

Woodland Park Downtown Development Authority Board of Directors

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

REGULAR MEETING MINUTES

September 15, 2015 – 7:30 AM

CALL TO ORDER AND ROLL CALL: Merry Jo Larsen, Chair, called the meeting to order at 7:30 AM.

IN ATTENDANCE - Board of Directors: Board of Directors: Merry Jo Larsen (Chair), Noel Sawyer (Vice Chair), Al Born (Secretary/Treasurer), Tanner Coy (left the meeting at 9:35 AM), Jon DeVaux, Vera Egbert, Michael Faber, Dale Schnikter, Jan Wilson. **Absent:** None. **Staff:** Brian Fler, Executive Director; Carol Lindholm, DDA Staff. **Others Present:** David Buttery, Lor Pellegrino, Suzanne LeClercq, Darlene Jensen, Brooke Smith, Debbie Miller, Bob Foster, Betty Clark-Wine, Arden Weatherford.

APPROVAL OF AGENDA AND MINUTES:

MOTION: To approve the minutes of the August 18, 2015 DDA Regular Meeting. Faber/Wilson. Passed 9-0.

Note: Board received the notes from the August 24, 2015 Special Meeting, Main Street/DDA Retreat, but these did not require approval.

MAIN STREET UPDATE: Darlene Jensen, Main Street Coordinator, updated the Board on current Main Street projects. Jensen distributed the Action items from the August 24 Main Street/DDA Retreat. Jensen reported on the status of the mural on the side of the Cultural Center, which is about 75% complete. Main Street secured a grant of \$5,000 towards the mural. Main Street is currently looking at downtown improvement items that can be accomplished quickly. The design committee is considering theme-oriented kiosks. They are considering pop-up events to attract people coming through for the fall colors. Jensen sees that DDA and Main Street could cooperate in downtown beautification. Main Street is looking at 2016 for design work for Quinn Alley. Main Street will apply for a 2016 mini-grant to supplement design downtown. Jensen suggested that it warrants conversation with CDOT in regard to reducing the speed limit downtown from 30 MPH to 25 MPH. Submit comments to David Buttery via email who will submit to CDOT. Jensen thanked the DDA for working with Main Street. Faber complimented Jensen on the retreat, and also complimented Jamie Shapiro in his volunteer efforts for Main Street. Wilson asked about Montrose whose DDA receives 5 mills. Fler responded that this DDA does not work like that, this DDA operates on TIF.

TELLER COUNTY ASSESSOR REPORT – BETTY CLARK-WINE: Fler referred to the Certification of Valuation by Teller County Assessor dated 8/24/15. There is good news as to increases in revenue. Clark-Wine looked at historical numbers and reported on 2011, 2013, 2014 and 2015. In 2011 the assessed value of the DDA was \$3.5MM, 2013 was \$3.9MM, 2014 was \$4.95MM and in 2015 it's \$6.02MM. That's a 72% increase in assessed value. For new construction, assessed value in 2011 was \$11,587, 2013 was \$469,000, 2014 was \$957,000 and 2015 is \$1.1 MM. So, the DDA is seeing a progressive increase in those assessed values. There is a recovery going on that you can see when you're looking back. In regard to

abatements, Woodland Hardware was abated for 2014, as it was originally entered as a Class A Steel Structure, and it is not in that class, so it was abated. The Gold Hill Shopping Center was abated for 2013 and 2014. The assessor's office went through an extensive analysis of the property and on appeal it was approved for an abatement by the Teller County Commissioners. This year the numbers are similar with a very minor reduction. There are no pending abatements as of yesterday in the DDA. Clark-Wine explained that the revenue lost due to abatements can be legally recovered via a mill levy increase, but only the taxing entities can do this, and the DDA is not a taxing entity.

Clark-Wine then spoke about current market trends. Commercial was down approximately 7% over five years across the County. Generally larger properties went down, while smaller properties spiked. There can be a minor loss in value when there are changes in use, for example commercial to residential. Residential went up an average of 22-25%; there is a shortage of residential inventory.

In the coming year the DDA will see more revenue coming from Trail Ridge. The best source of income for the DDA is new construction and improvements. As to large property values, Clark-Wine thinks there will be a little bit of a decline; there are still vacancies in smaller buildings and there are vacant office spaces.

