

City Council Business Retention & Development Committee

A sub-committee of the Louisville City Council

**Monday, October 3, 2016
8:00 AM – 10:00 AM
Library Meeting Room
951 Spruce Street
(*entry on the north side of building*)**

- I. Call to Order
- II. Roll Call
- III. Approval of Agenda
- IV. Approval of September 6, 2016 Meeting Minutes
- V. Public Comments on Items Not on the Agenda
- VI. Street Faire Discussion
- VII. Downtown Retail Discussion
- VIII. BRaD Committee Restructuring Discussion
- IX. Meeting time and date discussion
- X. Retention Visits
 - Pitter Patter
 - Centre Court Apartments
 - Trailhead Wealth Management
- XI. Reports from committee members –
- XII. Discussion Items for Next Meeting: November 7, 2016
- XIII. Adjourn

***City Council
Business Retention &
Development Committee
Meeting Minutes***

**September 6, 2016
Library Meeting Room
951 Spruce Street**

CALL TO ORDER –The meeting was called to order by Chair Susan Loo at 8:00 AM in the 1st Floor Meeting room at the Louisville Library, 951 Spruce Street, Louisville, Colorado.

ROLL CALL – The following members were present:

Committee Members: Susan Loo, Chair
Rob Lathrop, Revitalization Commission
Dennis Maloney, City Council
Michael Menaker, Alternate Revitalization Commission
Chris Pritchard, Planning Commission
Scott Reichenberg, CTC
Justen Stauer, Downtown Business Association

Staff Present: Malcolm Fleming, City Manager
Heather Balsler, Deputy City Manager
Aaron DeJong, Economic Development Director/Acting
Planning Director
Penney Bolte, Tax Manager
Dawn Burgess, Executive Assistant to the City Manager

Others Present: Randy Caranci
Mike Kranzdorf
Jim Tienken

MEETING WAS CALLED TO ORDER BY CHAIR SUSAN LOO

APPROVAL OF AGENDA

Approved

APPROVAL OF AUGUST 1, 2016 MINUTES

Approved

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA:

none

Q2 2016 REVENUE REPORT – PENNEY BOLTE:

Tax Manager Penney Bolte said overall sales tax is up for 2016. Graphs by area and industry were reviewed.

Bolte said there is greater voluntary payment of consumer use tax.

Bolte answered questions from the Commission. Audits are meant to educate people/businesses then get them in compliance moving forward.

Amazon has facilities and distribution centers in Colorado. They have voluntarily begun collecting state and local taxes in some areas where they have or plan to have a physical presence. Bolte sent an email saying the City is interested in entering into a voluntary agreement. Amazon does not have a physical presence in Louisville thus they are protected from having to collect and pay sales tax.

Restaurant sales tax is up but, anecdotally, businesses are saying it is spread over more locations. There is more competition in Louisville and in neighboring communities.

DOWNTOWN RETAIL DISCUSSION

DeJong reviewed the slides in the packet. Rents are going up downtown and sales tax from retailers is flat. However, sales tax in downtown as a whole is up the first half of 2016. Retailers are stating there is a lack of retailers downtown, rents are increasing, construction projects were an interruption, and there is a lack of assistance to promote downtown.

Commissioner Staufer reported businesses sometimes expect the DBA to provide assistance the DBA does not have the resources to provide (marketing, business plans.)

Downtown may be reaching maturity – no significant new construction to create new space.

DeJong reviewed a slide that was a result of a meeting with downtown retailers which includes retailers saying there is a lack of consistent marketing, there is no leveraging of special events, locals don't shop downtown, there is tension among organizations,

construction projects cause disruption, there is not an agreed upon vision for downtown, parking remains an issue, rents are rising and retailers have varying hours.

The downtown retailer group will meet again and focus on standard hours of operation, a retailer focused special event and a marketing campaign.

DeJong reviewed components of a successful downtown on the slides in the packet.

Chair Loo said developing a shared vision for the future will be tough because there are many shared visions. Louisville does not have the residential density other communities have. Her opinion is there is not political or citizen will for higher density. Commissioner Menaker said the urban renewal area will help downtown once it is fully developed. He said downtown should be restaurants and specialty stores. Jim Tienken said people from outside the area need to be brought in to support that.

