

MINUTES

**Grand Junction Housing Authority
Board of Commissioners' Meeting
Special Meeting**

**December 19, 2003
Conference Room
1011 North Tenth: 2:00 p.m.**

1. Call to Order

A second special December Grand Junction Housing Authority (GJHA) Board of Commissioners' Meeting was called to order by Steve Heinemann, Board Chair, at 2:08 p.m. on December 19, 2003. Those in attendance included Kathleen Belgard, Harry Butler, Gabe DeGabriele, Erin Ginter, Jody Kole, Kristine Franz, and Greg Hancock.

2. Review and Discuss the Short List RFP Responses of Construction Lenders for the Linden Development

Greg Hancock, Development Director, summarized the responses to the Request for Proposals (RFP) of Construction Lenders for the Linden Development by indicating that four submittals were received during the first round from the Bank of Colorado, Mesa National Bank, U.S. Bank, and Wells Fargo. Each of these lending institutions was invited to take part in a "best and final" round and three out of the four banks elected to participate. The Bank of Colorado chose to exempt its self from the process.

Greg further indicated that as the Committee (Gabe DeGabriele; Jody Kole; Greg Hancock; and John Paulson, a former U.S. Bank employee) reviewed the submittals, it was determined that Wells Fargo and the U.S. Bank both were very familiar with tax credit transactions and their submittals had many similarities. Not sharing this tax credit component, Mesa National Bank slipped in positioning. Greg distributed a Loan Evaluation form that was used in the appraisal process and announced the ranking, determined by the point total, as follows: Wells Fargo, U.S. Bank, and Mesa National Bank.

In evaluating the proposals, Jody Kole, Executive Director, provided additional clarification when comparing such things as interest and fees; Wells Fargo's total loan cost was approximately \$5,000 less than that of U.S. Bank. Gabe stressed that Wells Fargo had more experience with local similar projects and Colorado Housing Authorities, and that it appeared they would do more of the work locally, as opposed to seeking assistance from their out-of-town facilities, which could play a large part in efficient timing and lower costs. It was noted that Committee Member John Paulson was unbiased and a valuable asset because of his expertise in this particular arena and he introduced helpful analysis during the review process. Submittals were also shared with Kimberley Pardoe, who is the representative with MMA Financial. (MMA Financial was chosen as the Equity Proposal Investor for the Linden Development as previously documented in the December 17, 2003, Board Minutes).

Minutes (contd.)

Page 2

Jody emphasized that all banks were given the chance to “better their deal”. Wells Fargo took the opportunity and showed some flexibility with a better proposal, whereas, U.S. Bank indicated its first proposal stands as is.

The Committee recommended that Wells Fargo be selected as the construction lender, and it is hoped that further negotiations with Wells Fargo will make the deal more appealing yet.

After Board discussion, Gabe moved that Wells Fargo be selected as the construction lender for the Linden Development, and that GJHA staff be authorized to continue to negotiate certain deal points. Kathleen seconded the motion and the vote unanimously approved the motion.

3. Adjourn

Gabe made a motion to adjourn the meeting at 2:17 p.m. Kathleen seconded the motion and with a unanimous vote, the meeting concluded.