

DOWNTOWN DEVELOPMENT AUTHORITY
Fall Planning Session
September 15, 1994

Present: Jean Sewell, Mark Hermundstad, Glen Dennis, Joe Skinner, Karen Hayashi, Chris Launer, Bill Petty, Pat Gormley, Bruce Hill, Mayor R.T. Mantlo, Downtown Association Representative Jack Kammerer, DDA Director Barbara Creasman, DDA Secretary Wendy Schade

Absent: Kathleen Killian, DDA Counsel; Linda Afman, City Counsel.

CALL TO ORDER

The meeting was called to order at 4:00 p.m. by Chairman Mark Hermundstad.

REVIEW OF AGENDA

Mark reviewed the agenda.

COMMITTEE APPOINTMENTS

The following committees were confirmed:

- **Executive Committee**
Mark Hermundstad - Chairman
Jean Sewell
Bill Petty
- **Market Feasibility**
Pat Gormley - Chairman
Karen Hayashi
Linda Afman
- **Redevelopment**
Bruce Hill - Chairman
Glen Dennis
Joe Skinner
- **Finance**
Chris Launer - Chairman
Jack Kammerer
Karen Hayaski

Bruce questioned whether the Redevelopment Committee had a defined purpose or whether the Market Feasibility Committee would already have taken care of redevelopment issues. Executive Committee will further discuss the role and goals for each committee.

Mark should be invited to the initial meeting of each committee.

BACKGROUND

History, Mission, Goals

Barbara gave a brief overview. DDA and TIF were established by voter approval/strong private sector initiative.

Handout was included in packets. (copy attached)

Financial Support

- General Operating Barbara gave brief overview of 5 mil levy - information was included in packets.
- TIF was discussed in depth by Joe Skinner.

Urban Renewal Authorities are different from DDA's in that they can create their own bonds and condemn properties.

Determining Increment

For the TIF district, the base is what a given property was worth in 1981, when the tax increment district was established. Taxes for year #1 are determined by multiplying the base x mil levy. The taxes on the base are divided amongst all the tax entities--city, county, school district, DDA. Basic administrative funds come from this base.

A property that increased in value from \$100,000 to \$120,000, would have an increment of \$20,000. Taxes for year #2 would be determined as follows: (Base + increment) x mil levy.

This increment is to pay off indebtedness on bonds. The theory is that if bond money is used in the district for public improvements (alleys, removal of blight, etc.), then private money will flow in and property values Downtown will increase. A conservative approach has worked well in Grand Junction, but it is possible to abuse the increment.

Since properties have different values, it is important to look at the aggregate in the district to determine the increment. If the value decreases below the base level, the bonds don't get paid. In Grand Junction the total value has never gone below the base. Even during the mid 80s, there was never a default on any bond payments.

A difficult issue is determining what happens when you have a reassessment year. The previous years assessment is suppose to be proportionately adjusted according to the new assessment. However, no proportion is specified. County Assessor is now comfortable at calculating each property separately to determine if there is an increment. Tax increments is also affected by other taxing entities, and taxes for specific ownership and utilities.

In 1981 bond anticipation notes were sold. These were paid off in 1986 by the first bond issue of \$666,000. A second bond issue in 1990 was for \$1.3 m. A third bond issue would not require voter approval.

In order to spend more money, will have to do another bond issue. Given current revenue, DDA could do \$2 m but because of what we still owe, would only have \$1 million to spend.

1997 could do \$2 - 2.5 m. Net would be more. With a major project, could easily be \$3 m or more.

In 2007, the 25 year voter approval runs out. Beyond 2007, have to go back to the voters. Could have overlapping TIF districts if approved by the voters. We can have more than one TIF district within DDA.

Statutes require that the school district must be consulted. In the past, they have been supportive of our decisions.

Three years ago a form was developed that theoretically all assessors at the state level are to use.

- 1) Assessor will never have the staff to go out to every property.
- 2) Never kept records of what the base was.

DDA went back and made fairly good estimates of what the base was. However, some properties have two or three bases, if additions were built.

Not all properties in DDA are in the TIF district. A property owner must sign a petition in order to be considered for inclusion.

Basically all of the \$2 m set aside for capital improvements has been spent. Remaining is:

- \$100,000 allotted for Avalon.
- Approximately \$85,000 for administration.
- Additional \$30,000 for projects.

Several businesses that are currently renting on Main Street would like to purchase property. This would be advantageous for Downtown, since better care would then be taken.

Including properties into the DDA is a long process, since it usually requires talking to property owners on an individual bases. Owners need to feel like the extra tax is an investment. TIF money can't be used to benefit their property unless it is in the DDA district. (You can't be in TIF without being in DDA.) DDA continues to pursue two key properties.

The north side of the 800 block of Grand is in the district except for 2 lots; south side is not.

In order to be included, property considered must be adjacent to a property already in the district. Any point counts. Updated maps will be needed in order for properties to be discussed at a future workshop.

Base starts when a property comes into the district. Inclusions require DDA and City Council approval.

If city or county lowers their mil levy, it affects us negatively.

