

**Loveland Downtown Development Authority  
Meeting Minutes – April 9, 2018**

**The Regular Meeting of the Loveland Downtown Development Authority (DDA)  
Board of Directors was held at 4:00 pm on April 9, 2018,  
at the LDP | DDA Offices, 350 N. Cleveland Avenue, Loveland, CO**

1. **Call to Order:** Chair Cook called the meeting to order at 4:00 pm
2. **Roll Call:**  
**Present:** Caldwell, Cook, Fogle (late 4:16 pm) Steele  
**Absent:** Devereaux, Donnelly, Patterson  
**Staff:** Rosenberger, Streich, Powell  
**City Employees:** Mike Scholl, Alan Krcmarik  
**Guests:** Mindy McCloughan (LDP Board), Roger Ison, April and Kurtis Loomis (residents)  
**Presenters:** Alan Krcmarik

3. **Public Comment:** Roger Ison introduced himself. Kurtis Loomis introduced himself and his wife, April, and advised they are residents and interested in the activities of the DDA. The Board advised they are welcome to submit an application if either would like to serve on the DDA Board of Directors.

4. **Approval of Minutes:**

Regular Meeting – March 12, 2018

*Steele moved to approve the minutes of the Regular Meeting of March 12, 2018; Caldwell seconded the motion; the motion carried.*

5. **Discussions:**

McCloughan reported on recent DDA Ballot Success and Next Steps meetings. These meetings are attended by herself, Cook, and Steele (representing the LDP and DDA Boards), the City Manager, Attorney Dee Wiser, Scholl and Krcmarik. McCloughan advised the meetings center around discussions regarding the DDA's ability to bond and the Heartland Project. Scholl advised a bond for the Heartland Project would be the first big step for the DDA, and that the 4<sup>th</sup> and Garfield project could possibly be included in this bond because the developers' plans call for 100% commercial (not residential) on the street level. Krcmarik advised he will be reaching out to banks for the DDA's initial project bonding, and discussions ensued pertaining to any additional that could support other projects and public improvements. Krcmarik said he will provide a review of TIF to the Board later in the today's meeting.

6. **Façade Program / Development Project Updates:**

Façade – In Process. Streich provided a printed report of current Façade projects and directed the Board's attention to it (on file).

Facades – Pending 2019 Applications / Discussion. Streich advised there have been inquiries regarding 2019 Façade grants and asked the Board how far in advance it is willing to approve applications. Specifically he asked, because he knows someone who wants to start construction this year, are you willing to approve their application in 2018 with a speed payment in line for 2019? The Board discussed being selective of projects which contribute to the economics of the

**Loveland Downtown Development Authority  
Meeting Minutes – April 9, 2018**

City, whether the projects meet set criteria, increasing the façade budget, and that the Façade Committee needs to review projects on a case-by-case basis and should be ingenuous in discussions with applicants. Streich commented he would not promise anything on future facades and would wait for the Board to discuss further next month.

Other Developments. Per the Agenda, there were no reports made on Alley Lights, Trash Consolidation in Backstage and Sweetheart Alleys, or Concept Review Meetings.

Streich reported that he and Cook are working with various City departments, including Parks & Rec, Development Services, and Public Works regarding the downtown district street planters. He and Cook reported the planters are unsightly with dying trees and overgrown plants, inconsistency, and lack of irrigation. Further, there is \$15,000 in the Public Works capital fund and the DDA could utilize these funds to enhance the downtown planters, including adding new plants, pots, and mulch. However, the money cannot be used for maintenance which would be the responsibility of the DDA. Streich advised he is working with a contractor for the Bloom'n Hearts program, and she could possibly be brought in to assist with this capital project to regrade the planters, add mulch, and purchase pots. The Board discussed that with HIP Streets coming, work done now will be a band aid, public safety is a concern, and the Board also discussed types of plantings and mulch to be used. Cook advised a decision needed to be made by the end of April on whether to utilize the funds for the planters. McCloughan thanked Streich for his work on this project and would be back in touch with him.

Streich advised he will continue to provide the Boards with bi-weekly reports.

**7. Developments / Communications Reports:**

• **Developments Update (Scholl)**

The Foundry - Scholl provided an update on The Foundry Project and reported the negotiating team has been meeting to discuss costs relating to the de-watering. He advised the garage may open in mid-July with a temporary Certificate of Occupancy so it can be utilized by new residents in the Lincoln building, along with some public access. A full opening of the garage will be in September. Krmarik advised that 460 spaces are required to release the City collateral.

Scholl further reported that representatives from the Metropolitan Theater will meet this week with the Business Alliance leaders and downtown entertainment/dining establishments. Further, construction on the hotel has started, a right turn lane will be installed at 1st and Lincoln, and Lincoln will be closed to re-do the sewer line.

The Pulliam - Scholl provided an update on The Pulliam and reported that the re-bid process was paused and the City will go with construction manager at risk. He advised the Community Improvement Plan is a term-limited sales tax and includes the Pulliam. If it passes, the whole project can be done; otherwise, it will be a 10-year plan. Fogle asked if the sales tax fails, will Council still fund the project. He and Councilman Olson were not in agreement (Fogle – no; Olson – yes).

• **Communications**

In the interest of time and staff leaving, Cook asked Powell to report on the Business Alliance. Powell reported that membership packets were sent out and that the process has been streamlined to add sponsorships and that it stresses increased benefits to becoming a member. McCloughan commented that each Board member should bring in one or two members and that the Chamber is doing a package deal.

