

**STEAMBOAT SPRINGS ACCOMMODATIONS TAX RESERVE COMMITTEE
MINUTES
August 17, 2017**

The meeting of the Steamboat Springs Accommodations Tax Reserve Committee was called to order at approximately 12:19 p.m. on Thursday, August 17, 2017, in Room 113-114, Centennial Hall, 124 10th Street, Steamboat Springs, Colorado.

Committee members in attendance were: Chair Larry Mashaw, Frank Alfone, Scott Marr, Kady Watson, Nancy Kramer, Helen Beall and Joella West. City staff member present was Assistant to The City Manager Winnie DelliQuadri. Kathi Meyer represented City Council.

PUBLIC COMMENT ON ITEMS NOT ON THE AGE NDA

Deborah Black, Steamboat Digs Dogs: I was unable to attend the last meeting due to work obligations. I was surprised to hear that the Steamboat Digs Dogs proposal had been so immediately rejected. Here's why: The proposal met all of the application criteria and included a professionally-prepared study of the related economic impacts. The analysis in this economic study fully supported the points in the proposal. Although the committee expressed that there weren't enough accommodations available to house with-dog guests, I would like to mention with all due respect that applicants were asked to show how they would bring the guests, not to show how the lodging community could accommodate those guests. The Digs Dogs proposal very clearly showed how new and repeat guests would be brought to Steamboat. Lastly, I would like to say that the lodging community's guests are impacting all of the areas suggested for improvement in the Digs Dogs proposal. They have no ownership of these areas, and the impacts they bring result in significant wear and tear. I think it's very fair to ask the lodging community to contribute to improvements in those areas and respectfully request that you consider again \$100,000 for Rita Valentine Dog Park, \$100,000 for the trails on lower Emerald Mountain and \$100,000 for the improvements at Bear River Park.

Evaluation Process

There were no evaluation process questions or discussion items.

Scoring Recap

Mashaw: If you look at the top two, there's some separation in numbers.

Proposal Discussion

Old Town Hot Springs Expansion:

1 and 8 are a bit low.

Alfone: I scored #1 as high because when I read through this proposal it seemed this was an approved plan that they had put together. For #8, it's not a public entity, so that seemed pretty self-explanatory; I scored that low.

West agreed on #8. She wondered why #7 was scored so low when it has so many avenues of public access.

Beall scored it low because their services are not free.

Mashaw pointed out that #1 states the plan must be approved by the city.

DelliQuadri: My understanding is it has come through the city's planning process and did get conceptual approval.

Watson: It wasn't clear to me, so I scored it medium.

Kramer thought the application could have identified sections of area plans in which recreation is highlighted. She recalled the failed rec center and the plans around that.

Beall: I scored #12 relatively low because I wasn't clear on whether the funding is already there if we provide the \$1 million.

Meyer: They're still fundraising into 2019 according to their application. That was one concern I had; the other is the \$1 million versus the \$7 million cost may or may not get them anywhere.

Mashaw: Mine was how far along toward the \$6 million are they in the process. How if we were to recommend this can there be any surety that the \$6 million is really achievable. That gets into the phasing of this as well. The second phase is really about the swimming pool side, which seems to me to be the part that visitors are more likely to utilize as opposed to the front side, which appears to be maybe a little bit more membership driven. So the timing of that is an area of question that we have.

Meyer wondered whether this would be something that would draw people to Steamboat rather than something that people will use while they're here.

Mashaw wondered whether it's appropriate to the taxpayer to fund a project that will bring in revenue for this nonprofit and mentioned the thought of a loan that would be repaid.

Marr would like to see evidence that this is a driver of tourism rather than a satisfier once guests are here.

Mashaw: If we invest in something that's the city's, there's a risk proposal that if the money doesn't work out the city has some burden upon itself. The pro side of funding something that's run by a private entity is that the risk is upon them. So how does the city balance this desire to have no risk exposure but not be willing to share in the profits of something that

they're willing to invest in. I don't have a clear answer on that – the exposure to risk and the elimination of risk versus also divorcing yourself from a potential income stream.

DelliQuadri: My understanding is that the formation of the Old Town Hot Springs included that should they ever go under, the city would become the owner. So in this particular instance, I'm fairly confident that it's a moot discussion. The founding fathers of Steamboat were really into nonprofits; they started a bunch of them and deeded property to a bunch of them, all with these same caveats.

Alfone: I was a little concerned about the construction timeline on this one. April 1 and completion December. This is a big project for eight months.

Alfone requested more detail on that.

Kramer said it may be more feasible because of its seasonal parts.

