

DOWNTOWN DEVELOPMENT AUTHORITY
Regular Directors' Meeting

Susan Gutowsky, Council Liaison	970-294-2575
Kristin Stephens, County Commission Liaison	970-498-7001
Dave Lingle, Board Chair	970-227-4166

MINUTES of February 13, 2025

The Board of Directors of the Downtown Development Authority met in Regular Session at 7:30 a.m. on Thursday, February 13, 2025, at Rocky Mountain Innosphere, 320 E. Vine Drive, Fort Collins, CO 80524.

PRESENT

Abigail Christensen; Sam Coutts; Susan Gutowsky; Dave Lingle; Holli McElwee; Jenny Schultz; Randy Shortridge; Kristin Stephens (arrived 7:35 a.m.); Cheryl Zimlich

ABSENT

Rebecca Hill; Mandi Huston

STAFF

Matt Robenalt, Executive Director; Jala Curtis, Marketing and Communications Program Supervisor; Todd Dangerfield, Project Manager; Tom Dent, Technology & Maintenance Manager; Janna Dickerson, Marketing and Communications Coordinator; Derek Getto, Project Manager for Policy & Programs; Kristy Klenk, Finance & HR Manager; Krista Knott, Administrative Manager; Josh Liley, Legal Counsel

GUESTS

Michael Bussman, City of Fort Collins; Kelly DiMartino, City of Fort Collins; Florian Fiebig, City of Fort Collins; Cortney Geary, City of Fort Collins; Dana Hornkohl, City of Fort Collins; Erin Udell, Coloradoan

CALL TO ORDER

Dave Lingle called the meeting to order at 7:31 a.m. Mr. Lingle welcomed the newest Board member, Abigail Christensen.

APPROVAL OF MINUTES

Moved by Jenny Schultz, seconded by Susan Gutowsky: To approve the minutes of December 12, 2024. The motion passed unanimously.

ALL IDEAS: BIG AND SMALL

There were no ideas presented by the public.

UPDATES

There were no questions about updates.

CONSENT AGENDA

RESOLUTION 2025-01 POSTING OF PUBLIC MEETING NOTICES

Matt Robenalt noted this annual housekeeping item establishes the designation of the official location for the public meeting notices on the downtownfortcollins.org website.

Moved by Sam Coutts, seconded by Susan Gutowsky: To approve Resolution 2025-01 designating a location for the posting of public meeting notices. The Resolution passed unanimously.

REGULAR AGENDA

EXECUTIVE SESSION

Moved by Jenny Schultz, seconded by Kristin Stephens: to enter into executive session for the purpose of 360 Linden Street Redevelopment, pursuant to C.R.S. 24-6-402(4)(e)(I): the motion carried.

EXECUTIVE SESSION FOLLOW UP

There was no further discussion or formal action resulting from the executive session.

RESOLUTION 2025-02 APPROVING THE ESTABLISHMENT OF A LINE OF CREDIT WITH FIRST NATIONAL BANK OF OMAHA FOR THE FINANCING OF DDA PROJECTS AND PROGRAMS AND APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF FORT COLLINS, COLORADO, IN RELATION THERETO

Matt Robenalt recounted a brief history of the DDA's Line of Credit financing model, noting its establishment in 2012 and renewed in 2018. In 2024, the second six-year term of Line of Credit expired. The tax increment revenues created each year from the private investment that has occurred downtown and as determined by the County Assessor, and as required by the DDA Act is to be used specifically to pay off debt. The City and DDA are required by the DDA statute to work collaboratively to establish and finance debt, and the proceeds created from the debt is to be used by the DDA to undertake its projects and programs.

Mr. Robenalt reviewed the major categories of funding needs between now and 2030, which include the ongoing commitment to the long-term debt service on the Firehouse Alley Parking Garage, a loan with Housing Catalyst for Oak 140, the capital asset maintenance obligations for all enhanced public infrastructure, commitments for multi-year reimbursements for public-private partnerships, the Board approved 5-year Investment Plan, and anything additional that may come up as a partnership opportunity. He noted this form of financing using a line of credit with a local bank is beneficial as it results in significantly shorter periods of time in which debt incurs interest, which allows for more funding available to invest in projects and programs downtown.

