

GRAND JUNCTION DOWNTOWN DEVELOPMENT AUTHORITY  
BOARD MINUTES  
THURSDAY, APRIL 11, 2013  
248 SOUTH 4<sup>TH</sup> STREET  
7:30 A.M.

PRESENT: Peggy Page, PJ McGovern, Jodi Coleman-Niernberg, Bennett Boeschstein, Les Miller, Stephan Schweissing, Jason Farrington, Kevin Reimer

GUESTS: Marty Chazen, Councilman-elect; Rich Englehart, City Manager; John Shaver, City Attorney

STAFF: Harry Weiss, Diane Keliher

CALL TO ORDER: Jodi called the meeting to order at 7:30 a.m.

APPROVAL OF MINUTES: Peggy made a motion to approve the minutes of the March 28<sup>th</sup> meeting; Jason seconded; minutes were approved.

BOARD OPENINGS: There will be three openings on the DDA board that will need to be filled. There is one current vacancy; Kevin's first term ends this summer, he is eligible for appointment to a second term; and Peggy is term limited off. Teri Cavanaugh at Cobb & Associates has expressed interest in serving on the DDA but cannot consider it for another year. Harry has had a lot of interaction recently with Cary Eidsness who purchased the former Pinnacle Homes condominium space in the Reed Building (now leased to Bank of America Mortgage). Cary has real estate development experience and could be a potential candidate. With the pending dissolution of the DTA, there are DTA board members who might be interested in applying for the DDA/BID board. Jim Jeffryes of Edgewater Brewery has also indicated interest in being on the board, but he would have to petition to bring his property into the DDA district to be eligible. Peggy said Shane Allerheilgen from A Robin's Nest has made application. PJ asked if we will interview for all three vacancies. Harry explained that applications for the Board are submitted to the City Clerk, and City Council interviews the candidates and makes appointments. The DDA identifies potential eligible parties and encourages them to apply, but does not participate in the interview and appointment process.

AVALON UPDATE: There have been a series of meetings with FCI looking at opportunities to save money and de-scope the project. One strategy may be to reduce the size of the lobby for now and still provide for expansion in the future. The bid pricing is good for 60 days and could be extended thereafter at FCI's sole discretion. Council decided to suspend any further contract services with WRL and will work with a local architect on modification options. The Avalon Foundation Board will continue to work on the fundraising effort while project revisions are considered. City Council has directed staff to work to retain the overall vision for the project while addressing the priority concerns for accessibility and life safety compliance, and the core improvements to the complex.

PJ asked how much of the Foundation's pledges are restricted. The Foundation has already contributed \$239,000 to the project to date, and has another \$80,000 cash on hand to contribute to the construction. There is \$450,000 of outstanding unrestricted pledges, and an additional \$45,000 of pledges restricted for the future expansion of the stage to accommodate the Symphony. The El Pomar grant decision will be made in early May 6 with notification by May 22. The Boettcher Foundation grant is pushed off until July. Bennett suggested asking Coors for participation. Bennett also mentioned

attending Philanthropy Days in June in Ouray. Peggy said the Foundation is starting public fundraising with their “\$1,000 from 1,000 people” campaign.

Harry met with a Virginia-based consultant who specializes in placing New Market Tax Credits as a source of funding for community projects. Structuring NMTCs is fairly complex and sophisticated, and depends upon funding for the project being in place at the outset. Typically NMTCs contribute about 15% of the entire project cost through tax credit equity which in the case of the Avalon would be about \$1,275,000. The Treasury allocates each year’s tax credits in April among competing Community Development Entities (CDES) who then place the allocations into specific projects across the country. While there is a very small window of opportunity to pursue this year’s allocation, Harry feels the complexity associated with the NMTC program could easily overwhelm the already complicated circumstances of the Avalon. It could be a viable strategy for future expansion phases of the Avalon, and could also be a source of funding for future DDA undertakings.

PJ asked whether it is time for a gut-check and to revisit the option of building a brand new facility. Rich and Harry reviewed the prior analysis of cost comparisons which showed the cost of building a new equivalent facility was about \$3 to \$4 million more expensive, not including the cost of land acquisition, extension of public infrastructure and the provision of parking. Rich feels FCI and the project team will figure out a phased approach based upon the current core design that will preserve the vision while allowing the Foundation to continue its fundraising efforts and pursuit of foundation grant opportunities.

Kevin arrived at 8:00 a.m.

