

**Downtown Development Authority
Board Meeting
Thursday, August 21, 2003
Whitman School, 248 South 4th Street**

PRESENT: PJ McGovern, Becky Brehmer, Harry Griff, Karen Vogel, Scott Howard, Bruce Benge, Harry Butler, Larry Botkin, Harold Stalf and Sue Schore.

ABSENT: Doug Simons and Pat Gormley

GUESTS: Steve Jennings, Dave Varley and John Shaver

CALL TO ORDER: PJ McGovern called the meeting to order at 7:30 a.m.

APPROVAL OF MINUTES: Bruce Benge asked that the minutes of the July 17 meeting be corrected by changing the representative to the Housing Authority meeting to PJ McGovern, not Bruce Benge. Harry Griff moved to approve the minutes as corrected. Bruce seconded the motion; passed.

FINANCIAL REPORTS: Harold Stalf distributed copies of the proposed 2004-2005 budget for the City. Friday is the deadline for submittal of this report. He noted that the biggest hit has come in the amount of interest earnings, but with Stephanie's leaving and the fact that the Partnership is seeking to replace her with a half-time person and the Art on the Corner work being turned over to Allison Sarmo, whom he has hired on a contract basis, he is estimating a surplus of \$31,000 this year. This is due, in part, to the remainder of Stephanie's salary, a \$9,000 profit on the Art on the Corner golf tournament, and only a small contribution to the DTA's annual dinner rather than the \$12,000 originally budgeted.

Harry informed the Board that he had reviewed the proposed budget with Harold several weeks ago and he commended Harold and the Board for having done a tremendous job of cleaning up the financial problems of the past. He feels it is important for the City Council to know that the DDA is working on a very tight budget and that everything has been accounted for. The DDA is current with the payment of their share of Stephanie's salary.

PJ stated the Board would have to approve the proposed budget so it can be submitted to the City. There will be an opportunity later to amend it, if need be. In reference to the salaries for Harold and Sue, the figures shown are only proposed guidelines; the Board will have an opportunity later to revise, upgrade or downgrade those shown in the proposed budget. In explaining why Harold has not budgeted for unemployment benefits, PJ reminded the Board that the DDA is self-insured through the City. Harold doesn't see a need to have a surplus; if a claim were to be submitted, the DDA would then have to transfer the funds from another account in order to pay. Harry Griff moved that the budget be approved as written. Becky Brehmer seconded the motion. Passed.

Harold reported that compared to the \$1800 profit from last year's Art on the Corner Golf Tournament, thanks to the efforts of the AOTC committee and special efforts of Bruce Benge, Brad Brehmer, Rick Taggart and Raleigh Sorensen, this year's event made a profit of approximately \$8200. PJ suggested that a representative of the AOTC committee be present at a Board meeting to explain the tax benefits of donating a piece of art. Harold said he is in the process of reapplying to the State for enterprise credits for both the AOTC and Avalon donations.

TIF: In previous conversation, PJ had asked Harold to look at the entire TIF package and divide it into two phases and make recommendations on what to fund—phase one consisting of \$4.4 million and phase 2, approximately \$8 million. One option would be to take approximately \$3.5 million and build a parking structure, which has been the goal of the DDA since the early 1980s. Consultants are coming in tomorrow to discuss a parking structure with various business and governmental representatives. Several options regarding location are available—Colorado between 4th and 5th Streets and on 4th and White behind the Alpine Bank Building. Major questions are how much would the Board recommend spending on such a structure and where should it be located? He believes the benefits of building a smaller structure for a lesser amount of money would demonstrate to the constituents that the DDA could build one and build it well. Therefore, it might then be easier to get approval of the TIF extension. PJ asked for approval from the Board so that he could begin negotiating for a parking structure.

Harry Griff asked if, no matter what structure would be built, would the DDA be partnering with another agency? PJ said it would depend on the location. Harry stated that the first goal of the DDA is to build a parking structure, but issues would emanate from either location. The second goal, in his estimation, is to address the need for working class housing in the downtown and there might need to be a workshop scheduled to focus on only issue.

Harold added that some businesses have left, or are considering leaving, downtown due to the parking problems. The DDA needs to change this in order for the downtown to become a good financial and business core. He added that the parking is not visible; it is all located behind the buildings and behind the attractive part of downtown. Therefore, downtown needs destination parking. Downtown should be the cultural and entertainment hub of western Colorado and the DDA Board must determine what part it wants to play in this. The DDA must build and market downtown Grand Junction as a destination!

