

**MINUTES**  
**Downtown Development Authority**  
**Regular Meeting of Board of Directors**

**May 1, 1998**  
**233 S. 5<sup>th</sup> Street, C.D. Smith Building**

**Present: Karen Hayashi, Mark Hermundstad, Bruce Hill, Chris Launer, Becky Brehmer, Pat Gormley – Ex-officio, Rich Helm – Ex-officio, Kathleen Killian, Barbara Creasman, Lisa Nassour**

**Absent: Bruce Benge, Gene Kinsey, Diana Osborne, Bill Petty**

**Guests: Thea Chase - WCBDC, Allen Munro-WCBDC Board Member, Lani Duke - Museum of W. CO.**

**CALL TO ORDER**

The meeting was called to order by chair, Karen Hayashi at 7:30 a.m.

**APPROVAL OF MINUTES**

The minutes for April 3, 1998 were approved.

**FINANCIAL REPORT**

The March-April financial report was approved. The title on the report needs to be changed to reflect “April”, then to file.

**TIF Budget Update**

The TIF Budget balance sheet was handed out to the board and is attached as a permanent part of these minutes. Barbara recommended that the board approve an expenditure of \$35,000 for the Dinosaur Valley building as part of a potential \$100,000 grant from CHS - the \$35,000 is the required match amount for a total project cost of \$135,000. This is assuming we do not received funds from other sources - which we will want to pursue. It is our intention to apply in the fall after completing the assessment of the building.

Exhibit A of the TIF funds committed was also passed out and is a permanent part of these minutes. The \$15,000 infrastructure funds are committed to the St. Regis sidewalk improvements; \$200,000 for Parking is committed to 123 N. 7<sup>th</sup> parking lot - \$100,000 and another \$100,000 to the parking lot on 5<sup>th</sup> & Ute. The \$7,500 committed to the Master Plan for Climax Mill Site should be deducted from our TIF account fairly soon. The \$32,500 for redevelopment is for the Two Rivers consultant and the other \$70,000 is for miscellaneous project costs under our infrasturcture/redevelopment project list.

Bruce Hill suggested that the DDA have a list of everything the DDA has spent bond money on just as a backup to present to City Council or anyone who may request history on the DDA's commitments.

Karen also suggested that “up to 10%” of Exhibit A be removed and replaced with - “Inclusive of capitalized and administrative costs.”

Currently, there is an issue where a fiber optic line was installed on some existing poles that were previously used/owned by PSCO. The lines were put up without consent of City Public Works. Mesa County, who put up the lines only asked Community Development if they could hang them - and were told they didn't need a permit. Before this, the DDA (approximately 5-6 years ago) spent substantial funds to remove all overhead utilities from Main Street alleyways and various other downtown corridors. This miscommunication has caused a problem with the existing project in progress at 123 N. 7<sup>th</sup> Street - hindering the parking lot improvements that are supposed to take place. Also in designing the parking lot improvements it is recommended that these cross alleys become pedestrian corridors. \$50-70,000 is included in this budget to help with added expenses for undergrounding. Mark Relph may attend the next workshop in May to explain to the board what the solution may be and the cost involved in undergrounding these lines.

#### **New Board Member Recommendation**

Barbara noted the two candidates who have expressed interest in serving on the board in Diana's place and have sent letters to City Clerk. One is Kevin Van Gundy, the other Teresa Kareus. Bruce Hill made a motion to recommend Teresa to serve on the board, Mark Hermundstad seconded the motion, motion carried.

#### **American Wholesale/WCBDC Proposal - Thea Chase**

Thea Chase and Allen Munro came to update the board on the American Wholesale Grocery building proposal for WCBDC to potentially move their facility to the warehouse due to the County building of the new Justice Center.

WCBDC includes the incubator and provides low rent, technical assistance, shared-use-facility, revolving loan fund, and small business assistance for free - consulting, marketing issues. This may prevent small businesses from making mistakes. Kitchen incubator is the newest project. They have loaned over \$4 million in the past 11 years. Thea passed out a business plan on the warehouse and the incubator program. The plan covers restoration of the building and its viability once they were to obtain occupancy. The building is actually four co-joining buildings which would allow manufacturing to be off in its own place instead of being stacked up on each other as they are now in the incubator at their current address. The second floor would be used for service related business and other technology based businesses. Power is a definite issue for the second floor. The old cannery area is a section they will be looking at to see if it is actually worth saving, and if it is how much it costs. US Department of Economic Administration is where the incubator will go for funding - total project cost is \$1.8 million. Also may go to CBDG for funding. Currently, it would cost at least \$745,000 to make the building in move-in condition to bring it up to code. It is priced at \$799,000, and they may be able to get the building for less. The county will probably want the incubator to be out of their building by April 1999. This does not leave a lot of time for other alternatives. The building is in the heart of the industrial area, which would act as a catalyst for growth. There are several environmental concerns about the building, including - possible asbestos, an underground storage tank, and other issues. WCBDC is asking the

DDA for financial support to get the environmental survey work completed. The total cost is approximately \$11,000 and the estimate is attached as a permanent part of these minutes. The consultants are not charging for their time (which is valued at about \$25,000 - 100 hours). The WCBDC would also like a letter of support for the project for when they present the proposal to City Council. WCBDC has also received letters of support from Chamber of Commerce and MCEDC.

Other alternatives may include DOE building (but not likely), and Ultronix building - however, Ultronix is in a residential area, not in the enterprise zone, and another alternative being land, and starting over - this option is very unlikely, due to up-front funds being required to start and complete a project.

Bruce made a motion that the DDA provide a letter of support, Chris seconded the motion, motion carried.

In the TIF budget, the recommended amount for alley upgrades is currently \$50,000 - 70,000; the budget will reflect a reduction by \$10,000. Then \$11,000 will be used to fund the environmental survey - Phase II. Chris made a motion that the DDA fund Phase II on the assumption that those doing the survey are qualified and the information will satisfy any potential lender of the project, Bruce Hill seconded the motion, motion carried. The board agreed that the environmental survey funding would be included in the letter of support to demonstrate our commitment to the project and our intent of continuing support.

### **DIRECTOR'S REPORT**

Parking at the Federal Building: there is a letter attached as a permanent part of these minutes from the City Public Works department to Tami Skinner of General Services Administration at the CO Service Center in Denver.

Downtown Parking Structure: a letter from Francis Constructors and a diagram for a parking structure attached as a permanent part of these minutes. Barbara stated that the County and City should be very involved in the discussions and parking project - having a parking lot task force would be one way to accomplish this. Karen said that she did have a conversation with Diana Osborne in that she may be interested on serving on the task force as a representative of the DDA.

TIF bill: A resident in the Riverside district was inadvertently included in the TIF district and therefore was given a tax bill to pay into TIF. The County Assessor's office included the property in our district, based on the information provided to them by the DDA. Originally, however, the DDA requested only City-owned property addresses from the City; thus, the DDA, City and County Assessor will proceed on rectifying the issue.

### **ADJOURN**

The meeting was adjourned at 9:00 a.m.