

DDA

Downtown Development Authority
Rifle, Colorado

MEETING MINUTES
Wednesday, June 3, 2015
Rifle City Hall

1. CALL TO ORDER:

Chairperson, Jay Rickstrew called the meeting to order at 7:01 a.m.
Members Present: Tom Stuver, Randy Winkler, Wilma Paddock and Sally Brands, and Gil Frontella
Members Absent: Ed Arnold, Nella Barker, and Michael Langhorne,
DDA Manager Present: Helen Rogers
Guests Present: Nathan Lindquist; Rifle Planning Director

2. APPROVAL OF MINUTES:

A motion was made by Paddock, seconded by Brands to approve the minutes of May 6, 2015. The motion passed unanimously.

3. FINANCIAL REPORT:

The Financial Reports were presented for review. As the City's balance sheet did not match up with the correct date the approval was delayed until next meeting.

4. BILLS TO BE APPROVED:

1) VIP Trash Removal; \$150.00 2) Mr. Power S; \$495.00 3) Micro Plastics, \$75
4) CLC Maintenance Group, Irrigation \$130.00 5) Mountain View Tree Farm; 2 Barberry Plants; \$48.00. 6) Post Independent, Renew Rifle Ads, PI; \$202.50 and CT; \$63.00. 7) Gil Frontella, Downtown Maintenance; \$263.50. A motion was made to approve the bills by Brands, seconded by Frontella, approving unanimously.

5. MANAGER'S REPORT:

DDA Administration – 53.5 hrs.

- The Rifle Main Street Committee continues to meet on a bi-monthly basis. The UTE Plaza Area is nearing completion with the fencing and furniture installation occurring the week of June 15th. Cost of the fence came in at \$4,748 from J&S Fence from G.J. and the furniture is \$11,396 from ProSpace in Delta.
- The Rifle Farmer's Market is gearing up for the start of the season on Thursday, June 18th at the Second St. Lot. All the music is booked, and working on the Lemonade Stand Volunteer list. We're also participating in the CLEER Energy Bike Week by encouraging patrons to bike to the Market and receive something free on June 25th. Gus the Bus will join up towards the end of the season in Sept.
- Met with Tom Whitmore regarding Parks Staff painting over the art student's mural project in Centennial Park. Tom went to the high School and apologized and

conveyed to them the City and Rifle Main Street would like them to continue the project this fall. Sounds as if they will.

- Participated in a Garfield County Sales Tax Campaign meeting in Silt, organized by Garfield Co. Libraries. The goal is to educate residents why buying local is so important and what it affects when shopping out of town.
- Working with Bobby Odell to coordinate fixing the underground leak in the pit on 3rd and East Ave. Was told by Casey Boren, the Vac-Truck broke down but hopes to have it running by the end of the week and will repair the leak then.
- Gathered the downtown Flower Pots from Niemann's Gardens. They were placed on 3rd and 4th Streets and in the 2nd St. Lot on Sat. of Memorial Weekend. Sandor Drucker is watering them again every other day as needed.
- Continue to work on the 3rd St. curb extensions, with pruning, mulching and adding some new plants every Thursday until completed.
- Includes daily emails and communication with City Staff and others, prep for DDA Meeting, DDA Meeting and Minutes, Regular Budget Report, and Manager's Report.

UTE Theatre and Event Center Update – 8.5 hrs.

The Family Movie night, showing Back to the Future, on May 19th went well with around 100 people in attendance. We will resume movies in October due to all the events happening this summer in Centennial Park as well as the Farmer's Market. The Rifle Police Dept. will be showing films in the Park in August.

We will be attending the Rural Philanthropy Days workshops and events, June 24th – 25th asking for support for the retractable seating system. The City offered to help offset our costs and paid for 3 participants at \$125 each. As part of RPD, NUTS will host a reception at the UTE for the participants on Thursday night, with wine and beer tasting, food from The Minor's Claim, and music by jazz guitarist, Sean Strobe.

NUTS will be sponsoring the Glen Miller Orchestra on Wed. June 24th. Tickets are available through TicketsWest and at City Market.

