

MINUTES

Grand Junction Housing Authority
Board of Commissioners' Meeting
August Board Meeting

Monday, August 27, 2012
Housing Authority Offices
1011 North Tenth Street
11:30 a.m.

1. Call to Order

The regular August Grand Junction Housing Authority (GJHA) Board Meeting convened at 11:33 a.m. with Board Chair Chuck McDaniel presiding. Board Members in attendance included Scott Aker, Patti Hoff, and Tim Hudner. Staff Members included Chief Executive Officer Jody Kole, Chief Operating Officer Lori Rosendahl, and Executive Assistant Kristine Franz. GJHA Attorney Rich Krohn of Dufford, Waldeck, Milburn, and Krohn was also present.

2. Consent Calendar

With a motion by Patti, a second by Scott, and a unanimous vote, the Consent Calendar was approved which included the *Adoption of Minutes of July 23, 2012, Adoption of Minutes of August 8, 2012, Resolution No. 2012-07 Authorizing Use of Laundry Funds at Ratekin Tower to Update Resident Computer Lab, and Resolution No. 2012-08 Changing the Title of Certain of the Officers of the Authority.*

3. Approval of Resolution No. 2012-09 Adopting the Modified Personnel Policies/GJHA Employee Handbook

With the prior distribution of the July 2012 Modified Personnel Policies/GJHA Employee Handbook for Board review, Lori Rosendahl stated that most of the changes dealt with regulatory language. There were no other substantial changes. With no questions or comments, *Resolution No. 2012-09 Adopting the Modified Personnel Policies/GJHA Employee Handbook* was approved with a motion by Patti, a second by Tim, and a unanimous vote.

4. Village Park Development

Update

Prior to the Village Park Development update given by Jody Kole, she invited the group to view the display boards placed around the room illustrating the Development.

Jody reminded the group that the Village Park Residential Homeowners Association (ROA) had previously been given the opportunity for input on the exterior color choice of

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the buildings. The terra cotta color scheme was chosen for the exterior.

Approval of the Site Plan Application was given by the City of Grand Junction (City) on August 16th. Approval conditions did not include granting the requested three-quarter movement intersection, which now becomes a right in / right out turn only. The City also determined there won't be sufficient traffic to warrant spending its funds for a deceleration lane. The Grand Valley Transit System has expressed an interest for a bus pull out lane and possibly partnering to cover the cost. Rich Krohn stated that if the deceleration lane isn't installed now, the Grand Valley Water Users' Highline Irrigation structure won't have to be relocated.

Discussion ensued and included such topics as:

- GJHA investing its own funds for the deceleration lane
- Estimated costs for a deceleration lane
- Timing of a decision on the deceleration lane is critical in regards to signing both the Design/Build Team Contract with Shaw Construction Company and the Equity Investor Partnership Agreement with Enterprise
- Property grading issues
- Determining the property boundary line break between Phase I and Phase II and subsequent legal descriptions
- Additional landscaping expense on the west side of the driveway running north and south of Patterson Road.

The due diligence phase is an enormous effort and is in "full swing", supplying all necessary documents to Enterprise and negotiating a Partnership Agreement and all financial aspects of the transaction. A site visit was made on August 24th by two Enterprise representatives working on the financial analysis and appraisal. Both individuals were very favorably impressed with the Village Park Development, as well as other GJHA sites that they toured.

GHA staff remains optimistic to close the Equity Investor Partnership Agreement with Enterprise by September 20th with the groundbreaking activities scheduled for September 21st.

Note: The Equity Investor Partnership Agreement closing with Enterprise has been delayed approximately three weeks due to unexpected changes in Enterprise's schedule. The groundbreaking activities will be scheduled for a later date as well.

