

MINUTES
Downtown Development Authority
Board Meeting
Thursday, July 18, 2002
Reed Building, 350 Main Street

PRESENT: Bruce Hill, P.J. McGovern, Bruce Bengé, Doug Simons, Gregg Palmer, Harry Griff, Chris Launer, Becky Brehmer, Pat Gormley, Harold Stalf, Steve Jennings and Sue Schore.

ABSENT: Janet Terry

CALL TO ORDER: The meeting was called to order by Bruce Hill at 7:32 a.m.

APPROVAL OF MINUTES: Bruce Bengé moved to approve the minutes of the June 20 meeting and Harry Griff seconded the motion. By unanimous vote, the minutes of the meeting were approved.

ELECTION OF OFFICERS: Gregg Palmer nominated Doug Simons as Chairman of the Board and PJ McGovern as Vice Chairman; Bruce Bengé seconded the nominations. All members present voted in favor of the nominees.

INTERIM DIRECTOR'S REPORT: Bruce conveyed his appreciation to the Board for stepping up to meet the challenges that came before them this last year and thanked Stephanie and Sue for providing their support in the work arena. Doug and members of the Board applauded Bruce for his excellent service and leadership, both as chairman of the Board and as Interim Director during a difficult time of transition.

DIRECTOR'S REPORT: Doug introduced and welcomed Harold Stalf as the new Executive Director. Harold reported that one of his first goals is to establish protocol and a system for the Board meetings; he'll keep the Board informed of issues on which they'll need to act. It appears that there is significant confusion about the DTA and the DDA and it is important to act within the organization to get a clear plan of what the future will be for the DDA. Because of the sale and potential renovation of the building, it will be necessary to relocate the office before November. Therefore, the Avalon should vacate the building by then, as well. The Riverfront Commission's office will be relocating to office space at the Mesa County Annex on September 1.

Harold has reviewed the equipment leases and has determined that major funds are being spent on equipment which is not suitable to our needs. He has conferred with Fred Stroh, manager of the City's Information Systems Division, and Ron Watkins, Purchasing Agent for the City. Both have agreed to provide whatever services would be beneficial to the DDA for costs that are significantly less than what we are currently paying. He concluded that working with the City would give the DDA tremendous buying power. Copies of the leases for the Dell computers and Lanier copier have been sent to City Attorney Dan Wilson for his review and analysis.

Chris Launer suggested that renegotiating the leases might be a better solution than trying to void the lease contracts, especially for those involving local businesses. Harry agreed, stating that the DDA cannot jeopardize its reputation among local businessmen. It will be important to allow the legal department to take the lead.

Harold agreed, saying that the City's legal staff will take the lead, rather than the DDA doing so. However, in order to end 2002 anywhere close to the approved budget, it will be necessary to cut these expenditures. Bruce Hill then moved, with the second by PJ McGovern, to amend the 2002 budget, due

to income constraints, by cutting the expenditures for computer hardware and office equipment (copier) for the calendar year 2002. All members present voted in favor of the motion.

ART ON THE CORNER: Harold will speak with representatives of the City's Parks and Recreation Department to determine if they can assist with maintenance of the sculptures. There remains an on-going problem of a damaged piece of art which has been in storage for a year and the artist is asking for a damage award. Former members of the DDA staff affirm that there was a waiver signed by the artist, but this document has not been located. Harry Griff reiterated that a new waiver must be drafted with more specific language pertaining to insurance and liability before the next AOTC sculpture change.

Harold will meet with committee members to determine the status of the sponsorship and entries for the golf tournament. He will also try to establish a schedule for meetings so that the committee remains active throughout the year. Bruce Benge is the Board's representative to the AOTC committee.

AVALON: Pat Gormley and Bruce Hill had previously discussed Ed Lipton's request to forgive the \$7500 fee for 2002 administrative services provided to the Avalon. They also determined that the DDA does have the ability to pay for additional construction costs at the Theatre. The Avalon has agreed to pay for the \$7500 administrative services if the DDA will pay \$7500 toward the sound system. The DDA recently paid \$2000 towards the Avalon's aisle lighting as part of its \$16,000 commitment for safety upgrades. Bruce affirmed that the payment towards the sound system is an appropriate use of TIF funds as it is considered capital construction. Harry Griff moved that the DDA contribute the \$7500 over and above the \$16,000 previously designated towards safety upgrades, with the understanding that the \$7500 will go for capital construction. Chris Launer seconded the motion; it passed unanimously.

Harry is the liaison between the Avalon and the DDA Board and will meet with Dan Gartner to walk through the Avalon Theatre to learn about future renovation projects. PJ recommended that Harry review the TIF budget before he meets with Dan so that he will know what funds are available. Steve Jennings indicated that he would also be interested in taking that tour.