Commissioner Stauffer said he does not see retail being a part of the vision for downtown. He said retailers need to stay open later. He said we are content with status quo whereas other communities are thinking of the future. He said that once Louisville is not "the place" to be maybe people will start talking about things such as a parking structure.

Randy Caranci agrees with Commissioner Stauffer.

DeJong said we are approaching downtown as a reactive rather than a proactive place.

There was a discussion of vision of downtown. Commissioner Pritchard said conditions in downtown Louisville are the best they have been. Jim Tienken thinks downtown is the crown jewel of Louisville and we need to market it as special. Parking is a huge part of the equation and action needs to be taken. City Manager Fleming said there has been action taken: Council spent \$700,000 on a property for parking. He asked where the Chamber and DBA are in an effort to remedy this issue. Tienken said there is no money for DBA to invest. Fleming suggested a Business Improvement District. Pritchard agrees with Fleming that the City is making strides.

Commissioner Menaker said government has been overly responsive to the vocal minority. Discussions are fear-driven and never acknowledge change. Would like to see a change in the discussion.

Commissioner Reichenberg said we need to define what makes downtown special now and keep refreshing it.

Commissioner Lathrop said there needs to be a major change. Pine to Short St. needs to be closed off to traffic to create a new atmosphere.

Mike Kranzdorf agrees with the discussion.

Council member Maloney agrees with Randy Caranci that things go through cycles. There is no easy solution, ie: for parking. It is expensive but must be weighed with other needs in the city. The City is not anti-business. Investments must be solid. He agrees with DeJong's lead that trying to set a vision is a good place to start. Commissioner Menaker said Council needs to think about funding a visitors program.

Commissioner Staufer said we need to be change leaders and not running to catch up.

DeJong asked members, in short words/phrases, what does downtown want to be perceived as? Responses included;

- Exciting.
- Business by Day/Entertainment by Night
- Ease of access – parking and traffic congestion

Council gets conflicting desires of residents: we want retailers but we don't want more people. There is not desire for transit oriented development. No desire for vertical development.

Maloney said Council gets feedback from Boards and Commissions.

DeJong asked the Commission to not start the discussion about downtown as coming up with solutions. He asked the group to think about what downtown needs to be for the people that use it. Solutions can then be derived to achieve the desired downtown.

Mike Kranzdorf asked what residents thought of Street Faire. Chair Loo said comments she heard were that residents were very happy that there were less people while businesses complained there were not enough people.

RETENTION VISITS

740 Front

Has felt the effects of construction. Disheartened to see less people at Street Faire. Thought the market here was larger after having been open a year. Wants to see changes to make business downtown better. Wants a downtown brochure created to leave at hotels.

Eleanor

The building is for sale. Having challenge with rent. Has the same concerns as other retailers.

Encore Décor

Resale furniture and home goods off McCaslin. The business is for sale. Rents are going up. Signage is an issue.

Superior Art Imaging

New business in CTC. Specializes in artwork for offices.

Forge Nano

New business focusing on sealants for lithium batteries. Located off of Century Drive.

Inovonics

Celebrated 30 years in Louisville. They are expanding.

COUNCIL BOARDS AND COMMISSIONS DISCUSSION

Chair Loo said Council has desired to look at Boards and Commissions. This item is on the agenda for tonight. She encourages BRaD members to attend.

REPORT FROM COMMITTEE MEMBERS:

None

DISCUSSION ITEMS FOR THE NEXT MEETING: OCTOBER 3, 2016

- Street Faire
- Downtown – creating a vision
- Retail meeting discussion
- Start meetings at 7:30 am and change meeting day?

ADJOURN – The meeting adjourned at 9:58 am

SUBJECT: 2016 STREET FAIRE SEASON UPDATE

DATE: SEPTEMBER 13, 2016

PRESENTED BY: AARON M. DEJONG, ECONOMIC DEVELOPMENT

SUMMARY:

The Downtown Business Association (DBA) held the 2016 Street Faire campaign. This report will outline the changes made for 2016, the results of the 2016 season, and suggested changes for the 2017 season.

BACKGROUND:

The DBA has put on the Downtown Street Faire for 16 years and the Faire has grown into a premier community concert series helping foster the renaissance in downtown Louisville.