From 2011-2014 commercial sales were trending downward. Clarke-Wine thinks that overall commercial will level out. New construction and improvements can offset declines. Clark-Wine thinks that the DDA revenue stream is on the way up.

Coy asked what the parameters were for disqualifying a property. Clark-Wine explained that there are about 30 factors that they consider to determine if the property can be used to value other properties. Coy asked how income fit in. Clark-Wine asks for income information, but does not always receive a good response, though income can come into consideration.

Schnitker asked where abatement dollars come from when the taxing entity tries to recover the dollars. The treasurer will pay the abatements when the money comes in. As to the Fire District, Clark-Wine thinks they need to go through DOLA. Faber asked Buttery if the City had ever tried to recover abatements through a mill levy. Buttery responded that the City has considered this, and the general philosophy is that the abatement goes to benefit the individual, but the mill levy affects other taxpayers, so the City has not historically raised the mill levy. DeVaux remarked that the School District recovers property tax loss via a state reimbursement. Clark-Wine explained that this only applies to School Districts.

Sawyer asked how far out the Assessor's Office can go (geographically) for comps. Clark-Wine explained that when they model, they don't and can't go outside the County for comps. When they are not using the mass appraisal model, they can go outside the County.

Fleer asked if the abatements have to be approved by the County Commissioners. Clark-Wine explained; the petitioner comes to the Assessor's Office first. If the Assessor's Office denies the abatement or only grants a part of it, the petitioner can then appeal to the Commissioners, and they can override the Assessors. Fleer asked if the petitioner has to pay the tax before they receive the abatement. Clark-Wine said they should have paid the tax.

Fleer remarked that it seems to be the trend that new construction is paramount to revenue within the DDA. Fleer hears the question about why the DDA does TIF agreements. It's

because new construction creates revenue back into the DDA district. New construction is extremely important.

Fleer asked a question that the DDA attorney brought to his attention. It was said that across the state, some assessors are over-valuing the base in regard to the increment. The net result would be that we would not be receiving the revenue we should. Fleer asked Clark-Wine for her opinion. Clark-Wine said that the base was set at the created of the DDA, and has been amended twice when property was added to the DDA boundaries. The Assessor's Office tries to rectify any of those differences. If the DDA thinks that the Woodland Park DDA value is not correct, we will need to look at it. Fleer will follow up on this. The base is not static, and the base affects revenue, so it's important.

FINANCE REPORT: Fleer reviewed the 9-10-15 unaudited financial report. Fleer referred to the DDA TIF Property Tax Revenues line and noted that revenue of \$398,862 was budgeted, and we have received \$403,401.78 YTD. Fleer remarked that there were around \$58,000 in abatements last year, and that affects DDA revenue.

Fleer referred to the Woodland Hardware Agreement in which there is a provision (Payment In Lieu Of Taxes or PILOT) that "if the property tax revenue attributable to the Property and the taxable Private Improvements thereon for such year is less than \$61,729...", Woodland Hardware will need to make up the difference.

Fleer noted that we are now in budget season. Born asked if we should consider abatements as an expense, possibly by adjusting the revenue. Fleer said we might need to consider this as a line item; to somehow account for it.

Fleer then went to the budget. Fleer referenced the Certification of Valuation, where the City Finance Director has a projection; this has not been plugged into the budget yet. Schnitker said that he thought that that number should always be what's reflected in the Certification; we need to use real numbers.

TIF payments that are due in 2016; these are static on the revenue analysis. Sawyer asked, that since it looks like DDA revenue is growing, would it be in our best interest to put some of that toward the Vectra debt? Fleer said that the interest on that debt is low, and Fleer is concerned about the City debt. A payment is due the City in 2016 of \$36,000. The City covered the DDA last year because we were under revenue, in the amount \$35,038, and that is due the City in 2017. The DDA currently owes the City \$1,186,000. Fleer has been under the assumption that if we sell Woodland Station, that the DDA work on the City debt. In regard to TIF payments, we might be a little less aggressive with TIF agreement reimbursements, depending on the project. With TIF payments, it's revenue in, and then the percentage out to the project, with the DDA keeping the rest. Fleer noted that he upped the consulting line in anticipation of marketing Woodland Station. Fleer stressed how important new construction is for DDA revenue.

