

## RECORD OF PROCEEDINGS

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*Town of Estes Park, Larimer County, Colorado, August 25, 2009*

Minutes of a Study Session meeting of the **TOWN BOARD** of the Town of Estes Park, Larimer County, Colorado. Meeting held at Town Hall in Rooms 202 & 203 in said Town of Estes Park on the 25<sup>th</sup> day of August, 2009.

Board: Mayor Pinkham, Trustees Blackhurst, Eisenlauer, Ericson, Levine, Homeier and Miller

Also Attending: Town Administrator Halburnt, Deputy Town Administrator Richardson, Town Attorney White, Town Clerk Williamson, Director Pickering, Mgr. Winslow, Director Joseph and Planner Chilcott

Absent: None

Mayor Pinkham called the meeting to order at 4:30 p.m.

### **COST ESTIMATES FOR THE MULTI PURPOSE EVENT CENTER (MPEC) & INDOOR ARENA.**

Roger Kenney/Kenney Associates Inc. reviewed the schematics for the MPEC, Indoor Arena and purposed second phase addition to the MPEC. A concession area was added to the 34,900 sq. ft. MPEC building, which consists of 28,000 sq. ft. of show space, 3,748 sq. ft. of office and meeting space, 2,392 sq. ft. of storage area and 760 sq. ft. second floor conference area. Phase II of the MPEC consists of a proposed 30,000 sq. ft. building that would be connected to the MPEC. Phase II was included in the RFP. The Indoor Arena entrance was pulled back 8 ft. reducing the overall size of the building.

The Board discussed the second phase of the MPEC, stating the original building was reduced from 60,000 sq. ft. to 30,000 sq. ft. during discussions in 2008. The Board also discussed the addition of livestock barns in the future during discussions in 2008. Trustee Blackhurst stated concern with the MPEC building exceeding 30,000 sq. ft. and project creep. Trustee Miller questioned the orientation of the main MPEC building and the need for it to be closer to the other facilities on the site.

Mr. Kenney stated the current location of the proposed MPEC would take advantage of the new parking lot to be developed with the project and the development of a walkway to and from the Senior Center. Director Zurn stated the placement of the proposed facilities has been carefully considered to allow for future expansion. Mr. Kenney suggested the MPEC could be reduced by 20 show booths/stalls to bring the building to 30,000 sq. ft.

Director Pickering stated concern with decreasing the floor space of the building because it would reduce the revenue generating portion of the building. He commented the MPEC would be an economic tool used to increase the local economy.

Director McFarland stated the Community Reinvestment Fund (CRF) has a fund balance of \$2.9 million at the end of 2009 and with transfers and expenses would have a fund balance of \$2.705 million in 2010. The estimated cost of the MPEC with furniture and fixtures, civil site work and parking lot has been estimated at \$3.65 million, not including tap fees of approximately \$250,000. The Indoor Arena with furniture and fixtures and civil site work would be \$3.04 million. The total cost to complete the MPEC, Indoor Arena and Phase II of the MPEC would be an estimated \$8.525 million. The entire project could be financed with cash on hand at 5.5% for 20 years with an annual debit payment of \$483,060. The 2010 CRF fund balance would be \$1 million short of funding the MPEC building and financing the project at 5.5% for 20 years would require

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an annual debt payment of \$78,435. Delaying the construction of the MPEC by a year could increase the cost of construction by an estimated \$400,000.

Board discussion followed: the issue of building the MPEC with financing should be voted on by the citizens if the Town can not fund the project; the project could be funded by EPURA if the grandstand project was placed on hold; the MPEC building should become the priority over the Indoor Arena; the grandstands should be completed as well as the MPEC in 2010; finish the design of the Indoor Arena and move forward once the Town has accumulated funding; and complete the MPEC without the parking lot.

Town Administrator Halburnt stated financing the project could also be done through COPs and does not need voter approval. Voter approval could be sought for a sales tax pledge or a general property tax pledge to finance the project. Additional financing options include reducing the General Fund balance below 30% or borrowing funds from the Catastrophic Loss Fund. She reminded the Board the MPEC once completed would require additional operational funding and staffing.

The general consensus of the Board was to move forward with the proposed layout of the MPEC with the second story and not to reduce the footprint of the building.

**REVIEW DRAFT LOCAL MARKETING DISTRICT OPERATING PLAN.**

Trustee Blackhurst recused himself from the following discussion.

LMD Chair Larson reviewed the draft LMD 2010 Operating Plan and Budget to be present to the Town Board at an upcoming meeting.

Comments from the Town Board are summarized: Stakeholder fees should remain with the Town if the Town is paying for the employee that produces the revenue; concerned with the management of the CVB employees by the LMD; the plan exceeds expectations; revise the organizational chart to reflect the 4 CVB employees that will be managed by the LMD; questioned the implementation of the group sales; an analysis should be completed to determine how the stakeholder fees are generated before cost sharing could be considered; and question whether the LMD would pay for the additional LMD Director salary.

Town Administrator Halburnt questioned whether the LMD would contract with the Town for accounting services and if the LMD would continue to require administrative support from the Town Clerk's office. She stated the LMD Board should establish an appropriate fund balance and funds collected in 2009 could be used to fund one time expenses.

The LMD Board has discussed a fund balance and the proposed budget has a 10% fund balance proposed. The additional salary for the LMD Director would be funded by the LMD. Once a Director has been hired, the Director along with the Board will make staffing decision to determine administrative tasks. The LMD Board thanked the Town Board for their support.

There being no further business, Mayor Pinkham adjourned the meeting at 6:22 p.m.

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Jackie Williamson, Town Clerk