Ice Arena Expansion

Lowest is #11, project does not include a city subsidy for maintenance.

Marr: I thought they had the user fees basically covering the maintenance costs.

Watson: If you believe the ROI that they're projecting, then that's great, but it's not totally 100%.

Mashaw said that's also why he scored it lower. He pointed to the golf course as a city amenity that did not perform according to expectations at the time.

Mashaw would like the proponents to take the committee through the numbers to create a higher level of confidence that those make sense.

Meyer wanted to know the status of the donors who were said to be committed.

Alfone confirmed with DelliQuadri that this item is in the city CIP review process.

Alfone wondered whether they were going to fundraise or rely on the city to come up with the 2.1 million.

Beall didn't feel their request for funding was clear. The numbers did not line up.

Meyer would like more detail on whether organizations would actually use it in the summertime. She wondered whether there was any other facility like this that could be used for comparison.

Kramer: The demand from the hockey groups alone is so daunting; where do you draw the line that you can even accommodate some of the flexibility they say they want to do in their programming?

Watson thought they spoke to that pretty well.

Kramer: What does that do with local demand versus actually driving tourism?

Mashaw: Is there a plan for them to have a marketing effort to make sure that visitors are aware of the opportunity for public skating?

DelliQuadri said that the Parks and Rec Volunteer and Marketing Coordinator handles the marketing of the current facility.

Beall wondered what the surface would consist of in the summer.

Community Sports Field

#1, #6 and #13 were lower.

Beall confirmed that the middle school is not within city limits, hence the low scoring on that.

Mashaw: The question is whether that's a barrier to the current project. My concern is whether the school district has so much potential use that other than these three tournaments, would it be available to other entities that drive tourism? Is 3 weeks out of 52 sufficient to claim your case to do something that many could argue the benefit is far more towards the local populous than visitation.

Committee members wanted to discuss the accuracy of the projections made as well as how it would be marketed to tourists.

Meyer and Kramer mentioned the lack of leverage.

Watson said the fact that it's not multi-season is huge to her. The city needs something covered. Was that considered at all?

Arnold Barn Iconic Entry Feature

Marr: I would like to see a connection made to the promotion of tourism and being a driver as opposed to something pretty to look at when you get here.

Mashaw: I gave it a little higher scores than I might have otherwise just recognizing that the benefit of that barn is really aimed at the visitor more than the local even if it isn't a driver. It really is to the long-term benefit of the visibility of tourists and understanding the ranching heritage and the visibility of the mountain area.

What is the relationship of their request of accommodations tax reserve funding versus the availability of funding through the URA? Does that even make sense if the whole creation of that area up at the mountain was to create improvements there? Is this really where the investment should come from? At the same time, because we've been so focused on

improvements in the downtown area and our lodging base is at the mountain area, I can't help but ask how we as a community can invest more in the mountain area in some way, shape or form? The city doesn't own a lot of land up there; we don't have any proposals up that are geographically up at the mountain – yet that's where the bed base is.

Kramer would like to hear from them about the community imaging that can be used and leveraged in marketing versus the capital project itself. These other projects don't really have that piece.

Beall: It's one of the strongest community identity pieces that we have.

Mashaw: It's kind of the same thing we had with the restrooms. We know we need it, but is it a driver of tourism rather than a satisfier of current visitors?

Alfone: I would think there is a driving force there just based on trying to portray that community image of western heritage, agricultural. From a leverage standpoint, they've identified that they're only asking for 47%, which I think would be a supplement to the URA funds.

Meyer: This is not ready to go; you're really looking at a 2019 project.

Mashaw: Two years to come up with some signage and move a barn seems like a long time to some degree.

Kramer: Their timeline didn't give me pause in that area.

Kramer thought the litigation piece was a huge reason that it took nine months for the stabilization to occur and for the project to move forward; Meyer did not think so.

The committee would like to talk about the timeline with the applicant.

Mashaw pointed out that this project is on land owned by the Grand, but access to the general public is high.

West: In situations where the project will not be publicly owned, do we think that's a very important criteria given our confidence that public access is assured? Will that be a big problem going to Council?

Mashaw: I thought it was kind of a guidance to see whether it was publicly accessible and recognizing the tradeoff that taking care of projects not on public land will not be the city's responsibility, which is a clear concern the city has had. You can't have it both ways.

Beall would like to ask about the public access easement.

Alfone pointed out that the ballot language does not specify that the item must be on public land or be publicly owned.

Steamboat Art Museum Lighting

The committee will ask how this request relates to the fact that the museum had previously told Council that the project was fully funded.

