

GRAND JUNCTION DOWNTOWN DEVELOPMENT AUTHORITY
BOARD MINUTES
THURSDAY, JANUARY 24, 2013
248 SOUTH 4TH STREET
7:30 A.M.

PRESENT: PJ McGovern, Kevin Reimer, Jodi Coleman-Niernberg, Bennett Boeschstein, Les Miller, Jason Farrington

ABSENT: Stephan Schweissing, Peggy Page

STAFF: Harry Weiss, Diane Keliher

GUESTS: Rich Englehart, John Shaver, Marty Chazen

CALL TO ORDER: Jodi called the meeting to order at 7:35 a.m.

APPROVAL OF MINUTES: Jason made a motion to approve the minutes of the January 10th meeting; Les seconded; minutes were approved.

RESOLUTION 2013-01: The Mesa County Central Library has asked the DDA for \$180,000 to facilitate their expansion. This resolution restates the relationship between the DDA, the library and the catalyst project and is specific about the source of the funds. Bennett asked if the site plan was still the same with regard to the parking on 6th Street. Harry explained that the DDA's investment is directed to the improvements along Grand Avenue and at the corner of 5th Street; the improvements to the 6th Street frontage are the target of a CDBG grant from the City, and to Harry's knowledge the site plan has not changed from what was approved for that grant. Les made a motion to adopt resolution 2013-01; Bennett seconded; PJ is opposed; motion carried.

FY 2012 REVIEW: Harry presented the end year financial reports and fund balances. He noted that there are some journal entries that have yet to be entered in the 203 fund – these are adjustments typically made during the first quarter by the Finance Department.

The 103 fund, which is the DDA's operating fund, has a fund balance of \$572,539, of which \$136,000 is restricted for the Legends project, and leaving an unrestricted fund balance of \$436,000. The fund balance was drawn down by \$48,000 in 2012. 103 revenues comprise the 5 mill levy of property tax (\$185,000), specific ownership tax revenue (\$37,500), parking revenue (\$30,000), miscellaneous revenues (\$5,000), and donations received for the Legends program (\$85,000). On the expense side, this is the fund which pays for our seasonal part time employee, Chuck Nelson, though in prior years that labor expense has not been accurately budgeted. The 2013 budget fully captures this labor burden. In 2013 we will also see an increase in the property tax revenue deriving from the 5 mill levy; in past years the 5 mill levy was subject to the TIF allocation at the 100% rate which is reduced to 50% in 2013.

The 109 fund is where the tax increment revenues are held. Neither the specific ownership TIF nor the sales tax TIF has been journaled into this account as yet. Kevin asked for a summary of the DDA's new debt service. Harry said that the 2013 TIF revenue is projected to be \$2 million and our debt service payment is \$950,000. The DDA will accumulate \$1 million of TIF money next year, a portion of which will be escrowed for a debt service reserve, and the remainder available to borrow against. This is where the use of a line of credit from a local bank will achieve greater flexibility and more cost effective access to capital in the future. PJ asked about the line of credit and statute requirements.

The 203 CIP fund holds the DDA's primary working capital and is where the proceeds of the \$7 million bond funded in Dec 2012 were deposited. Immediately upon receipt of the bond proceeds, the account was debited for repayment of the City's construction loan for the Uplift Project and the partial refinance of the 2009 bond payoff. Approximately \$2.6 million of the funds remaining are dedicated to the Avalon renovation project, leaving a balance of about \$400,000 for other capital projects. The funds in this account are a mix of bond proceeds conditioned by the bond covenant and the

DDA Electors' ballot authorization for debt issuance, and some capital recovered from previous projects (e.g. sale of the Schiesswohl Bldg) that is unrestricted as to use.

PJ asked about the salary and benefits for the new BID marketing position, as well as the \$27,500 donation in lieu of taxes to the BID. The Board deferred the discussion of those items to the ensuing BID meeting. PJ noted that our lease for the Whitman School and the associated utility and maintenance burdens were a significant overhead expense, and suggested that we again investigate relocating our office to a more economical location. In previous discussions the Museum has expressed interest in the DDA master leasing the building and subletting to other. Bennett expressed concern that should the DDA vacate the premises, we should try to help reposition the property for another use that would be compatible with its historic character and significance.

UPDATES:

Façade Grants: The Trophy Case received \$10,000 for their façade upgrade. There is an application in process for the Reed Building to make a new access on the 4th Street side of the building. Suehiro's is making a proposal for their building soon. Talley's updated the front of their building.

Value Lodge: Harry has been talking with various housing developers about the opportunity that may exist to convert the old Value Lodge Motel for downtown apartments. Jodi Cole with the GJHA is looking at it as a possibility for affordable housing.

Greyhound: A decision will be made on Monday whether or not to pursue the capital grant for the proposed combined hub facility for Greyhound and GVT. Les will attend this meeting to represent the DDA. City Council and the DDA have both made it clear that they are in favor of the project. Mesa County Commissioners will make the final decision.

Harry met with *Rose Pugliese*, newly elected County Commissioner, to explain the DDA's mission and future vision.

The owners of the *Brady property* have talked about the possibility of a land exchange with the City. One of the three parcels they have assembled is located within the DDA district. Harry has spoken with the City about the possibility that the DDA could be a resource in their discussions provided there was a clear mission-driven objective and a reasonable financial context. Bennett encouraged the exploration of an exchange and the potential participation of the DDA.

The Avalon Theatre Foundation Board made their presentation to City Council. Council has authorized the preparation of bid documents to go out at the end of February, with bid opening on March 26. The earliest date for Council to consider awarding a construction contract would be April 3 which is now a critical deadline for Foundation fundraising. Harry and Trent Prall have itemized a rather lengthy list of easements and agreements concerning the DDA's parking lot behind the Avalon that would be necessary for construction staging and access. PJ was concerned about the cost of the modifying the parking lot and the potential to trigger zoning and parking requirements. Harry said any expense would not come out of the DDA's pocket, and it was his preference that the DDA and the City pursue a transfer of ownership of the lot, rather than a needlessly complex set of easements.

Harry attended a meeting with *Senator Udall* regarding the National Park designation for the Colorado National Monument. Support must come from the community before the Senator will begin a legislative process. Bennett said the Council will make a resolution supporting the park. The DTA also passed a resolution in support. Harry will put it on the agenda to discuss at the retreat.

The date for the *DDA/BID/DTA Retreat* will be determined later today or tomorrow. Harry would like to adjust the DDA meeting schedule for February. He would like to move the regularly scheduled DDA meeting on the 14th to the 7th and have the retreat the week of the 21st instead of the second DDA meeting scheduled for the 28th.

The *White Hall* demolition permit and variance was denied by the State. The City is conducting additional testing the State has requested.

ADJOURN: Les made a motion to adjourn; PJ seconded; the board adjourned at 8:45 a.m.