

AGENDA
LOVELAND CITY COUNCIL
STUDY SESSION
TUESDAY, AUGUST 12, 2014
CITY COUNCIL CHAMBERS
500 EAST THIRD STREET
LOVELAND, COLORADO

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6:30 P.M. STUDY SESSION - City Council Chambers
STUDY SESSION AGENDA

1. ECONOMIC DEVELOPMENT (presenters: Betsey Hale & Members of the Downtown Working Group; 60 min)

In January 2014, City Council directed staff to begin the process of assisting the private sector with the development of a downtown organization that is robust and durable. This organization could be a one-stop shop for all downtown related real estate projects, beautification, leadership and events. This is an update on the progress of the private sector working group. City Staff will present a list of potential projects and the associated costs for the projects through the next 30 years. The working group will present a proposal for a \$500,000 annual dedication of downtown sales tax for a period of 10 years. These funds would be used for operations of a downtown organization, redevelopment projects and programs. This is approximately 50% of the sales taxes collected by businesses located in the downtown geo area.

ADJOURN



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ECONOMIC DEVELOPMENT OFFICE
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AGENDA ITEM: 1
MEETING DATE: 8/12/2014
TO: City Council
FROM: Betsey Hale, Economic Development Director
PRESENTERS: Betsey Hale, Economic Development Director
 Members of the Downtown Working Group

TITLE:
 Downtown Organization Update and Future Projects Plan

RECOMMENDED CITY COUNCIL ACTION:
 Discussion and Direction

SUMMARY:

In January 2014, City Council directed staff to begin the process of assisting the private sector with the development of a downtown organization that is robust and durable. This organization could be a one-stop shop for all downtown related real estate projects, beautification, leadership and events. This is an update on the progress of the private sector working group. City Staff will present a list of potential projects and the associated costs for the projects through the next 30 years. The working group will present a proposal for a \$500,000 annual dedication of downtown sales tax for a period of 10 years. These funds would be used for operations of a downtown organization, redevelopment projects and programs. This is approximately 50% of the sales taxes collected by businesses located in the downtown geo area.

BACKGROUND:

Since May 2014, a group of citizen leaders has been meeting twice a month to develop a strategic plan for a downtown leadership organization. This group has successfully drafted a strategic action plan, a recommendation for an organizational structure and a budget request.

The fundamental structure proposed will include two elements: a nonprofit corporation as an “umbrella” organization, and a Downtown Development Authority (DDA). The nonprofit involves significant private sector participation, including private sector leadership from outside the downtown. The DDA provides a significant funding source for redevelopment projects, and under Colorado statute, is a governmental body appointed by the City Council. The combination of the two creates a durable organization, driven by private leadership, but always involving the City as a partner.

Creation of the DDA will require an election within the boundaries of the proposed DDA (not the City as a whole). Eligible voters in the DDA election are; property owners, lessees and residents of the DDA area. Funding for the DDA can come from tax increment financing, a possible mill levy in the area (up to 5 mills which will require an additional election), and City contributions.

One possible area of City contribution that was discussed at the Council work session in January, is the dedication of some portion of City sales tax from within the downtown area. Currently, our downtown sales tax area generates about \$1 million annually. The Working Group is requesting Council to consider an allocation of \$500,000 to the new downtown organization for 10 years. This would provide needed resources for operations of the non-profit and the DDA, while reinvesting tax funds generated in the downtown.

The Working Group has worked with outside legal counsel to develop this organizational structure and timeline for a possible Downtown Development Authority formation in 2015. City Staff will present a 30-year potential project list and budget for the City and DDA. This is the first study session with Council. Another study session is scheduled in October.

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

1. Downtown Working Group Membership List
2. Downtown Organization Draft Strategic Plan
3. Recommended Organization, Timing, and Budget Presentation
4. Downtown Project List

Downtown Working Group

- 1st and 3rd Mondays, starting May 5, 2014
- 8:00 am City Council Chambers

Community Members	Staff
Barry Floyd	Alan Krcmarik
Bryan Jones	Annette Gilbert
Carla Schlosser	Betsey Hale
Clay Caldwell	Brent Worthington
Dan Johnson	Judy Schmidt
Debbie Davis	Karl Barton
Doug Rutledge	Mike Scholl
Gene Pielin	Rod Wensing
Harry Devereaux	
Heather Lelchhook	
Jim Cox	
Justin Erion	
Mike Lynch	
Mindy McCloughan	
Nicole Yost	
Tim Reeser	
Troy Peterson	



