

**HORIZON DRIVE BUSINESS IMPROVEMENT DISTRICT
MINUTES OF
HEARING ON PETITION FOR EXCLUSION
FILED BY ROBERT J. ARMANTROUT AND YVONNE C. ARMANTROUT**

The Board of Directors of Horizon Drive Business Improvement District (the District) convened a special meeting at 9:00 a.m. on Wednesday, September 10, 2008 in the City of Grand Junction Auditorium, for the purposes of conducting a hearing on a "Petition for Exclusion from Horizon Drive Business Improvement District," (Petition) filed by Robert J. Armantrout and Yvonne C. Armantrout (Armantrouts).

Present at the meeting on behalf of the District were all members of the Board of Directors, Dale Reece, Patrick J. Duncan, Eileen Blanchard, Richard Tally, Merv Heinecke, Clark Atkinson and Chuck Keller.

Present at the meeting on behalf of the Armantrouts, was Robert J. Armantrout and Mr. Lance Timbreza, an attorney with the law firm of Traylor, Tompkins & Black, P.C. Mrs. Yvonne C. Armantrout was absent from the hearing.

Armantrouts received proper notice of the hearing, as did their legal counsel, and public notice was posted in the offices of the City of Grand Junction.

Mr. Dale Reece, President, chaired the hearing, which opened at 9:00 a.m. After calling the meeting to order, Mr. Reece read a recommended procedures for the meeting, to which Mr. Timbreza acknowledged his agreement.

Beginning at 9:03 a.m., Mr. Timbreza spoke on behalf of Armantrouts and presented photographs and other data for consideration by the Board, using a power point presentation. Mr. Timbreza summarized his view of the original formation of the District and then summarized the objections that Armantrouts have to remain within the boundaries of the District, including the following:

1. The Board did not disclose a budget.
2. The Board has not given notices of meetings.
3. The Board has not given notices of its projects.
4. The Armantrouts have had no input on projects in the District.
5. The Armantrouts receive no direct benefit to their property by being in the District.

Mr. Timbreza argued that the District will not be adversely affected if Armantrouts' property is excluded and that Armantrouts will be benefited by not paying the taxes assessed by the

District. Mr. Timbreza said that the location and appearance of improvements on Horizon Drive on the intersection of Interstate 70 has no favorable impact on Armantrouts, and that Armantrouts are financially unable to raise rents for the tenants in their building in order to pass along the District taxes. Mr. Timbreza ended his presentation at 9:23 a.m.

In keeping with the agreed upon hearing procedures, the Board opened the floor to comments by interested persons in attendance at the hearing.

The Board heard first from Mr. Jim Garber, Property Manager for CORE, Inc., which owns property at 715 Horizon Drive, Assessor's schedule no. 2701-363-00-121. Mr. Garber, on behalf of CORE, Inc., expressed opposition to the Petition, presented evidence that refuted some of Armantrouts' statements about Armantrouts' own tenants, and suggested that the District serves the common good of all properties located within its boundaries.

On behalf of the Board of Directors, Ms. Eileen Blanchard responded to allegations made by Armantrouts against the Board.

1. Ms. Blanchard testified that meeting notices for the District are posted in the City Council building and she offered into evidence an example of a notice of a meeting that had been posted. Exhibit A.

2. Ms. Blanchard testified that invitations to the ground breaking celebration for the Horizon Drive Gateway Improvements project had been mailed to all properties in the District and had also been hand-delivered to all such properties. She offered into evidence a color copy of the invitation. Exhibit B.

3. Ms. Blanchard testified that there had been several public meetings to develop a master plan for the District. She informed the hearing that a survey had been mailed to all owners in the District and she offered into evidence a sample of the District's Master Plan Questionnaire/Survey, dated Spring 2007. Exhibit C.

4. Ms. Blanchard testified that Cobb & Associates, a contractor that provides marketing services for the District, had called Armantrouts to obtain contact information, so that the District could be sure to keep Armantrouts informed of all notices, meetings and activities. Cobb & Associates received an uncooperative response from Mr. Armantrout and he expressed disinterest in having any involvement with the District.

5. Ms. Blanchard testified that the District's budget is filed annually with the City and with the State. She offered into evidence a cover letter from legal counsel for the District dated September 28, 2007 and a copy of the Operating Budget for fiscal year 2008. Exhibit D.

6. Ms. Blanchard testified that all members of the Board are appointed by the City and she referred to the City's website which explains how to apply to serve on the Board and the procedures for being a board member. She offered into evidence an exert from the City's website that addresses the District and its board. Exhibit E.

7. Ms. Blanchard testified that Value Enhancement Group, Inc., a Grand Junction firm of certified public accountants and business development specialists, compiles financial statements for the District, and that the financials are also posted on the District's website. She offered into evidence the financial statements and accountants' compilation report for the year ended December 31, 2007. Exhibit F.

8. Ms. Blanchard informed the hearing that the District's website also provides other substantive information about the District.

