



TOWN COUNCIL STUDY SESSION AGENDA
August 13, 2018
5:30 PM

I. Town Council Items

II. Study Session Items

1. Entertainment District Discussion - Kivela/Maloney - 30 minutes
2. Private Activity Bonds Discussion - Rogers/Matthews - 10 minutes
3. Town Clerk's Office Update - Baumgartner - 30 minutes



STUDY SESSION AGENDA MEMORANDUM

To: Mayor and Town Council

From: Carol Baumgartner, Town Clerk *CB*
James S. Maloney, Town Attorney *JSM*

Subject: Entertainment Districts/Open Carry Areas

Date: October 22, 2012

Background: Currently, the Town through the Parker Special Licensing Authority may grant a permit known as a "Greater Downtown Special Private Art Permit." These permits authorize what are generally known as "Wine Walks."

In 2009, when the Town Council approved the ordinance authorizing "Wine Walks," no Colorado law specifically authorized or prohibited the issuance of such a permit. Instead, the Code, which prohibits the possession of alcohol in public places, contains an exception for the possession of alcohol in a public place if such possession is pursuant to a validly issued permit. As a result, a permit issued for a Wine Walk allows participants to possess alcohol in a specified public place.

It is important to note that a permit issued for a Wine Walk is not a liquor license under the Colorado Liquor Code. In fact, the Code requires that an admission fee charged to participate in a Wine Walk event must be uniform regardless of whether alcohol is consumed. However, a current hotel and restaurant liquor licensee within the Parker Downtown area is not currently authorized to provide alcohol for a Wine Walk, because to do so would be serving alcohol outside of the licensee's premises. Thus, while the Wine Walk Permit allows possession of alcohol in a specified public places, it does not allow the sale of alcohol.

During the 2011 legislative session, the Colorado General Assembly amended the Colorado Liquor Code by the adoption of SB 11-273, which specifically authorizes local governments to allow common consumption areas (for consumption of alcohol) within what are referred to as entertainment districts. Such common consumption areas are liquor licensed areas, contemplating the carrying of alcohol beverages purchased at retail in the commons areas. The City of Greeley is the first to actually organize and operate an Entertainment District/Common Consumption Areas. Attached are materials that we obtained from the City of Greeley.

What follows is an analysis of SB 11-273, in order to allow you to consider the creation of entertainment districts containing common consumption areas, perhaps as an additional mechanism (in addition to the Wine Walk Permit) for allowing flexibility within the Downtown area, or any future area that may qualify.

The pertinent provisions of SB 11-273 are as follows. In general, the legislation authorizes local governments to create entertainment districts within which common consumption areas would be located. A person over the age of twenty-one (21) may consume alcohol within the common consumption area only if the alcohol was purchased from a premise located within the common consumption area.

~~A~~ As a result of the new legislation, there are three (3) new definitions contained in the Colorado Liquor Code:

1. Common Consumption Area;
2. Entertainment District; and
3. Promotional Association.

A “common consumption area” is defined as “an area designed as a common area in an entertainment district approved by the local licensing authority that uses physical barriers to close the area to motor vehicle traffic and limit pedestrian access.”

An “entertainment district” is an area located within a municipality designated as such comprising no more than one hundred (100) acres in size and containing at least twenty thousand (20,000) square feet of premises licensed as a tavern, hotel and restaurant, brew pub, retail gaming tavern or vintner’s restaurant at creation. The governing body of a local licensing authority may create, through ordinance or resolution, an entertainment district. The ordinance or resolution creating the entertainment district may impose stricter limits than required by the statute “on the size, security, or hours of operation of any common consumption area created within the entertainment district.”

A “promotional association” is an association incorporated in Colorado that is organized or authorized by two or more people who own or lease property within an entertainment district with the purpose of organizing and promoting entertainment activities within a common consumption area. A local licensing authority “certifies” promotional associations. Certified promotional associations may “operate” common consumption areas within entertainment districts and may authorize the attachment of a licensed premises to the common consumption area. To become certified, a promotional association must:

- have a Board of Directors;
- have at least one (1) director from each licensed premises attached to the common consumption area on the Board of Directors; and
- agree to submit an annual report to the local licensing authority containing the following information:
 - a detailed map of the boundaries of the common consumption area;
 - the common consumption area’s hours of operation;
 - a list of the attached licensed premises;

- a list of the officers and director of the association;
- a description of the security arrangements within the common consumption areas; and
- disclosure of any violation of the Colorado Liquor Code committed by any attached licensed premises.