A Strategic Plan for Revitalizing Downtown Loveland

Introduction

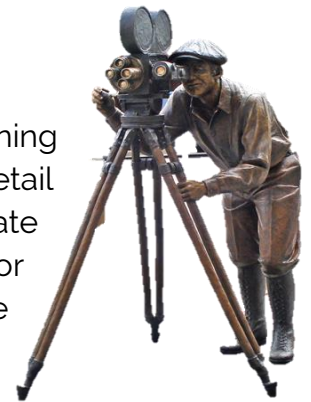
Downtown Loveland serves as the heart of a City that from its beginnings in 1877 has defined the best of Colorado's entrepreneurial spirit and sense of civic pride. From its agricultural roots in sugar beets and cherry orchards to today's thriving arts community, Downtown Loveland continues to offer diverse day time activities and great nightlife within a family-friendly environment. Today's Downtown offers a wide array of businesses, retail shops, galleries, cafes, breweries and restaurants within walking distance of our historic Rialto Theatre Center.



Downtown business and property owners believe that a strong economic foundation is critical to sustaining a vibrant community respectful of its history, committed to the full inclusion of all its citizens, and strategically positioned to thrive in a globally competitive marketplace. With this background in mind, we have developed the following strategic plan for revitalizing the Downtown as the heart of creative excellence in Northern Colorado.

Our Vision

Our residents enjoy the convenience of shopping, working, and learning in a pedestrian-friendly city-center. Visitors find restaurants, retail shops, and entertainment easily accessible by public transit or private vehicle. The presence of local residents at all hours of the day or night demonstrates the Downtown's commitment to friendly service in a clean, safe environment.



Our Mission

To create a vibrant Downtown that provides a safe, dynamic environment to gather, live, educate, shop, work, and play.

Guiding Principles

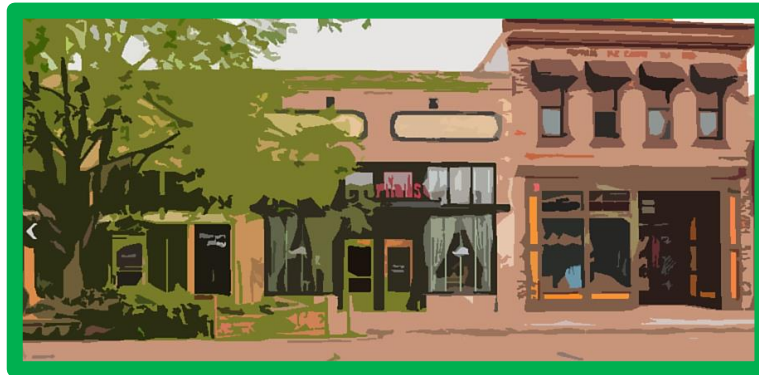
This Downtown Plan for Revitalization is driven by the following principles:

1. We are committed to a process driven by community stakeholders and supported by the City of Loveland.
2. We are committed to a long term revitalization strategy (20 yrs.) that combines immediate action to improve communications and marketing with an ongoing responsibility to maintain and improve the downtown infrastructure.
3. We are committed to shaping policies and procedures that provide adequate flexibility for the organization to respond quickly and effectively to changing conditions at the local, state, national, and/or international levels.
4. We are committed to implementing an entrepreneurial environment in which Downtown products and services meet local demands and attract new residents and businesses to the area.
5. We are committed to shaping collaborative public/private partnerships that promote economic growth in ways that honor and sustain strong community values.



Goals

1. To create a sustainable Downtown Development Authority (DDA) within twelve (12) months and determine the feasibility of a Business Improvement District within two (2) years.
2. To create an event and marketing plan in cooperation with the Community Marketing Commission, Loveland Chamber of Commerce and other entities that promotes a unique Downtown brand.
3. To implement key elements of the approved (City of Loveland) infrastructure plan by commencing construction over the next twenty-four (24) months and completing within five years, in ways that complement and preserve the Downtown's historic and cultural heritage.
4. To increase residential and employment density as catalysts for enriching life for residents and visitors alike.
5. To assist emerging and existing businesses in navigating various local, county, and state regulations and taxing policies.



Action Plan



The Downtown Working Group will take the following actions in order to meet the strategic goals listed above.