Doug suggested that because the DDA has just come through a time of reorganization, this year will be a time of education for the Board so that its members can understand the potential for various projects. Bruce emphasized that the DDA must still facilitate the operations of the City's overseeing the Avalon and stressed that the TIF budget fund has not yet been fully committed. Per Doug's recommendation, this topic will be set aside for discussion at a DDA workshop meeting.

CITY / DDA MOU: A copy of the MOU has been approved and accepted by City Council, with one minor change. Board members should become familiar with it even though it is a work in progress and there will be opportunities for amending it in the future. The purpose of Bruce and Harold's meeting with Kelly Arnold will be to assure him that the DDA will implement the MOU as it has been accepted by Council. Bruce moved to accept the Memorandum of Understanding with the City. The motion passed.

The MOU indicates that the City's legal staff will serve as legal counsel for the DDA; therefore it will be necessary to terminate Kathleen Killian as legal counsel. Bruce Hill moved, with a second by Gregg Palmer, to terminate Kathleen Killian as legal counsel, reserving the right to seek her counsel in the future, as needed. The motion was approved. Harold will prepare a letter to Kathleen, with Doug Simons as co-signer.

DTA / DDA MOU: A letter from Bruce Hill to Susan Cafarelli defines the beginning process of creating a MOU between the DDA and DTA. Doug appointed Bruce Hill, Gregg Palmer and Janet Terry as a committee to work with Harold to begin formulating ideas regarding this MOU.

DTA: Steve Jennings reported that the DTA recognizes its financial obligation to the DDA but it is in need of funding. The Association is currently looking for sponsorships for the up-coming holiday events and that should provide some revenue. There remains an interest in pursuing the Business Improvement District although no one on the DTA Board is qualified to pursue it, nor does anyone have the time. Doug distributed copies of the BID materials which had been provided by Tim Sarmo, asking members to read them and get a general understanding of a Business Improvement District, as it provides an educational opportunity for all.

The DTA Board is reviewing the marketing proposal which was submitted to them by Dianne Fritzler and they're looking at how to promote this to their current and prospective members. It is a topic which will be discussed at the August 1 retailers' meeting.

Bruce and Doug suggested that printing of the monthly newsletter might be abandoned in order to free up some money for the marketing program. Harold added that with the DDA's soon-to-be-upgraded lines, it would be possible to put the newsletter on line with the City, thereby saving approximately \$10,000 a year in printing and mailing costs. The on-line newsletter would be still of value to both organizations without any out-of-pocket expenses. Doug added that the organizations could establish an on-line mailing list which could be far reaching for multiple purposes.

REED BUILDING: PJ has prepared a lease for the Mesa County Democratic Party to rent the main floor of the building through November 6, 2002. Because the Party must have \$1 million of liability insurance, PJ recommended that instead of the originally approved lease payment of \$1,000 a month, the Board approve rent of \$900 a month, as well as the Board paying for half of the \$400 which was spent upgrading specific areas on the main floor in order to meet fire and safety codes before the group could occupy the space. The Board approved both of those terms.

Discussion focused on the sale of the building, the transferability of the Colorado Historical Society's grant, façade renovation and the Society's request for a conservation easement if and when the building sells. The attorneys are currently working on the contract language. The City's Public Works Department will take charge of the renovation. In response to Harry's question as to whether or not the Board will move forward with the renovation regardless of having a contract on the building, PJ responded that the Board would have a choice on that matter.

Bruce reminded members that the Art On The Corner benefit golf tournament is scheduled for Friday, August 9 at Tiara Rado Golf Course. The unveiling and dedication of the bronze bust of former city manager Joe Lacy will be at 1:15 on August 13 in front of the AG Edwards building. Contributions by the Lions' Club, the DDA, JUCO baseball and the City of Grand Junction have supported this endeavor. If there are any excess funds, they will be earmarked for Art On The Corner.

Bruce referred to a City resolution which discusses what conflicts of interest might be. He has concerns that if Council adopts this resolution, he and other board members might have conflicts of interest because of it. It appears that Council is adopting standards higher than those outlined in State resolutions and it is vital that the Board get legal interpretation on this matter. Doug suggested that this item be placed on a future agenda when one of the attorneys can be present to explain it.

City Council has reappointed PJ McGovern for a second term to the Board and has appointed Larry Botkin of the Sports Page to fill Chris Launer's chair. Doug extended thanks to Chris for his years of service to the DDA Board.

There being no other business, the meeting was adjourned at 9:00 am.