The local licensing authority may refuse to certify or may decertify a promotional association if the promotional association:

- fails to submit the annual report as described above;
- fails to establish that the licensed premises and the common consumption can be operated without violating the Colorado Liquor Code;
- fails to have at least two licensed premises attached to the common consumption area;
- fails to obtain and maintain a properly endorsed general liability and liquor liability insurance policy acceptable to the local licensing authority that names the local licensing authority as an additional insured; or
- violates any provision contained in C.R.S. § 12-47-909 (concerning prohibited acts within a common consumption area).

Additionally, if the local licensing authority finds that the use is not compatible with the reasonable requirements of the neighborhood or the desires of the adult inhabitants, certification may be refused.

A liquor licensed premises must obtain authorization from the local licensing authority to attach its premises to the common consumption area. Attachment to a common consumption area is necessary for a licensed premises to serve alcohol within the area. The local licensing authority may refuse to authorize, refuse to reauthorize or deauthorize attachment if:

- the licensed premises is not within or on the perimeter of the common consumption area;
- the licensee fails to obtain or retain authority to attach to the common consumption area from the certified promotional association;
- the licensee fails to establish that the licensed premises and the common consumption area can be operated without violating the Colorado Liquor Code or creating a safety risk to the neighborhood; or
- the licensee violates any provision contained in C.R.S. § 12-47-909 (concerning prohibited acts within a common consumption area).

A promotional association or an attached licensed premises shall not:

- employ a person to serve alcohol or provide security within the common consumption area unless that person has completed the server and seller training program established by the state;
- sell or provide an alcohol beverage to a customer for consumption within the common consumption area but not within the licensed premises in a container that is larger than sixteen (16) ounces;
- sell or provide an alcohol beverage to a customer for consumption within the common consumption area but not within the licensed premises unless the container is disposable and contains the name of the vendor in a least twenty-four point font;
- permit customers to leave the licensed premises with an alcohol beverage unless it complies with the two provisions regarding containers discussed in the preceding two (2) bullets above;
- operate the common consumption area during hours when the licensed premises cannot sell alcohol;
- operate the common consumption area in an area with a size that exceeds the maximum size authorized by state or local law;
- sell, serve, dispose of, exchange or deliver or permit the sale, serving, giving or procuring of an alcohol beverage to a visibly intoxicated person or a person known to be a habitual drunkard;
- sell, serve, dispose of, exchange or deliver or permit the sale, serving, giving or procuring of an alcohol beverage to a person who is under twenty-one (21) years of age; or
- permit a visibly intoxicated person to loiter within the common consumption area.

Additionally, a promotional association shall remove all alcohol beverages from the common consumption area at the end of the hours of operation.

While the creation of entertainment districts and common consumption areas involves a fairly elaborate process, it has significant advantages in that such a mechanism is specifically authorized by Colorado law, and allows existing licensed premises to be serving the alcohol in what are essentially “to go” cups. In addition, such common consumption areas must include the use of physical barriers to close the area to motor vehicle traffic and limit pedestrian access. Thus, presumably, much like the Farmers’ Market, the area in which the common consumption area was located would likely be on Mainstreet, or some other area that could be closed to traffic.

Finally, as discussed above, the creation of such an Entertainment District, in addition to the current Wine Walk Permit, will allow additional flexibility in terms of the types of authorized events within the Town.

Requested Direction: Staff requests direction from Town Council to establish an Entertainment District in the Town .



Photos from
Greeley Go-Cup
Nights
2012





Common Consumption Area Review & Regulation

September 7, 2012

Background

- **Senate Bill 11-273** (*effective 08.10. 2011*)

Authorizes the consumption of alcohol from liquor licensed establishments to extend beyond those facilities into a locally defined and approved common area

Such area must be identified and limited by physical barriers which limit vehicle and pedestrian traffic

Describes process by which Common Consumption Areas may be established and allowances for local provisions

Promotional Association. . .



