

Woodland Park Downtown Development Authority Board of Directors

**City Hall – City Council Chambers
220 W. South Avenue, Woodland Park, CO**

REGULAR MEETING MINUTES

September 3, 2013 – 7:30 AM

CALL TO ORDER AND ROLL CALL: Chairman Dale Schnitker called the meeting to order at 7:35 AM. **IN ATTENDANCE - Board of Directors:** Dale Schnitker, Merry Jo Larsen, Al Born, Gary Brovetto, Tom Carrick, Tanner Coy, Jan Cummer, Vera Egbert, Michael Faber. **Absent:** None. **Staff:** Brian Fler, Executive Director; Carol Lindholm, Staff. **Others Present:** David Buttery-City Manager, Sally Riley-City Planning Director, Brooke Smith, Debbie Miller-Woodland Park Chamber, Mayor David Turley, Renee Bunting, Betty Clark-Wine-Teller County Assessor, Kellie Case-City Finance Director, David Strawn.

APPROVAL OF MINUTES:

MOTION: To approve the minutes of the July 23, 2013 Regular Meeting and the August 6, 2013 Regular Meeting. Larsen/Born. Passed 9-0.

FINANCE REPORT: Fler noted that Kellie Case, Woodland Park Finance Director and Betty Clark-Wine, Teller County Assessor, were in attendance and would both have presentations. Fler reported that he had met with Schnitker, Carrick and Faber; and Fler met separately with Born in regard to the DDA 2014 budget. Fler reported that he would review the 2014 DDA budget today for final approval at the October meeting.

Kellie Case reviewed the process for putting together the DDA Finance Monthly Report. DDA income is reported as it's received. Teller County Treasurer's Office remits the TIF representing the DDA's portion of the property tax that has been collected from taxpayers. Also received are any repayments that are due that were not remitted in the first few years of the DDA. Also, there are interest earnings: the DDA's share of the overall investment by the City of idle cash.

Expenses are grouped in two groups, Personnel Expenses; Operating and Capital Expenses. Case then explained how the Debt Service Fund 305 works. The debt service is due on June 1, so these revenues are collected in the first six months of the year. The negative number that appears in July was entered to make the debt service expense equal exactly what was paid out, which means that money came back to the DDA.

The bottom budget line is the Capital Expense, and it includes the recent change order [by CSI] for Woodland Station Infrastructure. Fler elaborated on recent the change order [\$81,502.61, approved at 8/6/13 DDA meeting] to finish Center Street and a portion of Saddle Club Drive.

Fler noted that Case and Buttery attended the Budget subcommittee meeting.

Fler then reviewed the 2014 budget. Fler referred to the Certification of Valuation by Teller County, which indicates the total value of the DDA has gone up. The important number in this document is the "TIF District increment, if any" which allows Case to estimate the revenue anticipated in 2014 at \$369,093. Fler explained the salaries for Fler and Lindholm are split with the Economic Development Office; 1/3 paid by DDA, 2/3 paid by Economic Development Office. Fler explained that increased expenditures have been projected for Attorney Fees and for Travel Training, as Fler would like for the Board to have the opportunity to attend some

training and conferences. Fler noted the City of Woodland Park Debt Service Schedule, as part of the budget packet handout, so that Board members could see how the debt is scheduled. The revenues did go up within the DDA District. Fler explained that the debt service is commensurate with the increase.

The subcommittee and Fler discussed a "wish list" which will be presented to the Board, which would require the sale of property. Fler would like to do a retail assessment survey. Also, Fler would like to do a full design for the build-out of Woodland Station, and so would need additional revenue for that. Brovetto asked if salary line would include additional staff. No, per Fler. If we hire a Main Street Coordinator it is not proposed in the DDA budget. Fler would like to bring the budget back to the Board for approval, after which it will go to City Council.

Fler asked Case to explain the first page of the budget packet; the 2014 DDA Fund 215 Budget Summary.

Case noted that projections would be made for year-end so that we will see what will be available at year-end, and what we will need for the 2014 budget. Case reviewed and explained the Budget Summary.

Fler reminded the Board that the DDA will need to repay the City \$36,000 within three years - \$12,000 per year, or \$36,000 by the end of the term (June 27, 2016). Fler would like to make a good faith payment in 2014, given a sale of land. Carrick recalled a summary that was presented to the Board for the 2013 budget and asked if the Board could have a similar summary for the 2014 budget. Fler will prepare a summary for the October meeting.

At this point, the Board accepted the Finance Report dated as of 7/31/2013.

