



Delta Urban Renewal Authority
360 Main Street, Delta, CO 81416

A G E N D A

**Delta Urban Renewal Authority
Regular Meeting**

**September 18, 2018
6:30 p.m.**

DURA Agenda items:

- 1. Pledge of Allegiance**
- 2. Changes to the Agenda**
- 3. Approval of the July 19, 2018 Minutes**
- 4. Consideration to Approve a Request by the Delta Area Chamber of Commerce to Sublease Office Space at 301 Main Street**

Item 1:

Pledge of Allegiance



Item 2:

Changes to the Adgenda

Chairman Ron Austin called the meeting to order at 6:00 p.m. Also present were Christopher Ryan, Gerald Roberts, Kevin Carlson, Tom Huerkamp, Don Suppes along with Executive Director David Torgler as well as DURA Attorney Caitlin Quander via Skype. A meeting notice was posted in the south window at City Hall at least twenty-four hours prior to the meeting.

Pledge of Allegiance

The Chairman led everyone present in the Pledge of Allegiance.

Changes to the Agenda

There were none.

Minutes

It was moved by Member Huerkamp and seconded by Member Suppes to approve the minutes from the May 22, 2018 and May 31, 2018 meetings. All in favor, motion carried.

Update for the Request for Proposals for Hotel Development

Executive Director David Torgler reported that there were no proposals submitted. However, he did receive feedback from Mars who initially submitted a proposal. He summarized the feedback he had received.

Adam Hughes with Better City stated that Mars had concerns regarding a lot of unknowns about other development around the area that was in the request for proposals. Mars is not willing to invest money not knowing what other development might be in the same area. They are willing to work with DURA on other sites.

There was extensive discussion regarding the potential land swap and the timing on those discussions as well as what potential development the DURA Board would like to see in that area.

Member Suppes stated that part of the concern is that the land is not secured. He suggested looking at property that the City already owns and listed a few sites.

Attorney Caitlin Quander reported that depending on the property, to sell city owned property it may take a vote of the people.

Chairman Austin stated that the discussion tonight is to determine how DURA is going to move forward. He suggested putting this project on hold for a period of time.

There was a consensus to have city staff look at city owned property that developers may be interested in.

Attorney Quander questioned whether DURA is still interested in the recommendation of the Better City study regarding a hotel and that they want to look for a different site to move forward with.

Update for the Request for Proposals for Hotel Development (cont.)

The consensus of the Board was that they are still interested in the Better City study.

Members Suppes reminded the Board that some of the TIF agreements were based on the hotel project and he doesn't want to the hotel concept lost.

Other Business

There was none.

Adjourn

The meeting was adjourned at 7:05 p.m.

Jolene E. Nelson, CMC, Secretary



Delta Urban Renewal Authority
360 Main Street, Delta, CO 81416

September 13, 2018

TO: Members of the DURA Board

FROM: David Torgler, Executive Director

RE: Request by Chamber of Commerce to Sublease Office Space

Background:

Pursuant to the DURA lease agreement with the Delta Area Chamber of Commerce requests consideration to sublease a portion of the Chamber building located at 301 Main Street. The DURA owns this building and has a lease agreement with the Chamber of Commerce. According to the April 30, 2013 lease, Paragraph 4:

4. If Chamber desires to sublet any part of the premises, written request shall be submitted to DURA through the Delta City Manager. Such request shall, at a minimum, identify (a) the specific sub-tenant with whom Chamber proposes to enter its sublease, (b) the specific area of the premises proposed for the sublease and (3) the specific rent to be paid by the subtenant during the proposed sublease term. If any sublease requested by Chamber is permitted by DURA, Chamber shall be responsible to ensure that any and all related taxes required by law are paid. Approval for subletting shall be made on a case by case basis in DURA's reasonable discretion. No sublease shall be allowed which does not provide for a fair market rent, the purpose of which shall be to ensure that no clear advantage is gained by any permitted sub-tenant of the Chamber over tenants of other business properties in Delta, Colorado.

Attached to this cover memo is a letter dated August 28, 2018 from the Chamber requesting approval to sublease upstairs office space to Jude Conn for \$137.50 per month. Also attached is a lease rate comparison demonstrating the lease rate with comparable office spaces within the City of Delta.

Cost to DURA:

There is no cost to DURA.

Recommendation:

Based upon the August 28, 2018 request from the Chamber of Commerce, paragraph 4 of the lease agreement and the lease rate comparison information provided it is recommended that the DURA Board permit this requested sublease.

CC:Paul Stockwell, Chamber of Commerce



DELTA AREA
CHAMBER OF COMMERCE

August 28, 2018

David Torgler
Delta Urban Renewal Authority
360 Main St.
Delta, CO 81416

RE: Office Lease Agreement

Dear David,

According to the lease agreement the Delta Area Chamber of Commerce has with the Delta Urban Renewal Authority signed on April 30, 2013, Paragraph 4:

If the Chamber desires to sublet any part of the premises, written request shall be submitted to DURA through the Delta City Manager. Such request shall, at minimum, identify (a) the specific sub-tenant with whom the Chamber proposes to enter its sublease, (b) the specific area of the premises proposed for the sublease and (c) the specific rent to be paid by the subtenant during the proposed sublease term. If any sublease requested by the Chamber is permitted by DURA, Chamber shall be responsible to ensure that any and all related taxes required by law are paid.

Currently we have one tenant occupying the two upstairs offices. Please allow this letter to serve as a specific request for the sublet for an additional individual.

- a. Applicant: Jude Conn
- b. Single upstairs office fronting to Main Street
- c. Month-to-Month Lease for \$137.50 / month

As a bookkeeper, Ms. Conn's business activity will work well within the existing business upstairs as well as the Chamber of Commerce.

I would respectfully request approval to move forward with a lease with Ms. Conn. I will be happy to provide more information if needed. Please do not hesitate to contact to discuss at 874-8616.

Thank you

Paul Stockwell
Executive Director

Lease Rate Comparison

This is a simple representation of cost per square foot on monthly basis of several properties in Delta. Please find the attached property sheets for review.

High End - 300 Stafford Lane Office Suites

-see attached information detailing amenities.

-This property is new, provides a number of amenities and is ADA Accessible

\$350 / 152 SQFT = 2.30/SQFT

\$350 / 155 SQFT = 2.26/SQFT

\$365 /168 SQFT = 2.17/SQFT

Main Street Commercial Similar Location - 348 Main Street – formerly 2nd Edition

-see attached information detailing property which is for sale/lease

-This is commercial space along main street

\$2500 / 2988 SQFT = .84/SQFT

Similar Office - 550 Palmer Street, Brown Building

-includes some utilities

-ADA accessible

\$950 / 1100 SQFT = .86/SQFT

\$750 / 790 SQFT = .95/SQFT

Delta Area Chamber of Commerce - 301 Main Street – Chamber Building Upstairs

-Historic Building

-Use of conference room

\$137.50 / 180 SQFT = .76/SQFT

\$137.50 / 180 SQFT= .76/SQFT

As can be seen by the comparison, with a monthly SQFT rate of .76/SQFT, the Chamber offices come in slightly below some of the other properties. There are a number of reasons for this. The Brown Building is the closest comparison to the Chamber building being that it is an older building, but it has undergone some recent renovations to update. The chamber office is also not suited to all types of business. With the long stairwell, it may be inaccessible to some and so it has also limited the types of businesses that could utilize the space. On the other end of the spectrum are the offices at Stafford Lane. These are modern and boast a wide variety of amenities that are reflected in a much higher cost per sqft.