- The Liquor Authority establishes application procedures and certification of the Promotional Association
- The Promotional Association must have and maintain a general liability insurance policy, naming City named as an additional insured*
- The Liquor Authority may refuse to certify a Promotional Association for safety or neighborhood compatibility reasons, violations of State liquor code, or if annual reporting requirements are not met

Common Consumption Area



- Once certified by the Liquor Authority, the Promotional Association may propose a Common Consumption Area to the Liquor Authority for approval which judges its merits in a manner similar to allowing a specific liquor license
- There may be multiple Common Consumption areas within an Entertainment District

City Review

- A City Department Team was convened to review the legislation and DDA proposal:
 - City Attorney (*legal*)
 - City Clerk (*liquor license*)
 - City Manager (*economic development*)
 - Community Development (*land use, codes*)
 - Culture, Parks, & Recreation Services (*plaza maintenance*)
 - Police (*security*)
 - Public Works (*streets/access*)
- City Team met first to identify key issues and possible options to address issues; then met as a team with DDA to pursue a consensus position to present to Council

Recommendations to Council

- In allowing Entertainment Districts & Common Consumption Areas, certain provisions were recommended:
 - Physical Area: start small to pilot the effort and make success more likely;
 - Security: establish security levels based upon sq. footage or expected attendance similar to other City venues; require all security to take the State 'server and seller' training and be approved by the Police Chief;
 - Maintenance: require the Promotional Association to assume area maintenance at times the Common Consumption Area is open;

Summary Steps

1. Amended Municipal Code to allow Entertainment Districts & set provisions concerning Promotional Associations and Common Consumption Areas

- Greeley provides for Entertainment Districts within its Land Use Code as a type of overlay district
- Liquor Code amended to set Promotional Association and Consumption Area rules
- Established a specific Downtown Entertainment (overlay) District

2. Upon approval, at least 2 individuals w/in the Entertainment District incorporated as a Promotional Association

- Greeley required DDA to me a member of that Association as part of its lease of public right of way for use by Entertainment District

Summary Steps . . .

3. Downtown Promotional Association made application to the Liquor Authority to be certified and to permit a specific Common Consumption Area for Friday evenings only

