

**JOINT SPECIAL MEETING OF GRAND JUNCTION CITY COUNCIL AND
DOWNTOWN DEVELOPMENT AUTHORITY
MINUTES
April 4, 2022**

Call to Order

The City Council of the City of Grand Junction and the Grand Junction Downtown Development Authority convened into a special meeting on the 4th day of April 2022 at 5:30 p.m. Those present representing City Council were Councilmembers Abe Herman, Phillip Pe'a, Randall Reitz, Dennis Simpson, Anna Stout, Rick Taggart and Council President Chuck McDaniel. Those present representing the Downtown Development Authority were: Board Members Cole Hanson, Josh Niernberg, Garrett Portra, Vance Wagner and Authority Chairman Doug Simons Jr.

Also present were City Manager Greg Caton, Executive Director of the Downtown Development Authority Brandon Stam, City Attorney John Shaver

Council President McDaniel and Chairman Simons, Jr. called the joint meeting to order.

Open Discussion

Adam Frasier, Vice President of Real Estate Operations and Development for Richmark Companies gave a brief update of the presentation given to Council in December of 2021. Richmark purchased the City Market site at 200 Rood Avenue and proposes constructing two buildings of two stories each. When the development was previously proposed to City Council in December 2021, the estimated total project cost was \$59 million with an economic feasibility gap of \$7.5 million. Part of the gap was in holding back 10% of the units at 80% of AMI. Richmark hoped to secure a \$3 million grant from the state; but was unsuccessful. Today, the estimated total project cost is \$65 million. The increase is attributed to inflation of construction materials, labor force issues, and interest rate hikes. The feasibility gap is currently at \$10 million with no units held at 80% of AMI.

A market study was conducted by Apartment Appraisers and Consultants in February of this year and forecast that in three years, when the project would be complete, the apartment demand would be in balance with the proposed development and the projected average rent of \$1,336 for a studio apartment would be achievable. Richmark believes this proposed project will provide economic benefit to the City in jobs and additional rooftops to attract retailers; however, they do not believe the project is financially feasible without assistance from the City and the Downtown Development Authority. They asked the City to waive all fees associated with the project and to purchase the Rood Avenue right-of-way and asked the Downtown Development Authority to provide annual financial assistance totaling \$3.5 million.

In response to questions, Mr. Frasier stated Richmark has fee simple ownership of the property and defined the feasibility gap by determining a \$10 million loss if they were to sell the property upon completion of the project. Mayor McDaniel asked to see their pro forma. Mr. Frasier said the company has not discussed fee waivers with the county and were asked to present to the Chamber of Commerce. There were comments that this is an economic development project versus an affordable housing project.

Those who spoke in support of the project reasoned the project would create workforce housing and help revitalize downtown.

The Downtown Development Authority adjourned from the meeting at 6:30 p.m.

Executive Session

Councilmembers voted unanimously to enter into an Executive Session to discuss matters that may be subject to negotiations, developing strategy for negotiations, and/or instructing negotiators pursuant to Sections 24-6-402(f)((e)(l) of Colorado's Open Meetings Law relative to an economic development/redevelopment incentive agreement for Richmark Companies for a possible redevelopment /development project at 200 Rood Avenue, Grand Junction, Colorado

Adjournment

Council reconvened the Special Meeting at 7:26 p.m. and there being no further business to come before Council, the meeting adjourned at 7:27 p.m.

Respectfully submitted by:

Laura Bauer, MMC
Interim City Clerk