

Woodland Park Downtown Development Authority Board of Directors

**Vectra Bank Building, Lower Level
361 W. Hwy 24, Woodland Park CO**

REGULAR MEETING MINUTES

January 8, 2013 – 7:30 AM

IN ATTENDANCE - Board of Directors: Dale Schnitker, Al Born (departed 8:38 AM), Gary Brovetto, Tom Carrick, Tanner Coy, Jan Cummer, Michael Faber. **Absent:** Merry Jo Larsen, Vera Egbert. **Staff:** Brian Fler, Carol Lindholm. **Others Present:** David Buttery, Sally Riley, Mayor Dave Turley, Norma Engelberg, Brooke Smith, Debbie Miller, Lisa Parnell, Renee Bunting, Steve Randolph, Keith Meier (arrived 7:40 am) and Suzanne LeClercq (departed following Oath of Office).

Dale Schnitker called the meeting to order at 7:32 AM.

OATH OF OFFICE: Suzanne LeClercq, Deputy City Clerk, administered the Oath of Office to Tanner Coy.

ADDITIONS, DELETIONS OR CORRECTIONS TO AGENDA: None. Schnitker noted that the Board would adjourn to Executive session later in the meeting.

APPROVAL OF MINUTES:

MOTION: To approve the minutes of the 12/4/12 Regular Meeting. Born/Carrick. Passed 7-0.

FINANCE REPORT: Fler reported. The 2012 revenue line did not reflect the sale of land. The land sale put the budget in the black. Born noted that overages in 2012 reflected legal costs and bond costs. These costs came with the land sale; it's the cost of doing business.

MOTION: To accept the Finance Report as presented. Born/Faber. Passed 7-0.

COMMITTEE REPORTS: None.

BOARD RETREAT: Fler reported that the retreat will be held on Monday, January 28 from 9 am to 3 pm at Sturman Industries. Fler reported that in lieu of team-building, he has retained a facilitator who will lead the group through goals and objectives to develop a 12-month plan. Joanie's will cater. There is a possibility that Carol and/or Eddie Sturman will be available to do a brief introduction. If there is interest, there will be an optional tour following the retreat.

Carrick asked if persons other than Board members would be attending the retreat. Fler responded that the retreat would be held as an open meeting. There has been one request that Buttery attend. Mayor Turley announced that he would not be able to attend as he will be out of town. Mayor Turley advised the Board that the retreat should strategize where the Board is going in the coming year; discuss the challenges ahead and address those issues. Fler responded that the goals will set the framework for a working plan for 2013. The committee function will be a direct result of the goals that the Board sets. Faber noted that he had requested that Buttery attend as Buttery, along with Schnitker, was a critical link for several months [in 2012] during the transitional period. Born noted that we all need to work together.

WOODLAND STATION:

Lot 3 (Korzekwa Project): Fler noted that this project will be discussed in Executive Session, subject to contract negotiations.

Infrastructure Project: Fler reported that the Woodland Station infrastructure project has been shut down for the season for the most part, due to weather.

Woodland Hardware: Fler reported that the Woodland Hardware project has been shut down for the season. Schnitker asked if all permits had been obtained. Fler reported that they are still working with Teller County Building Department. Engineering is nearly complete. The last item needed was foundation plans, and so do not have all permits yet. They have paid approximately \$54,000 for the Zoning Development Permit, which shows good faith. Fler thinks that they will have all permits within the next 30 days. Coy asked if the project was still on schedule. Fler reported that Kelly Rodarmel estimates January of 2014. Turley asked if the delayed opening would have an impact on the DDA budget/financials. Schnitker explained that the delay would not have an impact as "payment in lieu of taxes" is built into the contract.

PARADISE LODGE SITE: Fler asked that this item be discussed in Executive Session, subject to contract negotiations.

TAMARAC CENTER: Fler reported earlier in the meeting that the drainage project is complete. There are some on-site completion items for Family Dollar and O'Reilly Auto Parts, but it is anticipated that those will be wrapped up relatively soon. An award will be offered by the American Public Works Association for this project, and Bill Alspach, Director of Public Works, will be the recipient.

Fler reported that Family Dollar and O'Reilly Auto Parts have been subject to weather issues, but hope to be open mid-to end of February. Schnitker explained that the "payment in lieu of taxes" also applies to this contract.

GENERAL DISCUSSION: Lindholm reported that the Board held 24 meetings in 2012, 12 of which were special meetings. In two months, there were three meetings.

