

LDDA Board Communication

Meeting Date: Wednesday, December 20, 2023

Current Incentive Fund Availability:

| | | | |
|-----------------------------|------------------|--|----------------------|
| Retail Conversion: \$41,587 | Signage: \$7,610 | DIP: \$537,577 | Alleyscape: \$11,089 |
| Residential: \$19,749 | | TIF: \$4,531,099 (net projected available) | |

CONSENT AGENDA ITEMS:

5. a. Agenda Item: Approval of November 15, 2023 Board Minutes

Executive Summary: See link in packet

Board Action: Approve minutes as presented.

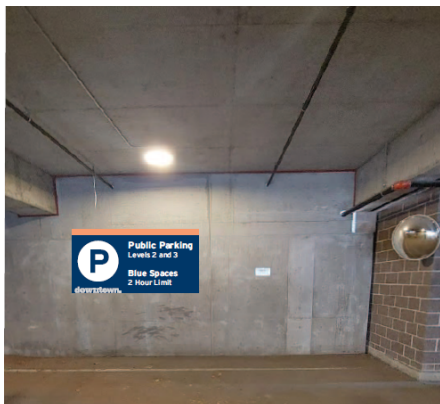
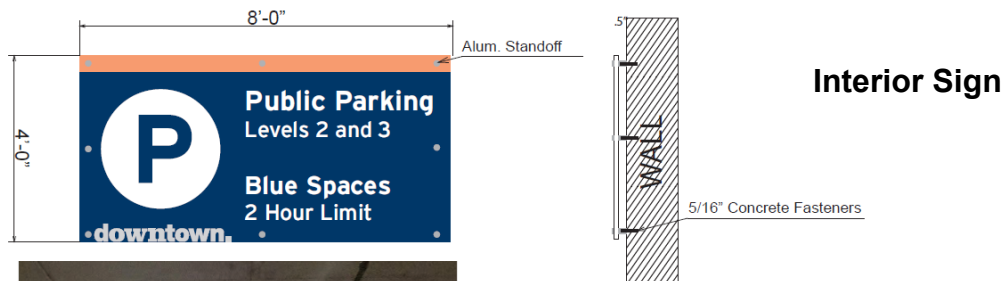
5. b. Agenda Item: Parking Signage for Public Parking in SPOKE

Executive Summary: Staff is continually evaluating how to get more use of The Spoke on Coffman parking garage. We have received feedback that the parking structure is difficult to navigate, and people are often unclear if they are able to park in the structure. In the past, we have had vehicles get stuck by driving into the breezeway while seeking parking.

Staff believes having additional signage for the general public to understand where the parking entrance is located can be beneficial. We have collected three quotes for both a lighted channel letter sign that would say PARKING at the entrance and an informational sign at the top of the entrance more clearly indicating where public parking is available.

Other partners in the HOA would not benefit from these signs, so staff proposes that LDDA fund the signs below. We have three estimates and both signs should not exceed \$8,000, including the cost to run power to the lit sign. Funds can be taken from the previously allocated dollars for Wayfinding.

Below are drafts of the two signs. Staff will also look at the possibility of adding “FREE” on one or both of the parking signs.



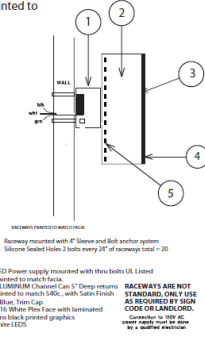
Public Parking Sign:
 Roll Sign Print - Avery 2105 w/1060z overlam
 Applied to- 6mm Alupanel
 Installed - Using 1" Alum Exterior Standoffs and concrete fasteners



Exterior Sign



Illuminated Channel Letters
 -Cut Applied Vinyl:3M 230 Trans white
 -Applied: 3/16" Thick White Acrylic
 -Mounted: 5" deep Channel Cans w/ Blue Returns and Caps
 Cans mounted to 10" (h) x 4" (d) raceway painted to match existing wall
 -Size : 24"(t) x12'-4"(w)
 -Qty: (x1)



Board Action: Approve adding signage to the Spoke on Coffman garage.

