GRAND JUNCTION CITY COUNCIL AND GRAND JUNCTION DOWNTOWN DEVELOPMENT AUTHORITY
JOINT WORKSHOP SUMMARY
THURSDAY, JUNE 27, 2024
CITY HALL AUDITORIUM, 250 N 5TH STREET
7:30 AM

Downtown Development Authority Board Members present: Chairman Cole Hanson, Vice-Chair Libby Olson, Board members Steven Boyd, Garrett Portra, Cris Silverberg, Doug Simons Jr, Vance Wagner, City Council Representative Abe Herman

Faith Rodriquez, future board member, was also present at the meeting.

Downtown Development Authority Board Members absent: Maria Rainsdon

Downtown Grand Junction staff present: Brandon Stam, Dave Goe, Vonda Bauer

City Councilmembers present: Mayor Abe Herman, Mayor Pro Tem Randall Reitz, Councilmembers Scott Beilfuss, Cody Kennedy, Jason Nguyen, Dennis Simpson, Anna Stout

City of Grand Junction Staff present: Interim City Manager Andrea Phillips, City Attorney John Shaver, Community Development Director Tamra Allen

CALL TO ORDER: The Workshop convened at 7:36 a.m.

DISCUSSION TOPICS

TIF EXTENSION

Brandon discussed the current status and recent developments concerning the Tax Increment Financing (TIF) legislation. He mentioned that Grand Junction, Fort Collins, and Longmont Downtown Development Authorities (DDAs) are the oldest in Colorado. Initially, the TIF legislation stipulated that after 2032, these DDAs would no longer have access to TIF. However, recent legislation passed last year allows TIF to be extended in 20-year increments. Both Longmont and Fort Collins City Councils have already extended their TIF's.

The purpose of today's discussion is to seek an extension that would enable planning for future projects. Currently, budgeting is only possible through 2032. The DDA plans to bring on a financial advisor to assist with financial forecasting, working in partnership with the city finance director. This extension offers the DDA and the City an important financial tool for planning. The new legislation mainly focusses on this extension and includes adding a county commissioner and school board representative starting in 2032.

City Attorney John Shaver provided some history on the TIF extensions. This is the second extension: the initial TIF was followed by a mid-2000s extension, which introduced a 50% option for the taxing district. After that extension expired, a second extension was implemented. The current legislation extends the TIF without introducing any significant changes like the previous 50% option.

Mayor Abe Herman explained that the first reading for the TIF Extension occurred at the previous City Council meeting. The next meeting will potentially involve the final adoption. The Downtown

Development Authority wanted to provide City Councilmembers an opportunity for discussion before making the final decision.

THE TERMINAL ROJECT

Brandon provided an extensive overview of the Terminal Project's history and progress. The key points were:

- **Project Background**: The Downtown Development Authority (DDA) purchased the former Greyhound building at 230 S 5th St. in spring 2021.
- **Request for Qualifications (RFQs)**: Multiple RFQs were issued in summer 2021, with Headwaters Housing Partners (HHP) submitting the only viable proposals. DDA proceeded with HHP in fall 2021.
- **Creative Industries Influence:** Margaret Hunt, the Creative Industries Director, directed the DDA to the Space to Create program. Despite initial obstacles, the project proceeded with guidance from the nonprofit developer Art Space.
- **Funding and Grants:**
    - DDA received $250K from the Boettcher Foundation and $25K from Western Colorado Community Foundation (WCCF).
    - Awarded a $3.2 million grant from OEDIT in fall 2022, and a $1.3 million grant from Strong Communities Program via DOLA, totaling $4.5 million.
    - Potentially request the City waive impact fees totaling approximately $800,000.
- **Project Development:** The deteriorated Greyhound building will be replaced with a six-story building:
    - 1st Floor: Art space and commercial use.
    - Floors 2-6: Residential units, including 30 workforce units with 80%-120% AMI required by the State, and outdoor seating areas.
    - Design: Reoriented towards Colorado Avenue to create a vibrant pedestrian zone, incorporating landscape development, lighting, and a food and beverage concept.
    - Skybridge connecting the building and lot on Colorado Avenue.
- **Financial and Development Plans:** Next phase includes a Development Agreement with HHP, securing capital partners, securing HUD financing, and coordinating with the city finance department.
- **Parking:**
    - Explore parking options:
        - City owned parking lot east of the project site.
        - City owned dirt parking lot by Ute Ave & 7th Streets.
        - Other underutilized parking lots.
- **Community Impact:**
    - The project aims to revitalize the area around Whitman Park, support pedestrian activity, and align with the Space to Create program.
    - Consultant Louise Martorano, Executive Director of RedLine Contemporary Art Center, was hired to provide input on developing a vibrant art space concept. One of the key elements she recommended was to provide flexibility in the space.

