

DOWNTOWN DEVELOPMENT AUTHORITY
MARCH 3, 1995

Present: Mark Hermundstad, Jean Sewell, Bruce Hill, Pat Gormley, Karen Hayashi, Bill Petty, City Council Representative Linda Afman, Ex-officio Joe Skinner, Jack Kammerer, DDA Director Barbara Creasman, DDA Secretary Wendy Schade

Also present: Jody Kole, Housing Authority

Absent: Glen Dennis, Chris Launer, Legal Counsel Kathleen Killian

CALL TO ORDER

The meeting was called to order by Mark Hermundstad at 7:30 a.m.

MINUTES

Pat asked that the words "Avalon needs stabilization" and "also" be deleted. The Avalon is currently stable. However, for purposes of writing a grant, there may be mention of a new roof, which will be necessary in the next couple years.

Also noted was adjournment at 8:58 a.m., not 9:58 a.m.

With the above corrections, Jean made a motioned to accept the minutes. Bruce second. Approved.

FINANCIAL REPORT

No tax revenue was generated in January, which is normal. The \$400 received for interest was really 1994 revenue and will probably be adjusted accordingly. Pat motioned to accept the report. Approved.

PROPOSED COMPUTER PURCHASE

Although the purchase of new computers had been talked about for several years, it has been put off. The office is now at the point that changes must be made. The computers are dying.

Considerable research has been done and professional opinions have been sought from Cortez Economic Development Council, MCEDC, and Norwest Bank.

The proposed bid would include three computer stations with E-mail capability.

When the 1995 bonds were issued, computers were included in the budget. However, we have put off the purchase until now. Barbara met with Karen and Chris (Finance Committee) last week. Discussions included looking at five year financial scenarios to determine how this purchase will affect our overall budget. The "worst case" includes the loss of income if the rental properties on Colorado are torn down, and a possible loss in EZ grant funding. (Fruita is requesting part of the state EZ marketing money).

The only additional revenue is the contract with the Avalon, which begins this year, for \$6,000. Even with \$10,000 being spent on computers, there will still be a positive cash flow under our normal scenario and sufficient fund balance under the "worst case" scenario.

Both Chris and Karen felt comfortable with the cost of the computers and DDA's ability to afford them. Karen made the motion to purchase the computers. Pat second. Approved.

HOUSING AUTHORITY PROJECT - Jody Kole

The DDA and Housing Authority work jointly on the Downtown Housing Effort. Affordable housing is becoming more of an issue in this community. There have been no multidevelopment projects since 1983. The Housing Authority is currently proposing such a project.

A housing project has to be near businesses and schools. After looking at over 50 properties, a site in Orchard Mesa was chosen immediately east of Duck Pond Park. Currently there are eight apartments on this location, four one bedroom and four two bedroom apartments. When the project is completed, there will be forty units. Income guidelines will not be based on HUD guidelines entirely, but considered affordable based on income guidelines worked out with CHAFA.

Total cost is \$3.7 million. \$500,000 of this will be paid to the Housing Authority, who will be acting as the developer. \$200/unit/year will be allowed for repairs.

In May the state will have \$1.3 million to allocate. It is hoped that the necessary funding will be granted. In January, the project was turned down.

If the project makes money, the funds available will go back into the community.

It will be necessary to have one year of operating expenses in reserves and money will be allocated for relocation costs for those currently living in the project who won't qualify. Only working people, earning from minimum wage to \$9.25/hr., can qualify.

In order to get state money, there must be a local match. The project will have a 30 year mortgage.

Housing Authority was told by City Council to go back to the school district to discuss student impact. The impact will be on Columbine Elementary. Orchard Mesa people don't oppose the project, but they are concerned.

50% of Orchard Mesa residents are currently renters. Don't really want another rental property.

At first, it was thought that the project would not be paying property taxes (50% of property taxes goes to the schools). However, this has since been clarified. Because this will be a limited partnership rather than the Housing Authority, \$12,000 has been budgeted for property taxes.

There has never been a tax credit project in Mesa County. Jody has consulted a legal expert, Callison, out of Denver, concerning use of tax credits.

DDA INCLUSIONS

Farmers Insurance - George Tracy, 845 Grand

Colorado Stamp & Seal, 112 Ouray, contingent upon one other adjacent property coming into the DDA.

Pat motioned to include both in DDA subject to contingency. Bill second. It was approved.

Barbara noted that the goal of the DDA has not been to extend to North Avenue. Pat asked when these goals can be revisited. Will discuss overall goals at a subsequent board meeting.

The city attorney says we do not need to amend the Plan of Development to include these properties. Legal description can be current legal, plus legals of new properties.

Bill made a motion to approve the DDA resolution contingent upon approval from our attorney and city attorney. Jean second. Approved. Mark will wait to sign after both attorneys look at the document.

MARKETING CONSULTANT UPDATE

Pat, Mark and Barbara met with Jean Townsend and Arnold Ray, who presented a phased approach to the marketing/development project.

Linda noted that City Council is encouraging the plan to go forward to identify best project for the 200 block (property already acquired around Two Rivers - south and east - "L" shaped). It doesn't necessarily have to be one project.

The DDA has committed \$20,000 in TIF funds, and will request \$20,000 in match from the City Council. Pat motioned to approve subject to City Council commitment. Bruce second. Carried. Linda abstained.

Barbara will write summary memo requesting the city to match the \$20,000 DDA is providing.

IDA CONFERENCE DISCUSSION

Cultural

Mark, Jean, and Pat attended this conference in Denver last weekend.

Jean was impressed with the tour of the performing arts facility. They explained the important of all the arts and cultural groups pulling together. That's why the cultural tax passed in Denver. Those who were already supporting the arts did not stop funding or cut back. The Cultural District was not to replace any existing funds.

Eleven percent of the people support the arts in the Denver/-Metro area. It is important to work to draw in the other 89%. The best way to build an audience long term is by always offering one free performance and reaching out to children.

Housing

Denver passed Chapter 61, an amendment to their building code, allowing variance to building codes to address older buildings. We should get a copy of this.

At one of our workshops before mid year, it would be nice to look at existing space available, noting how many upstairs units there are. The goal is to bring housing Downtown.

Pat has three buildings that have the potential. He suggested taking time to look at upstairs properties. It was noted that the upstairs properties in Denver's historical district sold better than those outside of the boundaries.

In order for units to qualify for EZ rehab credit, it would be necessary for these units to be converted into condominium units so that the downstairs was a separate unit. The only other way to qualify would be for the downstairs units to have also been vacant for the past two years.

DIRECTOR'S REPORT

The Avalon decided not to apply for a historic preservation grant for the March 1 deadline, but plans to apply in the fall, since details of the current construction project have not been completely determined.

DDA is the applicant/sponsor for the Depot. Some confusion arose when Jim Leany prepared a second grant application and listed the Museum as applicant. Barbara is in favor of doing the project, but told Jim he needed to communicate better with the DDA. Barbara would like him to make a presentation at an upcoming board meeting.

This second request for \$100,000 is to complete the rest of exterior of the Depot. The first was for the roof.

After speaking with Jon Schler, Barbara signed off on local government sponsorship in order to make the deadline but let Jim and State know that we would need final board approval.

Pat made a motion to ratify Barbara's signing and stated that the DDA should continue to be the applicant. Bill second. Approved.

The letter from the state regarding funding of the 5th Street Project should be out by March 7.

Barbara has signed the Historical Grant application for the Regis.

Linda would like a report on the banner project at the next workshop. She would like Grand Avenue to be the kick off.

ADJOURN

Meeting was adjourned at 9:00 a.m. Workshop is scheduled for March 17.