Request Approval of Resolution No. 2012-10 for the Design/Build Team Contract with Shaw Construction Company

Rich Krohn briefed the group on one substantial change to the previously distributed draft of the Design/Build Team Contract with Shaw Construction Company. The concept of bonus for early delivery and liquidated damages for late delivery on a per building basis has been solidified. The Schedule of Work includes delivery by building at stated dates within the total contract period. For any building delivered early there is a per diem bonus paid to Shaw for each day delivered early. On the opposite side, liquidated damages, calculated on a per building / per day basis, will be assessed for late delivery. There is no bonus or liquidated damages for delivery of the maintenance and leasing building. There will also be a charge of \$500 per day in liquidated damages for delay of final completion on a total construction basis, which is in addition to the charges for delay of substantial completion.

Jody Kole addressed the incomplete portion of Article 7 of the Draft Design/Build Contract. The total cost of preconstruction and construction phases are indicated by a blank line because obtaining pricing for labor and materials isn't quite complete by Shaw Construction.

During the meeting, additional contract exhibits were received and distributed, reflecting the preconstruction costs at \$536,768, which is the amount advanced by Shaw to get the project to this phase. The estimate of the total construction phase is \$10,251,732 and is anticipated to be lower as numbers firm.

The Board was requested to authorize signing the contract with the preconstruction figure of \$536,768 and the construction cost number as "not to exceed" \$10,251,732. This construction cost number will not be higher without further Board authorization, and the actual contract will only be signed with the actual guaranteed maximum price inserted.

As per Chuck's request, the preconstruction number of \$536,768 and the construction cost number of "not to exceed" \$10,251,732 will be incorporated into the Resolution.

A motion was made by Scott to adopt Resolution No. 2012-10 that reflects the contract language, the addition of Exhibit 5 showing early delivery bonus and late delivery liquidated damage amounts, corresponding changes to the contract, and the inclusion of the preconstruction number of \$536,768 and the construction cost number of "not to exceed" \$10,251,732. With a second by Tim, the motion passed unanimously.

Request Selection of Construction and Permanent Financing Lender

Jody stated that two lenders responded to the Request for Proposal (RFP) for Construction and Permanent Financing for the Village Park Development. Those two lenders were the Bank of Colorado and Wells Fargo Bank. Upon distribution of an internal document comparing key points, Jody noted a correction confirmed by Wells Fargo reflecting a corrected interest rate of 2.39% and 50 basis points.

Upon a lengthy review of both offers, Jody stressed that a timely decision of award is critical to keep the process moving. Rich Krohn mentioned that the contract with Shaw Construction is predicated with a Notice to Proceed to be issued by September 21st and no later than September 28th. If this time frame is missed, Shaw's contract figures potentially change; i.e.: liquidated damages and possibly construction costs.

With Board Members in agreement, Scott made a motion to accept the Bank of Colorado's loan commitment letter dated August 24, 2012 for construction and permanent loan financing and to authorize Jody Kole to sign the commitment letter. Seconded by Patti, the motion was unanimously approved.

5. Other Business

- Schedule Special Meeting for Consideration of Final Approval of Village Park Development Transactions

A special Board Meeting was scheduled for September 17th at 2:00 p.m. for a Village Park Development update and to possibly approve Village Park Development transactions.

- Schedule Groundbreaking Ceremony for Village Park Development

As noted on page two of these Minutes, the Groundbreaking event will be rescheduled for a later date.

- Schedule Meeting of Subcommittee for Incentive Compensation

The Board Incentive Compensation Subcommittee, consisting of Patti Hoff, Tim Hudner, and Chuck McDaniel, will schedule a meeting time. Jody distributed an updated Balanced Score Card, outlining progress on various measures and targets.

- Schedule Meeting of Subcommittee for Real Estate

Jody suggested that the Real Estate Subcommittee consider meeting to discuss any potential opportunities. A meeting will be scheduled at a later date via email.

- Schedule Board Workshop for Strategic Plan Update

Suggested dates for the Board Strategic Plan Update Workshop will be forwarded via email to Board Members.

Note: This Workshop will be held September 24th at 6:00 p.m. at the Linden Pointe Community Room.

6. Adjourn

With business completed, the regular August GJHA Board Meeting was adjourned at 12:45 p.m.