

GRAND JUNCTION DOWNTOWN DEVELOPMENT AUTHORITY
BOARD MINUTES
THURSDAY, AUGUST 28, 2014
248 SOUTH 4TH STREET
7:30 A.M.

PRESENT: Les Miller, Chair; Jason Farrington, Vice-Chair; Shane Allerheiligen, Martin Chazen, Jodi Coleman-Niernberg, PJ McGovern

ABSENT: Kirk Granum, Stephan Schweissing

STAFF: Harry Weiss, Diane Keliher

GUESTS: John Shaver, Rich Englehart, Bennett Boeschstein

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

APPROVAL OF MINUTES: Jodi made a motion to approve the minutes of the August 14th meeting; Jason seconded; minutes were approved.

AVALON DEDICATION: The "film cutting" ceremony will be Wednesday, September 17th at 10:30 a.m. The Foundation would like to offer the DDA and BID members an open house preview on Monday, September 15th from 5:30-7:00 p. m. Harry will send out a reminder with a printed schedule. Please plan to attend either or both events.

AVALON THEATRE FOUNDATION: Now that the DDA's objectives for the renovation and expansion of the Avalon Theatre is nearing completion, it is an appropriate time to assess the DDA's future relationship with the Avalon Theatre Foundation. Stephan and Shane are the DDA representatives on the ATF board, as provided in the ATF current by-laws. Harry conveyed Stephan's reservations about the inherent conflict in serving on both boards, especially as the DDA's involvement is more of a monitoring function and not the typical Board service with expectations to raise money. Once Phase I is complete and open, Harry has encouraged the Foundation to consider shifting its focus from capital fundraising to supporting the successful launch of the facility, and specifically to conduct an annual campaign to fund subsidies for local non-profit organizations that want to use the facility that would otherwise approach City Council with hat in hand.

The Foundation by-laws were revised a couple of years ago designating two representatives from both the Symphony and the DDA on the understanding that the Symphony would take the lead in private sector fundraising and the DDA's challenge grant. That arrangement evolved into the DDA's lead gift of \$3 million, and the ATF running the capital campaign. Shane reported there will be changes in the Foundation board makeup after Phase I is completed as some members are ready to step down upon completion of the Phase I funding effort. Shane questions whether the DDA needs to stay on the Foundation board. PJ feels we have fulfilled our commitment to the capital funding of Phase I and now we should now focus our efforts on the stewardship of our investment. In this regard the DDA might have a seat on the board of the VCB who ultimately oversees the operation of Two Rivers Convention Center and the Avalon, and that it would be irresponsible to just walk away from a \$3 million investment.

Marty wanted some history of the Avalon Foundation board. John explained that it was initially established in the early 1980's to raise capital for the Avalon Theatre. The organization essentially suspended operation in the late 1990's as the DDA took on more operational responsibilities. The Foundation was resurrected with renewed interest in undertaking a capital project, ultimately leading to an MOU among the City, the DDA, and the ATF.

PJ suggested forming an advisory committee for the future operations of the Avalon Theatre. Rich feels it is necessary since there are already non-profit groups that want to use the facility for free, and there are a number of possible scenarios for the evolution of the Avalon's operation in future years. He would like to meet with the new Foundation Chair, Debbie Kovalik, and Stewart. Marty asked what the VCB's role is in the Theatre. Rich explained that the Avalon

Theatre and TRCC are treated as one entity. A \$330,000 operating subsidy for TRCC is funded equally by the City general fund and the VCB board pay. Harry agreed that it makes sense to have an advisory committee that includes a member from the VCB board and from the DDA.

Jodi feels there is always a need for a fundraising component for the arts. Marty mentioned that there are grants available through the Commission on Arts & Culture. Rich feels this could be an opportunity for the City. Les asked about the MOU and the DDA's obligations. John said the only obligation the DDA had was the capital contribution. Harry asked if there is a City Council representative on the Arts Commission. Not at this time.

