

REGULAR MEETING NOTICE

LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY (4:00 P.M.)

March 6, 2023

**Cleveland Room at Desk Chair
201 East 4th Street in Downtown**

The Loveland Downtown Partnership and Downtown Development Authority are committed to providing an equal opportunity for citizens and does not discriminate on the basis of disability, race, color, national origin, religion, sexual orientation, or gender. The LDP-DDA will make reasonable accommodations for citizens in accordance with the Americans with Disabilities Act.

For more information, please call our offices at 970.699.2856.

Agenda
Loveland Downtown Development Authority (DDA)
Regular Meeting
Monday, March 6, 2023 4:00 pm

Cleveland Room at Desk Chair
201 East 4th Street

4:00 pm

1. **Call to Order**
2. **Roll Call**

4:05 pm

3. **Public Comment** (individual introductions / comments are limited to 3 minutes)

4:10 pm

4. **Approval of Minutes**

"I move to approve (deny) the minutes of the Regular Meeting of February 13, 2023"

4:15

5. **Presentation & Discussion / Action Items**

- Executive Director Update – HIP Streets Design, 120 East 4th Street, Josh and John's next steps, 123 East 5th Street and 404 East 3rd Street
- Resolution DDA 2023-02

"I move to approve (deny) Resolution DDA – 2023-02, A Resolution of the Board of Directors of the Loveland Downtown Development Authority recommending to the Board of Commissions or the Loveland Urban Renewal Authority and the City Council of the City of Loveland the dissolution of the City of Loveland Urban Renewal Plan (The Downtown Urban Renewal Plan)"

- Patio Program Presentation – Loveland City Clerk's Office

5:00 pm

6. **City Council Report**
 - Fogle, Olson - City Council

5:10 pm

7. **Adjourn**

Meeting Minutes
Loveland Downtown Development Authority (DDA)
Regular Meeting
Monday, February 13, 2023 4:00 pm

Cleveland Room at Desk Chair
201 East 4th Street

4:00 pm

1. **Call to Order** - Chair Steele, Jr called the meeting to order at 4:00 p.m.
2. **Roll Call** - All board members present including Council Alternate Olson. Guest include: Bill Becker, Scott Schorling, Jill Atchison, Meghan Griesel and Josh Liley

4:05 pm

3. **Public Comment** (individual introductions / comments are limited to 3 minutes)

There were no public comments presented

4:10 pm

4. **Approval of Minutes**

Fogle moved to approve the minutes of the Regular Meeting of December 19, 2022. Loomis seconded the motion which passed unanimously.

4:45

5. **Presentation & Discussion / Action Items**

- Executive Director Update – HIP Streets Design, Painter’s Alley Design, 120 East 4th Street, Line of Credit, Status of Downtown URA Plan & DDA Funding Plan

Hawkins updated the board on the status of numerous downtown projects. HIP Streets design has started and a landscape designer has been selected. The project will be brought to City Council for discussion later this month and again in April. The URA plan could be dissolved in March. The DDA has been asked by City Management to pass a resolution to dissolve the plan at their March 6th meeting. Painter’s Alley design concepts are coming together and a final concept will be prepared along with a budget based on extensive feedback from the adjoining property owners. Finally, Hawkins expects to work on a possible renovation of 120 East 4th Street shortly. The building used to house Cloz to Home but has a number of issues. It is also one of the oldest buildings in the City.

- 2023 Board Meeting Schedule

Without a formal vote, the board was comfortable with the 2023 meeting schedule as presented. The board will meet as we traditionally have on the second Monday of the month at 4:00 p.m. which an exception being March where the board will meet on the 6th and in October when the meeting will be moved to navigate the Columbus Day holiday.

- Resolution 2023-DDA-01 - A Resolution of the Board of Directors of the Loveland Downtown Development Authority Designating a Location for the Posting of Public Meeting Notices

As an annual piece of business to meet the requirement of the Colorado Open Record Act, this motion is necessary to show where meeting notices of the Loveland Downtown Development Authority would be posted.

Bernhardt moved to approve Resolution 2023-DDA-01. Fogle seconded which passed unanimously.

