

**Loveland Downtown Development Authority
Meeting Minutes – June 11, 2018**

**The Regular Meeting of the Loveland Downtown Development Authority (DDA)
Board of Directors was held at 4:00 pm on June 11, 2018,
at the LDP | DDA Offices, 350 N. Cleveland Avenue, Loveland, CO**

1. **Call to Order:** Chair Cook called the meeting to order at 4:05 pm
2. **Roll Call:**

Present: Caldwell, Cook, Olson (Alternate for Fogle), Patterson (late 4:33), Steele Jr.

Absent: Devereaux, Donnelly, Fogle

Staff: Rosenberger, Streich, Powell

City Employees: Mike Scholl, Alan Krcmarik

Guests: Kim Bernhardt, Cheri Waneka, Cody Balzer, Paul Ludwick, Troy Peterson, Dave Derbes, Laura Alier, Brian Lock, Olivia Lowe, Craig Young, Sarah Howard, Mindy McCloughan
3. **Discussion / Action Items:**

Cook reported that at its June 5, 2018 meeting, Loveland City Council appointed Kim Bernhardt and Cheri Waneka to the DDA Board, for four-year terms effective until June 30, 2022. She welcomed both as guests today.

Cook advised it was necessary to elect a new Chair due to the vacancy when Joe Goacher resigned and that, as Vice Chair, she had been performing the duties of Chair. Further, it would be necessary to fill the vacancy of Secretary/Treasurer should Steele, Jr. be elected.

Caldwell moved to elect Steele, Jr., effective July 1, 2018, to serve the remainder of the two-year Officer term as Board Chair, expiring June 30, 2019; Olson seconded the motion, the motion carried.

Cook advised that because the Chair could not hold another office, an election to fill the vacancy of Secretary/Treasurer was necessary. She requested the matter be moved in the Agenda until after the Presentations and arrival of Patterson for discussion, nomination, and election.

Cook commented that during the recent Board member nominations, the City recommended the DDA follow the City of Loveland Boards and Commissions Handbook. She asked Scholl to comment for further clarification. Scholl reported this recommendation was made for administrative efficiency and transparency in the appointment of future board members. He commented that the Handbook is a set of rules in which the City Clerk can systematically process the recruitment, advertisement, screening for eligibility of candidates pursuant to state statute, and also provide candidates. He commented the DDA is not under City control, and that City Council would need to formally adopt the DDA under the Boards and Commissions. Scholl requested the Board provide a Resolution to City Council which would recommend this adoption. Krcmarik commented that, per state legislature, the City oversees the use, auditing and appropriation of funds that are brought in, and that the DDA is under the City's financial reports. Scholl stated that should the DDA be under the Boards and Commissions, and by means of an IGA, legal advice through the City Attorney could be given directly to the DDA at no charge. He stated he would provide a copy of the IGA to the Board.

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Cook stated the Handbook will be provided to all Board members. After further discussion, the Board closed discussion on this matter and stated they will review the Handbook and a recommendation would be brought before the Board at its July 9th meeting.

4. **Public Comment:** None.

5. **Presentations:**

Cody Balzer / Paul Ludwick – 4th and Garfield

Balzer, co-owner with Ludwick, presented an update on the development of a mixed-use building at 4th and Garfield since their previous presentation to the Board last March. Balzer stated that the project is in Site Plan with the City Planning Department and is hopeful for comments and approvals soon. He distributed architectural renderings, floor plans, and the site plan prepared by Infusion Architects (on file). Balzer stated that after approval of the Site Plan, the next step is for construction/design with the architect and engineers. Balzer reported on the building's parking and stated that City Council approved the property to be within the City's General Improvement District and therefore, on-site parking would be eliminated.

Balzer commented the building will be approximately 19,500 sq. ft., and their budget is \$4 million; however, rising construction costs is a factor. The building will include ground retail and a restaurant with tenant office space on the 2nd and 3rd floors.

Scholl commented that the intersection of 4th and Garfield is projected to be under the City's Safe Cross to School Program. He stated the adjacent corner will be improved, with underground electrical, removal of a light pole, and that the City hopes to complete the corner by the start of school. And further, the retail space will benefit TIF and the office space will increase daytime population.

Balzer concluded his presentation and advised the project would break ground immediately after approval of the September/October proposed bond.

Troy Peterson – Heartland Corner

Peterson presented an update on the Heartland Corner since their previous presentation to the Board in December 2017. Peterson stated they have received pricing on the concept design and that Infusion Architects is now progressing with a schematic design. They hope to have pricing from four or five GCs by the end of July. The building will be five stories; the ground floor will include a restaurant, retail, and parking, and upper floors will be residential units. The residences will be studio, one- and two-bedrooms, and will include amenities similar to The Foundry and Gallery Flats. He advised a residential market study was prepared which revealed a slight overbuild of residences and there is a 3.3 year supply.