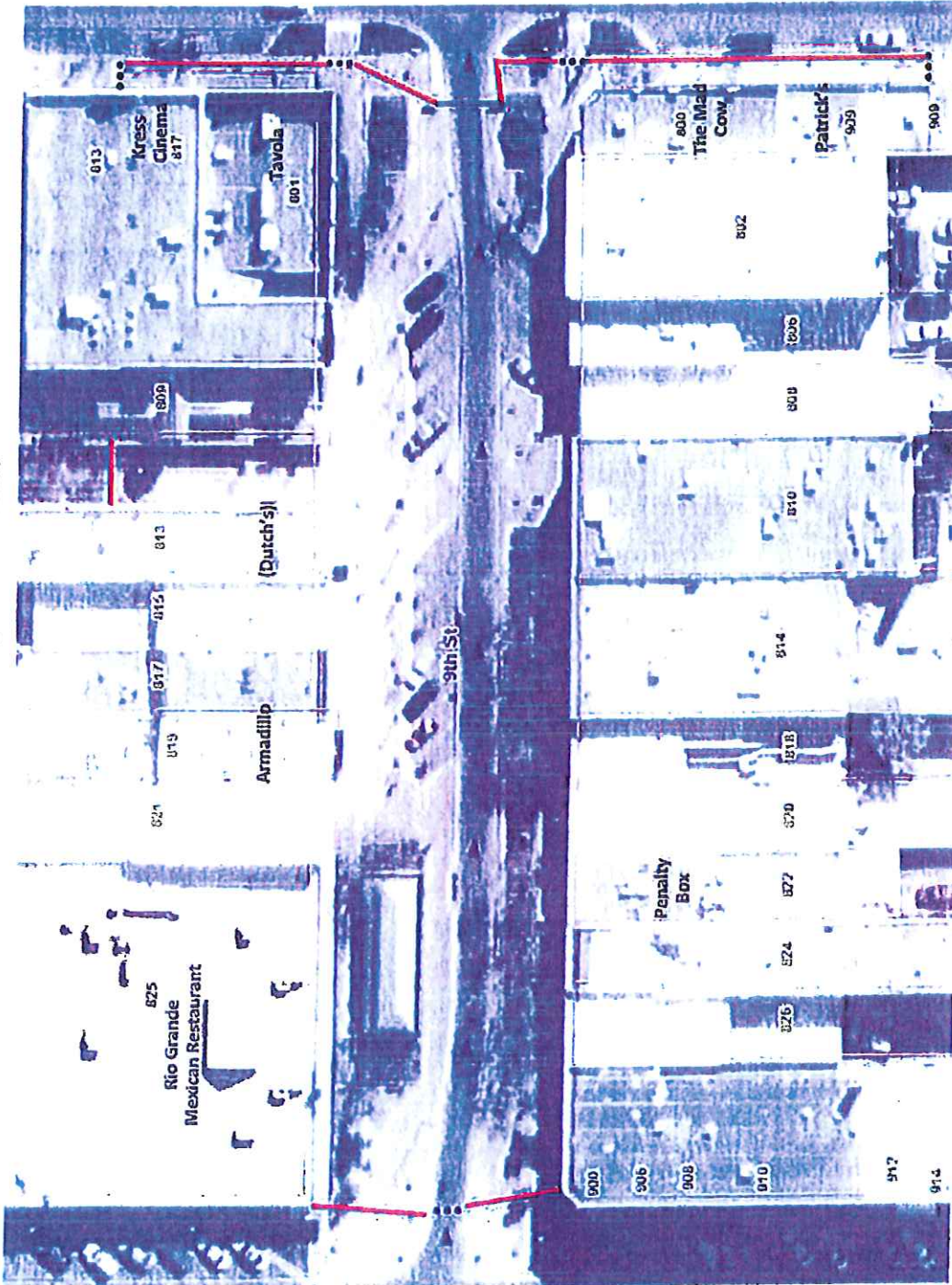
4. Request approved and DDA "Go-Cup" District launched.

5. Next:

- Promotional Association must be re-certified annually by the Liquor Authority, providing annual reports and meeting all other requirements
- Downtown Entertainment District provisions sunset in March 2012 unless reauthorized; Council will review DDA experience, public and parks impact to services, overall performance

Common Consumption Area Map

9th Street Plaza, Downtown Greeley



MAP LEGEND

- Heavy duty plastic stanchions & chains
- Permanent metal plaza gate
- ... Entrances/Exits
- () Non-participating liquor license holders

CITY OF GREELEY, COLORADO

ORDINANCE NO. 07, 2012

AN ORDINANCE AMENDING GREELEY MUNICIPAL CODE, CHAPTER 18.34 OVERLAY DISTRICTS BY ADDING ARTICLE VIII - *ENTERTAINMENT DISTRICT OVERLAY*, AMENDING APPENDIX 18-B OF CHAPTER 18 - *DEFINITIONS*, AND ADDING SECTION 6.16.220 - ALCOHOL BEVERAGES, COMMON CONSUMPTION AREAS AND PROMOTIONAL ASSOCIATIONS

WHEREAS, it becomes necessary to update the Greeley Municipal Code from time to time to address changes in policies and effect different approaches to obtain community development objectives; and

WHEREAS, the State of Colorado adopted Senate Bill 11-273 which authorizes the expanded consumption of alcohol within common areas located within Entertainment Districts that are established by local jurisdictions; and,

WHEREAS, the City Council has considered the merits of allowing the establishment of Entertainment Districts for the purposes contemplated by this State legislation; and,

WHEREAS, the Downtown Development Authority has requested the City to establish an Entertainment District within the central business district in an area which it shares financial and promotional responsibility; and,

WHEREAS, in order to establish an Entertainment District and set forth standards by which areas within such districts may be authorized to apply to the Local Licensing Authority to create and operate "common consumption areas", the Greeley Municipal Code must be amended; and,

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF GREELEY, COLORADO:

Section 1. Greeley Municipal Code Section 18.34 -- ARTICLE VIII, ENTERTAINMENT DISTRICT OVERLAY is hereby added to Chapter 18 of the Greeley Municipal Code as described in Exhibit A, attached hereto.

