

GRAND JUNCTION DOWNTOWN DEVELOPMENT AUTHORITY
BOARD MINUTES
THURSDAY, MAY 14, 2015
437 COLORADO AVENUE
7:30 A.M.

PRESENT: Les Miller-Chair, Shane Allerheiligen, Marty Chazen, Kirk Granum, PJ McGovern, Stephan Schweissing

ABSENT: Jason Farrington, Jodie Coleman-Niernberg

STAFF: Harry Weiss, Vonda Bauer, Aaron Hoffman, Robin Brown, Allison Blevins

GUESTS: Rich Englehart, John Shaver, Tim Moore, Bennett Boeschstein, Steve Reimer

CALL TO ORDER: The meeting was called to order at 7:30 a.m.

APPROVAL OF MINUTES: April 23, 2015

Shane made a motion to approve the minutes of the April 23, 2015 meeting; P.J. seconded the motion; minutes were approved.

Calendar Review

May 18 Council Work Session:

I-70B & DDA Line of Credit

Consultants will be presenting information about the I-70B design work that they did with CDOT.

Harry will present about establishing a line of credit for the DDA with the hope that the council will put it on the agenda for Wednesday's Council meeting.

May 19 Downtowner Meeting

There will be a Downtowner's Meeting on Tuesday, May 19th from 5:30-7:00 p.m. at the Local. Please encourage everyone to attend.

May 20 Council Meeting: DDA Line of Credit

Harry will present on the line of credit for official action provided Council agrees to put the topic on the agenda after the work session presentation on Monday.

May 28 DDA Board Meeting

The next DDA Board meeting will be May 28th at 7:30 a.m.

May 28-31 The Off-Road/Art+Music Festival will be held downtown on May 28th-31st.

White Hall

Development Solicitation

There were no formal responses for the development solicitation bids. There were two interested parties that called and would like to look at the site. Harry has a meeting with one of them Monday afternoon.

Demolition Solicitation

There were three responses submitted for the demolition solicitation bid; Colorado West Contracting, ADI Services, and Hudspeth and Associates. Colorado West Contracting was low bid of \$262,143.00 for the base price. The bid is set up to where the base price is for the majority of the demolition portion. Additional expenses for mill tailings removal and additional backfill will be billed at \$23.26 per cubic yard. The Landfill tipping fee is \$106.93 per cubic yard. Harry stated that the bids are good for 60 days.

Review of Scenarios

Harry reviewed the options before the board to consider: Clark Atkinson's proposal is still a possibility for developing the property; the DDA can renovate the building and sell it as investment property; demolish the building and market the parcel; stabilize and deal with the damaged and blighted aspect of the property and preserve the building for future development; or do nothing. Harry asked FCI to provide an estimate for cleaning up and stabilizing the west wall. Their takeoff estimated \$125,000 and would still keep the building as a viable option. There was discussion perhaps making the site a paid parking lot. Marty asked if the money spent on White Hall would be TIF eligible. John replied the expenses are TIF eligible. The line of credit would be available to fund this project if approved. After board discussion, Kirk made a motion to proceed with the low bid of \$262,143.00 from Colorado West Contracting to demolish the building. PJ seconded the motion. The motion was approved.

DDA Line of Credit & IGA

Budget Amendments & Request for Initial Draw:

The DDA issued a Request for Proposals for a \$1,000,000 line of credit. Four responses were received from Alpine Bank, Bank of Colorado, Home Loan State Bank, and NBH (the holding company for Community Banks of Colorado). Home Loan would require the DDA checking accounts to be moved to their bank. Harry stated that the DDA will not be carrying a balance so interest would be minimal. The DDA would only draw on the line of credit to fund an approved TIF eligible project that has been budgeted and appropriated. This proposal is contingent upon the City Council approving the line of credit which is scheduled for discussion on Monday night at the City Council Workshop. After discussion, the board recommended Alpine Bank as the lender. The terms from Alpine Bank would be 60 months, a daily floating rate (currently 2.02% for tax-exempt uses) and a \$5,000 annual fee. Harry stated that if approved, the City and the DDA will enter into an Intergovernmental Agreement ("IGA") that specifies the procedures for accessing the Line of Credit for authorized projects.

Harry provided a budget recap explaining the budget amendments that he will present to City Council. In fund 611-TIF Debt Service Fund, \$1,100,000 of borrowing is budgeted as contingency. In 2014 \$287,568 of TIF-eligible expenses were paid out of our unrestricted funds. This amount needs to be reimbursed. The purchase of R-5 would be \$1,350,000 payable as follows: FY2015 \$350,000; FY2016 \$500,000; FY 2017 \$500,000. An additional \$10,000 will need to be budgeted in 2015 for associated expenses of due diligence. The budgeted amount currently for White Hall is \$190,000. After reviewing the bids, a budget amendment of \$80,000 would be needed to provide additional funds to cover the cost of the demolition.

