

GRAND JUNCTION DOWNTOWN DEVELOPMENT AUTHORITY
BOARD MINUTES
THURSDAY, MARCH 27, 2014
248 SOUTH 4TH STREET
7:30 A.M.

PRESENT: Jodi Coleman-Niernberg, Les Miller, Shane Allerheiligen, Martin Chazen, Jason Farrington, Stephan Schweissing

ABSENT: PJ McGovern, Kevin Reimer, Kirk Granum

STAFF: Harry Weiss, Diane Keliher

GUESTS: Tim Moore, Bennett Boeschstein, John Shaver

CALL TO ORDER: Jodi called the meeting to order at 7:31 a.m.

APPROVAL OF MINUTES: Les asked that the minutes be clarified regarding how the appointment to an unexpired term of a prior Director is counted for the purposes of determining the total number of terms a Director is eligible to serve. The rule of thumb is if the partial term is less than half of a normal term it does not count towards the term limitation; if more than half, then it would count as a full term for term limitation purposes. DDA terms are 4 years in length; so any Director serving more than 2 years through appointment to an unexpired term of a prior Director would be eligible for reappointment for only one additional term. With that correction, Les made a motion to approve the minutes of the March 13th meeting; Marty seconded; minutes were approved.

ST. MARTIN'S PLACE PHASE II: Harry met with Sister Karen, Gregg Kampf and Doug Aiden last Friday at Council's direction. They discussed the mission of the DDA and whether or not the DDA could help fund the development impact fees for the St. Martin's expansion. Marty explained that Catholic Outreach approached Council with a downtown housing project and requested that Council waive \$110,000 in various development fees. Marty suggested that Catholic Outreach reach out to the DDA for financial assistance. He also suggested they ask the School District to waive the school impact fee that the District would otherwise receive. He feels that it is part of their due diligence to ask other entities besides City Council.

This opened up discussion regarding the DDA's role in economic development. The Catholic Outreach properties aren't currently located in the DDA district, they have already removed the blight, it doesn't provide a property tax benefit to the DDA, nor is it a public facility. Therefore, TIF money cannot be used for this type of capital project. The group understood that it's a worthy project, and important to downtown, but not part of the DDA's mission. Sister Karen asked whether alley improvements between Pitkin and South Avenues might be eligible. Harry told her if the block were in the district, alley improvements would be an appropriate use of TIF funds, however, that would not have any effect on the existing project budget. Harry suggested that should Catholic Outreach pursue voluntary petition for inclusion in the DDA district that they approach other property owners on the block about possible inclusion as well. Jodi is glad they had the conversation and would encourage them to annex their properties into the DDA. Les added that the Board has shifted its primary focus regarding housing to market-rate opportunities, and the proceeds from the dissolution of the Downtown Housing Effort are intended for that segment.

Jodi asked for a breakdown of the development fees. Tim provided a breakdown that showed the biggest portion is the sewer plant improvement fee and water taps. Bennett clarified that under current policy the fees don't get waived, they are actually paid by the City from the general fund. Marty added that Catholic Outreach's request was made long after the City budget was set, and that during the budget process Council considered a variety of funding requests from a number of non-profit organizations. He agreed that there is no funding the DDA can provide. Harry will communicate to Catholic Outreach that the DDA board appreciates Catholic Outreach's project, but it is not within the DDA's mission or authority to contribute funds as requested.

VALUE LODGE REDEVELOPMENT: Harry would like to present an idea that has formed in the last few weeks that aligns with the Board's recent discussion of economic development initiatives. The status of the Value Lodge property remains in limbo after 2 years of vacancy, and the termination of City Market's option for the fuel center. The building is being maintained and thus, is not really blighted, but it is a problem. Harry has pitched the property to a number of non-profit housing developers as a potential low-income opportunity, but none showed interest.

Another possible adaptive rehabilitation use would be as a collaborative work facility for creative industries or another economic sector. The building offers a lot of flexibility within the structure to make some low cost renovations to create spaces for studios, workshops and offices. In the mid-1990's a similar kind of concept was explored for the former Steam Plant on South Avenue (now demolished) as an arts incubator, but that property had the potential for light to heavy industrial uses such as a foundry which would not be accommodated at Value Lodge. Harry has been exploring various downtown coworking/incubator concepts with the Business Incubator for some time. Jason asked if this would replace the Business Incubator's facility. Harry stated that it would not, but could offer alternative space for creative industries that are not likely candidates for the Incubator's riverfront.

Harry shared PJ's initial response that it was an interesting idea that could be phased in response to emerging market interest, would not have to be tied at the outset to a particular group of users, and wouldn't have to be done as a single large undertaking. Harry would expect the DDA would need to buy the property and develop it. Relocating the DDA office there is another option to explore.

Harry would like direction from the Board whether to pursue this idea. He advised that any strategy would have to be something the DDA was uniquely positioned to make happen, would not duplicate or compete with private sector options, and would depend upon the identification of an exit strategy for the DDA.

Jodi asked what John Maraschin's reaction was to the idea. Harry said the Incubator is rightly concerned with the challenge of delivering program support for any co-venture in downtown. The DDA as a capital partner is a great resource, but sustaining any assistance for businesses in a facility has funding challenges. Jodi asked if CMU would be interested in a partnership. Tim Foster called Harry this past week to share that the CMU art department had suggested the former Consolidated Electric Supply Building across from Roasted as location where studio classes could be taught on a regular basis and also support a student gallery function. Harry encouraged Tim to come with a proposal to the board. Jodi feels it would be good to have CMU downtown. She wonders if the Value Lodge space might compete with the CMU students. Jodi also knows that the Business Incubator is interested in having a presence downtown and she would welcome a partnership with them also.