The Street Faire was mostly volunteer-operated until 2016, when the DBA hired a Street Faire Manager. On November 2, 2015, the City Council agreed to financially assist the Street Faire program by committing for 2016 the following assistance:

1. City will provide police services for the Street Faire season (estimated cost of \$8,500 for 7 events).
2. City will provide parking shuttle services (estimated cost of \$3,600 for 7 events)
3. City will provide full funding to the DBA to hire an event coordinator to handle planning and operations duties of the Street Faire (estimated at \$50,000).
4. Should Street Faire revenues not exceed the DBA's costs to operate the Street Faire, the City will provide a payment equal to 100% of the net loss from operations.

In exchange for the help from the City, the DBA agreed to:

- Transition the event into a 7 night series (normally 9 nights),
- Book national acts that would attract 4,000-6,000 concert goers, limiting acts that have the potential of bringing many more people than that
- Form a 5-person Street Faire Committee, including one representative selected by the City Manager, to discuss and decide issues related to the operations of the Faire.

DISCUSSION:

2016 Results

Beer, wine and margarita sales were down for 2016. For example, March Fourth was the same opening band as last year and sales were down 30%.

1. March 4th Marching Band (\$26,121)
2. Hot Buttered Rum (\$19,194)
3. Nathan & The Zydeco Cha-Chas (\$18,671)
4. Samantha Fish (\$24,899)
5. The Elders (\$15,175)
6. Roger Clyne & the Peacemakers (\$17,175)
7. Junior Brown (\$15,399)

Vendors, sponsors and downtown businesses were disappointed at the smaller crowds. However, sponsorship revenue still met the goal of \$91,000.

Comparing 2016 revenue and costs with 2015, revenue was 63% of 2015 (2016 actuals vs. 2015 actuals), costs were 65% of 2015, and net income decreased to -\$447 in 2016 from a +\$9,680 in 2015. More detailed information is included as attachments.

The Street Faire Shuttle served 1,238 people at no charge over the 7 night program. This translates to 412 cars (at 3 people per car) avoiding downtown, and \$2.91 per person per ride cost.

The DBA collected attendee location data when people purchased drink tickets. The information captured (representing roughly 6% of attendees) showed:

Louisville	26.74%
Lafayette	16.43%
Broomfield	10.38%
Erie	8.40%
Boulder	8.15%
Longmont	5.49%
Westminster	3.34%
Denver	3.21%
Arvada	2.22%
Golden	1.17%

The amount of complaints received by the City and DBA were markedly down from 2015. Parking ambassadors noted calmer nights. Staff received positive reactions from residents who appreciated the less crowded atmosphere.

Overall, revenues just barely exceeded costs for the 2016 season. No payment from the City to DBA was required.

The Reasons

The first couple of events (March 4th Marching Band and Hot Buttered Rum) missed expectations and the Committee felt it was reflective of the lack of publicity and residue from the end of the 2015 Street Faire season when there were misperceptions that it would be the last year of the Street Faire.

Each night had decent weather and there were no rain outs. However, three of the nights had afternoon showers which may have dampened attendance, but overall the weather held out well. Having 7 good weather nights may have saved the season from turning a loss from operations.

2016 was the first year that the series didn't have a large signature band on the slate of acts. The Committee felt this didn't help to promote the series and reduced the allure of the Street Faire season.

Proposed Changes for 2016

Reviewing the results and the perceived reasons for the results, the Street Faire Committee recommends a few changes for 2017. They are:

1. Increase the number of nights to 8.
 - a. Given the input that several residents commenting they didn't know the Street Faire was happening this year, having good weather every night was a blessing. Had there been one rain out, revenues would have been significantly affected and a 7-night season doesn't afford enough chance to recoup a significantly bad night, should it occur.
 - b. Attendees commented that the season was too short. This year and in the past, the August nights have produced good revenue and increasing to 8 would allow for a second August event.
2. Encouraging 1-2 nights be larger acts than in 2016.
 - a. Not having a large act on the docket meant the Street Faire Season lacked a 'main event' allure that in previous years, has lifted the entire season. Having a larger act will help in marketing and publicity for the season.