Fler reported that Vectra has leased out their lower level, so the DDA Board will need a new meeting site, probably as of the February meeting. Fler has discussed venues with Buttery. There was talk about Peoples Bank, City Hall Council Chambers, etc. There is a concern about the size of the venue, as the meetings often have an audience, and we don't want the space to be too crowded. Cummer suggested Park State Bank. Fler felt that the setup was not conducive to audience participation. Born also had concern regarding participants in addition to the Board. Carrick noted that the Board met in Council Chambers for the first 6-7 years. Brovotto suggested the library and the Cultural Center. Born added that Park State Bank has a bank board meeting every Tuesday. Fler will inform the Board of the location. Fler thanked Schnitker and Vectra Bank for the use of their meeting room.

AUDIENCE PARTICIPATION: Steve Randolph was interested in hearing about potential projects. What can be shared that is public knowledge? Randolph will be talking to some people about economic prospects for Woodland Park for the coming 18 months or so. Fler offered to discuss with Randolph outside this meeting. Randolph needed information for a meeting today. Randolph is appearing in court today in relation to a bankruptcy, and wanted information to make a forecast. Schnitker suggested Fler speak briefly to Randolph.

Turley suggested that Council Chambers would be a good space for the DDA Board meeting, where there is plenty of room for participants. Turley reminded that any

information that can be brought out of Executive Session so that people have an idea of what's going on in the DDA should be relayed. Negotiations can be in Executive Session, but have as much information as possible in the public domain. Fler remarked that often the DDA needs to go into Executive Session at the front end of a real estate process. Fler intends to keep the lines of communication open. Born noted that what may seem public to us might not be public to the developer.

Debbie Miller reported that there would be a Chamber Lunch and Learn on Thursday. Business After Hours will be held on 1/15 at the Woodland Professional Building. Chamber will have a retreat on 1/19. The Chamber will revamp the website in 2013.

Engelberg reported on the Courier's new office space. Engelberg requested information from the DDA following Executive Session. Fler will communicate with Engelberg.

Sally Riley introduced Lisa Parnell. Parnell is the new City Planner, replacing Scott Woodford, who has relocated to Oregon. Riley also noted that the Planning Department has a new Administrative Assistant, Deidra Arnold.

Renee Bunting reported that for the last five years she has been looking to either build or buy in Teller County. Has been going to City Council meetings to learn about rules and regulations and has been frustrated. It's discouraging in regard to opening a business. Has spoken with Buttery in regard to opening a business and he suggested the DDA. Would like more information on the DDA. Would like to open a restaurant. Bunting is not impressed with restaurants here. Fler suggested that Bunting and he meet. Fler wants to have a dialog with anybody who wants to discuss a business, even if it's only an idea, he wants to hear from them.

The regular meeting broke at 8:10 AM for a short break prior to adjourning to Executive Session.

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: C.R.S. 24-6-402 (4)(a), 24-6-402 (4)(b), 24-6-402 (4)(e), and/or 24-6-402 (4)(f). Chairman Schnitker read the purpose of the Executive Session into the record.

Following the break:

MOTION: To adjourn the Board to Executive Session regarding contract negotiations. Born/Carrick. Passed 7/0

Meeting adjourned to Executive Session at 8:17 AM.

RECONVENE REGULAR MEETING: Following the Executive Session, Chairman Schnitker reconvened the regular meeting at 9:22 AM.

The following persons were in attendance at the Executive Session: Dale Schnitker, Al Born (Born departed at 8:38 AM), Gary Brovotto, Tom Carrick, Tanner Coy, Jan Cummer, Michael Faber. Also attending: Brian Fler, DDA Executive Director; Carol Lindholm, DDA Staff; David Buttery, City Manager.

Chairman Schnitker 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.

Following Executive Session, the following motions were acted upon in regard to the "Exclusive Negotiation Agreement" between the DDA and Gold Fox Corporation (Korzekwa Project).

Coy moved and Cummer seconded as follows: Amend the negotiation agreement, striking "Exclusive" and adding the right of first refusal and offering this to the Korzekwas. Discussion on the motion followed: Schnitker asked if the Korzekwas said no to the amended agreement, then what would happen? What would this lead to? Buttery suggested continue that motion with contingencies: remove exclusivity, include right of first of refusal; if the Korzekwas don't accept right of first refusal, then make it one continuous motion so that Fler knows how to react to the Korzekwas reaction. If first refusal is the only thing you will accept, then the motion can stand as is. But, if you're willing to allow it to move forward with other contingencies, it would be helpful for Fler to know what to do with those contingencies. Coy responded that he would be willing to move forward with the Exclusive Negotiation if he felt it were the only option, but he wants to be aggressive in relation to developing Woodland Station. Fler felt that there could be language developed that the Korzekwas will be comfortable with. Fler stated that Coy's point was well taken in not tying us (the DDA) down. Schnitker makes a good point regarding a "trigger point". If we require the right of first refusal, what does that mean? Benedetti [DDA Attorney] will craft the language that accomplishes what Coy is suggesting. Schnitker noted that the Korzekwa attorney would also weigh in. Schnitker noted that possibly the USDA might have requirements as to how the agreement would work. Carrick noted that if the Board did not agree with the motion, the Board still has the option of taking the agreement that's in place and moving forward.