5. c. Agenda Item: 2023 Appropriation for Staff

Executive Summary: Staff would like to request an additional appropriation in January 2024. This allocation would cover continuing the partnership with Visit Longmont for 12 hrs per week office support through 2024,. (Ops Fund)

Additionally, we were underbudgeted slightly for the exceptional pay for staff. (Ops Fund; Parking Fund; A&E Fund)

We are projected to have significant savings in our 2023 budget that will be returned into fund balance. Staff has identified these dollars for the appropriation.

See table below:

| Fund | Appropriation |
|--------------|---------------|
| Ops Fund | \$13,000 |
| A&E Fund | \$100 |
| Parking Fund | \$400 |

Board Action: Approve appropriation of \$13,500

5. d. Agenda Item: 2024 LDDA Proposed Board Meeting Schedule & Notification Location:

Executive Summary:

Location: Longmont Downtown Development Authority Offices - 320 Main St.
 Day: Every 4th Wednesday, except noted below
 Time: 4:15 p.m.

January 24
 February 28 Board Retreat (Full Day)

| | | |
|-----------|----|--|
| March | 27 | |
| April | 24 | |
| May | 22 | |
| June | 26 | |
| July | 24 | |
| August | 28 | |
| September | 25 | |
| October | 23 | |
| November | 20 | *3 rd Wednesday |
| December | 18 | *3 rd Wednesday - @ 11:30 a.m. - Holiday Luncheon |

LDDA Proposed Meeting Notification Spot:

<https://www.downtownlongmont.com/agenda>

Board Action: Approve slate above

INCENTIVES:

6. a. Agenda Item: 460 Main St. - Retail Conversion and Façade Renovation Incentives

Executive Summary: Grant Hopfenspirger, the owner of Teocalli Cocina, purchased the 460 Main St. space that was previously home to Guitars Etc. They will be renovating the space to open another Teocalli location. He is applying for the Retail Conversion and Façade grants. As he is converting parts of the property that were formally not retail, such as the west-facing mezzanine, the Board is allowing a retail conversion.

Eligible expenses include a new hood and updated electrical, and new overhead doors, structural steel, and windows/glazing. The total project cost is \$2,100,000. The total eligible Retail Conversion costs are \$92,795 and total eligible Façade Renovation costs are \$288,890. They are requesting a lift to the Façade cap for \$50,000 and the full Retail Conversion reimbursement of \$22,500 (\$15,000 from LDDA and \$7,500 from LEDP). The Finance Committee has approved their financials and LEDP has approved their match of the Retail Conversion grant. Below is a breakdown of eligible costs and reimbursements for the grants.

| | | |
|---|--------------------------|--------------------------|
| Teocalli Cocina | | |
| Grant Worksheet | 2023 | |
| | | |
| Eligible Items | Retail Conversion | Façade Renovation |
| | mezzanine area only | |
| Overhead doors | \$ 38,235.00 | |
| Structural steel | \$ 11,400.00 | |
| Windows/glazing | \$ 43,160.00 | |
| Hood | | \$ 92,390.00 |
| Electrical | | \$ 196,500.00 |
| | | |
| Total Eligible Costs | \$ 92,795.00 | \$ 288,890.00 |
| 25% reimbursement | \$ 22,500.00 | \$ 50,000.00 |
| | | |
| Grant Request to LDDA | | \$ 65,000.00 |
| LEDP match for Retail Conversion | | \$ 7,500.00 |
| Total Grant Request | | \$ 72,500.00 |

Motion: Approve the Retail Conversion grant for \$15,000 and Façade grant for \$50,000.

6. b. Agenda Item: 325 Main St. - Retail Conversion and Façade Renovation Incentives

Executive Summary: Anthony DeSousa purchased the 325 Main St. building to open a new location for his business. The building was previously a non-retail space. He is applying for the Retail Conversion and Façade grants for improvements that include electric and plumbing upgrades, new hoods, and façade improvements of new doors. The total renovation cost is \$350,000. They are requesting 25% reimbursement of the Retail Conversion grant for \$3,251 and a lift to the Façade cap to request \$41,039. Applicant is still collecting a few second bids. The award amount may be updated at the meeting. The Finance Committee has approved their financials and LEDP has approved their match of the Retail Conversion grant. Below is a breakdown of eligible costs and reimbursements for the grants.