Section 2. Greeley Municipal Code APPENDIX 18-B -- DEFINITIONS is hereby amended as described in Exhibit B, attached hereto.

Section 3. Greeley Municipal Code Section 6.16 -- ALCOHOL BEVERAGES is hereby amended as described in Exhibit C, attached hereto.

Section 4. The additions and amendments to the Greeley Municipal Code enacted by this Ordinance shall automatically be repealed one (1) calendar year from its date of approval unless otherwise extended by City Council.

Section 5. This ordinance shall become effective five (5) days after its final publication as provided by the Greeley City Charter.

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Article VIII
Entertainment District Overlay

18.34.700 Purpose and Intent

The purpose of this Article VIII is to authorize the creation of an Entertainment District within which, through its Local Licensing Authority, the City may allow the establishment of common consumption areas as provided for in C.R.S. 12-47-301 (11).

18.34.710 Application

The provisions herein shall apply to all land located within the Entertainment District, as defined in Section 18.34.720 below.

18.34.720 Definitions

Common Consumption Area shall mean an area designed as a common area located within a designated Entertainment District and approved by the Local Licensing Authority that uses physical barriers to close the areas to motor vehicle traffic and limit pedestrian access.

Entertainment District shall mean an area within the city of Greeley that is designated as an Entertainment District of a size no more than one hundred acres and containing at least twenty thousand square feet of premises licensed as a tavern, hotel and restaurant, brew pub, or vintner's restaurant at the time the District is created.

Downtown Entertainment District shall mean that area contained within south curb flow line of 7th Street, the west curb flow line of 8th Avenue, the north curb flow line of 10th Street and the east curb flow line of 9th Avenue.

Promotional Association shall mean an association that is incorporated within Colorado that organizes and promotes entertainment activities within a Common Consumption Area, and is organized or authorized by two or more people who own or lease property within an Entertainment District.

18.34.730 General Provisions

- (a) Entertainment Districts may be established by the City from time to time as determined to be in the best interest of the public and the specific geographic area to be served, subject to demonstration that the proposed district is consistent with the definition and purpose of an Entertainment District contained in this Article VIII.
- (b) Common Consumption Areas shall be approved by the Local Licensing Authority, consistent with its authority provided in Chapter 6.16 of this Code, provided the Local Licensing Authority finds that, in addition to finding that the applicable requirements of Chapter 6.16 have been met, all of the following conditions are met:

APPENDIX 18-B – Definitions

The following definitions are hereby added, in alphabetical order, to this Section of Chapter 18 of the Greeley Municipal Code:

Common Consumption Area shall mean an area designed as a common area located within a designated Entertainment District and approved by the Local Licensing Authority that uses physical barriers to close the areas to motor vehicle traffic and limit pedestrian access.

Entertainment District shall mean an area within the city of Greeley that is designated as an Entertainment District of a size no more than one hundred acres and containing at least twenty thousand square feet of premises licensed as a tavern, hotel and restaurant, brew pub, retail gaming tavern, or vintner's restaurant at the time the District is created.

Downtown Entertainment District shall mean that area contained within south curb flow line of 7th Street, the west curb flow line of 8th Avenue, the north curb flow line of 10th Street and the east curb flow line of 9th Avenue.

Promotional Association shall mean an association that is incorporated within Colorado that organizes and promotes entertainment activities within a common consumption area, and is organized or authorized by two or more people who own or lease property within an Entertainment District.