MOTION: Amend the negotiation agreement, striking "Exclusive" and adding the right of first refusal and offering this to the Korzekwas. Coy/Cummer. Failed 3-3 due to lack of majority.

MOTION: To approve the agreement as presented. Brovotto/Carrick. Failed 3-3 due to lack of majority.

Coy asked if there was language that was "time-based" in regard to right of first refusal. If we gave them the right of first refusal and somebody else made an offer that we found acceptable, typically that triggers that right of first refusal. Is there any way to make that time-based, regardless of the terms of an approved offer? If they're able to proceed with something that we find acceptable on different terms by a certain date then they're still in that first position. Faber remarked that this would be another contract provision. Coy felt that this would be a trigger at the right of first refusal, basically their ability to move forward within the given time frame. If they are able to proceed, they can. But it gives us the flexibility of developing and negotiating any other contract and be ready to execute the moment their time frame is up. Brovotto asked Faber about his concerns.

Faber did not want to get caught up in estimating risk. Did not think we were terribly at risk with the exclusivity. Would prefer a right of first refusal. Felt were getting caught up in something that was very simple and straightforward, and is now becoming extremely difficult to follow. Don't want to risk a deal. It will not be easy to fill up Woodland Station. Schnitker felt that we learned something from the Weatherford lease agreement, and this agreement is limited to 120 days. We're trying to have Benedetti put together an agreement that doesn't cost \$5,000 – 10,000. Do we need another meeting to have an odd number of Board Members? Carrick felt that we don't need to keep running up our tab with "what-ifs". We have to be aggressive. It will take more money to amend the contract. Brovotto also noted that he hoped Fler would be aggressive on the rest of Woodland Station. Faber noted that we want to sell and someone wants to buy – he does not want to hold that up. Faber remarked that Fler could convey to

Korzekwas the sense that we want to work closely with them but the group was concerned about foreclosing any opportunities that would come to the fore.

Fleer felt there needed to be a trigger point. Suggested that Korzekwas come back to the Board within 60 days with something; a performance based approach. It could be the feasibility study, but some trigger point. Fleer feels that the Korzekwas are willing to spend some money and engage in the process.

Coy added that he did not want to incur legal fees. If we can't agree here, we have to move forward anyway. Would prefer to move forward than not to move forward. Faber agreed. Faber suggested that Fleer share the discussion with Korzekwas, and see how they feel about it. Fleer did not want to stall. If the process is not working with the Korzekwas, the Board needs to terminate. Feels that the Korzekwas are reasonable people. If we don't have a perfect model, this could be a reasonable approach. Fleer to keep the Board informed of the process.

Brovetto moved and Carrick seconded to accept the Exclusivity Agreement as is. Discussion: Cummer noted that Board already turned this down. Brovetto noted that discussion ensued and now there could be another motion. Faber asked if we were going to raise the issue of first refusal. Faber understood that the issue of first refusal be raised with Korzekwas. If this is not acceptable to Korzekwas, revert to the Exclusivity Agreement. Brovetto amended the motion and Carrick agreed with the amendment:

MOTION: To amend the Exclusivity Agreement to include the right of first refusal, and if that is not acceptable to the Korzekwas, to revert to the Exclusivity Agreement.
Brovetto/Carrick. Passed 6/0. (Born not present for this vote)

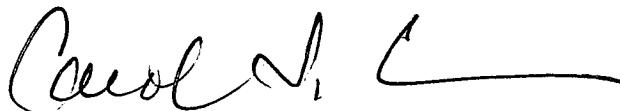
Fleer felt this could be a framework moving forward.

ADJOURNMENT:

MOTION: To adjourn the meeting. Schnitker/Coy. Passed 6-0.

Meeting adjourned at 9:50 AM.

Recorded by:



Carol J Lindholm, DDA Staff
Program Manager, Economic and Downtown Development

APPROVED THIS 5 DAY OF FEBRUARY, 2013


Al Born, Secretary/Treasurer