Shane asked about the legalities of the DDA funding private business partnerships. John said there are lots of business models that could be used. Marty would like more information concerning an exit strategy as well as how this facility might be competing with the private sector. Marty is also concerned about what kinds of businesses might be located there. Jason feels it would be a different kind of space than we have now and it encourages collaborative work. Marty asked if it would be only for Business Incubator tenants.

Jason doesn't think the DDA should be a landlord. Les asked if there is still interest in a collaborative effort with the DDA, Trails Alliance, VCB information center, etc. Harry feels it would be a good location for the DDA office. Les would like the DDA to transfer ownership of the building as soon as possible instead of paying a PILT. Les wondered if there are any zoning issues that need to be addressed. Marty would like to find out if there are any environmental concerns with the building. The board gave Harry direction to pursue the possibility of a creative collaborative working space located in the Value Lodge in downtown Grand Junction.

DOWNTOWN HOUSING STUDY: We held a two-day charrette with the architecture firm of Van Meter, Williams and Pollack and Jesse Silverstein who is a real estate economic analyst. They studied four small infill sites: White Hall, the Parking Garage end cap, the parking lot on the 500 block of Colorado, and the parking lot on Ouray behind the Bank of Colorado. They looked at a variety of sizes and types of housing. Harry reviewed the preliminary site concepts with the board which provide an initial assessment of density and capacity of different locations around the CBD. The design team will be developing the site concepts into 3D models and architectural character studies in April. Jesse will be developing pro forma models for each site. Jodi felt the design group was great and we are lucky to have them help us. There was a local developer focus group during the charrette which offered very good perspective on the economies of scale, development costs, management and operating implications of different housing approaches, and risk management in the development process.

Among the many factors that influenced the ideas for the various sites was the idea of repairing the urban fabric where the opportunity exists. For example, the Rood Avenue Parking Garage is an attractive design as far as the architecture is concerned, but the ground floor pedestrian experience around the block is dead due to the fact there is no activation of the ground floor frontages. In addition to evaluating housing options for the end caps, the team suggested taking out about 24 parking spaces along the Rood Avenue sidewalk and developing shallow depth retail or office spaces within the structure. Such an approach would be beneficial in a number of ways – creating smaller incubator space of a type we don't readily have downtown, activating the street, and converting underutilized/underperforming parking for a higher and better use.

Les liked the White Hall concept that included underground parking and 43 units of housing. Jason asked if there are still parking standards within the Downtown Strategic Plan. Harry replied that there is a parking ratio requirement in the zoning for downtown, but the requirement can be met with shared parking spaces and on-street resources, so meeting the parking requirement is very easy in most cases. Marty asked about what kind of housing could be envisioned for the lowest level of the existing education building which is a half-story below grade. Harry explained there are options to excavate around the base of the building to allow larger windows and landscaped berms, or even to accommodate exterior private patios to enhance that level.

Les remarked that KREX reported the DDA had \$1 to 10 million dollars a year to invest into downtown housing! Harry explained that there were a number of errors in the station's report, and that he is following up with the reporter and news director.

Marty asked about the White Hall asbestos abatement contract. Harry said it has been signed and the contractor has 10 working days from Notice to Proceed or receipt of a permit from CDPHE to mobilize and begin abatement. Shane asked when White Hall will be ready to develop. Harry explained that we have to complete the asbestos abatement first, then assess the structural conditions where the education building abuts the exterior wall of the old sanctuary at the west end of the building. As soon as the abatement is done we can more easily get prospective parties into the building to gauge interest. Currently we have three or four developers who have expressed interest in the site, but all are waiting for this next scope of work to be completed.

UPDATES: The façade improvement grant application for Grassroots Cycles at 401 Colorado has been a bit difficult to process, but the subcommittee is recommending a grant of \$5306 for eligible expenses. Les pointed out that this grant does not include the work that has already been completed. Marty made a motion to approve the \$5,306 façade grant for Grassroots Cycles; Shane seconded; motion carried.

AGENDA FOR JOINT MEETING: Harry had asked the Board to forward discussion items for a joint meeting/work session with City Council. Shane asked what the goal of the meeting is. Harry explained that it is to discuss issues that are relevant to both City Council and the DDA/BID board. Among the topics Harry would like to discuss are direction on the management of community event staging in downtown, housing development, the upcoming renewal of the BID and possibly amendments to the structure/operations of the BID, and broader economic development undertakings that the DDA and/or the BID might undertake and funding to support same.

Bennett said he sees a lot of common ground with Whitman Park, downtown housing and village centers. He had a conversation with Rich Lopez of the Latino Chamber of Commerce who has ideas about a Hispanic center near the Riverfront Trail. Brady Trucking has promised to donate a strip of their land to Las Colonias. The Depot is another project that is blighted. There is a group looking at the building to accommodate a high speed rail from Denver to Salt Lake.

Harry said that we need to update the Plan of Development in any event and change consider whether the restriction of TIF dollars to capital projects might be loosened to allow other non-capital economic development activities. Marty feels we should be ready to talk about economic development. John added that there is also the ACLU panhandling issue in regard to Farmers Market non-profit vendors and buskers. Jodi is interested in helping new businesses by creating a fund for a small businesses grant program. John added that the City may look at its tax policies. Shane would like to see a bigger renovation project rather than just facade projects.

ADJOURN: Marty made a motion to adjourn; Shane seconded; the board adjourned at 9:05 a.m.