- (6) A list of the attached licensees listing the following information: liquor license number, a list of any past liquor violations, and a copy of any operational agreements.
 - (7) An insurance certificate of general liability and liquor liability insurance naming the City of Greeley as additional insured in a minimum amount of one million (\$1,000,000) dollars.
 - (8) Documentation of how the application addresses the reasonable requirements of the neighborhood, the desires of the adult inhabitants as evidenced by petitions, written testimony, or otherwise.
 - (9) Application fee.
 - (10) Upon approval of a Certification by the Local Licensing Authority, the terms and conditions of the approval shall remain effective until and unless a revised or amended application is submitted to the Local Licensing Authority and approved using the same procedures under which the original application was approved.
- (d) Application for recertification of a Promotional Association must be made by January 31st of each year in a manner consistent with the provisions of this Section and include, but not be limited to:
- (1) A copy of any changes to the Articles of Incorporation, bylaws and/or the directors and officers of the Promotional Association.
 - (2) All items noted under Section 6.16.220 (c), items (2) through (9).
- (e) Once certified by the Local Licensing Authority as a Promotional Association, the Association may operate a Common Consumption Area within an Entertainment District and authorize the attachment of a licensed premise to the Common Consumption Area, subject to approval by the Local Licensing Authority. Application for attachment of a licensed premises to the Common Consumption Area by a Certified Promotional Association shall be made in a manner consistent with the provisions of this Section of the Code and include, but not be limited to, the following information:
- (1) Authorization for attachment from the Certified Promotional Association.
 - (2) Name of the representative from the licensed premises proposed for attachment that would serve as an additional director on the board of the Certified Promotional Association.
 - (3) A detailed map of the Common Consumption Area including: location of physical barriers, entrances and exits, location of attached licensed premises, identification of licensed premises that are adjacent but not to be attached to the common consumption area, approximate location of security personnel.
- (f) The Local Licensing Authority shall consider the merits of the application for a Promotional Association of a Common Consumption Area and may refuse to certify or may decertify a Promotional Association if the Association:
- (1) Fails to submit the annual report as required under Section 6.16.220 (d) by January 31st of each year;
 - (2) Fails to establish that the licensed premises and Common Consumption Area can be operated without violating this Article or creating a safety risk to the neighborhood;
 - (3) Fails to have at least two licensed premises attached to the Common Consumption Area;

CITY OF GREELEY
PROMOTIONAL ASSOCIATION/Common Consumption Area
CERTIFICATION REQUEST
(April 25, 2012)

Promotional Association Name (exactly as it appears on incorporation documentation):	
Description of Common Consumption Area Boundaries:	
Mailing Address of Promotional Association:	
Primary Contact:	
Primary Contact Phone Number:	Primary Contact E-mail Address:

The following must accompany this Promotional Association/Common Consumption
Area Certification Request:

- ☐ \$500 for Initial Application Fee; OR
- ☐ \$100 for Annual Renewal Fee
- ☐ Written Security Plan (include evidence of training and approval of personnel as required under Section 18.34.730 of the Greeley Municipal Code, a detailed description of security arrangements, and the planned location of security personnel within the proposed Common Consumption Area during operating hours)
- ☐ Certification or documentation for security personnel and sellers/servers completing required Responsible Vendor Training
- ☐ Articles of Incorporation
- ☐ Bylaws and Officer/Director Listing (shall include one member of each licensed premises and represent at least two licensed establishments)
- ☐ Attached Licensed Establishment Listing (State License number, violation history for preceding two-year period, and any operational agreements)
- ☐ Detailed diagram of proposed Common Consumption Area, 8 ½ x 11 (location and description of physical barriers, entrances and exits, location of attached licensed establishments, and identification of licensed establishments that are adjacent but not attached to the proposed Common Consumption Area)
- ☐ Possessory Document for use of the area proposed as Common Consumption Area (lease)
- ☐ Proof of Insurance of General Liability and Liquor Liability (naming the City of Greeley as an additional insured in a minimum amount of \$1,000,000)

The Common Consumption Area will be open and operational on the following days and hours:

	Mondays	Tuesdays	Wednesdays	Thursdays	Fridays	Saturdays	Sundays
January							
February							
March							
April							
May							
June							
July							
August							
September							
October							
November							
December							

Any deviation from this schedule shall be reported to the City Clerk's Office at least fifteen (15) days prior to the proposed new date and time.

Entertainment District/Common Consumption Area

Fact Sheet



What is this?

This is the ability to establish a special "Go-Cup Entertainment District" downtown. In this specified area we intend to create the equivalent of what we've done for Friday Fests in the past, but instead of the DDA selling alcohol on the plaza, guests will be able to patronize their business of choice (i.e. The Rio, Armadillo, Penalty Box, etc.) and carry their drink in a clearly labeled (with the name of the establishment who sold it) plastic cup out on to the Plaza to enjoy the entertainment. Tables and chairs can be placed outside, families can bring blankets and lawn chairs, and adults can enjoy their beverage of choice from any of the participating restaurants and bars.

