

GRAND JUNCTION DOWNTOWN DEVELOPMENT AUTHORITY
SPECIAL BOARD MINUTES
TUESDAY, JULY 9, 2019
ANB Bank, 131 N 6th Street
7:30 A.M.

PRESENT: Duncan Rowley (Chair), Doug Simons Jr. (Vice-Chair), Tom LaCroix, Dan Meyer, Libby Olson, Maria Rainsdon, Anna Stout, Vance Wagner

ABSENT: Josh Niernberg

DDA/BID STAFF: Vonda Bauer, Caitlyn Love, Rykel Menor, Brandon Stam

CITY STAFF: Greg Caton (City Manager), John Shaver (City Attorney), Jodi Romero (Finance Director & Treasurer for the DDA), Jay Valentine (Director of General Services), Trent Prall (Public Works Director), Tamra Allen (Community Development Director), City Council Members

GUESTS: Kyle Thomas (Vice President Municipal Finance for George K Baum & Company), Robin Brown (Director of Grand Junction Economic Partnership) community members, and Dos Rios property owners

CALL TO ORDER: Duncan called the meeting to order at 7:34 a.m.

APPROVAL OF MINUTES:

Meeting of June 27, 2019

The minutes of the June 27th, 2019 meeting were tabled until the next meeting.

DOS RIOS DEVELOPMENT

Greg Caton gave a presentation of the Riverfront at Dos Rios. Greg introduced Kyle Thomas, Vice President of Municipal Finance for George K Baum & Company who is the City of Grand Junction's consultant for municipal financing. The City of Grand Junction owns the property at the Dos Rios site, formerly the Jarvis property. The 2010 Comprehensive Plan specifies Riverfront Planning since at least 1989. The Plan indicates that the property and potential project are viewed as a unique opportunity for the City to chart the future of a rare property type, a place where it may be possible to provide a mix of uses, including residences, along the bank of the Colorado River. The presentation noted that the Dos Rios project would be a long-term community asset and that Las Colonias and Dos Rios projects create shared synergy. The topic of connectivity was discussed and it was noted that it will be important but there are no concrete plans in place but that it would be a priority for the City. Greg also noted the Downtown Plan update discusses the importance of connectivity between Downtown and the river.

Greg noted that the City of Grand Junction partnered with the Downtown Development Authority (DDA) to help fund the Las Colonias project and prompt private investment. The DDA's contribution to the project was \$1 million with the DDA issuing \$9 million in debt for the project. Greg stated that the difference between the Las Colonias project and Dos Rios project is density, residential property is not allowed at Las Colonias, and land can only be leased at Las Colonias, however, land can be purchased at the Dos Rios property. The Dos Rios property is within the DDA boundaries.

Businesses that have either purchased property or are considering buying property at the Dos Rios location are:

- El Jet's Cantina - construction to begin Spring 2020
- Sunshine Polishing - construction to begin Fall 2019
- Networks Unlimited - submitted a Letter of Intent
- Sky Outpost - construction to begin Spring 2020

A financing proposal has been established that would include a partnership with the DDA's Tax Increment Financing (TIF) for the infrastructure and the Dos Rios General Improvement District (GID). The goal is to put in horizontal infrastructure and spur the private investment.

Kyle Thomas explained the Riverfront at Dos Rios financing structure. The property is in the DDA and BID boundaries which is in the Tax Increment Financing (TIF) district. A Dos Rios General Improvement District (GID) would be formed through statutory authority and governed by the Grand Junction City Council. The GID has the ability to assess property taxes, make public improvements, and issue debt, however, it would not be secured by the Downtown Development Authority, the City of Grand Junction, or any other entity. The Dos Rios GID would be its own entity. The GID would assess property taxes and issue tax-exempt bonds and other financial obligations. The property taxes will be assessed only on the Dos Rios properties. The Dos Rios GID would issue \$10.4 million in debt to construct the public improvements. The debt would be serviced with a mill levy assessed on all property owners within the district as well as a DDA pledge of sales and property tax increment revenues generated solely within the GID. The DDA TIF expires in 2032, therefore, larger payments would be made early until 2032. Once the TIF expires the GID would still have a mill levy assessed to service the debt. If there is excess revenue from the sales tax TIF that is generated on the specific parcels in the Dos Rios boundaries, those funds would be pledged as a senior priority to pay the bonds. The investors purchasing the bonds would take the development risk; therefore, there would be no financial risk to the Downtown Development Authority or the City of Grand Junction.

Jodi Romero gave a financial overview of the DDA available funds. The summary provided was based on current operations and current debt service as well as existing revenue streams which do not include property tax or TIF revenues from Las Colonias or Dos Rios. The projections are based on a twelve-year period from 2020 to 2032, which is the remainder of the life of the DDA TIF. By the end of the TIF, funds are projected to accumulate to \$16,998,610 (assuming no new large projects), of that \$7,075,974 are funds that are restricted for debt service only. The DDA's 5 mills on the Las Colonias and Dos Rios properties would add an additional \$1 million in property tax revenue over the next twelve years. Jodi explained that the DDA's restricted funds are used to pay debt service; however, unrestricted funds can be utilized for development, incentives, and operations. It is up to the Board's discretion.

The request would be for the DDA to pledge 5.1 million of property and sale tax increment generated in the Dos Rios GID through the expiration of TIF in 2032. Only the actual revenues generated in Dos Rios will be paid from the DDA to the GID and the funds would only be used for debt service.

John explained that the renewal of the TIF is a statutory process; however, it has been amended in the past. The way the law is presently written the expiration of the DDA TIF will be in 2032.

The Board expressed some of their concerns which included:

- Risk to the DDA or City of Grand Junction if project doesn't get developed
- Dos Rios competing with other Downtown projects
- Connectivity from Dos Rios to Downtown
- The DDA's 5 mills from the Las Colonias and Dos Rios properties would not be included in the pledge.

Grand Junction Mayor Rick Taggert, City Councilmember Duke Wortmann, and Executive Director for Grand Junction Economic Partnership Robin Brown shared their support for the Riverfront at Dos Rios project.

Vance stated that he wanted public disclosure that there is an existing bond issue that ANB Bank has on the Las Colonias and Two River projects.

John explained that it is up to the Board whether the Board is comfortable with allowing Vance to participate in the discussions regarding the Dos Rios project due to the current relationship Vance has with ANB Bank and the underlying financing that is currently in place. John stated that it doesn't really affect the financing; however, depending on how the financing goes forward there may be some other recusals if ANB Bank were to bid on the issuance. At this point there was not a direct financial benefit for ANB Bank and certainly not an indirect benefit for Mr. Wagner.

Tom made a motion to allow the TIF dollars only connected to the Dos Rios development to be pledged to the 5.1 million development at Dos Rios subject to modification of the current bond documents at ANB Bank that all the TIF money is pledged to. Duncan seconded the motion. Dan opposed. Anna abstained. The motion passed.

OTHER BUSINESS

None

PUBLIC COMMENTS

None

ADJOURN

There being no further business; Maria made a motion to adjourn; Tom seconded the motion. The meeting adjourned at 8:47 a.m.