Marr: How does this promote tourism?

West: Are we looking at this as lights or as the finishing touches on the museum?

Kramer: It's pretty clear to me that it's a lighting project.

Marr: I don't see the connection to promoting tourism.

Mashaw: They did indicate that 50% of traffic was tourists and 50% was local.

West: If the lights are defined as the project, I think we're done on this. If we're saying we want this museum to have the best available quality of lighting in their new space, and the museum's new space is the project, then these numbers make sense.

Mashaw: It sounds like we're of the mindset that finishing off an existing project isn't really where we were headed with the use of these funds.

Committee members agreed.

River Flow Endowment

Marr: I think this one is pretty vague. Where did they come up with the million dollar number? If we had a drought summer, that impacts our business really big. But why a million bucks?

Mashaw: What's the certainty this money would be spent? How do you know what you're going to get with your money? While I buy into the fact that we need to maintain river flow through Steamboat, the manner in which this was proposed it's a big stretch for me.

Kramer: How does this relate to the in-channel diversion for recreation?

Alfone: This is a big question timing-wise for me. What happens if you have three very wet years? Where does that money go? Where does it sit? I think we would be questioned by anyone in this community saying why did you agree to this when that money is not being utilized.

Kramer: What are the mechanisms currently in place that have the ability to increase flows?

Marr: I would like to ask the questions before we eliminate it from consideration.

Bear River Park Trailered River Access

Lowest was the project is multi-season.

Mashaw pointed to the seasonality as well as the limited audience as potential reasons to eliminate this application from future consideration.

Project Elimination

MOTION: Nancy Kramer moved to eliminate #5 from future consideration; Joella West seconded the motion.

Discussion:

Watson: I don't like the motion.

Vote: The motion carried with Kady Watson opposing.

MOTION: Scott Marr moved to remove project #9 for further consideration; Frank Alfone seconded the motion. The motion carried unanimously.

Mashaw: I'm thinking we should do one more drill. There are clearly two leading contenders in this process. We have three others, but I don't want to waste their time or ours in reading through this. We know that there were less concerns and very clear questions for the Old Town Hot Springs and the Ice Arena. The sports field I heard some concerns based on the usage component. The barn had concerns about its funding. The flow endowment has concerns about the timing and certainty.

Of all of those, the one that seemed the least likely to move forward in our discussion was the flow endowment.

Kramer: I agree.

MOTION: Larry Mashaw moved to remove the Yampa River Flow Endowment proposal from further consideration; Joella West seconded the motion.

Discussion:

Beall: It's unfortunate the proposal is so vague, because I feel like if they were able to explain some of the details in more clarity, it would probably be higher on the list. As Kady said, the river meets all those criteria. What a great example we could set for other communities with a river by protecting our water flows through town. It's just unfortunate to take what could be a wonderful project off because the application is so vague.

Marr: What if it ended up that \$200,000 was all we really needed to fund it.

Watson: This one is important enough that I feel like having them actually present could maybe shift our thinking a little.

DelliQuadri: For what it's worth, the staff comment will be: It's a really great idea, and we would love to see something like that happen, however, we are in the middle of the Yampa River Management Plan, which is really a first step to understanding what the needs are long term.

Kramer: As well as really going back to the intent of the funds.

West thought the group backed into this proposal as something they could do with \$1 million to protect the river, which is why it's sort of vague and not fully formed.

Watson asked whether partial funding was completely taken off the table; committee members said it was not.

Mashaw: If we start individually subdividing peoples' proposals, it's a little arbitrary on our part. We asked each person to make a proposal in totality, and it was their choice to ask for what they did. So if we start coming back and saying some lesser number, then other people who we've already eliminated would have a case to say they should have gone for more or less. That seems to me to be a very slippery slope. We might include our thoughts about a different number in our recommendation to Council, but to start subdividing those makes me uncomfortable. Regarding the motion, I think that making sure we have consistent flows is critical to this community. I'm looking at the remaining projects being more viable and more in line with what the voters approved and the likelihood of demonstrated success. Therefore, unfortunately, I make this motion.

Marr: I'll support you on that. This is something I'd really like to see happen, but I still question whether it's even a capital project.

Vote: The motion carried with Helen Beall opposing.

Committee members expressed several concerns about the sports field project: lack of leverage, lack of multi-season, may not be much of a tourist driver.

MOTION: Nancy Kramer moved to remove the sports field proposal from future consideration; Kady Watson seconded the motion.