Area:

The Go-Cup area will consist of the 9th Street Plaza, extending just to the north and south on the east end to include the front doors of Patrick's Irish Pub and The Kress Cinema and Lounge. The area will be identified using clearly visible "barriers." The "Entertainment District" is a broader area covering both the 8th and 9th Street Plazas from 7th Street to 10th Street between 8th and 9th Avenues.

Days/Hours:

The proposed hours of operation will be Fridays from 5pm until 11 pm during the warmer months. Any amplified sound will be shut off at 10:00pm in accordance with the City noise ordinance. Go-Cup drinks will only be served until 10pm and all Go-Cup consumption finished by 11 pm at which point patrons who are staying on the plaza will be directed to go inside the various establishments.

Underage Drinking and Security:

As always, ID's will be necessary for any patron to order any alcoholic beverage. Vinyl wrist bands will be placed on patrons wishing to drink their beverage outside. They will also be asked for their ID for each purchase, even if they are already wearing a wristband. Patrons suspected of intoxication will be turned over to security and expelled accordingly.

A minimum of 2 Off Duty Greeley Police Officers, 2 professional security personnel and 2 additional TIPS trained personnel will be monitoring the Common Consumption Area during and slightly after operating hours. Roaming security officers will be able to spot obvious intoxication, attempts at underage drinking and any other issues that might arise. They will be equipped with walkie-talkies for optimum communication should any trouble arise. This actually allows for increased surveillance as it is more than what is in place on any other given night at this time. Number of security personnel will increase as needed to maintain order. In addition, more surveillance cameras will be in place by then to add to the cameras already in existence. Signs will be posted informing guests they are under surveillance to serve as an additional deterrent.

Who is in charge?

A Promotional Association has been formed and incorporated as required by law. Board members include one member from each participating establishment, one from the DDA, one district resident, one retail business owner from within the district, and one member from Responsible Alcohol Retailers.

Clean-up/Maintenance:

The promotional association will be responsible for ongoing maintenance of the area during and after operating hours.

Common Consumption Entertainment District

Governor's Award Submission

Greeley Colorado

Last year Colorado adopted a law allowing local governments to establish areas for the "common consumption" of adult beverages in plastic "Go-Cups" within a controlled area outside of the establishments selling the beverages. After researching the statute the Greeley Downtown Development Authority decided it matched perfectly with objectives set forth in our PUMA study calling for the establishment of a new signature event to activate downtown throughout the summer. We also felt it ultimately aligned well with our economic development goals regarding a dining and entertainment zone downtown. Our Downtown also had the enviable ability to close our one way plazas on 8th and 9th Street to traffic with decorative gates (a requirement of the state law).

We had previously held sporadic "Friday Fests" mostly piggy-backing on other events using a special events permit. Though these events brought decent crowds, we sold beer through a vendor on the plaza and it competed with the very businesses we here to support.

The journey from initial research through approval and launch was a 9 month process beginning with intense examination of the statute, attending a City Municipal League presentation by the author of the bill, and initial meetings with various City departments. The decision to proceed was multi-faceted and quickly revealed two major challenges; the formation of a cohesive, functioning promotional association and the insurance requirements as written in the statute.

After researching similar districts around the country it became obvious that this is a truly unique situation for insurance underwriters. The written law requires the formation of an association which must acquire general liability as well as liquor liability insurance. However, the insurance industry will not sell a liquor liability policy to an entity that is not, itself, serving alcohol. It took

including documentation and certifications for security personnel, the insurance policy, licensee state license numbers from all the participants and copies of their server's TIPS training certification.

The DDA then spearheaded the formal neighborhood needs and desires petitioning and neighborhood notification process to bring to the liquor hearing, ending up with over 225 qualified signatures overwhelmingly indicating "in favor." We survived detailed questioning at the liquor hearing and the state's first common consumption area finally became a reality. We received press coverage from all the major Denver outlets and even made it to the Huffington Post.