MOTION: To accept the Finance Report as presented. Born/Coy. Passed 9-0.

Fler then asked Betty Clark-Wine to give the DDA Board an update.

Clark-Wine explained the protest and appeal process.

Clark-Wine explained that the DDA is treated as its own economic area. Some values throughout the County were up, some were down. Clark-Wine noted that in the current valuation, the DDA was up, where the overall City was slightly down. Woodland Park was down approximately 5%, Re-2 School District was down just under 7%, DDA was up about 3.75%, NE Teller County Fire was down 6%, Re-1 School District (Cripple Creek) went up about 10% due to the Mine. Teller County went up about 2%, also due to the mine. Woodland Park Library district went down about 7%. City of Victor went down about 21%. Cripple Creek went down about 6%.

The valuation process is not completely over but Clark-Wine does not expect any significant changes. This year the Assessor's Department made a concentrated effort to look at properties that had not been seen for awhile, especially if they were designated as "badly worn". Taxpayers are able to present additional information during the protest period. Clark-Wine described the formula for the DDA valuation. Demolished property is subtracted, then add value of new construction, and bring in any properties that were formerly exempt.

Schnitker asked what caused the DDA increase. Clark-Wine responded that it was market-driven, such as the buying and selling of property, sales that took place within the DDA and some residential sales. The sales within the District would have driven the values, and Clark-Wine reminded that some of the properties within the District are residential and vacant land. The State requires that there be at least 30 qualified sales. There were only 31 sales of

commercial property over all of Teller County over five years. Property value is based on use. The DDA has been modeled as its own economic area. In the future, this will be looked at - whether that's a driving factor, because some of the properties outside the DDA were lower.

Fleer noted that he had met with Clark-Wine on several occasions, and that there is a good line of communication. Clark-Wine has made their DDA database available to us as well as some mapping data, which is very helpful.

Clark-Wine noted that Family Dollar and O'Reilly Auto Parts were valued at 75%, because as of 1/1/2013, they did not have their Certificates of Occupancy. They will be valued at 100% as of 1/1/2014. On 1/1/2014, Woodland Hardware will be valued at whatever stage it is. If it has not received a Certificate of Occupancy it will be valued at 75%. Coy asked if the valuation modeling was specific to each micro-economy. Clark-Wine responded that the DDA is a sub-area of a larger data set. An example would be Cripple Creek, which is part of the Southeast area. Fleer asked about land cost per square foot (SF) within the DDA. This year commercial was modeled at \$4.69-4.79/SF between land and improvements.

Clark-Wine noted that there was a question in regard to exempt parking lots. There was a discussion whether Clark-Wine did not attribute value to the exempt parking lot behind some of the DDA businesses. Clark-Wine will be preparing a summary of property tax implications for exempt properties within the downtown area as it relates to public parking lot improvements made by the City. Clark-Wine will provide additional analysis.

At this point in the meeting, Case and Clark-Wine left the meeting.

COMMITTEE REPORTS:

Main Street: Fleer reported that he attended a "Main Street Boot Camp." The Main Street subcommittee met on August 29. There are two items to complete in 2014: the Community Assessment and a Resolution by City Council. Fleer is working through both of these steps.

Faber noted that he had attended the recent Main Street meeting. He understood the program to be an "umbrella" of efforts. Faber was concerned that this would form another layer of bureaucracy. Brovotto explained the purpose was to avoid duplication of efforts. Faber would like a better understanding of the Main Street process. Brovotto felt that the Main Street designation would enhance the City's validity and status. Fleer said that the Dept. of Local Affairs would come again to do a presentation. The Community Assessment will address what is in the overall interest of the community regarding documented challenges and opportunities.

Employer Based DDA Project Activity – Broadband: Fleer reported that there would be a meeting on September 9 in regard to Broadband and telecommunications in general. Peak Internet will be in attendance as well as two representatives who made a presentation at the CML conference this year: Ken Fellman and Joanne Hovis. Brovotto suggested inviting other providers. Faber noted the importance for businesses wanting to locate in Woodland Park to know what's available.

WOODLAND STATION:

Lot 1 (Woodland Hardware): Fleer reported that there is a lot of activity at Woodland Hardware, both interior and exterior. They are still working within the schedule of completing the building in 2013 and opening the new store in approximately February 2014.

CSI Infrastructure Project: Fleer reported that the project is in its final 25% of completion.

