



Colorado Springs Downtown Development Authority
Board of Directors Meeting
8 a.m. July 09, 2024
111 S Tejon St. Ste 703, Colorado Springs, CO

Meeting notes

***Due to a staff error, this meeting was not publicly notified in accordance with the Colorado Open Meetings Law.**

Board members present: Jeff Finn, Troy Coats, Jeremy Shirley, Patrick Stephens, Laura Neumann, Jordan Empey (remote), Carrie Bartow (remote), Michelle Talarico (remote)

Board members absent: Chris Lieber, Dave Lux, Amber Brannigan

Staff members present: Susan Edmondson, Carrie Simison, Austin Wilson-Bradley, Chelsea Gondeck, Ana Valdez, Jessica Vasquez

Guests: Ryan Tefertiller (City Planning), Sharon Mullally and Carol Guinta (Comfort & Joy Cat Café)

Call to order and welcome

8:05 a.m. Jeff Finn called the meeting to order.

Minutes

The board reviewed minutes from the May 14, 2024, board meeting. On a motion by Laura, seconded by Patrick, the minutes were unanimously approved.

Financials

The board reviewed financials dated June 30, 2024. On the balance sheet, Ana highlighted the outstanding short-term loan from 3Es Comedy Club in the amount of \$17,000 and stated that staff has been unable to collect payment. On the budget vs actuals, she noted that due to conservative budgeting of interest income, both the General Fund and the TIF Fund have exceeded the projected amounts. On the tracker, she noted that the Early Connections grant will be moved to the 2025 budget due to the project being somewhat stalled. Susan believes that they may come before the board to seek an amendment to the grant.

Governance

Susan directed the board to the memo in their packet regarding board seat openings. The DDA board has one opening due to the term-limited departure of Dave Lux. Further, Laura Neumann began service by filling a partial term that is now up for renewal.

The other board opening has been informally prioritized for a retail/restaurant position. The opening was publicized through Downtown's newsletter and on its website.

Susan and Chris recommend Jim Smith, co-owner of Mountain Chalet, to fill this seat. Jim brings ideal experience both by owning a small retail business and through years of relevant experience on previous boards and in real estate development and finance. They also recommend that Laura be appointed to her first full four-year term.

Carrie moved to recommend to City Council that Jim Smith be appointed to a first four-year term and that Laura Neumann be appointed to fill a first, full, four-year term on the DDA board of directors. Patrick seconded and the motion passed unanimously.

Grants

Retail Incentive Grant: Comfort & Joy Cat Café

Austin introduced Sharon Mullally and Carol Guinta, co-owners of Comfort & Joy Cat Café, opening at 615 S Nevada Ave, who come before the board seeking a Retail Incentive Grant. The business model relies on reservation and walk-in customers purchasing a one-hour slot to interact with adoptable cats in the 'visitation room' and these customers purchasing coffees, sandwiches, and other light fare food items in the café.

Staff shared concerns about the long-term viability of the business plan, mainly due to the volume of customers required to meet their target revenue as well as the niche nature of the business.

The applicants shared that since the original business plan was submitted to staff, certain conditions have changed that reduced expenses. They have secured a partnership with Teller County Regional Animal Shelter (TCRAS) that will cover expenses to care for the foster cats. Additionally, they have reduced staffing expenses as they were recently informed that the socialization area does not need to be staffed at all times. Lastly, they adjusted the expected attendance for each session as well as the number of sessions per day. The applicants also shared their passion for the business and the therapeutic benefits of a cat café.

While the board was supportive of the concept and agreed that it would be a welcome offering Downtown, they requested that the applicants gather more information on visitation of other similar businesses, submit their updated business plan to staff, and connect with other long-time cat-centric businesses. Staff did advise that the applicants were already requested to provide typical visitation data for this type of business but that has been difficult to acquire. The board asked that the applicants come before the board in August once these steps have been completed. Susan recommended that due to the social impact nature of the business, that they seek guidance from the Colorado Institute for Social Impact.

Retail Incentive Grant: Soiree Bridal Boutique

Austin directed the board to the memo in their packet for Soiree Bridal Boutique, which the board will recall approving a \$5,000 Retail Incentive Grant in March. At the time, Soiree had leased a space at 123 E Bijou St. Unfortunately, due to significant delays in tenant improvements by the property owner, Soiree cancelled the lease on the property and has now signed a lease at 106 Pueblo Ave.

Staff recommends that the \$5,000 grant be reassigned to Soiree Bridal Boutique at 106 Pueblo Ave. Should expenditures borne by Soiree come reasonably near to or above the expected amount, the full \$5,000 will be issued. If expenditure is significantly lower, staff will proportionally prorate the grant. Jeremy moved to reassign the grant as recommended by staff. Patrick seconded and the motion passed unanimously.

Public realm updates

Environmental Sustainability Plan

Chelsea directed the board to the memo and first draft of the Environmental Sustainability Plan, which was also sent to them in advance of the board packet for maximum time to review. She provided an overview of the plan, which focuses on five main sectors (built environment, natural environment, mobility, business operation, and education, marketing and advocacy) and includes big ideas which are areas where the initiatives could be most impactful in the next five to ten years.

Chelsea stressed that the Downtown family of organizations is not a regulatory body and the plan is created to be more of an intention than a mandate, and a document that will be a resource for the upcoming refresh of the Experience Downtown Master Plan and could be helpful in securing external funding for future projects.

The board was asked to continue to review the draft plan and send any feedback to Chelsea and Susan by the end of the week so that it may be adopted by the board at the August board meeting prior to full design.

Busy Corner

Chelsea directed the board to the memo and renderings of Busy Corner, which the DDA has agreed to fund enhancements to above and beyond the scope of the Tejon Reconfiguration project. She announced that the general construction costs that the board objected to at the May board meeting have been removed, and that the RFP has been released at 90% design and therefore the board has the opportunity to adjust the final design choices.

Of the options provided, the board favored the 16-foot crosswalk with the ASL granite option, with the understanding that this option will cost approximately \$550,000.

Jeff made a motion to affirm the preferred design and a not to exceed amount of \$600,000. Carrie seconded and the motion passed unanimously.

Commercial retail overview

Austin shared a brief presentation that was prepared for the July merchant meeting regarding the general state of Downtown year-to-date as it relates broadly to residential vacancy rates, hotel occupancy rates, overall visitorship, with a deeper focus on commercial retail. A handful of recent closures including The Well, Marco's Pizza, and The Perk Downtown have led to some headlines that suggest a much more dire situation than is realistic. Many of the closures have already been replaced with new concepts, though staff is keeping a watchful eye on the situation.

Austin explained that a sharp increase in asking rents (up nearly 50 percent in one year) is putting strain on many small businesses. Inflation and low consumer sentiment are also negatively affecting sales, further widening the gap between income and expenses. Susan stressed the importance of a strong retail core to a robust Downtown.

Final remarks

The board discussed the need for a cohesive strategy concerning the ongoing building height conversations, as well as the need for support at public meetings. They also discussed the relationship and sequence of adoption between the Experience Master Plan update and the updates being made to Form Based Code.

The board meeting was adjourned at 10:03 a.m.