

GRAND JUNCTION DOWNTOWN DEVELOPMENT AUTHORITY
BOARD MINUTES
THURSDAY, MARCH 8, 2012
248 SOUTH 4TH STREET
7:30 A.M.

PRESENT: Peggy Page, Steve Thoms, Harry Griff, Jodi Coleman-Niernberg, Bennett Boeschstein, Les Miller

ABSENT: PJ McGovern, Cynthia Burke, Kevin Reimer

STAFF: Harry Weiss, Diane Keliher, Kathy Dirks

GUESTS: Rich Englehart, John Shaver

CALL TO ORDER: Amendments to minutes of Feb 23: Les clarified that he motioned to support the City's RFP change from design/build to design/bid/build; Harry G. clarified that he said he would like to see GVT and Greyhound work together, but not necessarily downtown. With those corrections, Harry G. made a motion to approve the minutes of the February 23rd meeting; Les seconded; minutes were approved.

AVALON THEATER UPDATE: Council approved the Avalon design contract with Westlake Reed Leskosky with a unanimous vote. The hope is that private donations will be more readily secured as the project becomes better defined and hard costs are determined. Griff wanted clarification regarding the scope of design services that WRL will provide for \$481,029. Weiss explained that the first \$200,000 of the contract fee will produce a final schematic design of the comprehensive architectural vision for the performing arts facility. The next scope of services will be to develop the design for the core elements and whatever else may be efficiently included in the first phase of construction; this scope of services does not include design development for later construction phases. The final portion of the contract will take the design development for the first phase of construction through construction documents and a complete bid package. The City and the ATRB are contributing \$100,000 each for the schematic design, in essence matching what the DDA has already invested in the project, so all three parties will have an equal financial stake in the final schematic design. The total design fee of \$481,029 is a not to exceed figure, and as the design process progresses, that fee may be reduced as the scope of the first phase of construction is decided. WRL has provided a number of stopping points in the process to reassess the fee and make adjustments. The DDA's commitment to the project is also a not to exceed figure of \$3 million inclusive of design expenses/soft costs. Griff reiterated that any DDA funds expended for the design contract are part of the DDA's \$3 million and not an additional commitment.

John Shaver received a draft of the contract yesterday and assured the board that the City will own all rights to the design.

Peggy expressed her appreciation for Bennett's service on the DDA Board and his critical role as liaison with City Council on the Avalon and other DDA efforts.

MESA COUNTY LIBRARY EXPANSION PROJECT: Weiss presented a preview of the site plan. The library will make a presentation to the DDA board on March 22 to present the design direction of the project, the budget constraints the project faces, and to discuss/request DDA's financial participation in the

project. Weiss has told the library that the Board may not make a funding decision until its April 12 meeting in order to consider various options and to weigh this project relative to other DDA funding demands. Weiss met with Eve Tallman, Lois Becker and Ted Ciavonne to discuss the site design, which in its current state of development identifies upwards of \$357,000 of site improvements that the library may ask the DDA to fund. Weiss commented that it has been a pleasure to work with the library staff and Ted.

The project raises a larger question regarding the library's commitment of the additional 50% TIF. The library could retain that tax revenue for this particular project. If the DDA gets the TIF, we would have to borrow the money (by statute) and then give it to the library to use incurring a borrowing cost the library might otherwise avoid. Weiss is concerned that if the additional TIF money is retained by the library, it will be much more difficult to recover it in the future through negotiation. Another possibility is that the DDA could borrow money in the library's stead, based on the full 100% TIF being dedicated to debt service over the period of amortization. Griff asked if there is there a way we could make a long-term agreement with the library. John stated that the current board cannot bind future boards, as the additional 50% TIF is subject to annual renegotiation by statute. He added that we could bind the money until the work has been performed or structure a declining balance loan. He also suggested taking some of the land for "public space".

There was discussion of the cost of the project. Bennett feels the main garden may be over-engineered. Weiss feels that the library is an important cultural facility that helps anchor downtown and brings people into the center city. He suggested that the library survey its customers to ask whether they do other things downtown when they come to the library, and to gauge the economic spending they generate. However, the direct economic impact of the library project is harder to quantify. It does not generate new taxable property improvements, nor is it an economic development project like the Avalon which generates direct measurable spending in downtown. There was also discussion of the land that the library owns on the north side of Ouray Avenue and its importance for future infill housing, as well as the possibility its might be sold to help fund the library expansion. Weiss explained that the library views that land as nest egg for future library projects rather than the current project.

ASSEMBLY OF GOD PROPERTY: Ted Miller, pastor of Victory Life Church, and Ben Hill met with Weiss regarding the building. There is a group out of Kansas City that would like to develop a portion of the site for senior affordable housing. PJ and Weiss met with the developers yesterday and their model is based on low-income housing and historic rehabilitation tax credits, but without a historic component at this site, they would want some assistance in land acquisition at a nominal cost. The church also recently received a letter of interest from another church to lease and buy the whole parcel at a reduced rate, which would result in the parcel remaining tax exempt for well into the future, and further impede the realization of the concepts in the catalyst plan. Bennett added that he would like to see market-rate housing incorporated in the plan as well. The church would like to re-engage the DDA in a possible purchase of the property. (Jodi Niernberg-Coleman is one of the listing agents, but is leaving Hill and Homes. If the DDA moves forward with acquisition negotiations she would need to recuse herself from the discussion due to conflict of interest).

Rich feels that Mesa County may need to be approached to help with the library project and reminded the board that Las Colonias is beginning to be developed. Griff stated that the Avalon, Las Colonias and City Center Catalyst are our major capital projects and we would like to do all three. This could be the time to approach the County for the other 50% of their TIF money. Peggy said we may need to rethink our bonding amount.

There was discussion of various long-range Downtown development scenarios.

DTA & DDA BOARD MEMBERSHIP: The BID board will need to appoint members to the DTA board in April. There are three seats available.

Weiss added that we need to communicate to City Council what the DDA needs in new board members. Harry is term-limited, Les is up for reappointment and Cindy Burke is going to resign from the board. Circumstances have changed with her business and personal life. We need to think about the experience and skills we need as the DDA moves forward on multiple projects.

OTHER BUSINESS: GVT has requested that the grant originally offered for the intermodal transit/Greyhound facility be reconsidered for use by GVT for the transit hub alone. A decision about allowing the grant to be used by GVT is pending.

Peggy added that the DDA appreciates the cooperation of the City Council and that things are moving in the right direction.

ADJOURN: Bennett made a motion to adjourn; Les seconded; the board adjourned at 8:55 a.m.