

GRAND JUNCTION DOWNTOWN DEVELOPMENT AUTHORITY
REGULAR BOARD MEETING MINUTES
THURSDAY, NOVEMBER 13, 2014
437 COLORADO AVENUE
11:30 A.M.

PRESENT: Les Miller, Chair; Jason Farrington, Vice-Chair; Shane Allerheiligen, Marty Chazen, Jodi Coleman-Niernberg, Kirk Granum, PJ McGovern, Kevin Reimer, Stephan Schweissing

STAFF: Harry Weiss, Diane Keliher

GUESTS: John Shaver, Rich Englehart

CALL TO ORDER: Les called the meeting to order at 11:30 a.m.

APPROVAL OF MINUTES: Stephan made a motion to approve the minutes of the October 23rd meeting; Jodi seconded; minutes were approved.

GJHA RESOLUTION: Every year the Grand Junction Housing Authority passes a resolution to waive the audit of the Downtown Joint Housing Effort. The partnership has dissolved but they still have to be waived from the final yearly audit. Stephan asked how much money is left in the fund. Harry stated that there is about \$17,000 of outstanding loans. Marty asked if we are violating any statute. John confirmed that we are not. Stephan made a motion to waive the audit requirement for the Grand Junction Housing Authority for 2014; Kevin seconded; motion carried.

UPDATES: Clark Atkinson has expressed interest in the possibility of partnering with the DDA in the redevelopment of White Hall for market rate apartments. Harry and Clark have toured the building and reviewed some preliminary cost analyses for upwards of 41 apartment units distributed between the existing building and a new building on the sanctuary footprint. Clark also met with PJ to review the financial parameters of a project. The financial gap to achieve a competitive market-rate return on investment may reach as high as 40% of the total project cost – much of which would be TIF-eligible expenditures, but with some remaining portion as leveraging equity in a public-private partnership. PJ emphasized that market-rate units would be great for Downtown. He added that in the commercial market there has been no speculative development in the Valley for years; what new commercial property has been developed has been for the most part owner-occupied.

This project illustrates how more flexible use of capital by the DDA could leverage direct private investment in taxable increment. Atkinson is an experienced builder and developer and would be a strong potential partner in a project at White Hall. PJ asked the Board to consider the project as a very positive partnership for Downtown. Jodi asked if our participation would depend upon City Council's decision regarding our request for greater flexibility in the use of our capital funds. Harry stated that the DDA already has about \$410,000 in unrestricted working capital available, but that any amount above that would depend on authorizing some restricted TIF for broader purpose. Marty asked if White Hall is considered to be a blighted property and therefore eligible for TIF. Harry explained that White Hall remains blighted, but at some point in the development of the property we will cross a threshold from blight elimination activities to non-TIF eligible improvements. John explained that to use TIF money for anything other than "public use" projects it would require ballot approval. Shane asked if that would be a City-wide ballot. Harry answered that it would be limited to DDA Electors. Stephan would like to

explore Clark's proposal if it is worth the time to crunch the numbers. Kirk would like to see where we can take the conversation. It was decided to have Harry, and a small committee of Board members, pursue the proposal.

UPDATES: The R5 Building and Orchard Mesa Junior High are two of the most deficient properties in School District 51's inventory. Harry has initiated a conversation with District 51 about a long-range plan to find R-5 a more suitable facility/location, and allowing the DDA the opportunity to guide the existing R-5 property through redevelopment. Another resource that might play a role in the eventual disposition of R-5 is the former County office building at 750 Main Street. Harry will meet Monday with District 51 staff to tour the County building to evaluate its potential for servicing the District needs. The DDA could be a financial partner with the District and/or County to repurpose the County Building and ultimately obtain site control of R-5, thereby using TIF resources to advance Downtown and assist two of our sister taxing districts. PJ asked if this topic ought to be discussed in executive session. John said only if we were in actual negotiations. PJ added that the location of the R5 building is awesome at 7th Street and Grand Avenue, and a prime candidate for new housing

ADJOURN: Jodi made a motion to adjourn; Jason seconded; the board adjourned at 12:05 p.m.