

GRAND JUNCTION DOWNTOWN DEVELOPMENT AUTHORITY

BOARD MINUTES

Thursday, January 10, 2008

248 S. 4th Street, Grand Junction, CO

7:30 a.m.

PRESENT: Scott Howard, Bill Wagner, Harry Griff, Peggy Page, Bonnie Beckstein, Patti Hoff, Scott Holzschuh, Bill Keith, Steve Thoms, Harold Stalf

GUESTS: Jodi Romero, Jay Valentine, John Shaver, Trent Prall

CALL TO ORDER: Bill W. called the meeting to order at 7:30 am

APPROVAL OF MINUTES: Patti Hoff made a motion to approve the minutes of the previous meeting; Bonnie seconded; minutes were approved.

Bill stated that Downtown is getting “slammed” with graffiti. Harold asked Chuck Nelson to take inventory and then he will approach Community Development. The property owner has to request the removal so the City will need to contact property owners to sign a form to authorize them to remove the graffiti.

Harold was asked by Stephanie Tuin to confirm that the date for the joint City Council/DDA meeting will be March 31, at 11:30 at Two Rivers Convention Center.

TIF UPDATE – Harold attended a meeting in Denver yesterday with Senator Bacon, Bernie Buescher, Mark Radke from CML and representatives from Ft. Collins and Longmont. Bruce Hill joined by conference call. The purpose was to discuss the recent redraft of the TIF legislation. Harold advocated local support with a 50/50 provision based on the Community Development Authority bill as was discussed at the DDA retreat. He has since received a response from CCI outlining what they would find necessary for them to support the bill. There are five things: 1. consent of the County for any extension; 2. require finding of blight in the DDA; 3. further limiting the cap on extensions downward from 30 years; 4. substitute reducing the current TIF upon extension by one third the dollar amount rather than 10 years; 5. include wording that extensions can only be enacted during the final decade of the original DDA. Bernie will be the sponsor of the bill and Senator Bacon the co-sponsor. Josh Penry is also supportive of it. Since we are applying for late bill status, we will have 90 days to redraft the bill. We are hoping to work with Jon Peacock of Mesa County. The provision guarantees the DDA a 50% extension. The other 50% is distributed to the school district, the city, the county and the library. Senator Bacon set up a 30-year sunset with a provision to renew locally every 10 years.

Bill asked what CCI’s reaction was. The CCI representative was not in the room. Mark Radke will redraft the bill, present it to Bernie and Bacon and then approach CCI. Bruce would like to present it to Mesa County and then CCI. Harry asked how often we would have to renegotiate the 50/50 provision. Harold answered that it would be every 10 to 20 years, not to exceed 20 years. Harry asked Harold to email the bill to the board after it is redrafted.

YEAR END FINANCIALS – Welcome to Jodi Romero, Financial Operations Manager and Jay Valentine, Assistant Financial Operations Manager. The TIF interest income was more than double the original estimate. AOTC expenses ended up \$50,000 over in expense and income with the commissioning of the Trumbo sculpture. The current fund balance is just over \$500,000. Interest income came in at \$84,500 since we did not have payments due on projects and we earned income on that money. At the end of this year, we paid off our bonds so the DDA is debt free right now. The 2007 end of year increase in the fund balance is \$169,548.

TIF FUNDS PRESENTATION – Jay and Jodi have spent a lot of time putting together financial reports for City Council and various boards. Harold asked them for a report showing how the flow of money comes

in and goes out of the DDA. There are three sources of income: TIF property and sales tax (2.1 mil); property tax (5 mil) that goes directly into the DDA general operating fund; and bonds or loan proceeds. The TIF property/sales tax goes into fund 109 (TIF Fund). The interest income flows out of fund 109 into fund 103 (DDA Operating Fund). The rest of the TIF money goes into 611 (Debt Repayment) to pay bond and loan payments. The DDA can issue bonds or take out loans. The proceeds of the bonds and loans go into fund 203 (DDA Capital Fund). Right now, the fund 203 “bucket” is empty.

The *DDA/TIF Revenue Worksheet* shows the DDA’s TIF base and increment projections through 2012. Any increase in value is through redevelopment. The 5 mills that flow into fund 103 are calculated on the net amount of the increment. Harold pointed out that DDA properties are included in the TIF as well. According to the *Property Tax Increment History*, our TIF really took off in 1996. The last five years, the base has been flat. The current year base is actually shown as decreasing. We don’t want to bond something that isn’t real, so we are using the current mill levy for projections. The only increase in property values is due to redevelopment. We have to be conservative in anticipation of a possible mill levy freeze. The new assessment is up 50% which is about a 30% increase to the DDA even though the mill levy remains the same. We are the only DDA that gets a “sales tax increment”. John stated that the sales tax increment is the figure that fluctuates as more or less sales tax is collected downtown. Bonnie said that we are facing large increase in property taxes for businesses since an assessment hadn’t been done in 10 years.

The *Downtown Sales Tax Increment Districts* is a map of TIF districts. They were created by city ordinance. The original TIF was strictly Main Street. Core renovation was exempted from the TIF to encourage redevelopment in the core area. Two more were established in 1996 and 1997 and started to extend into south downtown. This page shows the five TIF districts along with a timeline. John said there were TIFs established to address the River development. In other words, if we developed the River, the tax base would be increased.

The *DDA TIF-5 Year Outlook* shows revenue and projects from 2008 through 2011, the original cost of the projects and the revised costs. Projects include: the Downtown Strategic Plan; Housing; the Avalon renovation; AOTC sculpture purchases and façade renovations. We haven’t paid for the parking garage and 7th Street. Projected funds available are bonds less cost of issuance which can be quite costly depending on how long you bond. The DDA could bond for one day and pay it back to the City. Harry asked if the city was still responsible for \$1 million for Main Street improvements. It’s actually going to cost more than anticipated, so the city increased their contribution and the DDA added a million.

OTHER – Scott Holzschuh added that yesterday at Rotary there was a presentation of Los Colonias and the proposed recreation center. He feels it plays into what the DDA is all about. Harold will ask Sally to make a presentation next week at the BID meeting.

Harry asked about an update on the parking garage and lighting downtown. Harold forwarded email to Jodi Kliska regarding burned out lights along Colorado Avenue. Most of Main Street lighting is City maintained. At this time, about 40% of the lights downtown are out. Scott Howard would like to see more lighting downtown. The problem is that each pole is maintained by different entities.

Harry asked about the status of leasing the parking garage. Harold replied that yesterday was the deadline for application for leases. Hopefully we can accommodate the requests. If not, PMAG will decide who gets priority. Covered spaces are at a premium.

Harry mentioned that Bill Wagner was on the news as a “man on the street” and he was Mr. Informed! Quite impressive!

Patti made a motion to move into executive session; Scott Holzschuh seconded; motion carried. The board moved into executive session.

EXECUTIVE SESSION – PERSONNEL/REAL ESTATE

Scott Holzschuh made a motion to move into regular session; Patti seconded; the board reconvened.

Steve made a motion to authorize John and Harold to negotiate to the prescribed amount; Patti seconded; the vote was unanimous; motion carried.

ADJOURN – the Board adjourned.