

GRAND JUNCTION DOWNTOWN BUSINESS IMPROVEMENT DISTRICT
BOARD MINUTES

Thursday, January 25, 2007
248 S. 4th Street, Grand Junction, CO
7:30 a.m.

PRESENT: Harry Griff, Doug Simons, Peggy Page, Bill Wagner, Steve Thoms, Bill Keith, Harold Staff

ABSENT: Scott Howard, Jim Doody, Bill Wagner

GUESTS: Mike Bell, Randy Greathouse, Deb Kovalik, Barb Bowman, David Varley, John Shaver, Mike Curtis

CALL TO ORDER: Harry Griff called the meeting to order at 7:30 a.m.

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

FINANCIAL REPORT – Mike Bell distributed the year-end report for 2006 and the BID budget for 2007. He stated that we had a very successful year and are continuing to operate well. The total income for 2006 was \$296,507 and the total expenses were \$255,150, leaving a year-end balance of \$41,357. We have made tremendous strides in building a fund balance. The City still owes \$4,500 for barricades and street closures. The DDA pays \$20,000 for half of the BID staff salaries. The additional \$3,000 is from a CHS grant that was written to produce a Downtown Walking Tour Brochure. The Free Press owes \$2,500 for sponsorship of The Art Hop and \$1,000 for sponsorship of Spooktacular. The 2006 expenses include \$3,000 to produce the Walking Tour Brochure and a \$3,300 bonus to Event Masters for the wonderful job they are doing with Downtown events. We may receive a bill from the City for insurance. Harold added that the printing expense for the 2007 Annual Dinner was posted in 2006. We should have a reserve of \$50,000 by next year to be solid for the ten-year term. Harry inquired about the donation from the County and the City. Harry also asked about an additional \$10,000 sponsorship for music for the Farmers' Market. Harold said there is a potential offer from Qwest. Bill K. asked about the Event Masters contract. Harold stated that they are restructuring the business and are busy with other events this month. They have verbally agreed to do the Downtown events, but we have no signed contract. We have budgeted \$40,000 for them for the 2007 season.

The year-end sales tax report is up 7%. There are only a couple of businesses that have taken some dips. Harold reminded the board that this report is as of November 30. Harry noticed that the major retail stores downtown are down in revenue. Harold explained that there are 30% fewer retail shops downtown.

VCB REPORT – Harold and Deb met and wanted to explain the marketplace. Since 1991, the Grand Junction occupancy rate is about 1,000 rooms. The average daily rate is what developers look at when deciding to build a new hotel. We are still under the national average, however, since 2005, rates have gone up about four to five dollars, which is significant. This increase, coupled with more business, means the hotels are finally making money. The national average occupancy rate is somewhere between 60 and 65%. The average occupancy rate for Grand Junction for 2006 is close to 80%. This increase is due, in part, to the increase of gas and oil workers. The VCB will do a quarterly survey to get a breakdown of corporate business. The Hampton, Hawthorn and Holiday Inn Express are full. This makes it hard to book tours and conferences. People are also resistant to higher prices. The average rate is \$90 per night for group tours. A new Marriott and Residence Inn will open soon adding 240 rooms. The VCB is marketing new customers and higher end demographics. Wineries and golf courses have made it possible to go after folks with discretionary income. At this time, the market looks very good for hotel developers.

Harry asked about Two Rivers Convention Center and if it is adequate for large groups. Barb Bowman stated that group size is 150 to 200 people. Nationwide, group stays are shorter with smaller groups. The VCB is working with Two Rivers, but there is a problem accommodating larger groups and the number of

break out sessions. Grand Junction is also competing against resorts especially during the month of June. The VCB is keeping track of groups that we cannot accommodate at Two Rivers. Public transportation is costly from Horizon Drive to the Convention Center. Harry asked what size the Convention Center should be. Deb and Barb feel that a 60,000 square foot building along with 600 more hotel rooms downtown would be adequate. Harold pointed out that we have a disadvantage with the hotel rooms being on Horizon Drive and the Convention Center being downtown. Gateway Canyons is opening more upscale rooms for smaller groups. The Governors Tourism Conference is coming in October with the reception downtown. The VCB will work with downtown restaurants to take advantage of this opportunity. In conclusion, Deb stated that we need to look at what percentage of occupancy is local business vs. corporate business and see local traffic increase before anyone builds a new hotel downtown.

The VCB is working with Rocky Mountain PBS and have confirmed an Art, Jazz and Wine Train from Denver arriving the weekend of May 11-13 in conjunction with the Art & Jazz Festival.

ADJOURN: Harry made a motion to adjourn; Doug seconded; the motion passed. The Board adjourned at 8:40 a.m.