1. Create a sustainable Downtown Development Authority (DDA) within twelve (12) months and determine the feasibility of a Business Improvement District within two (2) years.

1.1 Establish geographically and economically appropriate boundaries for the Downtown that allow for future residential and employment growth.

- 1.2 Identify and establish a communications process with current business and property owners within the defined geographic boundaries.
- 1.3 Establish multiple communication forums with emphasis on email, social media, and newspaper.
- 1.4 Prepare an organizational structure for a "One Stop" approach to Downtown development.
- 1.5 Based on this strategic plan, develop and present a DDA plan to the Loveland City Council in order to seek an election to create a Downtown Development Authority.

2. Create an event and marketing plan in cooperation with the Community Marketing Commission, Loveland Chamber of Commerce and other entities to promote a unique Downtown brand.

- 2.1 Consolidate existing community business and economic development groups where appropriate to alleviate overlaps and inefficiencies.
- 2.2 Cross-load membership/representation among service and advisory groups to improve communications and effectiveness.
- 2.3 Convene groups of local community and business people to identify existing cultural and economic strengths.
- 2.4 Coordinate events around a common theme/brand that sets the Downtown apart from other local communities.
- 2.5 Build local interest in the Downtown as a catalyst to attracting new residents, businesses, and visitors.



3. Implement key elements of the approved (City of Loveland) infrastructure plan by commencing construction over the next twenty-four (24) months and completing within five years, in ways that complement and preserve the Downtown's historic and cultural heritage.



- 3.1 Create a user-friendly summary with completed and planned infrastructure projects.
- 3.2 Hold small group meetings with residents, business owners, and other interested groups to discuss the implications of each project as well as the links between and among those projects.
- 3.3 Gather community input regarding the balance between economic development and preserving local history and culture.
- 3.4 Create timely, ongoing progress reports via multiple media sources.
- 3.5 Design an operating budget that balances immediate marketing and communication needs with a sustainable infrastructure.

4. Increase residential and employment density as catalysts for enriching life for residents and visitors alike.

- 4.1 Partner with the City of Loveland economic development department to keep abreast of demographic trends and emerging economic opportunities.



4.2 Establish a working relationship with area brokers and developers to highlight business and residential opportunities in the Downtown.

4.3 Establish a working relationship with funding sources and development groups that demonstrate an understanding of and a commitment to sustainable economic growth.

4.4 Create opportunities for a wide variety and type of business and residential uses with an emphasis on encouraging growth of local businesses.

5. Assist emerging and existing businesses in navigating local, county, and state regulations and taxing policies.

- 5.1 Create a proactive partnership with the Loveland Center for Business Development to assist with business development.
- 5.2 Work with city, county, and state agencies to provide ongoing workshops and seminars related to business regulations and tax policies/procedures.
- 5.3 Provide "just-in-time" support/advocacy for business and property owners who need immediate answers or directions.
- 5.4 Provide tips through blogs and other media related to common problems experienced/reported by local business and property owners.
- 5.5 Provide recognition of those individuals or groups who make significant contributions to the success of the Downtown.



**Special Thanks
to the
Downtown Working Group
for their dedication to the creation of the
Strategic Plan**

**Clay Caldwell
Jim Cox
Debbie Davis
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Mike Lynch
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Gene Pielin
Troy Peterson
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Doug Rutledge
Carla Schlosser
Nicole Yost**



Downtown Working Group

Report to City Council

Tuesday, August 12, 2014

Presentation

- Introduction, Process and Background
- Strategic Plan
- Downtown Organizational Structure, Timing and proposed budget both short and long term
- City Staff will present the “Big Picture” to answer the question: What will it take?

Background and Process

- Council directs staff in January to engage stakeholders and form a robust and durable downtown leadership organization
- DWG meets 8 times
- Develops Strategic Plan and adopted 7/21/14
- Works with Legal to begin formation of entity
- Council approved legal funding on 8/5/14
- DWG selects board members on 7/21/14

Strategic Plan



**A Strategic Plan for Revitalizing
Downtown Loveland**

Strategic Plan - Goals

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5. To assist emerging and existing businesses in navigating various local, county, and state regulations and taxing policies.

