter for securing this tenant, which will help to offset holding costs. Olive Real Estate has generously provided pro bono property management services but will now receive small monthly payments for its management services.

Gazette St. Francis property: Susan turned to Jeff Finn to share news about possible development of the former Gazette and St. Francis properties. Jeff explained that Nor'wood acquired both properties in 2013 with plans to create a significant anchor to the eastern gateway of Downtown. The development plan is closely aligned with both Envision Shooks Run and Experience Downtown plans. Jeff shared conceptual site plans and shared that the first phase of the project will be to transform the current St. Francis building into modern apartments. The development team is considering creating a metro district and business improvement district for the properties as well as seeking Colorado Springs Urban Renewal Authority (CSURA) designation for tax increment financing for improving blighted areas.

*Darsey Nicklasson, Jordan Empey and Chris Lieber left the meeting at 10:08 a.m.*

The site plans include robust mixed-use development, with multifamily housing, retail and limited office space. A public walkway to connect to the Hillside neighborhood is also envisioned.

Jeff shared that plans include seeking approval of the new district on the November ballot and starting CSURA process in early 2022. Board expressed support of the project and remarked the site plans are very appealing.

### **Adjourn**

The meeting adjourned at 10:16 a.m.