

GRAND JUNCTION DOWNTOWN DEVELOPMENT AUTHORITY
BOARD MINUTES
THURSDAY, MAY 10, 2012
248 SOUTH 4TH STREET
7:30 A.M.

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

STAFF: Harry Weiss, Diane Keliher, Kathy Dirks

GUESTS: Rich Englehart, John Shaver

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

APPROVAL OF MINUTES: Jodi made a motion to approve the minutes of the April 26th meeting; **Les** seconded; minutes were approved.

WHITE HALL PROPERTY: City Council is meeting next Wednesday and needs direction from the DDA regarding the board's level of participation in the White Hall acquisition. There is a tax lien on the building and no insurance to cover the fire damage. The question is; can the DDA take this problem property, that is a public safety hazard and downtown blight, and move it into a better situation. The City has the authority enter the premises and demolish the building, but to do so without gaining title would only add another lien to the title. Under the proposed agreement the bank will forgive the owner's debt, the owner will in turn donate the property to the City, the City will clean the property up and then the DDA will take title and steward the redevelopment. Council is looking for a statement of participation from the DDA.

Griff feels that this would be in line with the DDA's mission to remove blight. Bennett said the building was officially condemned. John added that the owner's attorney has consistently represented that the owner has no assets to pursue and is on the verge of insolvency. Bennett asked why there was no insurance on the property. It was an oversight by the insurance provider. Peggy is concerned that the tax bill will come back to the DDA as the property owner. John agreed that this is a piece that needs to be worked out.

Steve made a motion to participate with the City in accepting the ownership of the White Hall property with the value of the property to be determined and terms negotiated; Griff seconded; motion carried.

ASSEMBLY OF GOD PROPERTY: In order for the DDA to acquire the Assembly of God property, the Board will need to approach City Council for a bridge loan of \$1 million to close the deal. The property is not yet under contract. We have 45 days of due diligence and then the property closes within 30 days. The terms of the offer are \$1,000,000 in cash and a \$250,000 5-year note. DDA would lease the property back to the church for \$1/year and they may sublet for additional revenue. Griff would like to see the lease before we sign the contract. PJ would like the DDA to re-write the lease. Bennett stated that this acquisition is in line with the Strategic Downtown Master Plan.

Steve made a motion that in accordance with the Strategic Downtown Master Plan Catalyst Project, the DDA is authorizing the executive director to ask City Council for interim financing to acquire the Assembly of God property to be repaid when the DDA bonds; Bennett seconded; motion passed.

The library board has declared the lots to the north of them as surplus property and listed the properties for sale. They currently have a letter of intent on the credit union building. Peggy asked how that would impact the overall Master plan. It could change the look of the catalyst project somewhat.

AVALON THEATRE PROJECT UPDATE: The first-phase design estimate is coming in at \$5.5-6 million. The committee will go back to the design and scale back the project to include only the critical components and see what those costs are. The next step will be to define who will participate as far as private/public money and at what level.

Griff stated that the first phase will cost more than \$3 million and is only new construction without addressing the current auditorium seating, stage, mechanical and electrical needs. Griff feels that the project should not break ground until the Avalon Foundation knows how much money will be raised from their private capital campaign. He would like to see the Avalon Foundation Board begin their capital campaign and, in the meantime, replace the seats in the current auditorium. He doesn't feel there should even be a design until the money is pledged. Steve feels strongly that the project has lost an opportunity again. PJ feels that it's too much money for the facility that we would have. Weiss agreed that the project needs to be honed down to what is essential to the operation of the Avalon Theatre and the remainder of the funding for the project will need to come from the private capital campaign. Kevin asked if there is a deadline for the fundraising campaign. The Foundation would like to wrap up the campaign by December 2013.

PJ left the meeting.

There was further discussion of design issues and costs.

EXECUTIVE DIRECTOR'S REPORT: Weiss is continuing to meet with CDOT concerning the realignment of I-70 B. For now the staff analysis of this project is focused on how the project might be structured, including the possibility of federal funding, and how environmental issues would be evaluated. Once some basic questions are answered about a possible process, the concept would need to go to City Council for feedback and a policy discussion about whether to proceed. Staff is working to vet the issues in order that CC has a full enough picture to debate the concept's merits. Another issue that came up is the possibility of salvaging the \$1.2 million grant that was obtained for an intermodal facility combining Greyhound with the new GVT hub and use it instead to combine Greyhound with the Amtrak station. The owner of the Depot building is open to suggestion.

The Library has declared their properties to the north as surplus and has approached the Grand Junction Housing Authority regarding acquiring the properties for low-income housing.

Eve approached two of the three Mesa County Commissioners regarding the allocation of the negotiated 50% of their TIF money to the DDA, and was rejected by Craig Meis and Steve Aquafresca. Eve is meeting with Janet Rowland today. The DDA's commitment of \$180,000 to the library is still good.

Art on the Corner is being installed in June. Other priorities have taken up the executive director's time.

ADJOURN: Griff made a motion to adjourn; Les seconded; the board adjourned 9:14