- 404 East 3rd Street – TIF Investment

Hawkins discussed the work in partnership with the owners of the former Baptist Church on the corner of 3rd and Jefferson. To remodel the church into a retreat center is requiring a massive code upgrades and environmental remediation. The costs have now exceeded the \$1,200,000 million dollar renovation budget by over \$600,000. The project will create a \$40,000 annual property tax TIF revenue stream which can be used to partner on the project.

- Lincoln Gallery Façade Grant

Hawkins presented the façade grant application to update the Lincoln Gallery on Lincoln. The gallery is on the tax role and pays both property and sales tax. The grant would update the front of the building but also the parking lot facing side of the property. A new mural, which is not part of the grant application, will also be pursued to update the mural on the north side of the building which is over 20 years old. The overall project cost is \$87,576.

Waneka moved to approve a Façade Improvement Grant for 429 N. Lincoln Avenue in an amount not to exceed \$28,144 and authorize the Executive Director to execute an agreement for the grant. Wyrick seconded the motion which passed unanimously.

- Liley Law Services

Hawkins presented a contract for general counsel services with Liley Law. The services would be typical legal services including contracts, attending meetings and advising the board on decisions.

Fogle moved to approve the legal services agreement with Liley Law, LLC. Patterson seconded the motion which passed unanimously.

- Support of GID Application for 501 N. Cleveland Avenue

Hawkins presented a letter of support for the inclusion of 501 N. Cleveland Avenue into GID #1. This move would remove the onsite parking requirements for the property and allow the owner to move forward with a lease to put Josh and Johns Ice Cream into the space. The DDA had helped to update the façade in recent years and could also assist with the cost to update the sidewalks around the building. Hawkins asked Liley if a motion would needed to submit this letter and he agreed we should to formalize it.

“Bernhardt made a motion to approve the letter of support the inclusion of 501 N. Cleveland Avenue to join GID #1. Fogle seconded the motion which passed unanimously”

- 3rd Lincoln / 3rd Cleveland Crosswalk Project

As discussed at the board's December 2022 meeting, Hawkins presented a proposal to have Russell Mills studios design, bid and oversee the construction of two crosswalks at 3rd and Lincoln and 3rd and Cleveland.

Patterson moved to approve the scope of work and services with Russell Mills Studios for the design, construction documents, bidding and oversight for the 3rd and Cleveland / 3rd and Lincoln Crosswalk Project in an amount not to exceed \$40,149. Fogle seconded the motion which passed unanimously.

5:30 pm

6. City Council Report

- Fogle, Olson - City Council – Fogle updated the board on homelessness issues and Centerra South

5:40 pm

7. Adjourn

Wyrick made a motion to adjourn the meeting at 5:06 p.m. Bernhardt seconded the motion which passed unanimously.

RESOLUTION DDA-2023-02
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY
RECOMMENDING TO THE BOARD OF COMMISSIONERS OF THE
LOVELAND URBAN RENEWAL AUTHORITY AND THE CITY
COUNCIL OF THE CITY OF LOVELAND THE DISSOLUTION OF THE
CITY OF LOVELAND URBAN RENEWAL PLAN
(THE DOWNTOWN URBAN RENEWAL PLAN)

WHEREAS, the City of Loveland, Colorado (the “City”) is a Colorado home rule municipality with all the powers and authority granted pursuant to Article XX of the Colorado Constitution and its City Charter;

WHEREAS, on July 2, 2002, the City Council of the City (the “City Council”), pursuant to C.R.S. 31-25-101, et seq. (the “URA Act”), established the Loveland Urban Renewal Authority (“LURA”) by Resolution #R-44-2002;

WHEREAS, the City Council has heretofore approved the City of Loveland Urban Renewal Plan dated October 1, 2002, as amended from time to time (the “LURA Downtown Plan”) and the downtown urban renewal area described therein (the “LURA Downtown Plan Area”);

WHEREAS, the term of the LURA Downtown Plan is for 25 years from the date of adoption, and the LURA Downtown Plan contains a provision providing for the collection of property and municipal sales tax increment in the LURA special fund (the “LURA Special Fund”) for the 25-year period, which expires on October 1, 2027;