Mr. Robenalt highlighted the desired outcomes of this Line of Credit financing approach, which minimizes the cost to deliver investments, demonstrates good fiduciary stewardship of public funds, and recognizes that 82% of tax increment comes from the Poudre School District and Larimer County, and maintains a long-standing practice that the DDA can grant money for partnerships with the City with no cost of capital assessed to City projects. Additionally, using the line of credit financing approach, which is set up with a defined process through an IGA with the City to ensure no more than seven days transpire before the debt is paid off, and results in having no effect on the City's fund balance at the end of the fiscal year. The DDA has financed over \$46 million in principal debt with financing fees and interest amounting to little more than \$17,000 using the line of credit approach, and during the same time period financed \$17 million in principal debt, using traditional methods such as certificates of

participation and private placement bonds, and paid more than \$3.7 million in financing costs. Mr. Robenalt pointed out the significant amount of savings realized from lower financing costs, thus allowing the DDA to direct more investment into projects and programs.

A bill amending the DDA Act was signed into law in 2023 that provided a new option for arranging the financing relationship between the DDA and City and creating the opportunity that the DDA may have its own debt and have it paid off with tax increment revenues received by the City. Prior to the amendment, the statute required debt only to be held in the City's name on behalf of the DDA. The City and DDA agreed to pursue this new option provided by SB23-175, as it will remove excessive busy work for City Finance staff that it was previously subject to when administering the line of credit on the DDA's behalf.

The new six-year Line of Credit term that has been negotiated with First National Bank for a third time will be in the DDA's name this time rather than in the City's name. The process steps for how the City and DDA will work together to administer payments for the line of credit debt is defined in the Intergovernmental Agreement. Adoption of Resolution 2025-02 would approve the IGA with the City, and approves three bank-related documents that include the Promissory Note and Agreement for the line of credit, an Assignment of Account collateralizing a new account that the DDA will set up at First National Bank with a commitment by the City to pay off the line of credit with tax increment funds, and a Governmental Certificate, which acknowledges DDA's status as a governmental entity.

Susan Gutoswsky asked how it was determined which bank to go to for this Line of Credit. Mr. Robenalt said First National Bank was the City's primary account holder and that is where the DDA tax increment funds are currently held so it makes the transfer of funds to pay off the line of credit simpler and also the reason why the bank can offer these beneficial financing terms. He explained that this arrangement with the line of credit for the DDA is one of the ways that First National Bank meets its federal Community Reinvestment Act mandates, and with the fees they basically charge, they cover their costs for transacting the transfer of funds. The interest earned on a line of credit draw is inconsequential to the bank because of the seven day or less window in which the debt exists before it is paid off so this is about First National Bank recognizing the community benefit the DDA delivers. Randy Shortridge asked if that established relationship would ever move to a different bank. Mr. Robenalt noted that it could and this situation is specifically addressed in the IGA. Because the tax increment funds are held by the City in an account at First National Bank, if the City decides to move its funds to a different primary institution, then the DDA would need to renegotiate with First National Bank or another bank for a line of credit. Mr. Shortridge asked if the City ever explored using other banks. Mr. Robenalt said that the City periodically goes out through an Request for Proposal (RFP) process to determine its primary banking relationship, and this occurred a few years ago.

Moved by Jenny Schultz, seconded by Susan Gutowsky: To approve Resolution 2025-02 that the Executive Director will advance the IGA to the City Finance Department for adoption by the City Council, and subsequent execution of the Promissory Note & Agreement, Assignment of Deposit Account, and Government Certificate by the Executive Director. The Resolution passed unanimously.

220 E. OAK STREET TAX INCREMENT INVESTMENT PROPOSAL

Randy Shortridge recused himself as his business is engaged with this project.

Todd Dangerfield reintroduced the La Vie Lumiere Townhomes project, referring to documents in the Board packet that noted the Board's approval in August 2024 of the formal design review for the

project. Since then, it has taken time for state legislation to update property tax rules due to 2024 legislation, which is why it took a few months to come back to the Board.

The owners request \$78,789 of the DDA's tax increment financing program. The project is also eligible for an additional \$50,000 through the DDA's Renewable Energy Systems Investment, as well an additional \$130,000 Public Facilities Grant 2025 for eligible right-of-way features for eligible right-of-way improvements. DDA Staff established eligibility of three façades, the east façade facing Mathews Street, the south facing East Oak Street, and the west facing an alley, and the public right-of-way improvements along those three façades. The summary investment sheet was reviewed, highlighting the Board policy of funding criteria.

Mr. Dangerfield reviewed Board policy regarding the three funding levels for a project and staff recommended the supportable tax increment of up to 25 percent for projects taxed at the residential tax rate for funding up to \$128,789, and with the supportable tax increment of \$186,366 available for other DDA projects.

