

Niwot Local Improvement District Advisory Committee

MEETING MINUTES

Tuesday, October 6, 2020

Virtual Meeting

Present: Laura Skaggs, Lisa Rivard, Mary Coonce, Cornelia Sawle, Biff Warren, Jim Eastman, Scott Firle, Bruce Rabeler

Guests: Jocelyn Rowley, Stacy Szydle, Kathy Trauner, Catherine McHale, Deb Fowler, Linda Klueber, Chuck Klueber

Staff: Mark Ruzzin

Call to Order:

Laura called the meeting to order at approximately 7:00 p.m.

Approval of Meeting Minutes:

The advisory committee considered the September 1, 2020 meeting minutes:

ACTION: On a motion from Jim, seconded by Lisa, the committee voted unanimously to approve the September 1, 2020 meeting minutes, as presented.

Treasurer's Report:

Bruce presented the monthly Treasurer's Report to the committee and walked through the various financial reports he prepared for the meeting.

Bruce noted for the committee that through July, the LID had collected just over \$116,000. Bruce walked the committee through a discussion regarding the recent conclusion of the Colorado Department of Revenue, communicated to the county's Office of Financial Management, that a large online retailer is charging the LID sales tax to all sales within the Niwot zip codes, rather than charging the tax only on online sales made to addresses located within the LID boundary. If true, this could explain why the LID's 2020 collections remain above those received by the LID in the record-setting year of 2019, despite COVID and the subsequent downturn in the state, local, and national economies.

In respect to where the LID stands regarding 2020 sales tax collections year-to-date, in light of this news and until this issue is resolved, OFM staff recommends that the LID consider only those collections that can be reasonably assumed to be brick-and-mortar collections as spendable funds. With approximately 16% of 2020 county-wide sales tax collections coming from online retailers, this would result in reducing the LID's spendable funds to about \$100,000.

Regarding year-to-date funding requests and approvals, Bruce noted that the LID is about \$89,000 over budget after approving the September funding requests, with \$238,000 in funding request approvals against the annual budget of \$149,313. If the October requests are all approved as submitted, the LID will be about \$105,000 over budget for the year, or about the amount of the Murray Street parking lot funding request of \$101,512, and would have about \$115,000 in its reserve.

Scott asked if it would be possible to learn if a new business or businesses have opened within the district, that could be accounting for the increase in collections. Mark offered to ask OFM if they are aware of any new business activity within the LID, and return to the committee with that information.

Bruce asked if it would be possible to track sales tax collections from online sellers and have that as a line item on the LID's revenue report. The committee had a lengthy discussion about the challenges of online sales tax collections, parsing out those collections that are rightfully the LID's versus those from sales outside the district, the software that is utilized by retailers to track online sales tax rates, if the tax has been collected inappropriately will taxpayers receive rebates, and other items pertaining to this question.

Funding Requests:

The advisory committee considered the following funding requests:

1. Niwot Tavern: Cottonwood Square Halloween Decorations - \$1,998.47

Stacy Szydleik presented the funding request on behalf of the Niwot Tavern. Stacy explained that the proposal is to purchase decorations to decorate Cottonwood Square for the Halloween holiday, to support a "trunk or treat" event in the square. Once the holiday is over, the decorations will be stored at the Niwot Market to be used for future Halloween holidays. Cottonwood Square would be decorated for the month of October.

ACTION: Mary moved, seconded by Scott, to approve the funding request for \$1,998.47.

The advisory committee unanimously APPROVED the motion.

2. WINC: Holiday Fayre - \$2,500.00

Deb Fowler presented the funding request to the advisory committee. Deb noted for the committee that in past years the Fayre has brought about 550 people to Niwot for this shopping-focused event, which this year will run from 10am-4pm on December 12. In response to COVID, the proposal is to adapt the traditional Holiday Fayre from an event which involved vendors and shoppers gathering in the Grange, to an event where the vendors set up in various retail shops and businesses spread across Old Town. In addition to the typical expenses to promote an event like the Fayre (newspaper advertising, etc.), there will be a need to prepare communication materials for the adapted event, including a map of where to find the 22 participating vendors. Musicians will also be included, roaming carolers and the like, to provide ambience for the event. Santa and Mrs. Claus will be riding around Old Town in a horse and carriage, and will be available for photos.

The committee had a short discussion regarding which shops will be hosting vendors and other aspects of the event.

ACTION: Mary moved, seconded by Bruce, to approve the funding request for \$2,500.00.

The advisory committee unanimously APPROVED the motion.

3. Niwot Business Association: October Sidewalk Sale - \$1,835.00

Kathy Trauner presented the funding request for the NBA. Kathy noted that the September Sidewalk Sale was widely considered a big success. The event continues to be tweaked and improved each time it is held. The request will cover costs for advertising and musicians; musicians will be located on both Second Avenue and Cottonwood Square. Experience has shown that the musicians do make a difference and draw in more shoppers to the event.

ACTION: Jim moved, Bruce, to approve the funding request for \$1,835.00.

The advisory committee unanimously APPROVED the motion.

4. Niwot Business Association: Little Holiday Shops at Niwot - \$5,100.00

Kathy Trauner presented the funding request for the NBA. Kathy noted that this proposal has been in the making for about a year. When COVID hit, the proposal was put on the back burner. The concept is that of a retail incubator for Niwot, to support the establishment of new retail shops in town. This proposal aims to take advantage of the holiday season, and provide a retail location for approximately 18 new retailers between the dates of October 15 – December 31. The incubator will be open Friday – Sunday. The organizers are planning to operate the incubator in compliance with COVID public health orders.