LOT 2 (Weatherford Project): Fler reported that Weatherford hoped to open the Beer Garden this weekend and to stay open through Oktoberfest. Mayor Turley expressed concern in regard to the projected opening date as several dates had been announced in the past. Fler responded that Weatherford is closing on the Amerigas site soon. The closing on Amerigas has slowed down other events. Schnitker remarked that the Catholic Church had asked for the use of the "Beer Box" for a church event. Brovotto asked about the involvement of Kip Unruh. Fler responded that Weatherford has a group of partners for Lot 2, including Kip Unruh, along with Tim Seibert of NES.

Fler noted that Coy and Cummer are working on the conceptual design for Woodland Station as a whole.

Brovotto asked about the trailer park adjacent to Woodland Station. Fler noted that the property is not in Woodland Station and is not in the DDA district.

108 W. MIDLAND AVE. (CUMMER BUILDING): Jan Cummer recused herself from this discussion, as this is Cummer's property.

[It should be noted that Cummer has recused herself from all discussions in regard to this property.]

Fler reported that the Board had previously discussed this project in Executive Session. Fler has reviewed the proposal's framework with attorney Paul Benedetti. As was reflected in the minutes of the March 4, 2008 DDA Board of Directors Meeting Minutes, Cummer came to the Board requesting assistance in the renovation of the building. The request apparently "fell through the cracks", as the then DDA Director, Joe Napoleon, soon resigned his position. Benedetti reported that he has successfully dealt with similar proposals as Cummer's. Fler noted that there have been a number of developments within the district that could have applied for assistance from the DDA, but the fact is that there is no evidence that they asked to be considered. The Board indicated that they were uncomfortable with "going backward", so Benedetti helped craft an agreement going forward. Proposed is: five years of assistance from 2013 – 2017. Reimbursements amount to approximately 90% of the projected TIF at \$2,500 per year with a limit of \$12,500. If there is a change of ownership, the agreement will not be in effect.

Faber was concerned in regard to Section 2.2. Faber felt that this could cause a precedent, even though every case is unique. Faber wanted to know if the standards in 2.2 will be the standards moving forward. Fler responded that he felt that the Cummer property did meet the stated standards. Fler noted that he had not found evidence that such standards had ever been adopted, but have been assumed. Fler felt that this project meets the general purpose of the DDA. Faber asked if the agreement was adopted, would we need a line item in the DDA budget? Buttery responded that the line is there, but would need to see if the dollars would be available in 2013. Born moved and Faber seconded to approve the agreement. Schnitker suggested paper ballots. Members voted on paper ballots identified with their names, and Fler read the results into the record.

MOTION: To approve the Reimbursement Agreement by and Between the Woodland Park Downtown Development Authority and Jan's Rocky Mountain Fitness LLC.
Born/Faber. Passed 7-1 with Schnitker voting no. (Cummer not present for this vote)

Cummer returned to the meeting.

AUDIENCE PARTICIPATION: Sally Riley reported that Tractor Supply has submitted their subdivision preliminary plat and contract to purchase. The code for outside storage will be amended and a design standard for fencing will be added.

Riley reported that the Teller County Building Department will shift responsibility to the City. There will be a meeting tonight with contractors and developers, to solicit their input.

Carrick noted to Riley that the previous Cenex building is starting to look like a used car lot. Riley will have Code Enforcement look into the matter.

Debbie Miller reported on the "Destination Fort Carson" event. Miller and Griswold attended the event and there were more than 1,200 soldiers. Miller noted the September 5 Lunch and Learn regarding health care. Oktoberfest is September 21 and 22. On October 30, there will be a Business Continuity and Disaster Preparedness Planning workshop at the Cultural Center. Renee Bunting noted that the workshop is open to anybody.

GENERAL DISCUSSION: Lindholm reported that the Fall newsletter would be completed this week for distribution next week.

Brovetto remarked on the mobile home park near Woodland Station. Could this area be turned into lofts and retail? Flier responded that the property is owned by investors.

Larsen noted that there seem to be more people coming to Woodland Park from the Front Range area. The Cowhand is having a good year and a very busy schedule. Coy concurred that he has seen a lot of people coming from outside Woodland Park for a day.

EXECUTIVE SESSION: None.

ADJOURNMENT:

MOTION: To adjourn the meeting. Born/Larsen. Passed 9-0.


Meeting adjourned at 9:05 AM.

Recorded by:



Carol J. Lindholm, DDA Staff
Program Manager, Economic & Downtown Development

APPROVED THIS 1ST DAY OF OCTOBER 2013


Al Born, Secretary/Treasurer