| 325 Main St. | | |
|--|------------------------------------|--------------------------|
| Grant Worksheet | 2023 | |
| Eligible Items | Retail Conversion | Façade Renovation |
| Electric | | \$ 51,500 |
| Hood | | \$ 67,655 |
| Hood install | | \$ 45,000 |
| Front doors | \$ 13,012 | |
| Garage door | \$ 6,399 | |
| Total Costs | \$ 19,411 | \$ 164,155 |
| 25% reimbursement | \$ 4,853 | \$ 41,039 |
| Total Grant Request/Reimbursement | | \$ 45,891 |
| Grant Request to LDDA | DIP plus 67 % of Retail Conversion | \$ 44,290 |
| LEDP match for Retail Conversion | | \$ 1,601.41 |
| Total Grant Request | | \$ 45,891 |

Motion: Approve the Retail Conversion grant for \$3,251 and the Façade grant for \$41,039.

6. c. Agenda Item: 630 Main St. - Retail Conversion and Façade Renovation Incentives

Executive Summary: Kim Brain, the owner of Magic Fair Candles (634 Main St.), partnered with investors to purchase the 630 Main St. (the adjacent building). Plans include a deli and grocery store called Pelo's Deli and Provisions. They are applying for the Retail Conversion and Façade grants for improvements that include electric upgrades, framing, flooring, counter tops, grease trap, new hood, and exterior upgrades repairing stucco and new paint. The total renovation costs is \$115,000. They are requesting 25% reimbursement of the Retail Conversion grant for \$2,558 and a lift of the \$10,000 Façade cap to request \$16,808. The Finance Committee has approved their financials and LEDP has approved their match of the Retail Conversion grant. Below is a breakdown of eligible costs and reimbursements for the grants.

| | | |
|---|------------------------------------|--------------------------|
| Pelo's Deli & Provisions | | |
| Grant Worksheet | | |
| | | |
| Eligible Items | Retail Conversion | Façade Renovation |
| Electric upgrade | \$ 5,075 | |
| Framing | \$ 2,610 | |
| Materials (eligible) | \$ 7,590 | |
| Exterior paint * | | \$ 7,071 |
| Stucco, soffit, fascia * | | \$ 6,250 |
| Grease Trap | | \$ 9,860 |
| Hood | | \$ 22,300 |
| Hood install | | \$ 21,750 |
| Total Eligible Costs | \$ 15,275 | \$ 67,231 |
| 25% reimbursement | \$ 3,819 | \$ 16,808 |
| * approved to start work early due to weather constraints | | |
| | | |
| Grant Request to LDDA | DIP plus 67 % of Retail Conversion | \$ 19,366 |
| LEDP match for Retail Conversion | | \$ 1,260 |
| Total Grant Request | | \$ 20,627 |

Motion: Approve the Retail Conversion grant for \$2,558 and the Façade grant for \$16,808.

6. d. Agenda Item: 385 Main St. - Façade Renovation Incentive

Executive Summary: High Plains Bank purchased the 385 Main St. space and are applying for a Façade grant to enclose the exterior stairs that provides access to their second floor. The eligible Façade costs total \$171,820 for new curtain wall and glazing, structural steel, and resurfacing existing stairs. They are requesting the 25% maximum reimbursement of \$10,000. Their financials were approved by the Finance Committee.

Motion: Approve the Façade grant for \$10,000.

6. e. Agenda Item: Granary - Tax Increment Financing (TIF) Investment Program and Façade Renovation (DIP) Incentives

Executive Summary:

Project overview: The Granary project is located within the first phase of the Redevelopment & Reimbursement Agreement (RRA) in 2015 for the South Main Station project. The land was purchased as part of the original Butterball acquisition. It is an adaptive reuse of a historic, agricultural building. The project will contain a food hall (ground floor) and commercial/creative commercial on the 2nd and 3rd floors. It will feature a unique outdoor patio space between the new townhome project and Granary building. As part of the TIF/DIP programs, eligible expenses include all exterior façade updates/additions, the public plaza, as well as hood systems and other code related investments to make the space restaurant ready.

In your packet, please see the formal TIF/DIP application. The TIF Investment Program ([see program documents here](#)) requires a two-meeting review.

December Meeting: The Board will review the project, design, building materials, etc.

