

RECORD OF PROCEEDINGS
MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS OF
RiNo BUSINESS IMPROVEMENT DISTRICT

HELD:

Tuesday, August 13, 2019, at 3:00 p.m. at EXDO Offices, 3535 Larimer St., Denver, Colorado

ATTENDANCE:

The meeting of the Board of Directors of the RiNo Business Improvement District, City and County of Denver, Colorado was called and held as shown above and in accordance with the applicable statutes of the State of Colorado, with the following directors present and acting:

Justin Croft
Rachel Rabun
Sonia Danielsen
Bryan Slekes
Ari Stutz
Diana Merkel

Also in attendance were: Tracy Weil, John Deffenbaugh, Radhika Mahanty, and Alye Sharp, RiNo Art District staff; and Molly Veldkamp, NDCC.

Director Andrew Feinstein was absent, absence excused.

CALL TO ORDER:

Mr. Weil noted for the record that a quorum was present, and on behalf of the Board, called the meeting to order.

APPROVAL OF MINUTES:

The minutes from the June 11 Board meetings were reviewed by the RiNo BID Board via email prior to the meeting. Upon motion duly made, seconded, and unanimously approved, the minutes will be posted on the RiNo BID website.

REVIEW OF FINANCIALS:

Excess funds that have not been spent this year and aren't allocated. Mr. Weil reviewed what's been spent so far of this year's BID funds, noting that that are excess funds that have not been spent this year and aren't allocated to anything yet.

RECORD OF PROCEEDINGS

RiNo Business Improvement District

August 13, 2019

Page 2

PROJECTS UPDATE, *John Deffenbaugh*:

Mr. Deffenbaugh reviewed the 2019 budget position, reviewing each project line by line.

Mr. Deffenbaugh then reviewed the recycling and landfill program, noting the costs for hardware, installation and servicing. He added that the BID/GID will split the costs with the BID paying \$199K, and the GID paying \$72K. He then reviewed the methodology of how the BID/GID split was calculated. He noted that there was an RFP for servicing, to which two organizations applied. He also reviewed the frequency, quantity, and locations. Mr. Deffenbaugh also added that DayWorks was awarded the contract for a number of reasons, noting that it's also great to support their program.

Finally, Mr. Deffenbaugh stated that this is a very visible project for the BID and is set to be implemented in Q4 of this year.

Director Slekes made a motion to approve the \$125.5K for this year, and set aside \$37K for the next two years per year (2020 + 2021). The vote was passed unanimously by the Board.

35TH + WALNUT ST:

Mr. Deffenbaugh informed the Board that the City has now put resurfacing of Walnut Street out to bid, factoring in two-waying with paint, adding that the resurfacing of Blake is also included. As part of this, they're also looking to increase size of bike lanes and add green paint to the lanes.

Ms. Veldkamp said that Blake Street will be one of the "guinea pigs" for the new style bike lanes to see how they work.

Ms. Veldkamp added that the design process for Walnut will kick off in late September and will go into spring, and that the repaving of Blake and Walnut will either happen in the fall of 2020 or spring of 2021 and depends on how quickly XCEL wraps up their natural gas line work. She noted that the project will be ready to go for when XCEL is done.

Ms. Veldkamp said the money for the study is in place so she'll come back to the BID on how to engage the business owners on Walnut St.; there will be a lot of stakeholder engagement throughout the process.

Mr. Deffenbaugh said reminded the BID that they contributed \$127K to 35th Street, which is going through city budget cycle and will have the "right" answer hopefully in October.

RECORD OF PROCEEDINGS

RiNo Business Improvement District

August 13, 2019

Page 3

CRUSH UPDATE:

Mr. Weil noted that the planning and fundraising for CRUSH are going great and that everything is on track for a successful event.

Director Danielsen said that \$529K in sponsorship is confirmed, with about \$250K in the pipeline, 95% of which is confirmed. She noted that this doesn't include liquor or merch sales to take place during the event. Director Danielsen said that we should be way over budget and are working to finalize walls now. The map of where artists are painting during the week should be public soon. Director Danielsen said the best thing is that systems are in place now and should be much easier going into next year's planning.

SNOW REMOVAL IGA:

Mr. Weil reminded the Board that the RiNo GID will primarily be doing landscape maintenance and bike lanes were never in the GID's contract. He said the City overlooked this item in the GID agreement and currently don't have the equipment to take care of the specialized bike lanes, so they're asking the BID to get a contractor to do it and they'll give us the money + 15% management fee. Mr. Weil noted that the ask is because the BID already has an agreement in place with another contract for maintenance and this could just be added on to the existing contract. Director Rabun asked if the BID says no, then will no one take care of them for the time being? Mr. Weil said that this is a common problem around the city and that the city is indemnified from accidents. Director Slekes added that it was likely that RiNo will take the blame if the lanes don't get cleared. Director Slekes asked how hard it would be for staff to manage this, to which Mr. Deffenbaugh said most of the work is just contracting and paper-pushing; the BID will be reimbursed at actual cost plus a 15% management fee.