Jenny Schultz asked if DDA Board had ever gone outside of Board funding policy and the reason. Mr. Robenalt noted that funding is always at the discretion of the Board, and explained that examples of when the Board deviated from its funding policy included the Union project on Jefferson Street, and the Flats at the Oval on Larurel St. and Howes Street near the CSU Oval.. Mr. Robenalt said that the Union was because the Board felt it was an important gateway to the River District and wanted to contribute to enhanced materials above the Board's funding policy. The Flats at the Oval was a unique situation where the President of CSU approached the DDA inquiring what could be done to make the building aesthetically pleasing since it was across the street from the historic CSU Oval and expressing the need to have it convey high quality architecture, which the Board concurred.

Based on the design review from the Board in August 2024, comments and suggestions were addressed, including increasing the size of balconies and/or including Juliette-style balconies, which the project owner confirmed would be incorporated into the design. There was discussion about using alternative terracotta-colored fiber cement panel material for the façades rather than the terracotta rain-screen tile used in the L'Avenir project. The owners noted they will not use the same material again nor the same installer for La Vie Lumiere Townhomes for the cement panel material.

Dave Lingle wanted to explore the openness of the Board to supplement the amount they would offer for façade improvements with the goal of assisting with costs to realize the use of the terracotta-tile rain screen. Cheryl Zimlich encouraged the recommendation at this time to note the DDA Board may be supportive of extra funds in the future for different materials, but at this time to not provide a dollar amount without knowing the final estimate. The Board expressed its desired to entertain a second, supplemental request for funding to accommodate a portion of the cost to integrate terra cotta tile rain screen panels on the E. Oak St Façade and the small wrap-around portion of this façade on Mathews St. and the alley at a later time. Staff was directed to work with the owners to obtain this estimate of cost and determine a recommended additional contribution amount from the Supportable Tax Increment generated by this project.

Moved by Cheryl Zimlich, seconded by Jenny Schultz: To approve funding for up to \$78,789 for a tax increment investment and authorize the Board Chair to enter into an agreement for the east (Mathews Street), south (East Oak Street) and west (alley) building facades;

And to approve an additional tax increment investment of up to \$50,000 for the renewable Energy Systems Investment;

And to approve up to \$130,000 for the Public Facilities Grant for eligible utility and paving improvements in the ROW along the east (Mathews Street), south (East Oak Street) and west (alley) frontages. The motion passed unanimously.

INTERGOVERNMENTAL AGREEMENT WITH CITY OF FORT COLLINS REGARDING THE GRANT OF FUNDS FOR THE SECOND PHASE OF THE WILLOW STREET IMPROVEMENT PROJECT

Derek Getto and Dana Hornkohl, Director of Capital Projects the City Engineering Department, presented an overview for designing the second phase of Willow Street improvements located between Linden Street and Lincoln Avenue. It was noted that the DDA investment in this phase of Willow Street will be the next step to help realize the City and DDA's goals for the implementation of the Downtown River District infrastructure improvements.

Mr. Getto suggested the DDA would invest in the design and engineering for the east leg of Willow Street with funding sources consisting of construction savings from the west portion of Willow Street improvements, a Transportation Capital Expansion Fee (TCEF) reimbursement, and additional contribution from the DDA that rounds out to a total of \$250,000.

Mr. Hornkohl presented the cross section plan for the east leg of Willow Street, which includes an existing railroad spur and a new mixed used development. The City was initially concerned not all modes of transportation could be accommodated on this leg of Willow, however conversations with Omni Tracks, owners of the railroad spur to explore how much of the rail spur could be used to accommodate a cross section wide enough to accommodate all desired modes of transportation, including on-street parking. Mr. Hornkohl indicated the Engineering Department feels confident that on-street parking, a bike lane, and enhanced pedestrian walkways can be accomplished within the right-of-way. The design should be able to accommodate head-in 60-degree angled parking on both sides of the street, but would most likely require some form of a lease provision with Omni Tracks to make this happen. The eastern-most section of the street gets complicated with the railroad spur and the narrowing of right-of-way as it nears Lincoln Avenue.

Holli McElwee asked if street parking would be unpaid or metered. Mr. Hornkohl said it has not been determined yet, but will be a conversation with Parking Services.

Mr. Hornkohl noted the IGA would cover the design of the Willow Street improvements, and the City's next phase would be to find funding for the construction. He noted that due to the successful DDA and City collaboration he is hopeful Council will include this project as part of the Community Capital Improvement Project (CCIP) future ballot measure for funding.

Randy Shortridge asked if adjacent developments would be responsible for funding their local portion of the street improvements, and Mr. Hornkohl explained that private development is always and only responsible for what is known as the "local street" portion of expense associated with road improvements and not the enhanced features. Partnership with the DDA and other funding sources help to pay for the enhanced portions of the street.