WHEREAS, the Loveland Downtown Development Authority (the “DDA”) is a body corporate and politic duly created, organized and authorized pursuant to C.R.S 31-25-801, et seq. (the “DDA Act”), by a vote of the majority of qualified electors within the proposed boundaries of the DDA district (the “DDA District”) at a special election held on February 10, 2015 (the “2015 Special Election”) and thereafter officially established by the City Council upon the passage of Ordinance No. 5927, and as revised by Ordinance No. 6115;

WHEREAS, on July 5, 2017, the City Council adopted Resolution #R-52-2017, which approved the plan of the development for the DDA District (the “DDA Plan of Development”);

WHEREAS, the DDA Plan of Development provides that the primary objectives of the DDA are to promote the safety, prosperity, security, and general welfare of the DDA District and its inhabitants, to prevent deterioration of property values and structures within the DDA District, to prevent the growth of blighted areas within the DDA District, to assist the City in the development, redevelopment, and planning of the economic and physical restoration and growth of the DDA District, to approve the overall appearance, condition, and function of the DDA District, to encourage a variety of uses compatible with the artistic and cultural community, to sustain and improve the economic vitality of the DDA District, to promote the historic, artistic, and cultural elements of the DDA District, and to encourage pedestrian traffic and security in the DDA District;

WHEREAS, the DDA Plan of Development contains a provision for the collection of property and municipal sales tax increment in a special fund of the City (the “DDA Special Fund”)

that will be effective for 30 years following approval of the DDA Plan of Development, or such longer period as authorized by the DDA Act;

WHEREAS, the LURA Downtown Plan Area and the DDA District overlap, with the overlap comprising substantially all of the DDA District;

WHEREAS, while the LURA Downtown Plan is in effect, no property or sales tax increment generated within the overlapping area is being collected in the DDA Special Fund;

WHEREAS, the City anticipated that it would dissolve the LURA Downtown Plan if the qualified electors within the DDA District approved the creation of the DDA and authorized the City's issuance of debt payable from property and sales tax increment collected in the DDA Special Fund;

WHEREAS, the ballot measure concerning the City's issuance of debt presented to the qualified electors at the 2015 Special Election was not approved, leaving the City unable to incur debt payable from the DDA Special Fund;

WHEREAS, for this and other reasons, including certain legal challenges concerning the creation of the DDA that ultimately failed, the City did not act to dissolve the LURA Downtown Plan as anticipated;

WHEREAS, a second ballot measure concerning the ability of the City to incur debt payable from the DDA Special Fund was subsequently approved by the qualified electors within the DDA District at an election held on November 7, 2017 (the "2017 Election");

WHEREAS, between the 2015 Special Election and the 2017 Election, the Colorado Legislature amended the URA Act through the enactment of HB 15-1348, which complicated the dissolution of the LURA Downtown Plan by requiring structural changes to the LURA board of commissioners before plan dissolution could occur;

WHEREAS, due to the enactment of HB 15-1348, the City did not act to dissolve the LURA Downtown Plan, despite the approval at the 2017 Election of the ballot measure authorizing the City to incur debt payable from the DDA Special Fund;

WHEREAS, the overlap of the LURA Downtown Urban Plan Area and the DDA District serves no benefit to LURA, the DDA or the public and, in fact, has numerous detrimental effects, which reduce the ability of the DDA to fulfill its statutory mission and accomplish the objectives set forth in the DDA Plan of Development, including, but not limited to, the following:

- It shortens the period during which tax increment can be collected in the DDA Special Fund, and at the highest level - the initial thirty years of the DDA.
- It makes it difficult to obtain financing for any larger development projects and adds unnecessary complexity to project financing. As the LURA Downtown Plan tax increment provision expires in less than 5 years, all projects requiring debt payments beyond such time period must be jointly financed between LURA and the DDA (with City-issued debt payable from the DDA Special Fund). Obtaining financing with two different obligors receiving tax increment for different periods of time is challenging. The DDA Plan of

Development tax increment provision will not expire until 2047, and could be extended for an additional 20-year period. Obtaining financing for development projects payable from the DDA Special Fund would not be as difficult.