January Meeting: The Board will review costs and funding amount. ([see eligible expenses](#))

Final bids/cost worksheet to be available before the January meeting

TIF Investment Program Goals (from program documents):

- Promote/support private development
- Exciting, active vibrant downtown, creating an 18-hour, 7-day economy
- Grow the employment base and improve diversity of businesses
- Showcase Longmont's abundant local creativity and culture, increasing the sense of place in the district
- Enhance the viability of the downtown by providing a desired use or mix of uses
- Environmentally restorative, responsible and accountable
- Design projects that ensure a well-connected and easily accessible downtown environment
- Historic character - enhance and honor what is here

December Meeting Review: BUILDING FACADES (FROM PROGRAM DOCUMENTS)

The LDDA Board will look specifically at the following criteria in its evaluation of submittals:

1. **Quality of materials:** Materials should be high quality and durable, applied with industry standard methods. The LDDA strongly encourages the use of real or authentic building materials (ie actual brick or stone) in the construction of the facade. Provide a timeless design that will keep appeal to future generations and have interest to the general public. Creativity and innovation in the application of building materials, public amenities and public art are strongly encouraged along with a description of how these relate to the proposed project design.
2. **Pedestrian friendly street presentation:** The façade should be designed and scaled so that pedestrians enjoy passing the building and looking at and into it. Entrances from improved alleyways are strongly encouraged. Blank façade walls with minimal articulation, lacking creativity and having limited variation in materials are not acceptable.
3. **Sensitivity to the historic fabric of the building:** Although preferred, the LDDA does not require historic rehabilitations. The Board strongly encourages those properties in the Historic District to invest in preservation efforts and utilize available funding tools. Property owners should be aware that façade changes to some buildings may require review/approval by the Historic Preservation Commission (HPC). All landmark buildings must receive HPC approval of proposed façade changes prior to being scheduled with the LDDA Board. Projects in transition zones, adjacent to historic neighborhoods should respect the historic character.
4. **Character of downtown district:** The proposed project should integrate well into the context of the downtown district. Portions of the district have its own character, including the First & Main Transit Station area, Main Street Corridor and transition zones to the East Side and West Side Historic neighborhoods.
5. **Sustainability:** LDDA actively encourages green building practices that meet or exceed the City's adopted codes to the maximum extent possible. Where possible, incorporate green LID (low impact design) infrastructure and unique landscaping to reduce and cleanse storm water runoff and beautify sidewalks. Focus on transit options and amenities to reduce auto congestion. Integrate Crime Prevention Through Environmental Design (CPTED) principles that enhances safety through attention to visibility, access, lighting, etc.
6. **Deconstruction:** The LDDA Board requires contractors to meet or exceed City of Longmont goals and policies of using deconstruction methods that minimize construction and demolition waste from entering the landfill.

Funding Proposal: 320 Granary Owner LLC is requesting the maximum amount allowed under these programs.

The adaptive reuse of this historic building takes a great amount of cost and effort. It preserves a piece of Longmont's heritage but needs to be completely rehabbed for today's use. This building has been vacant for more than 10 years. It achieves the goals listed above - adding much needed daytime employment, entertainment, 18 hour, 7 day per week economy, etc.

In January, Final bids/cost worksheet will be available. Also, the Finance Committee will complete a financial review before the next meeting.

TIF Investment Program Funding (from program documents)

The level of DDA funding is at the discretion of the DDA Board and is subject to available funding. DDA funding will be based on an application's compliance with the standards and criteria set forth all program documents and a scoring system for evaluating applications. The TIF Investment funding level is typically determined using three main factors:

1. 10% of the total value of improvements as determined by the Assessor's valuation;
2. Supportable tax increment funds generated by the project (up to 25% contribution for residential and up to 50% for commercial) and;
3. The total amount of eligible features for façade improvements and public improvements in the right-of-way.

The LDDA typically funds the lowest of the three factors above and reserves the right to fund at a higher or lower level in accordance with its current funding priorities.

Civistruct did a high-level analysis of the current information. This information is subject to change. A presentation and updated document will be provided at the January Board meeting, after we receive eligible expenses. (see below)

1. 10% of the total value of improvements as determined by Assessor's valuation

- Value = \$1,298,913
- Based on the following: Boulder County worksheet using NOI of \$884,294 (no expenses) and 6.5% cap rate. Actual value of 12,989,131. 10% of that value is \$1,298,913.