Marty wanted to know what we are asking the advisory group to do. Rich feels there is a need for such a group since there are lots of operational issues to discuss. John added that there may be the creation of a creative district. PJ feels the Avalon should have an entrepreneurial and creative focus. He feels that if the City operates the facility there will be too many restrictions and will not maximize the potential use of the building. Les asked how the DDA board should proceed. Rich would like to meet with the current Avalon Theatre Foundation Chair, John Halvorson, and the future Chair and Vice Chair candidates, Bobbi Alpha and Roger McClelland, to discuss the organizational changes. .

COMMITTEE ASSIGNMENTS: Jodi is currently the representative on the Historic Preservation Board. Les asked if she is comfortable continuing that assignment. She has enjoyed being on the Board and would be willing to remain on the Board unless someone else wants to do it. PJ and Kevin are the current alternates. Kevin would be willing to attend in Jodi's absence. Jodi will continue as the DDA representative to the Historic Preservation Board.

DDA OFFICE RELOCATION: The DDA office relocation to 437 Colorado Avenue is on track and on budget. We anticipate moving during the week of September 15th. Harry is working with Duncan Rowley at Office Outfitters regarding office furniture. We will be recycling some surplus cubicles from the Planning Department. CMU will take the lead on publicity. The VCB is also interested in using the window space on Colorado Ave. for promotion. Harry is meeting with City staff to make sure we have everything ready with IT. Mesa Land Trust is talking directly to the Museum about renting the Whitman Building.

WHITE HALL: Harry had lunch with Steve Acquafresca regarding White Hall. Harry previously had a conversation with Rose Pugliese about the property as well. They are both concerned about the visual blighted condition of the property. Harry has three active conversations with potential developers about downtown housing that could incorporate White Hall; one with Hilltop who has a for-profit subsidiary group that may be interested in a market-rate apartment investment; another with Cliff Anson, a local developer who is very interested in for-sale townhouses; and a group out of Denver who is looking at a more targeted lifestyle demographic for multi-family rental units.

Harry is looking to the Board for guidance regarding incentives the DDA might provide in the form of a grant, loan or contribution. In order to make progress towards a concrete proposal for the Board to consider, Harry needs some parameters for what mechanisms can be floated to potential developers. The TIF funds are restricted but we do have some other funds that are available. John said the DDA statute only mentions the City and County in the context of DDA's authority to lend, and that lending to other parties has not been subject to review by the courts. Harry pointed out that Ft. Collins buys easements on new or existing building facades thereby obtaining design control while offering a mechanism for the injection of public capital into a project. John added that an easement could be for a façade, parking lot, landscaping, or other aspects of the project. The City and the DDA have participated in joint ventures such as Springhill Hotel and the parking lot located at 123 North 7th Street. Jodi asked what Hilltop has in mind. Harry stated that they are interested in developing market-rate apartments. Marty asked if this would get the property back on the tax rolls. Harry replied that yes it would since the Hilltop subsidiary is a for-profit entity. However, under the Gallagher Amendment, all housing, whether owner-occupied or investor owned rentals, is assessed at the lower differential rate.

Marty wants to make sure the DDA doesn't become a major property owner and that properties remain on the tax rolls. Jason feels the DDA should invest its capital in District properties. Harry stated that capital contributions can be treated as sunk costs with the understanding of increased tax revenues, or that we can consider equity participation for the return of capital but not necessarily return on capital. Marty would like to see the blight removed since we already have money in the project. Jodi asked what the status is of the Sonoran housing study. It has languished in the editing phase

in part due to Harry's time constraints to review the report, but it is now a front burner effort. She feels some of their information would be helpful. Harry has been sharing the market demand information that was completed in the spring with the development community .

Les wanted to know when Harry will be meeting with Hilltop next. He is meeting with them on Wednesday and will report back on Thursday.

ADJOURN: Marty made a motion to adjourn; Jason seconded; the board adjourned at 8:45 a.m.