

GRAND JUNCTION DOWNTOWN DEVELOPMENT AUTHORITY
BOARD MINUTES
THURSDAY, DECEMBER 8, 2016
437 COLORADO AVENUE
8:00 A.M.

PRESENT: Kirk Granum (Chair), Duncan Rowley (Vice-Chair), Shane Allerheiligen, Marty Chazen, Tom LaCroix, Dan Meyer, Vance Wagner

ABSENT: Jason Farrington, Jodi Coleman-Niernberg

STAFF: Vonda Bauer, Allison Blevins, Brandon Stam

GUESTS: John Shaver (City Attorney), Bennett Boeschenstein (City Councilmember)

CALL TO ORDER:

Kirk called the meeting to order at 8:00 a.m.

APPROVAL OF MINUTES:

Meeting of November 10, 2016

Shane made a motion to approve the minutes of the November 10, 2016 meeting; Tom seconded the motion. The minutes were approved unanimously.

Special Meeting of November 17, 2016

Shane made a motion to approve the minutes of the November 17, 2016 special meeting; Tom seconded the motion. The minutes were approved unanimously.

UPDATES:

R-5/White Hall Progress

Brandon stated that he has been meeting with Jeremy, President and Development Director of REgeneration, on a weekly basis to discuss the proposals for R-5 and White Hall. A dropbox folder has been set up in order to review documents.

Arnie Butler is currently performing a market analysis for the R-5 property. The analysis will cost approximately \$2,000.

Brandon stated that REgeneration requested a building inspection be performed for the R-5 building in order to identify the status of the electrical, mechanical, and HVAC systems, etc. The estimated cost of the inspection will cost \$2,000 to \$6,000. There are documents available that outline the structure of the building, although, no documents are available regarding the information that Jeremy requested.

The Board had concerns regarding whose responsibility it is to pay for the building inspection. After discussion, the Board agreed that it should be the buyer's responsibility to pay for the inspection, however, the DDA could identify an allowance up to a certain dollar amount in exchange for the inspection report. Brandon will get more detailed information from Jeremy.

Nuisance Animal Control

Brandon explained that the City of Grand Junction Parks & Recreation Department will no longer be using the animal control service from Nuisance Animal Control, LLC. In 2016 the DDA and Parks Department split the cost of the service with each department paying \$27,500 per year. A new contract

for the DDA has been negotiated and awarded in the amount of \$23,400 for the 2017 fiscal/calendar year which will save the DDA \$4,100.

Endcap Purchase Option Extension

Brandon stated that the deadline for 4R/Senergy Builders, LLC to purchase the property at 130 N. 4th Street was November 15, 2016, however, Darin Carei and Jeffery Fleming had a few concerns regarding the additional language that was added regarding what they proposed to develop. Darin indicated to Brandon that he had a family emergency and requested an extension until January 31, 2017, in order to have a chance to discuss the additional language.

John Shaver spoke with the attorney for 4R/Senergy Builders LLC and suggested they propose something specifically with some milestones since the Board's expectation was they would build what was previously presented to them.

There was Board discussion indicating that the parking agreement was based upon the original project that was presented by 4R/Senergy Builders, LLC.

Tom made a motion to extend the negotiation of the contract until January 31, 2017. Shane seconded the motion. The motion was approved unanimously.

Two Rivers Convention Center & Event Center Update

Brandon and Allison attended the City Council Workshop regarding Two Rivers Convention Center (TRCC) and the Event Center.

Two Rivers Convention Center Update:

The City previously prepared and distributed a request for proposal to obtain proposals from developers to purchase or lease the Two Rivers Convention Center property. A proposal from Pinnacle Venue Services (PVS) was received which included the management of TRCC and the Avalon, for an annual subsidy amount of \$225,000. The management services would include the following:

- Sales and marketing
- Food and beverage/concessions management
- Management reporting
- Financial management
- Preventive maintenance and custodial
- Employee development
- Event booking
- Promotion
- Box office management

PVS will share 50/50 all excess revenue after PVS reaches an initial management fee of \$100,000. PVS will pay for routine maintenance of the facility, however, the City will pay for any capital improvements.

John stated that the lease will be approximately 2 to 3 years, however, it will be subject to annual review by the City Council.

Event Center Update:

Brandon stated that the City Council is moving forward to include a proposed .25% sales tax increase to fund an Event Center on the April 2017 ballot, however, the funding mechanism is still not clear. City

Manager, Greg Caton's, initial proposal was a .25% sales tax increase which would generate approximately \$3.82 million in revenue per year.

Hunden Strategic Partners (HSP) previously performed a feasibility market, financial and impact study, as well as an analysis of combining the operation of the Two Rivers Convention Center, Avalon Theater and new Event Center. In the report HSP recommended the new Event Center be built in the block South of the TRCC due primarily to its ability to connect to TRCC.

Marty stated that the Hunden report has a lot of information regarding TRCC, Avalon Theater, and the proposed Event Center and recommended that the Board members read it. Brandon will distribute the report to the Board.

OTHER BUSINESS:

Mesa Pawn Shop

John Shaver stated that the City will make an offer of \$775,000 to purchase the Mesa Pawn & Loan property, at 225 S. Second Avenue, however, the purchase is subject to City Council approval scheduled at the December 21st City Council Meeting.

Bennett explained that purchasing the Pawn Shop provides other options than just the Event Center. The site could also be used for redevelopment or reconstruction of Pitkin Avenue, and additional parking. An investor has purchased the Train Depot and the owners want to promote businesses. If the Pawn Shop is demolished, it would help clean up the area around the Depot, Whitman Park, and the Museum of Western Colorado.

Staff Retreat Discussion

Brandon stated that he would like to schedule a Board retreat instead of having the 2nd regular meeting in January. The retreat would be at the new co-working space, Factory, located at 750 Main Street. A date hasn't been set at this time, however, the retreat would be from 10:00 a.m. until 2:00 p.m. with a lunch break. Brandon is coordinating with Downtown Colorado Inc., as well as other groups, in order to arrange for a facilitator at the meeting.

Allison stated that she and Brandon have a conference call next week with Downtown Colorado Inc. and they also met with the City of Fruita City Manager, Mike Bennett, to discuss how the City of Fruita operates.

John Schneiger Update

Kirk stated that a conference call regarding the case of John Schneiger is scheduled for tomorrow at 8:45 a.m. Attorney briefings are scheduled for December 14th and depositions are scheduled for December 15th, December 16th, and January 5th.

ADJOURN: *Kirk made a motion to adjourn; Duncan seconded the motion. The meeting adjourned at 9:00 a.m.*