Harold informed the Board that the Housing Authority is very interested in partnering with the DDA in building 40 – 60 housing units downtown. They have the resources but need a location. Harry stated that the parking areas on Colorado between 4th and 6th Streets would be large enough to accommodate parking as well as housing.

According to Harold, the streetscape project at 7th and Colorado went before City Council at a pretty high cost for capital reconstruction. There are two options at approximately \$1.4 million and the DDA must be a big provider of the funding in order for it to be accomplished. John Shaver stated that state and federal monies are not readily available. PJ emphasized that the Board must determine how to proceed and must maximize its ability to retain partners along the way, if it chooses.

Harold informed the Board that there would be a meeting on Friday with Josh Comfort, Don Monahan of Walker Consultants, representative of the City, business owners and Alpine Bank to discuss the beginning stages for developing a parking structure. Harry expressed concern about the participants of the meeting, asking if all banking representatives should have been invited. Harold responded that the banks don't have the parking problems; they are served by what they already have. The Alpine representative will be at the meeting simply to address the needs of the business clients of Alpine.

PJ stressed that in order to get this project off the ground, the DDA must have a partner—it should be a blending of businesses. Time is of the essence and they've got the momentum. Harold added that every block off of the Alpine location decreases the number of interested partners.

Harry Griff moved to authorize PJ McGovern to explore the options for a parking garage and pursue a meeting regarding a parking structure at a minimum price of \$1.5 million, and for PJ to obtain recommendations as to the location of a structure, whether it be first for employees and located north of Main or for retail and located south of Main. Becky Brehmer seconded the motion. Passed.

Dave Varley told the Board that a letter of invitation would soon be coming, informing them of a group from Park City, Utah consisting of approximately 50 people – City Council members, planners, Chamber members, city staff and business representatives—being in Grand Junction on September 17. Dave asked for volunteers to meet with these individuals in small dinner groups and serve as escorts for the downtown. On September 18 from 9:00 to noon, Harold Stalf will give a presentation on the downtown shopping park, etc., which will be followed by afternoon tours. Many members of the Board expressed interested in serving as hosts for the DDA.

PJ reported that the contract with the Burton family had finally been agreed upon. Harry Griff, John Shaver and Dan Wilson had worked on and revised the contract until it finally met with everyone's approval. He needs the Board's approval to execute the contract on behalf of the DDA. The buyer has already signed. Harry Griff moved, with second by Bruce Bengé, that Chairman PJ McGovern be authorized to execute the real estate purchase and sale agreement with the Burton family.

Harry Griff reviewed the process and provided background for the Board. The Burtons had originally executed a letter of intent to purchase the Reed Building, then the CHS determined that no sale could take place until the completion of the renovation. The purchase price reflects an add-on to the originally agreed upon price and includes all of the extras the Burtons agreed to absorb in the façade renovation. The agreement is very straightforward and the DDA will carry \$500,000 that must be paid within 90 days. And, the Burtons cannot begin their renovation improvements until the \$500,000 note is paid. One clause gives the Burtons 13 days to determine if they want to close on the agreement, which is adequate time to do their final due diligence. The building is being sold "as is." PJ added that there is a 7% interest rate on the note, which is above the market rate, because the City is not in the practice of loaning money and the higher rate will force an earlier pay off. The motion was approved.

Steve Jennings provided copies of the revised budget for the Downtown Partnership. He explained one major change on staff salary stating their desire and move to increase Barbara's salary earlier than previously noted and also their recognition of the immediate need for another staff person, part time. Funds for these areas will be transferred from training and travel line items. Steve also noted that special event line items had changed, due to the fact that the Farmers' Market Festival had not originally been included. The DTP is looking at an increase in pledge contributions and Barbara Salogga has been successful in getting new members every week.. Harold added that Barbara would be looking for a corporate sponsor for the Farmers' Market Festival for next year.

Scott Howard moved to accept the amended budget for the Partnership. Becky Brehmer seconded the motion. Carried.

Harold gave a brief analysis of the sales tax report through June 30, 2003. There was an 8.1% decrease in downtown sales tax revenues from 2002 to 2003 (including taxes from the sale of grocery hard goods and gas) and an 11.9% decrease (without grocery and gas).

There being no other business, Karen Vogel moved that the meeting be adjourned; seconded by Becky Brehmer. The meeting was adjourned at 9:05 a.m.