

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

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

ABSENT: Kevin Reimer

STAFF: Harry Weiss, Diane Keliher

GUESTS: Bennett Boeschstein, Jay Valentine, Rich Englehart, Mike Vendegna, John Shaver

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

APPROVAL OF MINUTES: Stephan made a motion to approve the minutes of the February 6th meeting; Jason seconded; minutes were approved.

ROCKSLIDE 20TH ANNIVERSARY: The Lewis Agency, the marketing company for the Rockslide, inquired whether the DDA has ever given awards to businesses for longevity. The Rockslide is celebrating its 20th anniversary next week. The only other business that has been recognized was Benge's Shoes 100th anniversary. At the Board's direction Harry will draft a letter of recognition to be presented to the Rockslide Thursday, March 6, 2014 at their celebration.

401 COLORADO FAÇADE GRANT: The façade grant application for 401 Colorado is not yet complete. This item will need to be deferred. Harry would like to meet with the sub-committee and then forward the application electronically for board approval. PJ wanted to know the amount of the grant. Harry stated that the application is for windows and stucco work so it should be under the \$10,000 maximum.

WHITMAN PARK IMPROVEMENTS: Mike Vendegna, from the City Parks Department, has been working out some ideas for Whitman Park. He finds it exciting because Whitman Park is one of Grand Junction's original parks. Whitman Park is different from other parks since it is located in a business district rather than a suburban neighborhood. The goal is to determine who will use the park and for what purposes over the long-term, and then plan out incremental changes over time that will implement a full vision for the future.

There could be added benches, exercise equipment, a renovated/relocated restroom, as well as increased parking by 15-20 spaces along 4th Street. The park can be broken into trails with pedestrian lighting, fitness equipment and a climbing wall. There are nationwide companies that will help with the design. In the short term, it would be easy to add parking, running trails, and exercise equipment. The City of Grand Junction Fire and Police Departments are interested in looking at Whitman Park for possible training programs. Rob is meeting with area trainer groups. Parks is looking for grants for the restroom renovation. These items are not in the 2014 budget. There won't be a budget or design until Council's approval of the project.

PJ feels the City needs to assess the 100-year old trees. Mike stated that the trees are tested and trimmed on a routine basis and appear to be healthy with many more years of viability. PJ added that Crossfit on Colorado Avenue could be a resource to help identify exercise equipment and systems. Mike mentioned that the exercise equipment can be adapted for handicapped individuals. PJ is supportive of added parking, and feels it would be best on the west side of the park. Jason asked if there should be privacy screening along the busy streets. Bennett suggested using the Park for special events and festivals or concerts. Marty asked if the Park is in the DDA area. Harry confirmed that it is.

Mike is seeking direction from the DDA board on how to proceed with the project. Kirk would like to start with the exercise equipment first and then work towards a "town square". Jodi feels it is important to follow up with the Fire and Police Departments as well as Crossfit to see what kind of equipment they would need for training. Stephan agreed that it would be great to get activity in the Park that would provide a level of comfort for its patrons. Harry would like to see some conceptual designs and budget numbers on paper. Bennett mentioned that the Museum of the West has ideas for placing historic exhibits in Whitman Park, and that Museum Director Peter Booth should be brought into the conversation.

Rich said that on Monday, March 3, the City Council will be discussing economic development and capital projects. He added that the vagrancy committee has already discussed the project. Marty said there is money the City's 105 fund that might be available for Whitman improvements, but Council approval would be necessary to appropriate it.

AVALON UPDATE: The Avalon project has a funding shortfall in order to deliver a fully finished and functional complex as envisioned in the full build-out of the original Phase One scope of work. The decision to award a contract for the reduced scope for shelling out the east addition has left the cost of the additional scope to finish out the addition to escalate, as well as incur a premium for constructing in phases. As such the project has been chasing a final not-to-exceed price. After delays in construction and revising bids with the cooperation of FCI, Chamberlin and Westlake Reed Leskowsky, the cost to complete the addition has increased by an additional \$1 million over the original bid-day pricing.

Harry suggested there might be an opportunity to convert some portion of the DDA's bond interest expense to project capital by defeasing the bond and refinancing our debt. Under the scenario being contemplated the current bond including full interest to maturity would be paid off in advance, with ANB Bank donating the excess "unearned" portion of the interest to the project, and in turn the bank would garner an Enterprise Zone credit of 25% of the gift and potential naming rights. Historically gifts from ANB have sometimes been complemented by donations from the Sturm Family Foundation which opens the possibility of an additional ask. The idea has been floated to ANB bank and they are open to discussions about the concept.