Peterson reported on the developer's timeline which includes providing numbers by mid-July, two readings before City Council, and time for the DDA process. He requested clarification on the process and sequence of these events, but hopeful for construction to begin mid-September/October. In reply to Scholl's question regarding relations with ODD Fellows, Peterson reported they have reached a solution and are working on a MOU which will include a 3' gap between the ODD Fellows and the Heartland building in which light/air may pass through. He complimented Laura Alier on her efforts with this solution.

In response to Scholl's question regarding parking, Peterson advised that no code requires them to supply tenant parking for the 45 apartment units; however, the developer will include 21 on-site

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spaces and there are an additional 10 spaces on 4th and Lincoln. Because it is 10-15 parking spaces short, the developer is working with The Foundry and Lincoln Place for additional safe overnight parking. Scholl commented that Walker Parking consultants are being brought in to help manage parking inventory with recommendations to be brought before City Council in the 2nd or 3rd quarter of 2019. Peterson concluded his presentation and stated the project is in the \$12-14 million range with an approximate square footage of 45,000.

Alan Krcmarik / Mike Scholl – City of Loveland Bond Strategy

Krcmarik presented on the City's process to reach their goal for the first issuance of a bond in October, following TABOR guidelines. He advised the City Manager is committed to creating an open process for all parties and that their Next Steps meeting group includes members of the LDP and DDA boards, city councilors, and employees of the City's Economic Department. He commented there are two projects to be TIF revenue leaders for this bond which include Heartland Corner and 4th/Garfield. The timeline includes first the receipt of a recommendation from the DDA Board on the projects they plan to support, a Study Session with City Council on July 24th, submission of RFPs from banks and review in August/September, and approval of the bond by City Council in September with a proposed closing in October.

Krcmarik explained that The Foundry was funded through Certificates of Participation (COPs) and that property/sales tax from that development would be used to support those COPs. Under both the COPs and the issuance of the bond, developers are required to provide additional revenue should those proceeds fall short on performance. The City is researching logistics whether public improvements should be included in the bond. Scholl advised that HIPS Streets is still in engineering phase and that without formal construction drawings, it can't be accurately priced.

The Board discussed processes used by other Colorado cities for bonding (report by Streich on file), the URA's existence and effect on this transaction, and that a Resolution be timely submitted to City Council.

Scholl and Krcmarik concluded their presentation that the City's preference is to bond both projects, that the City is comfortable working through this process without an Executive Director, and the date for the Study Session can be adjusted.

6. Discussion / Action Items (continued from Item 3, above).

Cook directed the Board's attention regarding the Officer vacancy for Secretary/Treasurer and upon the Board's discussion, it was recommended Patterson be nominated.

Steele, Jr. moved to elect Jon-Mark Patterson, effective July 1, 2018, to serve the remainder of the two-year Officer term as Secretary/Treasurer, expiring June 30, 2019; Olson seconded the motion; the motion carried.

7. Approval of Minutes:

Regular Meeting – May 14, 2018

Patterson moved to approve the minutes of the Regular Meeting of May 14, 2018; Steele seconded the motion; the motion carried.

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8. Façade Program / Project (Staff):

Cook directed the Board's attention to the reports provided by Streich and Powell (reports on file) and recognized Streich and Powell on their efforts.

9. Developments / Communications Reports:

- **Developments Update (Scholl):**

Cook advised that the Economic Development reports are being postponed until the next Regular Meeting due to today's presentations and length of meeting.

- **Communications / Other**

Cook reported that the plaque thanking Commissioner Donnelly for his service as a founding member of the DDA Board has been completed and she will check with Fogle when the presentation will be made.

10. Liaison Reports:

- In the absence of Fogle, Councilman Olson reported he has prepared reports on types of incentives given for development with varying data. He concluded that with regards to City Council approving a bond, the size of an incentive is most important.
- Donnelly – absent.

11. Executive Session:

Cook advised no Executive Session was necessary.

12. Other Matters:

Cook reported that an offer for the Executive Director is out and, if accepted, he would start in August. The Board discussed his first responsibilities and commented that the new ED will be instrumental in participating with the LDP, DDA, and the City regarding the bond and also to help with the recommendation that the DDA be under the City Boards and Commissions.

13. Agenda Items for Upcoming Meetings: None

14. Adjourn:

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

The meeting adjourned at 6:23 pm

Ray Steele, Jr., Secretary/Treasurer

Date