FISCAL IMPACT:

The City's portions of the Street Faire operations for 2016 were as follows:

City police services	\$11,395
Parking Shuttle	\$ 4,200
Street Faire Coordinator	\$45,000
<u>City payment for loss from operations</u>	<u>\$ 0</u>
TOTAL	\$60,595

RECOMMENDATION:

Staff seeks City Council input regarding the 2016 Street Faire Season and possible changes for 2017 which include:

1. Increasing the number of nights to 8.
2. Encouraging 1-2 nights to be somewhat larger acts than in 2016.

The existing financial components for 2016 would remain the same for 2017.

Staff will incorporate input received into a revised license agreement to be considered at a future Council meeting.

ATTACHMENTS:

1. 2016 Street Faire Operation Summary
2. 2015 Street Faire Financials

Street Faire 2016			
Income			
	Sponsors		\$91,000
	Vendors		\$20,087
	Beer Sales		\$135,407
	Total Income		\$246,494
Expenses			
	Beer Garden (cups, alcohol, cold truck rental)		\$28,922
	Insurance		\$20,771
	Marketing (banners, ads in paper, posters)		\$14,529
	Music (green room, motels)		\$7,432
	Security (Argus)		\$12,786
	Labor Youth		\$14,580
	Taxes		\$10,578
	VIP area		\$10,604
	Parking for vendors		\$2,573
	Pavilion (tents, toilets, misc.)		\$8,258
	Services (sponsor coordinator, vendor coordinator, sound and music, etc.)		\$64,171
	Bands		\$51,737
	Total Expenses		\$246,941

2015 Street Faire Operations Analysis

2015

Actuals

Revenue

Beer Sales	\$ 257,330
Sponsorship	\$ 104,700
Fees (*reduced by \$10k from City, \$7k membership fees)	\$ 30,000
Revenue Total	<u>\$ 392,030</u>

Costs

Sales Tax	\$ 19,883
Alcohol	\$ 41,173
Band	\$ 93,500
Mugs glasses kegs	\$ 7,761
insurance	\$ 15,023
Marketing	\$ 22,913
Green Room Hotels	\$ 20,601
VIP Area	\$ 14,826
Back of house labor	\$ 18,870
Security (Argus)	\$ 11,962
Security (Police)	\$ 11,000
Toilets	\$ 4,478
Waste	\$ -
Tent up/down	\$ 2,634
Capital	\$ 10,325
Street Faire Coordinator	
Outside Services (Alan, Craig, Marilyn, and Ben)	\$ 72,977
Shuttle (50/50 Share of costs in 2015)	\$ 2,309
EMT	\$ 4,050
Appreciation Dinner	\$ 4,915
Misc	\$ 3,150
Total Cost	<u>\$ 382,349</u>
	\$ 9,680

SUBJECT: DOWNTOWN VISION DISCUSSION

DATE: OCTOBER 3, 2016

PRESENTED BY: AARON DEJONG, ECONOMIC DEVELOPMENT

SUMMARY:

The BRaD Committee at their September meeting was interested in continuing the discussion about developing a vision for downtown Louisville.

BACKGROUND:

Downtown Louisville is regarded as a main component to the identity and 'brand' that is Louisville. Residents, visitors and businesses all see downtown as a reflection of the community's history and health.

The 2013 Comprehensive Plan lays out the following policies for the downtown area and Highway 42 Revitalization Area:

1. Continue to recognize historic buildings are an integral part of downtown's character and success, and develop a Preservation Master Plan for residential and commercial structures with historic eligibility.
2. Encourage a diversity of housing types and provide a transition in scale from higher density uses in the core of the Urban Center to the adjacent neighborhoods.
3. Promote the development of additional public parking and parking management strategies to efficiently use parking resources, ensure a walkable environment, and alleviate potential parking constraints as the Urban Center continues to redevelop.
4. Continue to promote the vitality of the downtown through marketing (such as new identification and directional signs) and collaboration with the Chamber of Commerce, Business Retention and Development Committee, and the Downtown Business Association, as well as supporting destination venues such as the Louisville Street Faire, the Steinbaugh Pavilion, Memory Square, the Louisville Arts Center and the Community Park.
5. Encourage business diversity through strategic public infrastructure improvements and business assistance which encourages new private investment and business development.
6. Complete the necessary street network, pedestrian, and bicycle connections between the Downtown Area and the Highway 42 Revitalization District to provide travel choices, stabilize existing neighborhoods and create one cohesive urban center.
7. Promote safe connections for all transportation modes across major transportation corridors and between adjacent commercial areas. Pedestrian

crossings should be completed across HWY 42 and under the existing rail tracks to ensure safe pedestrian passage.