Brandon also noted that the State prefers the City and DDA coordinate on determining who would be responsible for repaying the debt if the projected doesn't proceed. In a previous DDA board meeting, members discussed allocating funds in the budget for the project, which is linked to TIF and increases financial capacity for future earmarking. If the project fails, the DDA would be responsible for repaying

the funds. An Intergovernmental Agreement (IGA) between the City and the DDA would ensure the City would not be liable. There is still uncertainty regarding ownership, with plans for HHP to be the private owner and the DDA managing the art space through a long-term lease or condo arrangement.

Overall, the discussion was intended to update the council on the project's progress and associated grants, ensuring transparency and coordination with the city.

Councilmembers asked about building ownership, capital partners, increasing workforce housing units, and the City's financial risk of co-signing on grants, as well as if there will be a financial request for the Terminal project. They discussed drafting a resolution and establishing an intergovernmental agreement (IGA). The consensus was for John to draft a resolution authorizing the city manager to sign the grant agreement and to prepare an IGA between the City and the DDA once more details are available. The resolution would be brought back to City Council for approval, and the IGA would be approved and signed by both the City Council and the DDA Board.

DOS RIOS

Interim City Manager Andrea Phillips explained that the Dos Rios project is a major riverfront initiative with substantial investment over the years. The Confluence Project, a mixed group of nonprofit entities, is planning a headquarters building there, and the first phase of the Crawford Row Townhomes Project, consisting of 14 units, is nearly sold out, with further phases and a commercial marketplace planned. Partnering with May Riegler Properties, they've invested in public infrastructure, including parkland, trails, amenities, landscaping, sidewalks, and roads. Although May Riegler Properties have been actively seeking buyers and pushing development, progress has been slower than anticipated, raising concerns regarding the debt repayment. The finance team is closely monitoring the situation and will keep the council informed. She stated that the DDA has pledged funds through 2023 and hopes for a continued pledge if there is a TIF renewal and potential refinancing.

Additionally, Andrea mentioned that the DDA would likely request a waiver for impact fees for The Terminal Project. She suggested that, to alleviate budget concerns, payment of these fees could be deferred until the certificate of occupancy (CO) is issued in 2027. In addition, there will likely be a request from the Confluence Center to waive impact fees and a request for some form of financial participation in the property to cover the difference. Waiving these fees would require the City to cover the costs to maintain funding for related purposes.

City Attorney John Shaver reminded everyone of the relationship between the DDA and the Dos Rios project. The DDA has pledged TIF revenue through 2032 to help offset some of the project's debt service, which is why the DDA is involved. The project area is within the DDA district and aligns with the DDA's goals of eliminating slum and blight and enhancing the downtown area.

There may be a future request from the developer to refinance the existing debt, especially with the potential TIF extension. Although Mr. Shaver has been in touch with May Riegler Properties' attorney, details on the refinancing are still pending, expected by the end of July. The General Improvement District (GID) Board, composed of the city council, is responsible for the debt and will review the specifics in the fall.

Brandon mentioned the importance of completing projects already in progress and timing them effectively. He noted that some projects could have a greater impact and catalyze further development. He expressed concerns about the coordination between Las Colonias and Dos Rios, both launched

around the same time, and their relationship to downtown. He stressed the need to avoid undermining the existing downtown retail and restaurant scene, which predominantly features locally owned businesses. Brandon highlighted the importance of ensuring that new developments, like those on the riverfront, have distinct identities and complement downtown.

City councilmembers offered their feedback and recognized Andrea's efforts in managing and prioritizing funding requests. They suggested a consolidated list of these requests would provide a clearer understanding of the City's financial implications. It was also noted that Dos Rios is expected to generate significant revenue for the DDA. The City inquired whether, if the TIF renewal is approved, the DDA would be willing to allocate those revenues beyond 2032 to repay the debt and commit to this arrangement moving forward.

DDA board members expressed their concerns about the slow progress of the Dos Rios project and questioned why the developer might seek to refinance the existing debt due to the high interest rates. They also inquired about the updated project timeline and stated their support for extending the DDA's pledge and being a good partner with the City.

ADJOURN

There being no further business, the Workshop adjourned at 9:00 a.m.