Work is being done to ready a space in Cottonwood Square. Kathy walked through the various cost centers associated with the proposal, including staffing, accounting services, point-of-sale equipment, minor repair work in the space, and rent and utilities. The request to the LID is to help with these various costs associated with the project, to supplement the retail businesses, which will be paying both a rental fee and a staffing fee to utilize the space.

Catherine noted that this effort is part of a larger effort to stand up a permanent incubator that will serve as a feeder to the retail spaces in Old Town and Cottonwood Square. Kathy informed the committee that the current thinking is to open the permanent incubator in Spring 2021. The goal of this proposal is to “kick start” the concept and help it get on its feet.

There will be specific advertising efforts associated with the incubator, and the incubator will also be promoted through the variety of community-wide marketing and advertising efforts that the LID and the NBA sponsor.

Scott expressed his view that this proposal feels like economic development incentive-type work, and questioned if it is the proper role for the LID to promote specific businesses and a specific area of town as opposed to supporting activities that promote the general welfare of the LID and all its businesses more broadly. Bruce echoed these concerns, and noted that in his view, the proposal does not fit neatly into the LID’s funding categories.

Mark pointed the committee members to the draft revised funding request form which is set for discussion later in the meeting, as the first page of the revised form lays out the statutory authority designated to the LID and which guides its funding decisions. He noted that he would likely need to get an opinion from the County Attorney’s Office as to whether or not the proposal, or even aspects of the proposal, can be funded with LID revenues.

Biff noted that there may indeed be aspects of the proposal that fall into the LID’s statutory buckets. Secondly, he noted that it may be possible to construe the proposal as an event, meaning a long-ish running event that is held over several months as opposed to a single day or weekend, as the proposal does contemplate an end date to the incubator. An ongoing incubator may be more difficult to rationalize. Biff recommended getting an opinion from the County Attorney’s Office.

Jim raised the question of liability insurance; Kathy noted that this question is still being researched.

The committee discussed the parameters for supporting marketing expenditures for an effort like this one, and the need for such expenditures to be focused more broadly on the district and not specific businesses renting space within the incubator.

Laura expressed her desire to hear the opinion of the County Attorney's Office before passing judgement on the funding request. The committee spent some time discussing the need and timing of an opinion.

Kathy expressed appreciation to the committee for the conversation, and asked if there is any additional information that the sponsors can provide to help the County Attorney's Office develop an opinion on the proposal.

Mary raised the point that there may be other sources of funding, for example business support grants, that may be a better and more appropriate funding source for the project. Catherine noted that this may indeed be the case, and she will explore the possibilities. She also suggested that the NBA may have some flexibility to direct NBA funds to pay for different aspects of the proposal that may make it easier for the LID to support the project with funding.

Cornelia expressed concerns with the LID directing funds to the proposal that don't in some way also support other businesses and entities within the district.

ACTION: Laura moved, seconded by Jim, to table the proposal until the November NLIDAC meeting, with a decision and additional information from the County Attorney's Office and other sources to be considered at that time.

The advisory committee voted 6-1 to APPROVE the motion, with Biff opposing and Scott abstaining.

5. Niwot Business Association: Recommendation re: Enchanted Evening & Holiday Parade

Linda Klueber presented an update to the advisory committee on the planning for Enchanted Evening & Holiday Parade in light of the current and expected COVID public health orders, as requested by the committee when it approved the event's funding request at its August meeting.

Linda walked through the written recommendation that she had provided to the advisory committee in advance of the meeting. She is recommending that the tree lighting ceremony, marching band performance, and parade be cancelled to meet existing COVID gathering restrictions of 175 people; the tree lighting ceremony, e.g., typically attracts 500-700 people to the event. One change she is considering is to keep Santa's arrival by horse and carriage, and she is also revising the event plan to include an additional Saturday of Santa at the Grange.

The committee supported Linda's recommendations and thanked her for the time and effort she has put into considering changes to the event to accommodate the public health crisis facing the country.

6. Niwot Business Association: 2020 Q4 Marketing - \$5,245.00

Catherine McHale presented the funding request for the NBA. The proposed activity is designed to support increased marketing activities for the upcoming holiday season. The effort will include additional advertising in the Lefthand Valley Courier; a holiday shopping brochure to be mailed to

Niwot residents, covering the full gamut of retail and other holiday shopping options available in Niwot; social media campaigns to support the brochure; increased support for Small Business

Saturday, which is a nationwide event held the day after Black Friday; and a Winter Wonderland scavenger hunt to bring shoppers and families to Old Town and Cottonwood Square.

ACTION: Jim moved, seconded by Bruce, to approve the funding request for \$5,245.00.

The advisory committee unanimously APPROVED the motion.

New Business:

The committee agreed to reschedule the November NLIDAC meeting to November 10.

Mark informed the committee that he is confident that the LID's funding request form can be transitioned to an online form, and he will provide a second update next month.

Old Business:

Mark informed the committee that NLIDAC's annual meeting with the Board of County Commissioners has been scheduled for Thursday, February 4, from 4:00-5:30 p.m.

Mark also noted for the committee that six contractors have submitted proposals to construct the Murray Street parking lot, and the evaluation team has begin reviewing the proposals and hopes to choose a contractor in the next couple of weeks.

Public Comment:

No members of the public were present for public comment.

Adjournment:

The meeting was adjourned at approximately 9:00 p.m.