Visitor Improvement Fund - 8.5 hrs.

The Northwest Colorado Cultural Heritage Program created a new 501-c-3. They were originally under Northwest Agricultural Alliance.

The signage is just about ready to go and will sign off when minor revisions are completed. We're planning to get the gateway sign up in the Civic Plaza this summer. We will be able to have duplicate plastic core signs as well which can be placed on easels around town, including the Rifle Heritage Center.

6. NEW BUSINESS:

A. Sales Tax Awareness Campaign

The Library has been organizing a Buy Local Sales Tax Campaign. The intent is to increase awareness of what sales tax supports in Garfield County. The first step is to create a logo which will be used for window clings. Rogers presented two samples, the DDA Board preferred the Buy, Eat, Enjoy LOCAL instead of 'shop local, it makes cents. The next phase is to educate the public in each town as to what specifically sales tax is used for.

B. RREDC Update

Brands stated the Executive Director, Mel, has been busy with projects and recently lead a group from San Diego around the area. With the implementation of the Enterprise Zone, tax credits are available when hiring new staff. Alpine Bank has taken advantage of this program. An increase in real estate sales has occurred and the Planning Dept. has been busy.

Winkler indicated a grand opening will occur for Sparq Natural Gas, a new CNG station, on June 10th and will open at the Gilco Truck Station out on Hwy 6&24.

C. DDA Ordinance Review, Winkler

At the May 20th Council Workshop, Rifle Citizen and laundromat business owner, Kris Krelovich, announced, due to his research, that the DDA was in violation of collecting taxes because they should have a 30 year sunset when the tax was implemented in 1982. According to his information the property tax should have stopped in 2012 and now the DDA owes its district back taxes.

Council stated they would look into this and the following response was issued by the City Attorney, Jim Neu.

June 1, 2015

TO: City of Rifle, City Council

FROM: Karp Neu Hanlon, P.C.

RE: Tax Questions Regarding Rifle Downtown Development Authority (“DDA”)

At the City Council Work Session held on May 20, 2015, a Rifle citizen and downtown business owner (“Citizen”) presented information to Council related to the validity and taxing authority of the DDA. In short, the Citizen argued that under Colorado statute (C.R.S. § 31-25-807(3)(a)), the DDA had exceeded the time period in which it may exist or levy taxes (absent an extension). As you know, the DDA is a separate legal entity and we represent the City; however, because the DDA does not have active legal counsel, we wanted to provide this memorandum regarding the law on this issue so Council is fully informed.

In summary, State statute clearly authorizes the general mill levy assessed by the DDA with no time restriction on that tax or the DDA’s existence and the Citizen was citing a restriction on tax increment financing which the DDA does not utilize, as more fully discussed below.

The DDA was formed in 1982. By statute (C.R.S. § 31-25-817), the DDA can impose a standard 5 mill property tax levy, which it has. Another mechanism known as “tax increment financing” (“TIF”) is available to downtown development authorities; however, it has not been utilized by the DDA. Section 807(3)(a) of the downtown development statutes relates to TIFs. Consequently, this section does not apply to the DDAs current taxing authority and regime.

By way of further background, a TIF is a form of public funding that allows for the sale of municipal bonds to raise money for public improvements pursuant to the Colorado Urban Renewal Law. A TIF involves the distribution of existing taxes on assessed valuation and is not a separate tax itself. As explained by the court in Northglenn Urban Renewal Authority v. Reyes, 300 P.3d 984, 986 (Colo. App. 2013):

[A TIF] is accomplished by first establishing a base amount upon which the various taxing authorities assess and collect their levies. This base amount is determined by assessing the value of the property within the urban renewal area prior to adoption of the urban renewal plan. Thereafter, the property is reassessed in subsequent years for tax purposes in the hopes that the urban renewal plan has increased its value. After all levies are assessed and collected on the subsequent valuation, any incremental increase in the base amount is deemed the result of the urban redevelopment efforts by the municipality and is distributed to the urban renewal authority.