The inaugural Go-Cup Friday Fest in early June hosted 2 bands on the outdoor plaza stage followed by bands in 8 venues along the plaza and coincided with Greeley's annual Blues Jam the following day. Using a wrist band count as a marker we estimated 4,500 in attendance and every establishment shattered their previous records for sales. Since Friday Fests are now entirely funded by the association and its sponsors, we are able to have them on a consistent weekly basis which is easier for the public to grasp. The economic reality for the bars is that they now have limitless capacity and no longer have to be concerned with turning tables on Friday nights. All food and drink can be prepared to go and they now have unlimited seating. They still have to pay agreed upon association dues to cover security, maintenance, entertainment, stage, canopy, etc... When combined with sponsor dollars their weekly dues are easily covered by their sales on event night. This concept is already attracting interest from a restaurateur who is looking at one of our empty spaces within the district.

The Greeley DDA and the City of Greeley have already been fielding calls from other areas in the state that have an interest in common consumption entertainment districts. It's not an undertaking for the light of heart and would not be possible without a hard-working, diligent, dedicated team who share their vision for a thriving downtown.



MEMORANDUM

TO: Mayor and Town Council

FROM: Bryce Matthews, Planning Manager
Carolyn Washee-Freeland, Associate Planner
John Fussa, Community Development Director

DATE: August 13, 2018

SUBJECT: C.R.S. Section 24-32-1706 - Allocation of Private Activity Bonds

ISSUE:

Each year the Town receives an allocation of the State's Private Activity Bond (PAB) ceiling. In 2018, the Town was assigned \$2,735,513 in PAB capacity from the State. PAB's are tax exempt bonds that are issued for specific private activities having a public purpose as described by the IRS tax code.

In recent years, the Town has assigned its PAB capacity to the Douglas County Housing Partnership to support affordable housing programs in the County including the Parker area.

FISCAL/BUDGET IMPACT:

None

BACKGROUND:

For 2018, the Town of Parker has been assigned \$2,735,513 in PAB capacity from the State. Generally, the Town has three broad options for the PAB capacity:

1. Do nothing by the September 15, 2018 deadline and let the capacity go back to the State;
2. Rollover and assign the capacity to a type of project (typically a project is identified prior to assigning the capacity); or
3. Assign the capacity to another issuing authority.

Private Activity Bonds Qualifying Project Types

The following is a general description of the IRS defined options for using Private Activity Bonds:

a. Qualified Mortgages and Qualified Veteran's Mortgages and Qualified Residential Rental Projects: The Town of Parker does not have a housing program. The three qualified organizations that the Town can assign this capacity to are the Douglas County Housing

Partnership, the Metro Mayors Caucus and CHFA. The Town has assigned our capacity to the Douglas County Housing Partnership since 2013.

b. Qualified Small Manufacturing: The Town can rollover the capacity for Manufacturing bonding capacity to help small manufacturing in the community. The Town currently does not have a qualified manufacturing project or program proposed.

c. Public Facilities: Airports, docks and wharves, water and sewage facilities, landfills, electric and gas facilities, rail facilities and qualified public educational facilities. The Town does not provide any of these services.

d. Qualified Student Loans: We can assign our capacity to help CollegeInvest provide higher education loans. The Loan money would be available for Colorado parents and students. The money could not be earmarked for Town residents only. CollegeInvest was not in need of PAB capacity from communities when the Town last reached out to them.

e. Qualified Redevelopment: Partnering for Parker's Progress 'P3', the Town's urban renewal authority, is a more appropriate tool to accomplish the goals of redevelopment rather than PAB capacity.

RECOMMENDATION:

Town staff recommends assigning the 2018 PAB capacity to the Douglas County Housing Partnership to help finance affordable housing programs in the County including the Parker area. There are three benefits to assigning our capacity to the Douglas County Housing Partnership:

1. The funding stays local;
2. The Town has two members on the Douglas County Housing Partnership Board and therefore has a say in how the capacity is used; and
3. The Town's capacity will provide another financing tool to support affordable housing in Douglas County including the Parker area.

REQUESTED DIRECTION:

Staff requests Town Council consideration of and approval for assigning Parker's 2018 PAB capacity to the Douglas County Housing Partnership.

ATTACHMENT:

None