LAS COLONIAS UPDATE: The City’s Parks and Recreation Department unveiled the revised master plan for Las Colonias Park yesterday with an open house last night. They are gathering input from various agencies and identifying additional funding sources. Tracy Wieland with Parks was contacted by a property owner on the northwest corner of 9<sup>th</sup> and Riverside Parkway who may be interested in selling his property along with the adjoining neighbor. It is the kind of parcel that would fit well with the Board’s general interest in working around the edges of the park to incent new private development, and Harry will pursue the contact further. Bennett mentioned that REI is looking for a new place and may be interested in the Sugar Beet Building. Jodi directed Harry to contact someone at their corporate headquarters to follow up. There was discussion of development in South Downtown.

WHITE HALL: The state has issued the demolition permit and open-air variance. The contractor has mobilized for the first scope of work abating the boiler, and is contacting neighbors to get permission to secure their property with tape and plastic, or sign a waiver. DDA’s next step is to amend our governing documents including the Plan of Development and our capital budget to incorporate the project as a duly authorized undertaking. This needs to be completed as a condition precedent to taking title. John and Harry will draft a resolution and budget amendment. John stated that we do not have to take it to the Planning Dept. since the legal authority to remove blight is already in place and a part if the POD. Kathy Portner informed Harry of a Technical Planning matching grant that is available for up to \$5000 which Harry suggested we use for adaptive rehabilitation planning and redevelopment analyses. The board directed Harry to pursue the grant.

Harry reported that he met with Councilman Susuras to follow up on his questions concerning the status of White Hall and anticipated approaches to its redevelopment. Councilman Susuras was supportive of the consideration of a housing strategy as well as mixed use residential with office. Harry outlined the

various pros and cons regarding the financing prospects for a private development and the option of DDA undertaking the redevelopment directly with the intent of selling an improved investment property. Susuras indicated he would also be open to the possibility of a property exchange of White Hall for the Avalon parking lots as an alternative to a cash purchase in order to conserve working capital for redevelopment purposes.

Additional discussion of other real estate matters included the ongoing exploration of a downtown Business Incubator presence; Bennett suggested the former County office at 750 Main as a possible incubator location; Kevin brought up the Assembly of God property as a location for REI; Harry reported that all the housing developers he had contacted concerning ValueLodge had passed; Jason provided additional information concerning City Market's investigation of adding a new fuel station on the corner of 1<sup>st</sup> and Main.

AOTC: Harry would like to have a couple of board members to participate with the committee and help give direction to the program. The Call for Artists has gone out with a submission deadline of April 26<sup>th</sup>. The Committee will then convene and choose sculptures for the year. The installation used to be in June and then Harold moved it to May during the Art and Jazz Festival and now we have moved it back to June.

Many artists who participate in AOTC move their works from town to town since other communities are doing the same basic thing. Bennett asked if there was a requirement of local artists, and there is no preference given to locals. Over several years, the DDA has acquired 60+ permanent sculptures from all over the country. Harry feels it needs broader community involvement to manage the program. Jodi asked if anyone at the Art Center is involved. Harry has met with Camille Silverman, the director, but they have a pretty full plate did express much interest in a deeper involvement. Bennett mentioned art on the Riverfront and the Botanical Gardens.

Harry feels we need policies and structure for the program. Jason asked about bringing it into the Parks and Recreation Department. Rich would like someone from the City to at least be on the AOTC Committee. Jason mentioned that it used to be the Commission on Arts and Culture (CAC) that managed the program. Bennett agreed that the City has the framework already in place with the CAC.

Jodi feels that the DDA can continue to be a financial resource for AOTC but would like to see the program more thoughtfully structured with greater community involvement and responsibility for the annual exhibition. Stephan values the chaos and fun of the program! Since the City insures the collection, John is concerned about practical issues such as damage and conservation. Peggy feels the AOTC Committee should be under the City Parks Department with a representative from the DDA. Rich said that's a policy change that the Council would have to approve.

OTHER: Jodi asked about the former Goodyear Tire store at 3<sup>rd</sup> and Rood. Kevin confirmed that the building is for lease. Big O Tires had been looking to open a store there and had approached the DDA about a façade improvement grant. Harry met with both Kevin Brooks of Big O, and the out-of-town owner of the building regarding the grant guidelines, but the owner did not follow up. Recently Harry heard that Big O is no longer pursuing the property.

La Belle Amie Spa (344 Main Street) has been purchased for \$500,000 including all of the specialized spa equipment. This represents a significant discount on the cost of the acquisition and rehabilitation of the building, as well as the fixtures for the spa business.

Rich informed the Board that a rally against domestic violence in response to the recent incident involving Councilman-elect Rick Brainard will take place at noon tomorrow in front of City Hall. He anticipates a large crowd which may spill over onto other downtown streets.

Bennett said Peter Booth would like some signage on Main Street leading to the Museum. Harry will get in touch with him.

ADJOURN: Stephan made a motion to adjourn; PJ seconded; the board adjourned at 8:55 a.m.