Proposed budget amendments for TIF Qualified projects are as follows:

Acquisition of R-5	\$350,000.00
R-5 Acquisition (assoc. expenses)	\$ 10,000.00
White Hall – additional expenses	\$ 80,000.00

R-5 Contract Ratification

John drafted a contract for the acquisition of R-5. PJ stated that it needs to be clearly determined who would be responsible for fixing the roof. Marty said the building has an emotional attachment to the community so if a decision is made to tear the building down, it would complicate things and the grief would fall on this board. PJ commented that we are buying this property for public purposes, not to tear it down. Shane made a motion to ratify with the amendments relative to the premise lease back to the district, taking possession of the excess premises, and the guarantee that the School District is responsible for the building during their occupancy. A termination date of 90 days after they receive their Certificate of Occupancy should also be included in the contract. Kirk seconded the motion. The motion was approved.

EVCS Award

Harry stated that the State awarded an electric fueling station to Alpine Bank as well as to the DDA. They would like recommendations for installing a dual electric fueling station in the downtown area. Having a dual charging station would require two parking spaces. It was suggested that a special rate on the parking space should be implemented.

DDA Financial Participation

Mesa Pawn Purchase:

Harry stated that Rich sent a request from the City asking the DDA to participate in purchasing Mesa Pawn. The contract is for \$750,000 but the request is for \$375,000 from the DDA. There were concerns if the DDA gets involved in the acquisition, then what interests or rights the DDA would share in the property, or would the DDA want something else in exchange for participation, or would the DDA's participation simply be a grant. Rich stated that it would be up to the DDA board but the City would like to partner with the DDA and there would be more discussion on the terms of the agreement. PJ suggested the DDA board be careful in the future with requests from the City because we don't want the DDA to be a puppet for the City whenever they want to purchase something in the district for the City's use. He stated if that were the case, then there really isn't a need for the DDA as a separate entity and board. He commented that if the Event Center does not come to pass, this acquisition would provide additional parking for Two Rivers or some other expansion of Two Rivers. These purposes would be considered TIF-eligible as a public facility. If an Event Center does get approved, it would be an economic multiplier for our downtown. Rich said he does not want to put the DDA in a position of feeling like a puppet. Marty commented that the City Council has not made a decision yet to purchase the Mesa Pawn property. John stated that the City has not obligated funds for the purchase, but it is looking for a funding partner in the DDA in the event the Council approves the acquisition. Marty stated that if the acquisition was approved there would be additional expenses for tearing down the building and preparing the site. He was concerned if the City would ask the DDA for additional funds for these expenses. Rich replied that the City would not, but they may ask for funds for the new Event Center.

Harry stated that there are two other parcels of land that the DDA already owns; the breezeway from the parking deck to Main Street, and a portion of the public parking lot on the 500 block of Colorado, (behind Suehiro) which is jointly owned with the City. The City owns two thirds and the DDA owns one third of the property. He said this might be an opportunity for the DDA to acquire the entire parking lot instead of some interest in Mesa Pawn. Harry stated that if the City takes ownership of Mesa Pawn individually, they can develop it. Having a joint tenancy would not be advisable since the DDA already has joint ownership in the parking lot. Stephan said he was not opposed to considering the DDA helping

the City acquire Mesa Pawn, but any decision seems to be put off until sometime in the future, and the Board can consider its participation at a later date.

Las Colonias Amphitheater:

Harry stated that the expense of an optimal phase 1 scope is considerably more than what is currently available for funding. The preliminary cost is estimated to be at least \$2,500,000. Parks has approximately \$750,000 available. Harry said that he anticipates Parks & Recreation will ask the DDA to help fund the project which is TIF-eligible. Parks & Recreation would apply for a DOLA grant to match all local funds committed to the project.

Hotel Parking Agreement:

Harry said he has been talking with Steve and Kevin concerning the hotel parking agreement. He stated that the board needs to move forward with resolving this agreement. Steve indicated they have a contract for purchasing seven lots across Colorado from the Fairfield Inn. They would like to improve the lots with striping and lights, but not bring it up to full code. The extra space is needed primarily for oversized-vehicle parking. Steve indicated they currently lease the same lot for oversized parking and there are not enough parking spaces to accommodate one parking space per room. Purchasing this property will provide up to 40 additional parking spaces for guests at night and accommodate public parking during the day. Steve stated that they also have a contract to purchase Plaza Reprographics and it is scheduled to close within sixty days. This acquisition would initially give the hotel more parking spaces and would allow an expansion of the Springhill Suites hotel with an additional thirty to forty rooms. Marriott has already given preliminary approval for such an expansion. Steve said they would like to discuss more options in partnering with the DDA with the Plaza building. There will be more discussion on this at the May 28th board meeting. PJ made a motion to direct the DDA Executive Director and City Attorney, John Shaver, to negotiate an acceptable satisfaction requirement to the original parking agreement with Kevin and Steve Reimer. Stephan seconded the motion. The motion was approved.

Review of Calendar for hiring DDA Director

The deadline for applications for the DDA Director is May 29, 2015.

Other Business

None

Adjourn

Stephan made a motion to adjourn; Marty seconded the motion; the meeting adjourned at 8:51 a.m.