**Loveland Downtown Development Authority  
Meeting Minutes – April 9, 2018**

- **Developments Update (Scholl) cont.**

County Building – Cleveland & 6<sup>th</sup> - Scholl provided an update on the sale of the County building and advised the City is now the proud owner of it. After a new bid process, LPR was notified they were awarded the bid and their project is back on track. They will be purchasing the building in September. Scholl advised he is excited to work with LPR as they work through the permitting process, and that they will invest \$4 million into renovations of the building. Further, it is a positive investment, bringing a Monday to Friday, 8 to 5 population downtown, and that the City is discussing repairing and enlarging the parking lot.

Banner Building - Scholl advised that the Banner building is on the market and he has been approached by a development group which is interested in it and they may renovate it into a boutique hotel. He reported the building is currently under tax-exempt status, but that by anyone else purchasing it, it may provide the opportunity for property tax.

The Board asked about two other vacant buildings. Scholl reported the owners of the old Colotex building (Lincoln / 3<sup>rd</sup> Street) received three offers, including a good 45-day cash offer. If accepted, the new owners anticipate renovating it into a brewery/restaurant. Scholl also reported the old Carl's Canteen building (corner of 4<sup>th</sup> Street and Lincoln) will soon have a new tenant, Boost Mobile.

Heartland Project - Bond Strategy - Krcmarik, who was invited by the Board to explain a potential Bond strategy, presented an overview on Tax Increment Financing (TIF). He explained TIF was introduced by state legislature in order to revitalize urban and historic downtown districts which had deteriorated over time. TIF is used to fund public improvements and Colorado has two opportunities to utilize it which include Urban Renewal and DDAs. Funds are generated through both sales tax and property tax. Under property tax increment, new square footage is required, i.e., a remodel does not provide new valuation. A tax-exempt property sold to a private owner will generate tax increment; vacant properties with low property values which are re-developed also will generate tax increment. In comparison, façade projects may make a property look better, but do not add square footage or valuation and there is no property tax increment. He advised the Heartland project is a good example because it has sat vacant. It has a low valuation and when scraped, it will have a low tax base with potential for a much higher assessed value in two years when redeveloped. With the higher assessed value, it will produce higher property tax increment. Redeveloped projects, which have not increased their square footage, may produce additional sales tax increment.

Krcmarik also reviewed when the Assessor re-assesses property values and that an attorney in Denver is reviewing to standardize the process to assess property values. The Board asked several questions, including how to get public information regarding individual property values. Krcmarik advised the Larimer County Assessor typically only provides a summary of the values, except for one occasion in 1986.

Ison asked a question regarding the status of recent legislation. Krcmarik responded that House Bill 1348 which passed in 2015 affected urban renewals, their board members and the diversion of tax increment in counties, i.e., to schools and public services. A new bill was recently introduced that was intended to bring DDAs under this ruling. Although it was not successful last year, it is still a factor and may be re-introduced; however, the City is not in favor of this governing rule.

**Loveland Downtown Development Authority  
Meeting Minutes – April 9, 2018**

With regards to a bond strategy, Krcmarik explained that the City must first create a debt to do a project. When tax increment is collected, the funds are held in an account which are then applied to that debt. It's important to select projects that create additional revenue in tax increment, which then is used to repay the debt. What does the City get out of this? Basically, public improvements that support the private investment that has taken place.

Cook advised that at the Next Steps-DDA meeting, a timeline was created to follow for the bond strategy relating to the Heartland. Krcmarik advised they are waiting for numbers from the developers of the Heartland and also Alliance. The City would then solicit banks for their bond proposals. Steele asked if there would be enough to fund HIP Streets and Krcmarik replied yes. The Board discussed that although HIP Streets would not create TIF, a percentage of this bond should be set aside for public improvements so as to avoid setting a precedence in committing the entire bond to the business developers. Fogle further suggested that setting percentages (up to 50%) for funding of both projects and public improvements will lead to the success of the entire downtown by improving the areas surrounding the projects as they fill in the gaps between projects. He suggested the Board develop criteria and standards for how it makes project selections for bonding and be prepared to share with City Council at its July 3<sup>rd</sup> meeting. Scholl recommended the DDA create clear goals for selecting projects with highest paybacks and Olson advised guidelines are available on the EDC's website and suggested the DDA be consistent with those. Ison commented that DDAs were created so that state law keeps them accountable to cities in keeping on track with their goal to revitalize downtowns and create stability.

Cook advised that the Next Step's timeline included today's presentation by Krcmarik, by June 11<sup>th</sup> the DDA should receive numbers in order for the DDA's consideration to pass a Resolution, and on July 3<sup>rd</sup> the DDA would present the Resolution it to City Council. The Resolution would state that the DDA is in support of a bond for both Heartland and Alliance projects. Krcmarik commented that it could close at end of August, September, or October, and that the bond floor might be set at \$5 million. Cook commented it is important to get done this year.

8. **Liaison Reports:** Fogle advised that since the confusion with the bid process regarding the County building and LPR, that City Council matters have settled down.
9. **Other Matters:** None
10. **Agenda Items for Upcoming Meetings:** None
11. **Executive Session:** Cook advised there were no legal, contract, or personnel matters to discuss and it was not necessary to enter into an Executive Session.
12. **Adjourn:**

*Steele moved to adjourn the meeting, Fogle seconded the motion; the motion carried.*

**The meeting adjourned at 6:04 pm**

---

Ray Steele, Jr., Secretary/Treasurer

---

Date