Sawyer asked if there were lots for sale in the DDA district outside Woodland Station. Fleer responded, yes, for example Paradise Lodge and a lot adjacent to Tractor Supply, and there are others. Sawyer asked if there would be an option to expand the DDA district. Fleer responded yes, and he would like to discuss this with the Board at a later meeting.

DDA FOUNDATION PLAN: Larsen reported that the Foundation Plan review committee met several times and thoroughly reviewed the Foundation Plan. They found a few minor changes

that could be made, but as a committee, they are recommending that the changes are so minor, that we leave the Plan as-is, rather than taking these minor changes through the process of City Council, etc. Born suggested at some point the DDA consider changing the parking suggestion in the Foundation Plan, which indicates parking in the rear of the building(s). The Board gave consensus to leave the Foundation Plan as-is for now.

WOODLAND PARK HISTORY WORKSHOP – LARSEN: In order to understand our legacy and what we need to focus on, Larsen feels that we should all understand the history of Woodland Park. Larsen is suggesting a workshop for DDA, Council and Main Street that would be led by Donna Finicle of the Ute Pass Historical Society. Larsen suggests that the workshop take place on a Tuesday morning at 7:30 AM in Council Chambers. A time and date will be determined for this workshop soon.

LOT 2, WOODLAND STATION AGREEMENT: It was noted that this would be discussed in Executive Session.

AQUATIC CENTER CONTRACT TO BUY AND SELL REAL ESTATE: It was noted that this would be discussed in Executive Session.

GENERAL DISCUSSION AND AUDIENCE PARTICIPATION: Pellegrino reported that the biggest project on the table for Planning in the DDA is the Best Western. This will go to Planning Commission on October 22.

Miller reported on Business After Hours tonight, Oktoberfest this weekend, Starbuck's Ribbon Cutting on September 22, and an upcoming conference at Charis. Miller attended a Waldo Canyon Recovery Group recently and commented on the current high fire danger.

EXECUTIVE SESSION:

Larsen asked for a motion to go into Executive Session.

MOTION: To adjourn to Executive Session. Coy/Wilson. Passed 9-0.

Adjourn to Executive Session: for the purpose of determining positions relative to matters involving development projects within the City of Woodland Park Downtown Development Authority District, regarding: Lot 2, Woodland Station Agreement, and Aquatic Center Contract to Buy and Sell Real Estate; in reference to: the purchase, acquisition, lease, transfer, or sale of real, personal, or other property interest under C.R.S. 24-6-402 (4)(a), and/or, determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators under C.R.S. 24-6-402 (4)(e).

Larsen, Chair, read the purpose of the Executive Session into the record.

Meeting adjourned to Executive Session at 8:55 AM.

RECONVENE REGULAR MEETING: Following the Executive Session, Larsen, Chair, reconvened the regular meeting at 9:33 AM.

The following persons were in attendance at the Executive Session: Merry Jo Larsen, Noel Sawyer, Al Born, Tanner Coy, Jon DeVaux, Vera Egbert, Michael Faber, Dale Schnikter, Jan Wilson. **Staff:** Brian Fleer, Executive Director; Carol Lindholm, DDA Staff.

Larsen, Chair, stated: "If any person who participated in the Executive Session believes that any substantial discussion of any matters not included in the motion to go into the Executive Session occurred during the Executive Session, or that any improper action occurred during the Executive Session in violation of the Open Meetings Law, I ask that you state your concerns now." Hearing none, the Board returned to the regular meeting.

There was a short discussion following the Executive Session regarding setting dates for the following meetings:

- **History Workshop:** Date to be determined.
- **DDA October Regular meeting:** Fleer will be out of the office on October 1, so a new date will be set. Date to be determined.
- **DDA 2016 Program of Work:** Fleer would like to have an evening work session meeting to discuss goals for 2016. Date to be determined.

Note: Coy left the meeting at 9:35 AM during the above discussion.

ADJOURNMENT:

MOTION: To adjourn the meeting. Schnitker/Wilson. Passed 8-0. (Coy not present for this vote)

Meeting was adjourned at 9:39 AM.

Recorded by:

Carol J. Lindholm, DDA Staff

APPROVED THIS _____ DAY OF _____, 2015

Al Born, Secretary/Treasurer