- It limits the types of development projects the DDA can invest in. Projects within the area of overlap between the LURA Downtown Plan Area and the DDA District require the joint involvement of LURA and the DDA, as no tax increment is currently being collected in the DDA Special Fund from such area, which means that such projects must satisfy both the URA Act and the DDA Act, and the URA Act is not as broad or flexible in scope or powers as the DDA Act.
- It adds unnecessary complexity and expense to the development project process. Each joint development project requires the involvement of both the DDA and LURA, and the development agreements related to such projects must be tailored around the requirements of both the DDA Act and the URA Act and, generally, each such development agreement has necessitated an additional cooperation agreement between LURA, the DDA and the City regarding the respective obligations of the parties concerning debt repayment. All such agreements must be negotiated, reviewed and approved by LURA, the DDA and the City.

WHEREAS, with the reconstituting of the LURA board of commissioners on February 7, 2023, the final impediment to dissolution of the LURA Downtown Plan existing when the qualified electors of the DDA District voted in the 2017 Election to authorize the City to incur debt payable from the DDA Special Fund has been removed; and

WHEREAS, dissolution of the LURA Downtown Plan will serve the public by enabling the DDA to exercise the powers granted by the DDA Act to develop, implement and invest in the full range of projects and programs envisioned under the DDA Plan of Development.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY THAT:

For the reasons set forth in this Resolution DDA-2023-02, the DDA hereby recommends to the LURA Board of Commissioners and the City Council of the City the dissolution of the LURA Downtown Plan.

Passed and adopted at a regular meeting of the Board of Directors of the Loveland Downtown Development Authority this 6th day of March, 2023.

Ray Steele, Jr., Board Chair

ATTEST:

Jon-Mark Patterson, Secretary

Patio Program Survey Results with Cost/Revenue Analysis

REVIEW OF 2022 AND PRIOR PROGRAMS



Program Overview

Initially extended to cover the period from June – September in 2020

2021 utilized these dates exclusively, 2022 followed suit

Participation has declined: 28 in 2020, 18 in 2021, 12 in 2022

Built upon statutory changes for liquor licenses made in response to emergency declaration

- Liquor licensees can still make temporary modifications
- Fees for the program were identical to State and Local Liquor Licensing fees
- Costs for traffic control and barriers were covered by the City.

Survey Overview



A survey of the patio program was circulated to the downtown Loveland area from December 20th to January 27th



Survey was circulated by mail, email, QR code, and in-person questionnaires.



Consisted of 7 questions surveying parking impacts, business/revenue impacts, interest in participation, and willingness to contribute more to a future program



Participants were given multiple opportunities to share direct comments and ideas in response to the questions

Survey Analysis

Participation

- Interest is high, resources are low
- 82 respondents
- Not every business can participate or has the desire
- Significant opposition from 4th Street Retail Businesses and Galleries

Parking Impacts

- Not all businesses opposed, 47 participants stated there was no impact
- Some satellite areas received overflow parking, lost customers
- No impacts from businesses outside of 200 block of 4th Street

4th Street Impacts

- Traffic Calming
- Increased foot-traffic

Aesthetics:

- Numerous complaints
- Design standards suggested in multiple comments

Community Impacts:

- Positive for foot-traffic and shareability
- Negative, perception of favoritism