Originally, \$300,000 in TIF was committed to the Museum. Although this offer was withdrawn, over \$5,000 has been spent to help with a feasibility study and establishing a downtown location.

REVIEW OF PROJECTS - Barbara Creasman

Major Projects Accomplished

Handout listing various projects.

It took three years for the DDA to purchase all the properties necessary for a major anchor project.

Over \$700,000 has been raised for the Avalon, plus three properties have been purchased for future parking.

Art On The Corner had only one piece of permanent art in 1989. Today this has increased to 20.

It took 30 years to complete the public restrooms, which were part of Operation Foresight.

In 1980, there was only a 50% occupancy rate Downtown; today it's 95%.

With increased membership, the Downtown Association is today more visible. Special events contribute to this with DDA staff helping to organize and coordinate.

REVIEW OF 94 PROJECTS/ACTIVITIES

Handout listed these activities. (copy attached)

STAFF TIME ALLOTTED

DDA staff has been tracking hours spent on projects since the beginning of the year, so that the Board better understands the work-load by project. Last year would look different because a lot of work was done on the office project. The first six months were just a beginning. The format is currently being updated. Want documentation to be as accurate as possible, but do not want staff spending a lot of time filling out the forms.

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DDA GENERAL	TIF	DTA	AVALON	AOTC	EZ	NEWS	OTHER	TOTAL
811	487	1,067	625	339	319	259	201	4,007
20%	12%	27%	16%	8%	5%	6%	5%	100%

Avalon is a TIF project. Combined hours = 1112 or 28%.

28% of total personnel costs = \$27,440.

Art On The Corner is also TIF project, if included = 36% of total.

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Status of Staff:

- As non-exempt employees, Wendy and Alice have to be compensated for overtime. Since policy is not to pay time and a half, it is important that additional time off is taken when too many hours are accumulated.
- As an exempt employee, Barbara only accumulates paid time off and does not receive compensation for more than 40 hours in a given week.

REVIEW OF 95 PROJECTS/ACTIVITIES

Handouts listed items to be discussed later. (copy attached)

LONG-TERM PROJECT PRIORITIES

New City Hall - There is an increasing need. DDA would like for City Hall to remain Downtown. R.T. felt sure it would.

Two-Rivers Use/Remodel - Continued use important. Two-Rivers originally planned with hotel next to it. Downtown merchants don't want convention center by the airport. Two-Rivers needs certain improvements to function for specific convention formats.

County Courthouse/County CIP & Facilities Plan - Would like to invite Mike Casey to a meeting to follow-up on plans for county facilities downtown and hear county's plans for capital projects.

Reuse of old Mt. Bell - Ed Chamberlin owns this building. Major build still vacant.

Reuse of Mesa Theatre - Major building still vacant.

Doo Zoo - Possible relocation when three year lease runs out.

Botanical Society - New gardens on Riverfront/South 7th Street.

Arts Incubator

Loan Pool/Historic District - Loan Pool could be used for renovation projects. May have opportunity with Historic Preservation.

Coordination of Schools/Day Care Program - Cities the size of Grand Junction or smaller benefit from children participating in their community. Vandalism rates decrease when kids feel they are part of the community. Work is being done with Partners and the Resource Center.

1995 PRIORITIES

Redevelopment

The goal of the market analysis is to secure a project. The economy looks sound for the next two years. Need to secure something when opportunity exists.

Avalon

Because of successful fund-raising, we are actually raising funds for the third phase remodel. This has a separate budget of \$300,000 for lowering of the stage, upgrade of the grid, and obtaining equipment.

Need to negotiate with Enstroms and others regarding additional parking available to Avalon patrons during off-hours. Would prefer that properties would not be chained off and inaccessible when businesses are not operating.

Museum

Staff and office will be more involved with fund-raising and working with Downtown merchants. Will take a lot of time over the next few months.

If \$3 m is in the DDA capital budget, Museum should be allotted at least \$250,000. City has acquired the east end of block at 6th & Ute. Museum has option on remaining lots. If needed, DDA fund could go for Museum parking.

5th Street Corridor

State highway plans reconstruction of viaduct, 95/96. The City will submit a grant application to assist with funding the additional section from South to Grand.

Program Issues

- 1) 3rd & Main is currently used for parking, but is eventually planned for redevelopment.

City owns three lots. Three additional lots are leased from Ralph Schmidt. City has first right of refusal.

- 2) Parking fund/computerized model

Three quarters of the parking fund goes to administrative fees. This is money we had hoped would be available for parking redevelopment to remove houses, etc. Would like to consider removing meters and increase fines. Analysis has not yet been completed. Would like somebody from the City who manages this fund to come to DDA meeting to make sure we understand financials.

PLANNING MEETING WITH CITY COUNCIL

Generally a month after this retreat, DDA presents project priorities to City Council. Greatest concern is administrative budget. Should look at the end of October or the first of November. Bring some dates to next meeting.

Concerning the issue of TIF administration, it would be helpful to meet with City Council on an individual basis, since not all questions are answered when a larger group gets together. Would like the Executive Committee to prepare an outline, so all City Council members would receive the same briefing.

ADJOURNMENT

Meeting was adjourned at 7:10 p.m.