- **Organizational Structure Private Non-Profit**
- 501(c)4 is recommended
- Board Membership: 4 with downtown ties and 3 at large
- **Current Board:**
 1. Harry Devereaux, Home State Bank, downtown
 2. Dan Johnson, Business Owner, downtown (DLA)
 3. Mindy McCloughan, Chamber, At-Large
 4. Heather Lelchook, Aims Community College, downtown
 5. Doug Rutledge, KL&A, downtown
 6. Jim Cox, At-Large
 7. Debbie Davis, Loveland Elks Trustee Board of Directors / Guaranty Bank, At-Large

Timing/Budget

- Begin steps to form non-profit now
- Complete this in November/December 2014
- DDA ***Formation Only*** Election in February 2015
- DDA Mill Levy/Tabor Question November 2015
- This is recommendation of Legal
- **Budget Request: Subject to City Council Approval**
- ✓ \$500,000 annually beginning in 2015 for 10 years. This is approximately 50% of the sales tax generated in the downtown geo area.

What will the funding be used for ?

- Organization start up and educational events for the community
- Organization operations estimated at \$200,000
- Remaining \$300,000 for redevelopment projects, improvement programs and possibly events

Why?

It will take time to:

1. Have the DDA approved by voters.
2. When approved the TIF will be generated over 30 years and in small increments in the early years.
3. Council desires a leadership entity that is robust and durable. That takes money.

Questions/Direction

- Questions for DWG members
- Need direction on budget request for 2015

Downtown Redevelopment Project List (An Estimate Only)

Questions for Staff

Item	City/DDA Cost	Other Public	Private	Notes
Redevelopment Projects				
South Catalyst	\$15,000,000	\$15,000,000	\$50,000,000	Amount includes the estimate on land plus the cost of the redevelopment with a parking structure
4th Street/Rialto Square	\$2,500,000	\$0	\$7,500,000	Includes the cost of the land plus redevelopment cost
Arcadia (4th and Cleveland)	\$350,000	\$75,000	\$1,800,000	Based on preliminary review of proposed plan.
4th and Lincoln/Redevelopment	\$2,000,000	\$0	\$6,250,000	Potential project/timeline unknown
Elks Lodge	\$250,000	\$200,000	\$2,000,000	Estimates are for rehab at \$100/square foot
Loveland	\$250,000	\$200,000	\$2,000,000	Estimates are for rehab at \$100/square foot
VFW Hall	\$500,000	\$0	\$4,000,000	
Feed and Grain	\$0	\$2,300,000	\$1,000,000	
Pulliam Building	\$4,600,000	\$200,000	\$1,200,000	Assumes the City receives a grant from the State Historic Fund and Historic Tax Credits
HNS Building	\$500,000	\$0	\$5,000,000	Assumes a redevelopment of a 20,000 sq/foot building
Larimer County Building/6th & Cleveland	\$500,000	\$0	\$3,750,000	Assumes the City takes possession of the building as part of the South Catalyst
Safeway site	\$5,000,000	\$0	\$30,000,000	Requires further investigation
Railroad site	\$2,500,000	\$0	\$15,000,000	Land at 7th and Garfield
Other private	\$1,500,000		\$10,000,000	Includes other projects not contemplated plus façade grants and fire safety grants
SUBTOTAL REDEVELOPMENT	\$35,450,000	\$17,975,000	\$139,500,000	
Infrastructure				
4th Street/Phase I - 3 blocks	\$5,860,000			4th Street from Railroad to Jefferson
4th Street/Additional 2 blocks	\$2,500,000			4th Street to Garfield and Washington
3rd Street	\$2,250,000			3rd Street west of Cleveland to Feed and Grain
5th Street	\$3,010,000			5th Street from Lincoln to Railroad
Power	\$5,000,000			
Railroad Avenue 1st to 5th	\$4,000,000			
Cost Escalation	\$2,724,000			Estimates were completed in 2009, the number is 20 percent of the cost of the streetscape improvements
Other Cost/Miscellaneous				

Item	City/DDA Cost	Other Public	Private	Notes
SUBTOTAL INFRASTRUCTURE	\$25,344,000	\$0	\$0	
Other Capital Cost				
Trail Expansion	\$1,000,000			
Quiet Zones	\$1,000,000	\$2,000,000		Includes five rail crossings from Railroad through 22nd Street
SUBTOTAL OTHER	\$2,000,000	\$2,000,000	\$0	

	City/DDA Cost	Other Public	Private
TOTAL	\$62,794,000	\$19,975,000	\$139,500,000

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