

GRAND JUNCTION DOWNTOWN DEVELOPMENT AUTHORITY

BOARD MINUTES

Thursday, March 9, 2006

248 S. 4th Street, Grand Junction, CO

7:30 a.m.

PRESENT: Karen Vogel, Harry Griff, Scott Howard, Mike Mast, Jim Doody, PJ McGovern, Bill Wagner, Harold Stalf

ABSENT: Doug Simons, Peggy Page

GUESTS: Dave Varley, Jim Shanks, Mark Relph

CALL TO ORDER: Karen called the meeting to order at 7:39 a.m.

APPROVAL OF MINUTES: Let the record reflect that Karen parked within the lines this morning! A motion was made by Scott to approve the minutes of February 9th and 23rd; Mike seconded; motion carried.

DIRECTOR'S REPORT – Harold distributed the YE City sales tax report as well as the holiday sales tax report. (see attached)

Holiday sales figures were \$189,171.23, which is an increase of about 5% over last year. Harold explained that the total number of Downtown businesses have been reduced by ten in the last two years (Cheers, Valley Office, Conoco station, Commercial Federal, etc.).

Year-end figures we are up 1.3%. PJ wanted explanation of the sales tax piece of funding to the DDA. He recalled some issues with the City finance department regarding the DDA a percentage of the sales tax. Harold replied that it was resolved before the last TIF election and we are receiving some money from sales tax. There are five different sales tax zones downtown. The sales tax may be on a different timetable than the property tax. This should be a significant amount of money in a few years. We need to get buildings built so we can start putting some businesses back into downtown.

TIF CIP FUND 203 – Harold distributed the budget vs actual report for 2005 (see attached). Two projects that were not expended in 2005 were the Breezeway and Housing projects. By contrast, newsracks and kiosks were added and unbudgeted. Total expense for 2005 was \$990,00 and total revenue was \$203,000. The negative income line item entitles "Other Income" was a settlement from Shaw Construction for the Reed Building that was posted incorrectly. The bottom line is that we have about a million dollars that we need to spend during 2006.

TIF FUND Projects 2006-09 (see attached) – The projects for 2006 include the Parking Garage and Housing. \$250,000 for the purchase of the International Coin and Stamp building for the Main Street Breezeway has already been expended this year. "Purchase of Property" depends on what deals may arise during the year. We are showing a deficit of \$658,000, but in reality, \$5 million will be coming in from the next bond issue in 2006, but we will not spend it this year. We need 8.6 million to accomplish all of the DDA's proposed projects. The question is what is the most efficient way to expend the funds. What are the consequences of building now or doing the construction in phases. We need the City to tell us what is feasible as we go into talking bonds this fall. \$1.5 million in 2008 and 2009 is what is expected from the City's participation. If we delay Colorado and Main until 2009, the City would possibly help us out. Lanny Paulson shows we have \$11.5 million in revenue coming in and we will need to spend a million on interest. Karen asked about the \$13-18 million original budget. Harold explained that this represented the maximum cap for the TIF, not the realistic projections. The DDA will need to do a bond issue in 2009 of somewhere between \$3 and \$4.5 million. Harry asked if we are obligated to buy sculptures. Harold replied that we do have some flexibility in that area.

7TH STREET RESOLUTION – Harry made a motion to accept the resolution as worded; Bill seconded; motion approved.

RIVERSIDE PARKWAY/VAN GUNDY UPDATE – Mark Relph met with Harold about the Van Gundy issue and wanted to give a briefing to the DDA Board. The City is pursuing a rezone for the property north of this property. Mr. Van Gundy has a site plan pending a conditional use permit. Jim distributed plans for the reconstruction. This was the most complicated transaction for the Parkway. With the personalities involved, the city held over a hundred meetings. The big sticking point was access to a rail spur. If you refer to the map (see attached), the area in orange is what VanGundy is trying to save. The City purchased the whole thing and gave him an opportunity to buy back some of the property. The City currently has title to the property. Mr. VanGundy looked at 19 other sites, none of which met his needs. The City finally gave up, said we cannot meet your criteria and offered him money. Mr. VanGundy is now attempting to purchase the Sterling property, which is a piece east of the rail spur and west of the other alley. PJ asked if this business is necessary in Grand Junction. The City feels it is. PJ then wondered what if the City bought the entity. The City buys land, not businesses. Any place in the City, he has to get a permit. The City Planning Commission applied for a rezone and vacation of the alleyway as well as a re-platting into one lot. The hearing is next week. Harry wanted to know about the criteria of his application for rezone. The zoning is consistent with the City's master plan that changed the zoning from I2 to C2 in 2000. Jim does not know the criteria for approval.

The Parkway will be going over the top of 5th Street. The City is planning to put up a wall along the side of the Parkway. The big issues for Mr. VanGundy are screening, landscaping and outside storage. The Parkway plan is in phase 3. Construction will begin around the last of October or first of November. Harold feels the biggest impact will be leaving Downtown over the 5th Street Bridge. There should be screening on the 5th Street Bridge and height limit regarding yard materials and signs. The City bought the current billboard and will take it down shortly. The City would like to set height and size limitations with no billboards allowed from 29 Road to the railroad tracks.

Mike wondered about EPA issues regarding petroleum leakage. Mr. VanGundy will have to get an industry permit. He has an August 1 deadline to be out of all five acres unless he buys back the 1.5 acres. Mark stressed that if the City hadn't done this deal, it could have delayed phase 3 of the project. Harry feels Mr. VanGundy could end up in an even worse place. Bill asked what his options are if he does not have a rail spur. He would have to double load. Harold feels our next authorization should be after the conditional use permit is looked at by City Council. Harold feels he will get the rezone, but the question is how will he function within the rules, and what rules are applied.

Karen asked about access. There would be one access off of 4th Avenue. He currently has more than one access. Karen is concerned about traffic jam issues. 4th Avenue will be a dead end and the only way into this area will be from 7th Street.

Mark feels "industrial" zoning is more appropriate than "commercial" with the rail spur. Bill agreed that it's an industrial area and needs to be screened. Harold is concerned about tagging on the walls on the 5th Street Bridge and Parkway. Harold suggested leaving some dirt and water for ivy.

Randy VanGundy will be taking over the business. Jim emphasized the amount of effort that was put in to relocating him. The City is doing inspections right now. Harold mentioned the remarkable improvement in the area in the last three years.

Karen met with Kristin Ashbeck and would like to attend the March 14 Planning Committee meeting. After consideration, the DDA's objections would be more for the conditional use permit. Karen doesn't feel she can endorse the objection of the rezoning at this time. Harry would like the letter to remain. Mike, Jim, Scott and Bill would like to write another letter. Harry does not want to go on record as rescinding. Mike made a motion to have Karen attend the planning meeting and not say anything; Harry seconded; motion approved.

PJ excused himself from the meeting.

PARKING GARAGE RESOLUTION – Mike made a motion to approve the resolution as written; Scott seconded; motion carried. Harry added that he has no objection to the resolution, but it doesn't say who pays for what. It does allude to a couple of changes of the MOU in sections K, L, and M with regard to ownership and the end lots. The proceeds will go to the DDA no matter who owns it. Harold emphasized that this is a broad resolution and a lot of issues are to be determined.

EXECUTIVE SESSION-REAL ESTATE:

ADJOURN