8. Develop a complete street network and a safe and cohesive access strategy for the portion of the urban center located east of the BNSF Railway, north to South Boulder Road, and south to both sides of Pine Street which maximizes connectivity and provides access and circulation to facilitate redevelopment in an urban center pattern.
9. Promote the health of downtown through a traditional development pattern and pedestrian scaled redevelopment including expansion of business and housing opportunities.
10. Continue to implement the projects identified in the 2010 Downtown Parking and Pedestrian Action Plan to create a walkable park once environment, efficiently using existing parking resources, creating additional parking supply; and introducing improved bus shelters and additional bicycle parking.
11. Support public art initiatives which add to the character of Downtown, the Revitalization District and the City.
12. Street network enhancements should only occur concurrent with the approved development, or redevelopment of a property, or neighborhoods.

DISCUSSION:

As discussed in previous BRaD meetings, downtown retailers and businesses are seeing pressure related to activity and rents that may change the area's makeup. Property owners are interested in reinvesting in downtown, but there is uncertainty whether what they would like to do with their properties is in line with the desire for downtown.

Developing a vision for downtown may help in identifying opportunities and provide direction for the downtown beyond the stated policies in the Comprehensive Plan.

To help guide the discussion, staff would like the BRaD committee to discuss the following questions;

1. Why is downtown Louisville important?
2. How do residents want to use downtown Louisville? What brings you downtown?
3. What do we want visitors to say about downtown Louisville when they leave?
4. What do we want businesses to say about downtown Louisville?
5. What are the critical elements in downtown Louisville?
6. What would make downtown Louisville more resilient?

SUBJECT: BRAD COMMITTEE RESTRUCTURING DISCUSSION

DATE: OCTOBER 3, 2016

PAGE 3 OF 3

RECOMMENDATION:

Staff would like the BRaD Committee to discuss the questions posed above to help identify components needed within a downtown vision for Louisville.

SUBJECT: BRAD COMMITTEE RESTRUCTURING DISCUSSION

DATE: OCTOBER 3, 2016

PRESENTED BY: AARON DEJONG, ECONOMIC DEVELOPMENT

SUMMARY: City Council is discussing changes to boards and commissions serving the City and the BRaD Committee may be considered for restructuring. This memorandum summarizes Staff's opinion of the challenges related to the committee and possible restructure of the Committee.

BACKGROUND: The BRaD committee was permanently formed in January 2007 to serve an advisory role to City Council on matters of interest to the City and City Council concerning business retention and development. The BRaD Committee's goals and responsibilities include, but are not limited to following:

- Facilitate economic development in Louisville
- Improve communications between the City and local business community
- Share insights regarding local economic conditions
- Serve as a sounding board for City proposals that could impact local businesses
- Gather information regarding the needs and priorities of businesses with respect to business retention and development issues
- Provide input on proposed programs related to business retention and development

The BRaD committee during its tenure has facilitated relationships among businesses, business organizations, and the City.

The Committee consists of eight (8) members, as follows:

- Three members of City Council
- One member of the Planning Commission
- One representative from the Louisville Revitalization Commission (LRC)
- One representative from the Louisville Chamber of Commerce
- One representative from the Downtown Business Association (DBA)
- One representative for the Colorado Technology Center (CTC)

City Council at their September 6, 2016 meeting discussed the BRaD Committee. The main comments during the discussion were:

- Having BRaD as a City Council committee with 3 members of Council may not be the correct structure in today's environment.
- The membership determined by the role one serves (Planning Commission, LRC, etc.) may need to be rethought.

BRAD COMMITTEE

SUBJECT: BRAD COMMITTEE RESTRUCTURING DISCUSSION

DATE: OCTOBER 3, 2016

PAGE 2 OF 3

- Confer with BRaD regarding possible changes to the Committee that City Staff may have.

