

GRAND JUNCTION DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
THURSDAY, MARCH 16, 2023
750 MAIN GROWL CONFERENCE ROOM & VITRUAL OPTION
8:00 AM

DDA Board Members present: Cole Hanson (Chair), Libby Olson (Vice-Chair), Steven Boyd, Dan Meyer (via zoom), Maria Rainsdon (via zoom), Doug Simons Jr., Vance Wagner, City Council Representative Abe Herman

DDA Board Members absent: Garrett Portra

Downtown Grand Junction staff present: Brandon Stam, Dave Goe, Kyra Seppie, Vonda Bauer, Sarah Dishong (via zoom)

City of Grand Junction staff present: City Attorney John Shaver

Guests: Headwaters Housing Partners Team-Adam Roy (Project Engineer), Grady Lenkin

CALL TO ORDER: Cole called the meeting to order at 7:48 a.m.

CONSENT AGENDA

Approval of Minutes:

Meeting of February 9, 2023

Abe made a motion to approve the minutes of the February 9, 2023, Downtown Development Authority Board meeting. Doug seconded the motion. The motion was approved.

REGULAR AGENDA

SPACE TO CREATE PROJECT UPDATE

Brandon explained that the former Greyhound bus station property located at 230 S 5th Street was purchased by the Downtown Development Authority (DDA) in April 2021 for future development. The DDA issued a Request for Proposal in June 2021 for the redevelopment of the property. Two submissions were received including one from Headwater Housing Partners LLC (HHP). Neither applicant was selected at that time. The DDA reissued another Request for Proposal in August 2021. HHP was the only applicant to submit a proposal and was selected as the Developer for the project.

The original proposal was for a mixed-use residential redevelopment project known as The Terminal. There was an opportunity to apply for the Space to Create Program through Colorado Creative Industries. A verbal agreement to move forward and help pursue funding for the Space to Create Program was made between the DDA and HHP. A Memorandum of Understanding was created to outline the partnership between the two entities. The DDA provided funding for a preliminary market study and additional environmental studies to meet eligibility requirements for HUD financing for the project.

After the project was approved as an official Space to Create project, Art Space Projects, Inc. was hired to provide a market survey and a preliminary feasibility study. This was required to unlock the Colorado Space to Create S2C grant, through the Boettcher Foundation, for funding of \$250k for predevelopment costs. A bridge loan of \$500k was also requested through the Boettcher Foundation and is pending approval. In addition, a potential funding source became available through the Colorado Community Revitalization Grant for \$3.2 million. The funding has been earmarked for the project; however, to be eligible for this funding, the project must get to “shovel ready” by this fall.

Adam Roy and Grady Lenkin provided an update on each phase of The Terminal project. The project consists of three phases. Phase 1 is the project concept and validation, Phase 2 is Pre-Development, and Phase 3 is Construction and Stabilization.

Phase 1 has been completed; therefore, the project is transitioning into the predevelopment phase. The next step is to submit the Colorado Community Revitalization Grant application for funding for \$3.2 million to Colorado Creative Industries (CCI) and OEDIT for review and approval by the CCI board and Economic Development committee. If approved, funding will become available to move forward with further design, engineering, permitting, and leading to construction. Adam explained the early funding commitments for the project.

The concept of the project remains the same as the original proposal. There will be 50-75 multifamily residential units with a portion of the units being restricted to at least 80% of area median income (AMI). The second level will include an artist studio and exhibition spaces to support local artists and residents. The ground level of the property will be revitalized with commercial spaces and a mixed-use component.

Doug thanked HHP for the work they have put into the project thus far.

A Letter of Intent (LOI) between Headwaters Housing Partners, LLC and the Grand Junction Downtown Development Authority for The Terminal Project predevelopment phase was previously sent to the Board for review.

In the LOI under, Section 4E: Mutual Understandings, Roles, and Responsibilities, Board Members had concerns with the language regarding HHP's role as a fee-for service Development Manager if they are unable to participate in the project as a private equity investor/and or majority owner. In addition, the LOI states that an exit fee would be established between the DDA and HHP following successful procurement of the Colorado Community Revitalization Grant. Board Members indicated that the exit fee should be established before approval of the LOI.

EXECUTIVE SESSION

Cole moved to go into Executive session to discuss matters that may be subject to negotiations; developing strategy for negotiations; and/or instructing negotiators pursuant to Colorado Revised Statutes Sections 24-6-402 (4) (e) (I) of Colorado's open meetings law relative to an agreement with Headwaters Housing for a possible redevelopment/development project located at 230 South 5th Street, Grand Junction Colorado. Libby seconded the motion. Motion passed.

The Board convened into Executive Session at 8:30 a.m. Board members present were Cole Hanson (Chair), Libby Olson (Vice-Chair), Steven Boyd, Dan Meyer (via zoom), Maria Rainsdon (via zoom), Doug Simons Jr., Vance Wagner, and City Council Representative Abe Herman. Garrett Portra did not attend the Executive Session meeting. Others present were Downtown Grand Junction Executive Director Brandon Stam and City Attorney John Shaver.

The executive session concluded at 9:06 a.m. and the Board reconvened into open session.

Cole made a motion to approve Brandon to pursue negotiations based on a fee-based structure with Headwaters Housing Partners and to add a special meeting at a time to be determined within the next 3 weeks. Abe seconded the motion. The motion passed.

OTHER BUSINESS

Brandon explained that Colorado Senate Bill 23-175 Financing of Downtown Development Authority Projects has been introduced in the Senate. Janice Rich and Rick Taggart are bill sponsors.

UPDATES

None

PUBLIC COMMENTS

None

ADJOURN

There being no further business, Libby made a motion to adjourn. Doug seconded the motion. The meeting adjourned at 9:12 a.m.