

GRAND JUNCTION DOWNTOWN DEVELOPMENT AUTHORITY
BOARD MINUTES
THURSDAY, AUGUST 23, 2012
248 SOUTH 4TH STREET
7:30 A.M.

PRESENT: Peggy Page, Jodi Coleman-Niernberg, Les Miller, Stephan Schweissing, Jason Farrington

ABSENT: Bennett Boeschstein, PJ McGovern, Kevin Reimer

STAFF: Harry Weiss, Diane Keliher, Kathy Dirks

GUESTS: Rich Englehart, Jay Valentine, Jim Doody, Jerry Otero

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

APPROVAL OF MINUTES: Peggy made a motion to approve the minutes of the August 9th meeting; Les seconded; minutes were approved.

ELECTION OF OFFICERS: Jodi is comfortable, confident, and willing to step up to the chair position. Les is willing to be vice chair. Peggy made a motion to appoint Jodi as Chair and Les as Vice-Chair of the DDA/BID board for the remainder of the year; Jason seconded; motion carried.

TIF BOND ISSUANCE & CAPITAL FUNDING STRATEGIES: Harry prepared a spreadsheet showing TIF revenue projections and debt service scenarios. He is projecting about \$1.88 million in revenue including TIF property, specific ownership, and sales tax income. There will be \$2.77 million in the TIF fund at the end of this year. The final payment of \$3.3 million for the 2009 bond issuance is due this year, leaving the fund short \$522,738 for current obligations. After the 2009 bond issuance the DDA undertook the Uplift project utilizing a line of credit from the City with a balance due by 12/31/12 of \$3.2 million. Therefore, the current year debt repayment obligations of the DDA total \$3.7 million, and with the commitment of \$3 million for the Avalon renovation, we are looking at a minimum **\$6.7 million bond**.

Harry presented two debt service scenarios using 7 and 10 years repayment schedules. Each scenario shows how much TIF would accumulate each year after bond debt service, and what additional funds would accumulate in our operating fund due to the reduction of TIF apportionment on the DDA's 5 mill levy. Accumulating revenue in the operating fund allows the Board more flexible funding options for capital expenditures, as those funds are not TIF and thus not restricted exclusively to repayment of debt. Harry pointed out that with the new bond issuance we would be paying off past projects with future TIF. The only new project going forward is the Avalon.

The Board discussed the different financial projections for debt service. Les would like to keep the term as short as possible. Jason is concerned about future School District funding and the negotiated 50% of their TIF. Rich warned that future City Councils could decide to keep their 50% of the TIF as well. Jay suggested a 10-year bond with a 7-year call. Stephan would rather not approve a 10-year bond that would affect future DDA projects. The board agreed to pursue a **7-year term**.

WHITE HALL: The City would prefer that the DDA buy the property from them. Rich proposed using the DDA's sales tax TIF for that acquisition. Harry was concerned that the reduction in revenue would affect our bonding capacity. White Hall will cost \$150-200,000 just to take ownership, and more if we want to develop the property. If we develop the property it could generate income and would be easier to sell.

Jodi asked about the possibility of trading properties with the City. Rich felt that Council would not be interested in such an arrangement. Harry and Rich met and discussed a partial cash payment to the City with a promissory note for the remainder.

Harry would like direction from the board with regard to White Hall. Les would prefer a small amount of cash initially and a promissory note. He does not like the idea of the City taking the sales tax TIF revenue. Jay advised against adding WH to the bond – right now the bond is structured to pay off the taxable portion first and the exempt portion in later years; tying WH into the bond would have unintended consequences for a holding period and the ability to sell the property to a developer or investor. The board decided to offer the City a **cash payment along with a promissory note for the acquisition of White Hall.**

AVALON MOU: Harry has drafted an agreement. Rich, John, Stephan and Harry are still reviewing it. It has not been presented to the Avalon Theatre Foundation Board yet.

COLORADO NAT'L MONUMENT/PARK: Jerry Otero, regional director of Senator Udall's office, is here today to share information with DDA on the question of making the Colorado National Monument into a National Park. The DDA has never taken a position in the issue, but he has heard a lot from business owners who would like to see the park go forward. Jerry would like to know what board members are hearing from the community. Jodi feels it is a "no-brainer" for the community and is not sure why people are hesitant. Jerry cited two major concerns; there would be an increase in traffic (mostly international), however the National Parks Department has to make a plan for additional visitors; the other concern is that people don't want the higher profile that comes with a national park. Les asked about the Glade Park residents having access. Jerry explained that the access issue is governed by a court ruling which would be memorialized in the legislation to create a park. There would be no change in access for those residents.

The working committee looked at qualifications for a National Park designation and determined that the Colorado National Monument area is larger than a number of current National Parks. It offers a diversity of plant and wildlife, sightseeing, hiking, climbing, and pinyon forests. It would put 100 years of local advocacy and stewardship into action. The economic impact from tourism would generate millions of dollars in revenue and increase sales tax revenue to fund significant projects in the community. It would also provide stable income for Mesa County.

The designation takes an act of Congress. The DDA Board recognizes its potential as an economic driver for the area. Harry added that he feels it is supported by the downtown clientele. It increases the relationship with downtown to surrounding geography and helps with branding and marketing. Though the management and regulation of the Park would be no different than the Monument, there is a perception of increased federal regulation as a consequence of the change, and the concern for reduced quality of life. Jim Doody agreed that Mesa County is very conservative and does not usually trust the federal government. He feels we need education about what the designation would mean to the Valley.

ADJOURN: Jason made a motion to adjourn; Les seconded; the board adjourned at 9:07 am.