

GRAND JUNCTION DOWNTOWN DEVELOPMENT AUTHORITY
BOARD MINUTES
THURSDAY, APRIL 25, 2013
248 SOUTH 4TH STREET
7:30 A.M.

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

STAFF: Harry Weiss, Diane Keliher, Aaron Hoffman

GUESTS: Marty Chazen, Rich Englehart, Tillie Bishop, Allison Sarmo, Jacquie Chappell-Reid, John Shaver

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

APPROVAL OF MINUTES: Les made a motion to approve the minutes from the April 11th meeting; Stephan seconded; minutes were approved.

QUARTERLY FINANCIALS: Harry distributed the financial information for the first quarter and reported that revenue and expenses seem to be on track for the DDA. The property tax revenue in the 103 fund is at 17% of the budget which is a matter of the timing of collections. The majority of the property tax will be collected in the next quarter. The 103 expense "Art/Sculptures" reflects a 2012 encumbrance for the Prinster sculpture. The 203 fund disbursed \$180,000 in January to the Mesa County library for their capital improvements along Grand Avenue. The 611 fund has a reserve for the 2013 bond payment. Les asked about some of the salary costs. Harry explained that the cost of the benefits package for the full-time Marketing Director position were not included in the 2013 budget.

LEGENDS UPDATE & FUNDING REQUEST: Harry welcomed Tillie, Allison and Jacquie of the Legends Committee to the meeting to give an update of the progress of the Prinster sculpture and to inform us of their 2014 project.

Jacquie spoke with sculptor, Jim Haire, and two of the three Prinster sculptures are completed. They will be transported to Grand Junction in June to be stored and to free up some space in his studio. The Committee plans to do the unveiling on October 18th at 5:30p.m., at the southwest corner of Spruce and West Main (the entrance of the Mesa County Administration offices). Chris Muir at All Metals Welding is creating an arch with the original City Market logo to be placed behind the sculptures. Jacquie assured the board that the project is moving along and in good shape.

Allison distributed the Call for Entries for the Enstrom sculpture. The design will be Chet Enstrom stirring toffee in his copper pot. The Committee has put out an RFP soliciting 10 different sculptors and will have proposals by the end of May. The Committee hopes the DDA will continue to be supportive of the Legends project. Harry asked if fundraising has begun for the Enstrom project. Jacquie reported that pledges have been submitted already. Doug and Jamie Simons have made a substantial commitment. The Committee is asking for a pledge of \$10,000 from the DDA. PJ suggested leveraging the DDA donation with a matching contribution. The Board directed Harry to wait until the proposals come in to make a financial commitment.

Tillie mentioned that we will need storage for the two Prinster sculptures that will arrive in June. Jacquie visited with Donna Ross regarding a place to store the pieces at the Mesa County warehouse. She added that the unveiling reception could also be located in the warehouse. PJ suggested using the West Star Aviation airport hangar.

Bennett gave kudos to the Committee and offered suggestions of projects for the future. Jodi congratulated the Legends Committee on the progress of the Prinster sculpture. Jacquie emphasized the significance of the historical sculptures to the residents of the community and its visitors.

NEW MARKET TAX CREDITS: Robin Brown and Harry were approached by a consultant out of Roanoke Virginia, who is interested in the Avalon Theatre renovation project for new market tax credits. This has the potential to be a significant

source of funding. Once a year, there is an allocation of tax credits by the Treasury Department for national CDE projects to stimulate tax equity investment in distressed census tract areas. This includes real estate and business improvement/expansion projects. The Treasury Department made the allocations yesterday. In order to use the credits, there needs to be a receiving entity that owns the real estate. The receiving entity would need to be a separate non-profit organization. After a 7-year holding period, the receiving entity buys the equity for a minimal charge. The current business model is that the City operates the Avalon. The new model would be that the non-profit entity (who owns the real estate) would lease the building to the City. The tax credits can fund 39% of the total cost of the project. It could close the funding gap in the project. It's up to Council to decide if it's a good source of funding.

Harry mentioned that CHFA has an unused project allocation for an \$8.9 million project that has an October 15th deadline. They are considering a project in Sterling, CO however, if that project falls through, the Avalon would be in a good position to apply.

Kevin asked if the City Attorney would represent the project. John would be willing to do the legal work. Kevin was also concerned that the 2010 census puts Downtown out of a qualifying tract. Harry has done the research and the Avalon is in a qualifying tract area. Harry asked for direction regarding how involved to the board wants to get in this process. Jodi feels that the concept should be presented to Council. Bennett is in favor of using new market tax credits. Stephan would like to explore the possibility further as long as it doesn't affect the fundraising effort.

The window is very narrow to get the Avalon project submitted to a CDE. Rich added that there is a construction bid, but a contract has not been awarded. FCI is willing to give the City an extension to help the Avalon Foundation with soliciting funds. FCI has been working with Chamberlin architects to review their current bid, consider a scaled-down version, or design just the shell. The FCI bid will come back to Council in June. Les was concerned about how much staff time would be dedicated to the new market tax credits application. Harry said the consultant will do most of the legwork and he feels it would be helpful for the long range funding of DDA projects. PJ is still very frustrated with the Avalon project and warned that Council will have lots of questions. Rich is concerned about timing since the contract award is extended until May 26th.

Harry is concerned that there may be a conflict of interest between the City and the DDA regarding negotiations for White Hall. John said that the financial arrangement between the City and DDA is still valid and would urge that the board not hastily declare a conflict.

Les made a motion to enter into executive session for the purpose of discussing the purchase, acquisition, lease, transfer or sale of real, personal, or other property interest under C.R.S. section 24-6-402 (4)(a); Kevin seconded; the board adjourned into executive session at 8:28 a.m.

EXECUTIVE SESSION: Les made a motion to adjourn executive session; Peggy seconded; the board adjourned from executive session at 9:00 a.m.