Discussion:

Marr: I'm voting against this. I'm a lodging person; I know the value of fields to us. I just couldn't support eliminating it without having them come in and make a presentation.

Alfone agreed with Marr.

Mashaw: I too am a lodging person. I'm really on the fence on this because I'd like to hear more, but the benefit seems to be imbalanced in favor of the local community. Even though they indicated that they would consider Parks and Rec running it, I believe there would be pressure from the community on the school district and from the district itself to keep this field for local use.

Beall: As much as it hurts me, I'll also be supporting the motion because I feel like the community absolutely needs more fields, but is this really the right place to do this field. Is the right place more of a sports complex that would really serve our community? This feels like a Band-Aid on something that we really need; I don't think it will solve the long-term field shortage.

Vote: The motion carried with Frank Alfone and Scott Marr opposing.

MOTION: Scott Marr moved to remove the Arnold Barn Iconic Entry Feature proposal from consideration; Kady Watson seconded the motion.

Discussion:

West: I think this would be a huge mistake. I think to say that people must come to Steamboat specifically to see this barn is an error. Proponents think what people will do is come to Steamboat is say hey, there's a whole ranching community heritage here; maybe this is a fun place to come to. This is an agricultural community and it's got a lot of history; that's a good thing to spend some time on when you come to Steamboat. You might come to bike passed the hay fields or go on a tour of the barns. This is the entry point for that.

Beall: I will not be supporting the motion either. The barn to me is what we leave visitors in their mind and how do they return. We have such an iconic image that sums up who we are and what defines us differently than all these other communities. If we take this off the table and don't fund this project, potentially we're taking away a vision of visitors that maybe you can't measure monetarily, but I think it would do a disservice to this community.

Kramer: I do see the imaging and the branding and the marketing benefits to this and the experience people have when they do come based on that image. It is going to be very accessible.

Watson: It definitely enhances the community identity; I'm in full support of the barn. It's just hard for me to agree that this should rise to the top in the other four areas.

Kramer: The health of the community can also be conceptualized as retaining our heritage and history, too. That's why I think the next step is still okay – not that it's going to win the day.

Alfone: I do believe that it meets the five criteria. I believe there's enough leverage. It's a project that's got good momentum. I do feel it will drive tourists to this community, whether

they come and see it and then come back or they come and see it for that and as well as additional activities when they're here. I think it's important and would prefer to keep it on there because I think they deserve an opportunity to answer some of these questions and provide more information.

Mashaw agreed with other members who will oppose the motion.

Vote: The motion failed with Kady Watson and Scott Marr supporting.

Remaining Projects: Old Town Hot Springs Expansion/Renovation, Multi-Purpose Addition to Ice Arena, Arnold Barn Iconic Entry Feature

Next Steps

DelliQuadri: We did request staff time to review these proposals and get you comments back. I believe we had talked about wanting to give the applicants two to three weeks to get back to you.

Committee members asked when the recommendation needed to be in front of Council.

DelliQuadri: These are restricted funds; they either get put in the budget or we do a supplemental appropriation for them; they can't be used on anything else. The issue that you all had is that you wanted to get in front of the current council. Based on the applications that have been pulled for City Council to date, it's not going to matter if you get there before or after election day because the only people that have pulled applications as of today are the incumbents. We don't have an applicant yet for Walter's spot; he's termed out. So I'm not certain we have this massive rush to get in front of the current council. The deadline for applications for Council is the 28th. Some of the questions you asked might take the applicant a little bit more time, especially when you're asking for economic impact numbers.

Kramer: On partial funding versus segmenting projects, there's a difference between extracting one part of a project and partially funding an overall project. I wanted to just be real clear on that.

DelliQuadri: With the dollars requested, these are all mutually exclusive projects. In your mind, do each of them rise to the top of being the only thing you would recommend to Council?

Beall pointed out that the barn is less; DelliQuadri said it's still enough that no other project would be able to be completely funded.

Mashaw: Unless we decide to split funds.

DelliQuadri asked if she should email all applicants letting them know the three finalists who will be asked to present before the committee and answer questions.

The committee agreed but wanted to make sure that all the applicants knew that their time was well spent in applying.

West: The problem is there wasn't a thing before us that wasn't worthy. That's what makes this committee so hard.

The committee will take the next meeting to wordsmith existing questions for applicants and add any new ones.

Adjournment

The meeting adjourned at approximately 1:36 p.m.

**MINUTES PREPARED, REVIEWED AND RESPECTFULLY SUBMITTED BY:
Timothy Keenan and Winnie DelliQuadri. Approved this 5th Day of September,
2017.**