

**Citizens Capital Improvement Plan Committee (CCIPC)**  
**April 30, 2015**  
**Draft Meeting Summary**

**Attendance**

Dan Cupit	Michelle Glasmann	Leanna Principe
Ascenzo Di’Giacomo	Lindsay Gomez	Janet Steinkamp
Michelle DeLaria	Harriet Hall	Bob Wilson
Kelly Eargle	Cindi Kreutzer	Don Wood
Nancy Ford	T.O. Owens	

**Staff:** Bryan Archer, Lorie Gillis, Bill Ray

**Facilitation:** Heather Bergman, David Burchfield

**Quorum and Attendance**

Group process rules state that the Committee may hold discussions but may not make decisions unless a quorum of 14 members is present. With only 12 members present fifteen minutes after the scheduled start time, those members present agreed to begin discussion and proceed with decisions should late arrivals form a quorum.

**Arvada Center Presentation and Discussion**

As the presentation to the Committee in December indicated, the planned shift in management for the Arvada Center will mean that day-to-day operations and maintenance will be the responsibility of a newly formed non-profit organization (NPO), while the City will maintain ownership of the property as an asset and maintain responsibility for capital improvements and services.

Bob Wilson presented new information based on his recent conversations with Phillip Sneed (Executive Director) and Clark Johnson (Chief Operating Officer) of the Arvada Center. This inquiry revealed that the agreement regarding the shift in management will not be signed until July 2015 and will not take effect until July 2016. Staff added that even after the agreement takes effect, it will take 5-10 years for the NPO to raise sufficient funds to cover the cost of Arvada Center operations (not capital improvements). At the request of various participants, staff clarified several other points:

- The planned management shift will not affect Scientific and Cultural Facilities District funding.
- Currently the Arts Council is responsible for managing public art programming at the Center. Alternatives to this arrangement are under consideration (e.g., shifting this responsibility to the NPO Board of Directors).
- The Center does not operate in the black financially; this is consistent with other regional and national cultural institutions. The deficit is met by the City’s general fund.
- As it is currently considered a department of the City, the Center is expected to seek additional funding through the City Council as any other department would be expected to do. By shifting operations to the NPO, the City’s role can become that of a major benefactor. This also allows the Center to more easily raise significant funding from grants and private donors. This model is also consistent with that of other major cultural institutions (e.g., Denver Art Museum, Denver Zoo, Denver Botanic Gardens, etc.).
- Parks and Recreation staff are still considering how this change will affect City hospitality services and hope to conduct a study to determine alternatives.

- The City's intention is to fund the transition and cap its contribution to the Center at its current level as the NPO builds capacity to cover operation expenses on its own.
- The only debt the City carries on the physical assets at the Arvada Center are on the Black Box Theater, with a remaining amount of about \$4,000,000.
- The City makes cash payment of \$1,600,000/year in support, with an additional \$2,000,000 of in-kind donated services and presumed rent/year.

Bob Wilson presented his proposal for partially funding Arvada Center projects from the projects matrix:

- \$200,000 for gallery walls improvements
- \$350,000 for entryway improvements for ADA compliance and data security
- \$200,000 for educational facilities improvements (conversion of photography darkroom to a digital set-up)

The Committee discussed this proposal. Some participants were uncomfortable with funding an enterprise that loses money, while others expressed a commitment to funding the arts even at a loss. Staff clarified that most cultural institutions of this kind do not make a profit. One Committee member suggested that some key programming at the Center has even suffered as a result of a shift toward a more profit-driven orientation. One Committee member compared the role of cultural institutions to that of parks – as a public good funded by taxes.

Another participant suggested that even \$3,000,000 would be a relatively small tax per individual Arvada resident, especially as compared to roads. Another participant responded that although all citizens use the roads, not all citizens use the Arvada Center. This sparked a conversation about the usage of the Center. Various Committee members shared anecdotes about their own and acquaintances' experiences using the Arvada Center; these many anecdotes spanned the spectrum of usage, from no visits at all to very frequent visits.

Some concerns about the affordability of Arvada Center youth classes were raised. Other participants stated that the Center offers classes otherwise unavailable in Arvada, and that some classes are more affordable than others. One Committee member expressed displeasure that although some public recreational facilities (e.g., skate parks) were free to use, use of the Center usually requires a fee. One participant expressed an interest in funding the project even if it required reduced funding for roads projects, but not if it required reduced funding for recreation projects (e.g., trails maintenance, parks, etc.).

Another participant suggested that sound system improvements were needed at the Center. The facilitator stated that the sound system was not included among the desired projects in the original projects matrix. Staff noted that the meeting facilities were distinct from the arts and performance facilities at the Center in terms of operations management and staff. Other participants suggested that marketing, wayfinding, and signage for the facility might be critical to increase usage and develop further revenues. Various proposals for funding were suggested by Committee members:

- Bob's originally proposed \$750,000 for gallery walls, entryway improvements, and educational facilities improvements
- \$1,200,000 for general use as Center staff see fit
- \$1,000,000 with recommendations for developing further funding sources

### **Pedestrian Overpass at Alkire St. and Union Pacific Railroad**

The discussion about bundled funding packages (potentially taking funding from roads to fund the Arvada Center) also began a discussion about the pedestrian overpass project at Alkire Street and Union Pacific Railroad based on new information that Dan Cupit brought from a study session he had attended. Dan related that the study had supported concerns that the overpass would be little used. Further, the project's completion is contingent upon the completion of several projects ahead of it. Having reached a quorum with two late arrivals, the Committee agreed to defund this project.

### **Next Steps: Bundled Funding Packages, Funds Limits, and Summary Document Revision**

Quorum was lost after two participants had to leave early, so the meeting adjourned early with no further agreements made. The facilitator suggested the Committee would have to become more efficient to finish the process in a timely manner. As remaining available funds dwindle, the facilitator suggested that it might be helpful for groups of participants to meet outside of formal meetings to collaboratively develop funding packages that might satisfy the diverse interests of the group and move it closer to concluding its work.

There was some question about the total amount of available funds based on the \$50,000,000-\$72,000,000 limits that had been provided. Staff clarified that this range was based on estimates from an external consultant, all of which would be dependent on economic climate and other unforeseeable factors going forward. Based on this uncertainty, staff suggested that the Committee fund up to \$72,000,000 with the potential inclusion of prioritization of projects in case future fund limits should be reached earlier. At a participant's request, staff agreed to provide a rough breakdown of potential costs involved in bonding.

The facilitator agreed to begin drafting a summary document for Council for the Committee to review and collaborative revise, although this revision process would not begin until after the next meeting. Participants agreed to review the documents produced for this meeting by the task groups on process and sustainable funding strategies. Due to the lack of quorum, these documents were not discussed at this meeting.