Sam Coutts asked that in the event the DDA enters into an IGA with the City, and the future ballot measure fails, what impact would that have on the DDA. Matt Robenalt noted that in the IGA there is a provision that allows the DDA to cancel the agreement if this project is not included in the CCIP ballot measure that is advanced to voters, and in that scenario the DDA could reallocate its contribution to a more immediate priority. The DDA will know by August if City Council elects to include this project in the CCIP ballot measure, and acknowledged, however, there is always a risk that the voters may not approve the ballot measure.

Mr. Shortridge encouraged the plan to assess the location of street trees at intersections and to consider all modes of traffic, noting that trees located closer to the intersection are generally a more inviting experience for pedestrians and cyclists.

Mr. Coutts asked if the design concept included any below-grade improvements. Mr. Hornkohl noted there are none they are aware of, but will work with the Utilities Department to ensure coordination of any upgrades below-grade are taken into account.

Mr. Getto noted legal council drafted an IGA, but the document still needs to be reviewed by the City.

Moved by Jenny Schultz, seconded by Sam Coutts: To approve the IGA as presented, authorize the Executive Director, in consultation with DDA legal counsel, to approve changes to the IGA in form and substance, and authorize the Board Chair to execute the IGA. The motion passed unanimously.

PRESENTATION BY ENGINEERING CAPITAL PROJECTS TEAM AND FUNDING REQUEST FOR VINE DR. / JEROME ST. INTERSECTION ENHANCEMENTS

Derek Getto and Dana Hornkohl presented the funding request for Vine Drive and Jerome Street intersection enhancements. Mr. Hornkohl highlighted this intersection as being somewhat of a gateway to the River District and downtown. At this time, there are no pedestrian or bike crossings at this intersection. This intersection was included in the Active Modes plan and has been identified as a significant crash intersection. The City could not use grant funds for redevelopment and thus requested contributions from the DDA and URA to assist in funding these improvements.

Improvements to the intersection would include a bicycle and pedestrian crossing on the east side, expansion of the sidewalk width on the south side of Vine, and connection to the Old Town North trail and Poudre River trail.

Randy Shortridge asked that when the west side is built if an ADA ramp would be included. Mr. Hornkohl said it could be possible but it will need to be worked out as the design is finalized.

Sam Coutts added that north of that intersection, a proposed development project in the Old Town North area could lead to more pedestrian traffic on the west side of Jerome Street.

Mr. Hornkohl noted the City has \$350,000 of funding going towards the project and the URA agreed to contribute \$293,000. The DDA's proposed contribution of \$143,994, would go towards the enhancement of improvements, the pedestrian white crossing stripes, green bike crossing stripes, flashing beacons, and some urban design elements.

Mr. Getto noted that when the DDA invests in projects, the organization typically funds enhancements rather than basic street improvements. Mr. Honkohl and DDA staff have identified a number of items

that are considered enhancements, which include a Right-of-Way acquisition, enhanced concrete to widen sidewalks from 5' to 10', different curb enhancements, flashing beacons, and electrical for the beacons. It was noted that due to the location being on the edge of the DDA boundary at a gateway into downtown, it corresponds with the Board's stated desire to support gateway features as identified in the DDA's 5-Year Investment Plan.

Mr. Robenalt noted there is an opportunity to install some decorative metal fence panels, similar to those used in the last round of enhanced alley to support the design enhancement and thus the gateway emphasis. Drawing upon some elements of the Poudre Whitewater Park monument sign and its integration into the metal fence panels would create some visual cohesiveness indicating that pedestrians and cyclists have arrived at the Whitewater Park. Mr. Shortridge encouraged the City to work with the welder of one of the businesses in that area to create some of the art enhancements.

Mr. Getto noted there was a funding discrepancy between slides shown during the meeting and the Board packet, as he used construction costs for 2025 while Mr. Hornkohl's slides used construction costs for 2026. Timing of this project will be dependent on both right-of-Way acquisition for the south side of Vine Drive and the the northeast corner.

Kristin Stephens noted that, as a member of URA Commission, a vote passed to fund the \$293,076 for this project, as the URA believes it to be a worthwhile improvement project.

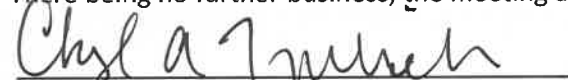
Moved by Cheryl Zimlich, seconded by Jenny Schultz: To approve funding commitment of \$144,000 for the project and direct staff and legal counsel to develop an Intergovernmental Agreement for the integration of DDA funds into the project. The motion passed unanimously.

OTHER BUSINESS

No other business was discussed.

ADJOURN

There being no further business, the meeting adjourned at 9:56 a.m.


Cheryl A Zimlich, Secretary