Public Works
Specific
costs:
\$23,020.00

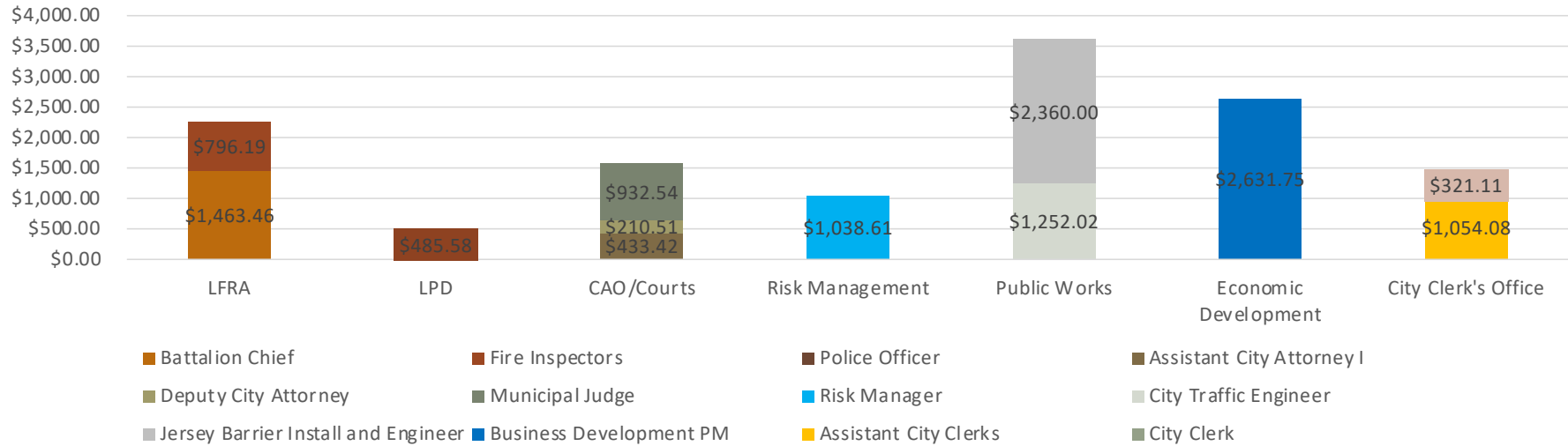
Isolated Staff
Costs:
\$10,619.27

Total Staff
Hours: 237

Total City
Expenditures:
\$33,639.27

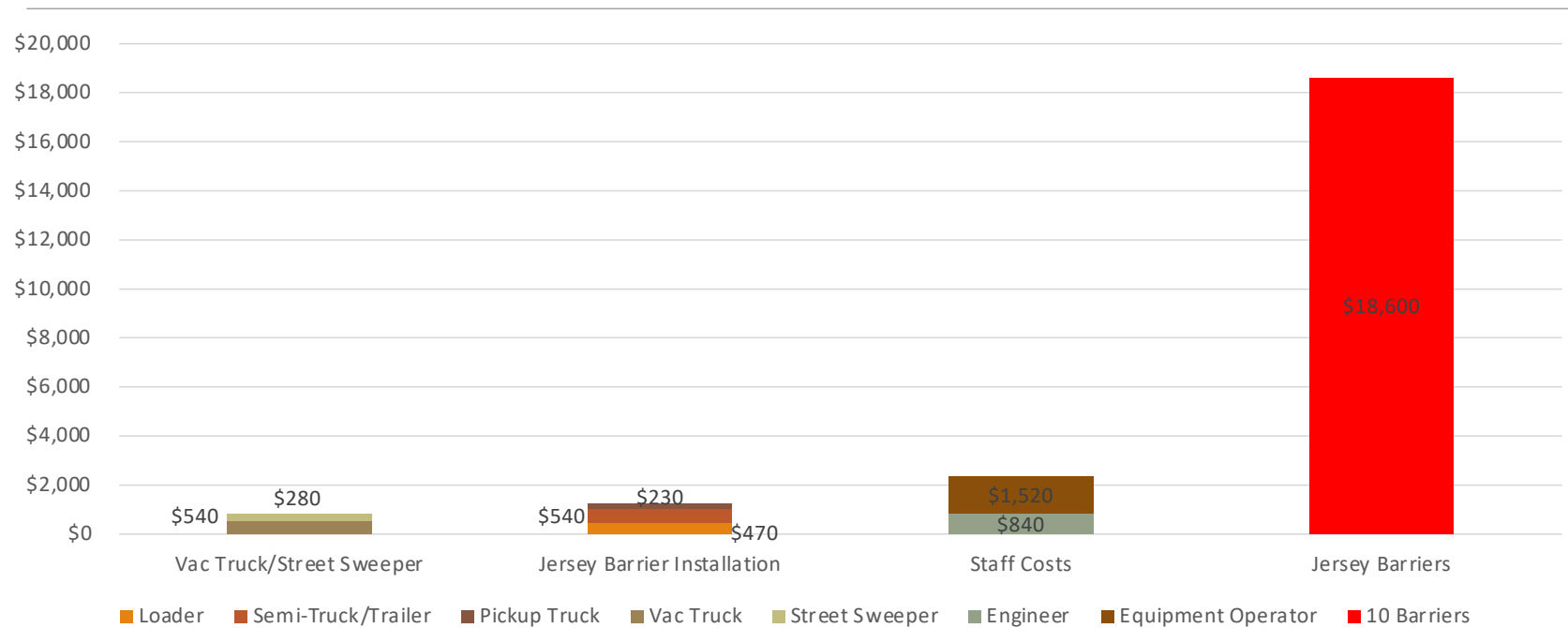


Hourly Staff Costs (237 hours)



