

GRAND JUNCTION DOWNTOWN DEVELOPMENT AUTHORITY
BOARD MINUTES
THURSDAY, AUGUST 9, 2012
248 SOUTH 4TH STREET
7:30 A.M.

PRESENT: Peggy Page, PJ McGovern, Kevin Reimer, Jodi Coleman-Niernberg, Bennett Boeschstein, Les Miller, Stephan Schweissing

ABSENT: Jason Farrington

GUESTS: Rich Englehart, John Shaver, Jay Valentine

STAFF: Harry Weiss, Diane Keliher, Kathy Dirks

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

APPROVAL OF MINUTES: Les wanted to clarify that the first paragraph refers to the Parking Deck Condominium Association and that the Hawthorne Suites opened in 2000 instead of 200. With those changes, Les made a motion to approve the minutes of the July 26th meeting; Bennett seconded; minutes were approved.

ELECTION OF NEW CHAIR: Following the last Avalon Foundation Board meeting there was a series of events that prompted Steve Thoms to step down from the DDA Board. The Board needs to communicate to City Council what kind of expertise and experience would be desirable in a replacement appointee, and elect a new Chair. Peggy feels the Board needs someone with a strong retail perspective since she is the only retailer currently on the Board, and she will be leaving the Board at the end of this term. There is one application for DDA appointment on file with the City Clerk held over from previous reviews - a banker with Bank of Colorado. John said customarily Council will look at past applications. Harry will send a letter to Stephanie in care of Council recommending that they re-advertise the position. Regarding the election of a new Chair, the Board decided to act on the matter at the next meeting. Jodi Coleman-Niernberg, in her capacity as Vice Chair, will execute the duties of Chair until the Board elects a new Chair.

RESCHEDULING OF DDA BOARD MEETINGS: Harry would like to attend two conferences in the next two months; the DCI conference in Golden the week of the Sept. 13th meeting and the Regional Housing Conference in Vail the week of the Oct. 11th meeting. Those dates conflict with the regular scheduled DDA meetings. He would like to move those meetings to the week prior. Stephan stated that the Avalon Foundation board meets on the first Thursday of the month. It was decided to move the Sept 13 meeting to Wednesday, Sept 5, and the October 11 meeting to Wednesday, Oct 3.

WHITE HALL: Demolition bids came in and range from \$500-575,000 for the complete project which includes demolition of the sanctuary and abating the East wing. Council would like to demolish the sanctuary as they are concerned about public safety and traffic issues. The abatement of the East Wing is more of a re-development issue. Staff is recommending that Council award a contract for just the sanctuary portion of the project at a cost of \$313,000, to be acted upon at Council's meeting on August 15th. After demolition, the City would like to convey the property to the DDA to redevelop. The basement will also need to be back-filled. PJ recommended that DDA go ahead with the abatement of the asbestos in the East Wing to make the property more marketable and ready for redevelopment. Rich suggested the DDA may be able to get a better price for the East Wing abatement than what the City received in its bid process. Kevin asked if there is a housing component with the East Wing. Harry stated that there would be room for potentially 15 units. Harry would like to rebid the East Wing asbestos abatement directly with an abatement contractor instead of a general contractor. The demolition of the sanctuary will take place over the months of September and October. Bennett asked if the DDA should put out an RFP for asbestos abatement to expedite redevelopment. Harry will begin to draft an RFP. John mentioned that there is also a lease agreement with Taylor Fencing that will need to be addressed.

AVALON PROJECT: Steve and Stephan were DDA reps on the Avalon Foundation Board. Someone on the board needs to serve on the Avalon Foundation Board in Steve's place. The board meets on the 1st Thursday of the month at 7:30 a.m.

Peggy would be willing to be the 2nd DDA representative. The next meeting will be on September 6th. John and Harry need to draft an MOU for the project. John emphasized that the project is a partnership between the City and the DDA and the Avalon Foundation is an investor. Stephan feels strongly that we need to clarify the relationships. Harry and Stephan will work with John and Rich as well as the Avalon Board representatives, David Durham and Mike McCormick to draft an agreement. PJ would like to have the DDA board ratify the agreement electronically.

TIF CERTIFICATION: Harry was surprised to learn that the DDA's 5 mill levy is apportioned for the TIF which is restricted for payment of debt. He feels the board needs to accrue capital funds that are less restricted in use, along with the TIF accumulation. He is talking with other DDAs, the Division of Property Taxation at DOLA, and researching local ordinances and resolutions to understand how the levy might be excluded from the TIF apportionment. He will come back to the board with results. John feels there is no current legal restriction or ordinance that requires the DDA's mill levy be subject to TIF apportionment.

TIF BONDING: The board needs to make a decision of how much we want to bond. Interest rates are as low as they have been in a while. Harry suggested bonding \$7 million constituting \$3 million for the Avalon renovation, \$3.2 million to pay back the City loan, and \$800,000 available for other projects. The \$3 million for the Avalon would be taxable and the rest is non-taxable. Harry suggested, for the future, a "pay as you go" method which accumulates TIF funds and uses a line of credit with a local bank for capital projects. There would be no interest expense and no issuance costs. The DDA could bond on the guaranteed 50% of the TIF and accumulate the other 50% for borrowing.

Jay has determined issuance costs for \$10 million or \$7 million bonds over 20 years with the first \$3 million taxable debt the first to be paid off. He is looking at term bonds of 7 years and 10 years. The current terms are favorable at or below 4.5%. There was discussion of rating, time frame and amount. Bennett suggested putting it out for bid. Rich asked if the \$7 million included funds for Las Colonias. Harry replied that the Board has not determined what role the DDA will undertake as a partner in that effort, or the nature capital projects it may pursue or participate in. It was decided that the amount the board would like to bond is \$7 million over a period not to exceed 10 years with the \$3 million taxable bond over a shorter period of time. Jay will rerun the numbers and email the results to Harry.

UPDATE: The Parks Dept. is ordering a software module in anticipation of implementing the new schedule for the operation of the splash pad. It should be in place by the end of next week.

The Assembly of God congregation has hired a new pastor and is ordering an updated appraisal of the building.

Bennett mentioned that GVT is looking at locating the Greyhound bus station next to their terminal on South Avenue.

Les asked if Steve was on any other sub committees. Harry answered that he was not.

ADJOURN: PJ made a motion to adjourn; Les seconded; the Board adjourned at 9:08 a.m.