At the conclusion of Ms. Blanchard's testimony, Mr. Dale Reece asked if other persons present at the meeting wanted to address the Board. Mr. Timbreza objected to the procedure of allowing others to address the Board before Mr. Timbreza had an opportunity to do so. Mr. Timbreza asserted that before any other witnesses provided testimony to the Board, that Armantrouts should have a chance to respond to the testimony and evidence provided by Ms. Blanchard.

Accordingly, the Board granted Mr. Timbreza's request and he again addressed the Board on behalf of Mr. and Mrs. Armantrout. Mr. Timbreza denied that Armantrouts have ever received any notices from the Board and stated that the Board did not have written proofs of mailing. Secondly, Mr. Timbreza stated that Cobb & Associates did not return Mr. Timbreza's call.

At the conclusion of Mr. Timbreza's remarks, the Board asked if others present at the hearing want to address the Board. The following persons testified:

Ms. Lynn Sorley addressed the Board on behalf of the Holiday Inn, a business on Horizon Drive that owns approximately fifteen (15) acres and a hotel. Ms. Sorley informed the Board that Holiday Inn opposes the Petition. She informed the Board that she has received all notices from the Board throughout its history and has been actively involved participating in District issues. Ms. Sorley informed the Board that the Holiday Inn has five (5) tenants on its property and can easily pass along the taxes imposed by the District, for which it has never had any complaints. Ms. Sorley suggested that the strength of the District is its contiguous land, and that the Petition should be denied.

Ms. Terry Cormier addressed the Board on behalf of Rocky Mountain Health Maintenance Organization, Inc. doing business as Rocky Mountain Health Plans (RMHP). Mr. Cormier informed the Board that RMHP opposes the Petition. Like Armantrouts,

RMHP owns property in the District that does not front on Horizon Drive. It is RMHP's position that all members of the District benefit from it, regardless of the specific location of their property, and that it would be contrary to the best interests of the District to grant the Petition.

Mr. John Moss addressed the Board, as owner of property at 736 Horizon Drive on which a Taco Bell restaurant is located and as owner of 2764 Compass Drive, an office building and an adjoining parking lot, that is in the District but does not front Horizon Drive. Mr. Moss opposes the Petition. Mr. Moss testified that his office building does not front on Horizon Drive, has a similar tenant mix to that of Armantrouts, that he has owned it for approximately twenty-five (25) years, and has successfully passed along the increased cost of District taxes to his tenants. Mr. Moss observed that Armantrouts, while arguing that they could not afford to maintain their building, have in fact done a very nice remodel of their building that benefits the community.

Mr. Bill Millius addressed the Board, as owner of property located at 759 Horizon Drive. Mr. Millius opposes the Petition. Mr. Millius observed that the District is in many ways a community, and that the improvements it has completed, and that it plans to undertake, benefit everyone in the District. Mr. Millius observed that Horizon Drive is principally composed of retail services, not merchandise retailers.

Mr. Steve Myer addressed the Board as an owner of property located at 760 Horizon Drive. Mr. Myer opposes the Petition. Mr. Myer said that he echoed the comments of the persons who had already addressed the hearing. Mr. Myer is concerned that if the Board allows the Petition, it places itself on a slippery slope, such that if one owner is excluded from the District, many others may seek exclusion also. Mr. Myer believes that excluding properties from the District is not in the best interests of the District.

At the conclusion of comments by persons attending the hearing, the Board opened the meeting to discussion about the evidence that had been presented. Mr. Reece addressed the Armantrouts and informed them that the Board has always attempted to be open, transparent and available to all members, and he expects that to continue. Mr. Clark Atkinson addressed Mr. Armantrout and thanked him for his participation at the hearing. Mr. Atkinson said that the District will function best when there are collaborative efforts among all stakeholders. He informed the Armantrouts that nothing could be further from the truth to argue that they get no benefit from the efforts of the District.

At the conclusion of the open discussion by the Board, Mr. Lance Timbreza again addressed the Board and summarized points that he had made in his opening remarks and his remarks after testimony by Ms. Eileen Blanchard.

After the conclusion of Mr. Timbreza's remarks, Mr. Dale Reece asked for a vote, calling upon each member of the Board to announce their vote on the Exclusion for Petition. The vote was as follows:

<u>Name of Board Member</u>	<u>Vote on the Petition</u>
Mr. Patrick J. Duncan	Deny
Ms. Eileen Blanchard	Deny
Mr. Richard Tally	Deny
Mr. Merv Heinecke	Deny
Mr. Clark Atkinson	Deny
Mr. Chuck Keller	Deny
Mr. Dale Reece	Deny

Mr. Reece then noted that in light of the unanimous vote of the Board, the Petition is denied. Mr. Reece then concluded the hearing at 10:00 a.m.

HORIZON DRIVE BUSINESS IMPROVEMENT DISTRICT

By: _____
Merv Heinecke, Secretary