Total Staff Costs: \$10,619.27

Public Works Costs: \$23,020.00



Total Sales Tax Revenues



\$654,126 in 2022

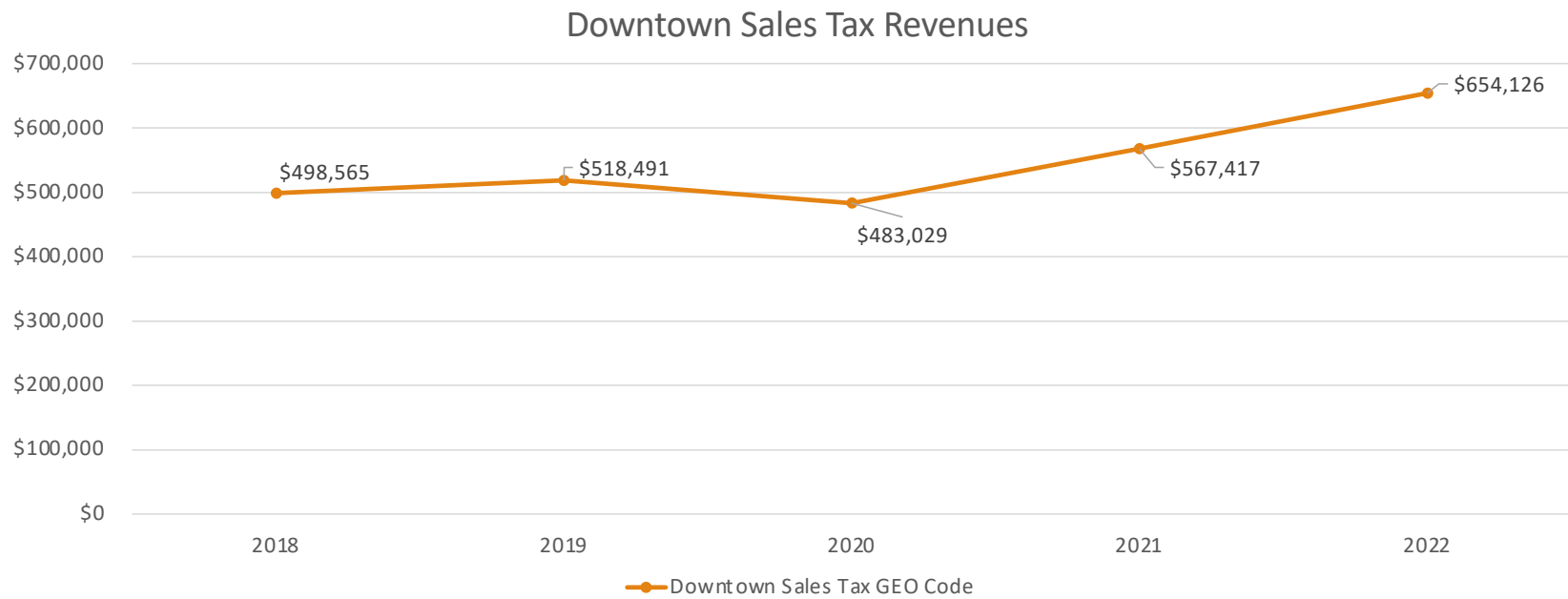


Stronger increase over prior years, up \$137,255.50 from the average between 2018-2020



More sales tax revenue from the area likely means more foot traffic and sales from local businesses.

Sales Tax Revenue 2018-2022



Additional Concerns

Judge Joneson: Liquor Licensees can operate temporary modifications year-round through a standardized application process:

- The patio program is vague and presents increased safety risks with the setup on 4th Street.
- There is increased potential for liquor license violations with a subsidized system
- Largely, the program has served its purpose

Staff Costs: Inspections are costly and take time away from regularly scheduled hours – special licensing may impact other budgets, particularly HIP Streets.

These are controllable – we can cut down on application materials, and may consider *not* providing jersey barriers or permission to block parking.

Takeaway Questions

What will the DDA Support?

What role will HIP Streets play in the development of this program?

What are our next steps?

Additional Q/A?