2. Supportable tax increment funds generated by the project (up to 50% for commercial)

- Value = \$2,971,203
- Based on the following:
 - 50% of the supportable TIF for commercial for 25 years = \$118,848 x 25 years.
 - Annual TIF (based on taxing entities) is \$237,696 (\$271,914 total supportable TIF - \$34,217 base)
 - Source - Boulder County tax worksheet where no expenses were applied to the NOI.
 - Estimated property taxes of \$391,590 annually based on 6.5% cap rate to determine value (Boulder County worksheet provided a range of cap rates - 6%, 6.5%, and 7%. I used the middle - 6.5%.
 - Assumes no annual increase in property tax increment.
 - Base property tax value of \$34,217 (this is based on the 2023 assessment and the tax amount due in 2024).

3. Total amount of eligible features for façade improvements and public improvements ROW

- Value = \$1,900,000 - \$2,200,000 (estimated)
- Based on information provided in the TIF application, applicant noted that a detailed breakdown of the proposed facade and ROW improvements would be provided in January 2024.

Based on information provided in the TIF application, applicant noted that a detailed breakdown of the proposed facade and ROW improvements would be provided in January 2024.

Façade Renovation Funding (DIP):

DIP: As part of the Redevelopment & Reimbursement Agreement (RRA) in 2015, the Board authorized 100% of the DIP fees paid into the South Main Station apartment project be reimbursed to the developer at CO of the project. Staff recommends that the Board consider the same, allowing for 100% reimbursement of any DIP fees paid to the LDDA for reinvestment in this project. The food hall will need a buildout of at least four restaurant spaces.

Staff will evaluate the project based on the [scoring matrix](#) and have the available in January.

Board can ask questions, get clarification, etc. during this meeting.

- 1. Will the Board contribute 100% of DIP fees contributed by this project**

NEW BUSINESS

7. a. Agenda Item: 600 Main St.

Executive Summary: Staff has secured a signed Letter of Intent (LOI) to purchase the 600 Main St. parcel for the appraised price of \$750,000. Working with Western States Land Services, the Purchase and Sale Agreement will need to be sent to the property owners before December 22.

Joshnik Co LLLP (current owners) are considering a short term lease on the property with Pinkard Construction to use the property for parking/construction staging during the rehab of the Village Place property at the southwest corner of 6th Avenue and Main St. That lease was anticipated to begin in January 2024. The property owner has asked if LDDA would have any concern assuming this short term lease after the sale. The current terms are \$600 per month plus fence rental reimbursement (currently \$255 per month), on a month-to-month basis while the construction project is underway.

Staff would like to discuss this short term lease option with the Board and also get direction to enter into a Purchase and Sale Agreement as well as appropriate the needed funds in January or February 2024. Costs would come from the Tax Increment Fund that has a fund balance of \$4.5 million as of November 30.

Motions:

Motion to approve the purchase, authorizing Executive Director and Board Member Joseph Perrotto to negotiate the purchase and sale agreement.

Motion to appropriate an additional \$850,000 appropriation, including \$750,000 for the building and \$100,000 for expenses from TIF balance.

OLD BUSINESS

8. a. Shuttle Update

Executive Summary: The Board asked for clarification on the GEM E6 cart after our November meeting. Please see below:

1. How does this vehicle perform in snow?
 1. It is front wheel drive – same as car. Fine on a street with snow.
 2. Can be upgraded to include with all-weather tires.
 3. Sold to consumers for use around town in the mountains. Haven't gotten push back.
2. Do you have any client references? Some that have used the vehicle in winter weather?

1. Typically sell direct to consumers – don't have client references
2. Current one is in warehouse – Denver off 70 and Peoria
3. We can set up time to look at and drive
3. What is the average life of the battery? What is the cost of a replacement?
 1. Battery warranty is 2 years/8,000 miles. Usually get 3 – 4 years
 2. Cost to replace is \$1,500
4. What are the warranty options on the vehicle?
 1. 2 years/8,000 miles
5. Do you have a nearby tech for the vehicle?
 1. They have techs based out of Fort Collins – cover from Wyoming to Pueblo
6. What is the insurance liability on the vehicle?
 1. Annual premium costs would be between \$1,000 - \$4,000
 2. Carrier would like to ensure we do thorough background checks, etc. on drivers
7. Can an outside company hire/manage drivers
 1. Staff is still looking into this option