This background is necessary for the statutory reference made by the Citizen at Council's Work Session. The Citizen cited to C.R.S. § 31-25-807(3)(d), which contains complex language and reads as follows:

Notwithstanding any law to the contrary and subject to the provisions of subparagraph (IV) of this paragraph (a), any such plan of development as originally adopted by the board or as later modified pursuant to this part 8 may, after approval by the governing body of the municipality, contain a provision that taxes, if any, levied after the effective date of the approval of such plan of development by said governing body upon taxable property within the boundaries of the plan of development area each year or that municipal sales taxes, not including any sales taxes for remote sales as specified in section 39-26-104(2), C.R.S., collected within said area, or both such taxes, by or for the benefit of any public body shall be divided for a period not to exceed thirty years or such longer period as provided for in subparagraph (IV) of this paragraph (a) after the effective date of approval by said governing body of such a provision, as follows;

The statute goes on to contain more details related to the levy and collection of the referenced tax. Again, this statute relates to TIFs, and not a standard mill levy.

Colorado Revised Statute section 31-25-817 concerns the DDA's general taxing authority and reads as follows:

The governing body may impose and levy an ad valorem tax on all real and personal property in the downtown development district not exceeding five mills on the valuation for assessment of such property for the purposes set forth in section 31-25-807, nondebt funded expenditures allowed under section 31-25-808(1) (a) and (1) (b), and budgeted operations of the authority. This levy shall be in addition to the regular ad valorem taxes and special assessments for improvements imposed by the governing body. The tax collector shall transmit funds so collected to the appropriate officer of the municipality responsible for the handling of the public money who shall deposit same in the municipal treasury to the credit of the authority. Such funds shall be used for no purpose other than those purposes authorized by this part 8 and upon approval of the board,

The same concept applies to a downtown development authority, pursuant to vouchers signed by the designated officer of the authority. The funds of the authority shall be secured as other public funds are secured. Other moneys received by the authority shall forthwith be deposited in the municipal treasury to the credit of the authority, subject to disbursement as authorized.

The DDA operates for its authorized purposes using tax revenues generated from its general mill levy. It does not utilize a TIF. There is not a thirty-year (or similar) time restriction on the general mill levy or the DDA's existence as a separate legal entity.

Board members felt the citizen misread the law and has no substance for debate.

D. Other

Rickstrew stated the 'Chairs' Meeting met recently and Nathan helped to facilitate it, but was like 'herding cats'. The next meeting is in August and the hope is to hire a facilitator to help with strategy objectives.

Winkler presented a sign from Olive Ridley's Coffee Shop and Travel. The total expense came to \$938. The DDA Signage program reimburses 2/3rds the amount up to \$500. A motion was made by Paddock, seconded by Frontella to approve payment of \$500 to Olive Ridley's Coffee Shop and Travel.

Winkler asked about the vintage sign next to Olive Ridley's, where Glenwood Medical owns the building. It was felt the sign should be used for future signage.

Winkler indicated he was chosen to campaign for the Youth Zone 'Kiss a Pig' Fundraiser.

Stuver suggested housekeeping was in order regarding basic knowledge of things such as DDA Boundaries, Board Roster, Budget, and original DDA Ordinance due to the recent inquiry from a citizen thinking there should have been a 30 year sunset on the DDA property tax. He suggested putting together a small binder for all the board members so when asked, everyone is up to speed. Rogers will put together a prototype for the next meeting.

Stuver asked about Board Members Terms and if anyone was due to come to an end of their term. Rogers will respond with an email to Board Members.

7. PROJECTS

A. UTE Plaza Area Design Update

The concrete work is complete and waiting on fencing and furniture.

B. Farmer's Market, starting Thursday, June 18th

See above.

C. Northwest Colorado Cultural Heritage Program Update

See above

8. MAINTENANCE

A. Third St. Mulching

On-going.

B. Irrigation Leak, E. 3rd St. and East Ave.

Bobby Odell indicated his crews will repair it.

9. ADJOURN

The meeting adjourned at 7:55 am.

Respectfully Submitted,

Helen Rogers
DDA Manager