

GRAND JUNCTION DOWNTOWN DEVELOPMENT AUTHORITY

BOARD MINUTES

Thursday, August 24, 2006

248 S. 4th Street, Grand Junction, CO

7:30 a.m.

PRESENT: Harry Griff, Scott Howard, Peggy Page, Jim Doody, Bill Wagner, Bill Keith, Steve Thoms, Harold Stalf

ABSENT: Karen Vogel, Doug Simons

GUESTS: Ron Lappi, Dave Varley, John Shaver, Donia Moore, Mark Relph

CALL TO ORDER: Scott called the meeting to order at 7:32 a.m.

APPROVAL OF MINUTES: Harry made a motion to approve the minutes of the previous meeting; Peggy seconded; motion carried.

Harold distributed the DDA/BID manuals including bylaws, ordinances and current rosters. Thanks to Stephanie Tuin, City Clerk, for putting them together.

TREASURER REPORT – Ron distributed a report of TIF revenue and capital funds. He has put together a proposal to issue 6.6 million dollars in bonds. This would enable the DDA to pay off the last bond. The new bond issue will stand on its own and have first claim to funds, therefore, we should be able to get a better interest rate. Three million is the largest bond we have issued in the past. American National Bank has expressed an interest as well as Alpine Bank. This will be a 6-year bond issued in December of 2006 which will mature at a rate of a million dollars a year. The TIF ends in 2011 and the bond will mature in 2012. This leaves about \$3.5 million for the next bond to be issued in 2009 or 2010. We are required to spend 80 % of the proceeds over the first three years. The reason we need to issue the TIF bond this year is because next year we will be issuing a \$23 million bond for Riverside Parkway and if we issue more than 10 million dollars worth of bonds in any one year, they are not bank-qualified.

The DDA's two big projects are the Parking Garage and the 7th Street Project. Proposed projects are the Main Street Rehab Project and the Colorado Avenue Proposal. Ron pointed out page three of the report which explains the cash flow of the TIF capital investment funds. Out of these proceeds, there is a large balance being carried forward. With the TIF five-year extension, we have broadened the scope and definition of what we can do with the money. Bill W. noticed that there was no line item for purchases of property in the next three years. Ron explained that the budget could be re-allocated or if an opportunity presented itself, or the City could issue a bridge loan to the DDA. Harry suggested adding a line item to the budget for property acquisitions. Ron stated that if the budget is changed, Exhibit A needs to be resubmitted.

Harold handed out a spreadsheet which reflects the DDA Board retreat goals. If we want to do the entire Main Street Improvement Program and the Colorado Avenue Proposal, we cannot complete both projects with 6.6 million dollars unless we have City participation. The façade renovation program and property acquisition may not happen. Taking the rising rate of inflation and construction costs into account, Harold feels we should issue as much as possible now. Ron feels the six year plan is preferred to the three year plan because of rising interest costs. Ron also pointed out that there has been no discussion of the City's participation by the Council. The Council reviews the City budget in October. Harold would like to see the DDA hold our position on these projects and put a plan in place. It is incumbent upon the DDA to keep pushing these projects. The property owners and merchants on Colorado Avenue have been promised improvements for years.

Dave Varley stated that he feels if we issue the bond for the entire \$10 million, we would be pressured to spend the majority of it in the first three years. He feels we have enough flexibility to issue another bond in

three years. Harry made a motion to approve the \$6.6 million dollar bond issue with the understanding of adding line items for property acquisition, the Avalon Theatre, and façade renovation; Peggy seconded; motion carried.

PARKING GARAGE DESIGN – The City has seen a 30% increase in construction costs with their three big projects; Riverside Parkway, The Big Pipe, and 29 Road and I-70 B Viaduct. Resources for construction are at a premium. The price of asphalt is serious. Oil and gas has put a big pinch on the local contractors. It's a challenge for Shaw to get bids from subcontractors. We had three bids for pile driving. We are now proceeding with demolition. Demolition should be finished in about three weeks. We would like to order material for pile driving as soon as possible. Steel is a problem to get delivered. The design plans will be done in early September and we should have a contract for a maximum guaranteed price by the end of September. We are still within budget, but may need additional resources to get the job done. Mike Curtis is meeting with Shaw to estimate the cost. By the October DDA meeting we should have a final figure.

Harry asked about 7th Street cost issues. Harold stated that we will address that issue on the next agenda.

Dave Varley and Jim Doody excused themselves from the meeting at 8:45 a.m.

Harry made a motion to move into executive session; Bill K. seconded; motion carried

EXECUTIVE SESSION-REAL ESTATE:

ADJOURN