The Board tabled this vote until Director Croft arrived and came back to this topic. Director Croft clarified that he's frustrated that this didn't get addressed by the city back in February when it was first discussed, since the GID also declined. Director Stutz asked about staff time, to which Mr. Weil said the contract is already set up, mostly accounting for "paper-pushing". Director Croft said the current contract has an auto-renew with a 30-day out. Director Croft said he just wants to make sure the BID doesn't become a maintenance district but rather the original intention to fund the arts and social programs.

Director Croft wants to read it one more time and then will sign it if everything looks okay, but since the board already voted on the original contract, they won't need to vote again.

RECORD OF PROCEEDINGS

RiNo Business Improvement District

August 13, 2019

Page 4

RAD FUNDING PRESENTATION:

Mr. Weil noted that there were two asks to come before the Board today.

First ask:

Mr. Weil noted that there is \$50,000 allocated in marketing, but the BID has only used \$16,000 so far. He then noted that the ask is to utilize the rest of the allocated funding in this year, referring everyone to a document further outlining the ask. He also clarified that part of Eva Zimmerman's salary is paid for by the RAD for membership. Part of this ask is also to keep social networking platforms going.

Director Slekes said he thought the Board didn't need to vote on it and to just to use the marketing dollars as the staff sees fit. He said that the BID can utilize part of the funds for Eva and Alex Pangburn's salary, to which the Board said this all sounded good.

Second ask:

Mr. Weil reminded the Board that the RAD owes the BID about \$120K (actually \$110K, \$10K already been paid back); Director Slekes clarified that Mr. Weil's asking the BID to "forgive" \$50K of their own debt. Director Slekes wants to know what the BID got for the \$50K, to which Director Danielsen said that CRUSH pretty much paid for itself last year, but that \$140K for CRUSH didn't come in until after the event was over. RAD's former President had asked to borrow \$140K from the BID to pay the bills for CRUSH, then CRUSH was going to pay the BID back when the sponsorship money came in, but the money was instead used to pay operating expenses for the RAD instead of paying the BID back at that time. She clarified that the RAD was running in the red for a couple of reasons:

- The store was losing money at about \$10K per month
- The BID didn't budget enough money to pay for the management expenses.

Director Danielsen said these were legitimate expenses that were simply not budgeted for. Director Slekes clarified the BID/GID bring in money, but not so much the RAD.

Mr. Weil said that now the RiNo offices have moved out of Zeppelin Station and is receiving three months of free rent, then rent will be ~\$1700 per month going forward. Director Slekes said that the BID just needs to "fix" this one problem, but everything else is successful. Mr. Weil clarified that the ask has two options: one is to cut the debt in half and rewrite the promissory note with \$1000 per month payback to the BID, and the other is to forgive the debt completely.

RECORD OF PROCEEDINGS

RiNo Business Improvement District

August 13, 2019

Page 5

Director Slekes asked about RAD's revenue stream, to which Mr. Weil said it's primarily membership and donations, and BID funding. Director Slekes suggested forgiving the whole thing but needed to dig into it a little bit more. Director Slekes clarified that most of the funding for RAD really comes from the BID, so it's kind of like the BID paying itself back anyway.

Mr. Weil noted that he thought the BID should have viewed the store as a program to begin with. Director Croft noted that the GID has limits around what it can do, but the BID doesn't have similar mandates. Director Danielsen added that this would leave the RAD with a clean slate, noting that Jonathan Power is now the treasurer of the RAD and has been working hard to straighten everything out. Director Croft said that the most important lesson is not to confuse nonprofit programs with a for profit business.

Director Danielsen said that with projects like CRUSH and the Oxpecker Ball, monies are in restricted funds accounts and they're being much more careful going forward.

Director Stutz said that going forward, if the funding backstop is the BID or GID, then this needs to be brought to the BID and GID Boards instead of how the lease went through, which was only through the RAD board.

There was a motion for the BID to forgive the \$110K loan and attached promissory note for miscellaneous costs attached to the store and other programs for the past two years. The Board voted unanimously to approve this vote.

BID BUDGETING:

Director Croft noted that there were four key sources of income for RAD:

- BID
- GID
- Membership
- Fundraising

Mr. Weil presented the 2020 budgeting document with buckets that staff worked on to give an overview of everything the BID is working on.

Mr. Weil noted that this is generally what they have to give to City Council every year (high level) then will drill down and flesh it out before the end of the year.

Mr. Weil asked the Board if any projects were missed; once valuations are in on the 28th of this month, staff will allocate dollars then come back to the Board and hold a public hearing.

RECORD OF PROCEEDINGS

RiNo Business Improvement District

August 13, 2019

Page 6

Director Croft noted that each item should be prioritized, noting park buildings and affordability.

The Boar agreed to bump the BID board meeting to September 17th. Ms. Sharp will update the calendar invite.

ADJOURNMENT:

There being no further business to come before the Board and upon motion duly made, seconded and unanimously carried, the meeting was adjourned.

The foregoing minutes constitutes a true and correct copy of the minutes of the above-referenced meeting and was approved by the Board of Directors of the RiNo Business Improvement District.

Secretary to the Board