Harry distributed a summary of our current fund balances and a schedule of bond payments (attached). The original total of principal and interest for the taxable series used for the Avalon is \$3,421,459. In 2013 the DDA paid \$713,394 in principal and interest, leaving \$2,708,065 outstanding. In 2014 we are already budgeted to make principal and interest payments totaling \$713,230. Thus, the amount of additional funds necessary to defease the bond would be \$1,994,835. As of 12/31/13 TIF fund has \$934,000 of unallocated TIF available. Marty asked for clarification. Harry explained that the DDA receives approximately \$1.6 million in TIF every year. After annual debt service obligations we accumulate \$700,000 to \$900,000 of tax increment revenues each year.

In order for the DDA to not come further out of pocket for the Avalon than its current commitment, the additional funds needed to defease the bond would have to be secured at 0% interest. The Board could opt to allocate some portion of our existing TIF fund balance to bring down the amount of refinancing needed. Any decision to allocate existing fund balance needs to be evaluated in the context of the DDA's total capital needs for other projects. We cannot allocate a lot of the fund balance without impairing our ability to advance other capital projects such as White Hall. John mentioned that the City could be a prospective source for refinancing the balance for the DDA.

PJ feels that the DDA shouldn't take any more risk for the Avalon renovation. Kirk agrees that the Avalon Foundation needs to raise more money. Stephan added that perhaps we should wait until June to see how the fundraising goes. He emphasized that the board has been very upfront with the City and the Foundation that \$3 million is our contribution. There was no "implied deal" in case there is a shortfall. Bennett feels it is a partnership among the three entities to make the Avalon a financially successful entertainment venue.

Rich said that Phase I of the Avalon project is actually under budget and on time. John agreed that there are no concerns with FCI and the contract. With the award of the DOLA grant, the project scope and contract will be amended regardless to reflect the additional items DOLA is funding. The project can proceed either with another intermediate step towards partial completion or we can capture the full not-to-exceed cost and fully build it out. The Foundation has raised \$1.1 million and has committed to seeking another \$500,000. He feels that this is an opportunity for the DDA, City Council and the Avalon Foundation to work together to fill the gaps. Council would like to see it built out fully.

Jodi said she would like for Harry to continue conversations with ANB. Marty asked what capital projects we would have to defer to complete this project. White Hall and other possible capital projects in support of private investment or economic development could be affected. Harry pointed out that there is other money in the 103 and 203 funds (see fund balance report) for capital projects, but those funds are not encumbered by TIF restrictions and thus, are our most flexible working capital. Stephan feels the publicity in the Daily Sentinel has not been accurate and that FCI has taken a pounding. Harry will take direction from the DDA board to continue negotiations with ANB. Les feels we should pursue ways of contributing to the project that don't cost us money. Marty feels the answer is private money.

Shane is a member of the Avalon Foundation board and asked if Rich could attend a cabinet meeting to explain the full project. Stephan added that the Cooper closed because it doesn't work to have it operate as just a theater and he feels that the multi-purpose room is essential to the business plan. PJ wanted to know if the City could be more flexible with the naming rights. Rich said the City based its naming rights program on the CMU model. He has also spoken with John Halvorson regarding some possibilities for various naming rights.

Rich ended by saying that he really appreciates the DDA's participation. Jodi asked when ANB would get back to us. John said any offer that is received from ANB will come back to the board for approval.

BUSINESS RECRUITMENT: Marty and Harry have been discussing a strategic approach to economic development and business recruitment as well as marketing opportunities for Downtown Grand Junction.

They agreed that it is helpful to meet with commercial brokers on a regular basis to help them market retail, office and restaurant spaces in the Downtown area through the DDA's website and office referrals.

Harry would like to look at the Façade Grant Program as a model for potential capital improvements to interior spaces for buildings needing redevelopment. Many of the Downtown parcels are large and could be divided into multiple spaces. PJ added that there are a small number of property owners in the Downtown area that have parcels that have 125' by 25' bays that are renting at about 50% of what they should be.

Harry also noted the third prong of the Mesa County Economic Development Plan that identifies quality of life and cohesive branding/marketing of the community across all platforms. The DDA is uniquely focused on amplifying urban quality of life component that is neglected or ignored in QOL discussions that focus exclusively on outdoor recreation. The Creative District program under OEDIT is a vehicle for addressing this deficiency.

Marty would like to continue discussing Downtown economic development and business recruitment at the BID meeting on March 27th.

ADJOURN: Stephan made a motion to adjourn; Les seconded; the board adjourned at 9:07 a.m.