DISCUSSION: To determine possible solutions to a restructuring of the BRaD committee, defining the problem is a worthy exercise. Staff has taken the last month to attempt to describe why the current configuration of BRaD may be a concern. The following are two statements that attempt to define the current challenges for BRaD in providing input on City policies and decisions to City Council.

1) The input is coming from the inside rather than the outside

City Council communicated on September 6th that a challenge the BRaD committee has is that 3 of the members are City Council members. This has limited the effectiveness of BRaD providing recommendations to City Council as each of the Council members abstain from voting on recommendations.

Other members of BRaD, particularly the Planning Commission member and LRC member, are also mostly within City Government. This leaves the BRaD Committee with 5 members represented by City or City related organizations and 3 members not City related (CTC, Chamber, DBA). Thus, the majority (5-3) of the BRaD members are within City Government.

2) Louisville is Resident Centric yet Business Reliant

It is undoubtedly true that Louisville is a great place to live. It's suburban lifestyle with great access to employment, necessities, and amenities all help create a community loved by its residents. Louisville, as stated in its Vision Statement, strives to be an *"inclusive, family-friendly community that manages its continued growth by blending a forward-thinking outlook with a small-town atmosphere"* and be the *"most livable, innovative, and economically diverse communities in the United States."*

The City of Louisville is business reliant as significant revenue to provide municipal services comes from business uses. Looking at Fiscal Year 2015, total tax revenue for Louisville was \$21,366,109. Of that amount, business activity accounted for an estimated 53% of revenues from the following taxes:

Property Tax (53%)	\$1,829,758
Sales Tax (50%)	\$5,889,296
Use Tax (excluding 100% auto)	\$2,933,785
Franchise Tax (20%)	\$216,100
<u>Lodging Tax (75%)</u>	<u>\$352,280</u>
Total	\$11,221,219

In 2010, total tax revenue was \$14,324,756 and business activity accounted for 49% of the City's tax revenue. Business related tax revenue increased 59.5% between 2010-2015, whereas residential revenue (total tax revenue – business tax revenue) increased 39%. Business activity (and thus the taxes it generates) is more elastic to the economic

BRAD COMMUNICATION

SUBJECT: BRAD COMMITTEE RESTRUCTURING DISCUSSION

DATE: OCTOBER 3, 2016

PAGE 3 OF 3

health of the City than the taxes generated by the City's residents. Thus, policy making to encourage greater economic activity can have a significant impact on future revenues to the City.

Policy making through the Comprehensive Plan, Small Area Plans, and development proposals are focused on the desires of Louisville's residents, which may be different than the interests of commercial property owners, primary employers, and retailers, because their motivations are different. Economic activity is increased through investing in the community. Allowing property owners to re-think their properties could encourage more investment and increase economic activity. Input from the business community is needed to recommend policy decisions to encourage additional investment and economic activity.

Potential Solution

Staff believes input on Economic Development should come directly from the business community from people that have the expertise and experience to provide input into city decisions that affect economic opportunity in Louisville. Currently, the input is coming from and facilitated through the City as described above. Louisville businesses and property owners stand to benefit from business friendly policies and decisions, yet the current input structure doesn't have many of them 'at the table'.

To have the input come from the business community, other communities have a separate economic development entity that seeks out the opinions of property owners and primary employers regarding policies or opportunities. These entities are generally City supported (through partial funding). The City then receives this input and City Staff pursues solutions to address the input. In Boulder for instance, the Boulder Economic Council (a component of the Boulder Chamber of Commerce) is responsible for engaging the business community and relays the economic outlook, challenges, and opportunities to the City. This is then relayed to City Staff (in frequent and consistent meetings) for them to analyze and develop potential solutions. This structure is implemented in many communities within the Metro Denver region including; Boulder, Longmont, Arvada, Fort Collins, and Aurora.

The key to these economic development structures is the businesses give their input to a business related organization not within the city government and then that entity advocates on their behalf. Businesses generally do not have staff to lobby for governmental changes individually; the economic development entity does so on their behalf as a group.

RECOMMENDATION: Staff encourages the BRaD Committee to discuss the information and provide input to options in restructuring the Committee to provide better input on economic development to City Council.

BRAD COMMUNICATION