

GRAND JUNCTION DOWNTOWN DEVELOPMENT AUTHORITY
BOARD MINUTES
THURSDAY, MARCH 14, 2019
ANB Bank, 131 N 6th Street
7:30 A.M.

PRESENT: Duncan Rowley (Chair), Jason Farrington, Tom LaCroix, Josh Niernberg, Phyllis Norris, Maria Rainsdon-via phone

ABSENT: Dan Meyer, Vance Wagner, Doug Simons Jr.

DDA/BID STAFF: Vonda Bauer, Brandon Stam

CITY STAFF: John Shaver (City Attorney)

GUESTS: Aaron Young (CEO-Kaart), Brian Bray (Commercial Broker-Bray Real Estate).

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

APPROVAL OF MINUTES:

Meeting of February 28, 2019

Tom made a motion to approve the minutes of the February 28th, 2019 meeting. Jason seconded the motion. The motion was approved.

FAÇADE GRANT APPLICATION & APPROVAL

RHG, LLC – 552 Main Street

The Façade Grant subcommittee reviewed a Façade Grant request that was submitted by John Gormley on behalf of Ruth Gormley (RHG, LLC), property owner at 552 Main Street. The project includes the replacement of windows and door units, patch and repaint the stucco front of the building and repair the awning frame many of which are over fifty years old. The total estimated cost of improvements for the project is \$25,282 which would qualify for a grant of up to \$10,000.

Phyllis made a motion to approve the Façade Grant request for 552 Main Street of up to \$10,000. Duncan seconded the motion. The motion was approved unanimously.

EXECUTIVE SESSION:

Duncan made a motion to move into Execution Session to discuss matters that may be subject to negotiations, developing strategy for negotiations, and/or instructing negotiators pursuant to C.R.S. Sections 24-6-402 (4)(e) and 24-6-402 (4)(a) of Colorado's open meeting law relative to a possible purchase of real property, the location of which will remain confidential as disclosure would compromise the purpose for which the Executive Session is authorized as allowed by and pursuant to C.R.S. Section 24-6-402 (4) of Colorado's open meetings law and we will not be returning to open session. Phyllis seconded the motion. The motion was approved.

The Board convened into Executive Session at 7:40 a.m. Board members present were Duncan Rowley, Jason Farrington, Tom LaCroix, Josh Niernberg, Phyllis Norris, and Maria Rainsdon-via phone. Others present were Brandon Stam (Downtown GJ Director), John Shaver (City Attorney), Aaron Young (CEO-

Kaart), Brian Bray (Commercial Broker-Bray Real Estate). Dan Meyer, Doug Simons Jr., Vance Wagner were absent. Note: Doug Simons Jr. recused himself from the meeting.

The Executive Session adjourned at 8:12 a.m.

RETURN TO OPEN SESSION TO DISCUSS EXECUTIVE SESSION TOPIC

The Board reconvened into open session at 8:14 a.m.

Tom made a motion that the DDA approve the transfer of \$500k from the unrestricted fund for a project located at 702 Main Street and 734 Main Street. The disbursement will be to ASWY, LLC for the purpose of developing these two lots as proposed. The \$500k will be cross collateralized on both lots with an interest rate at 2% per year payable annually and \$200k of the \$500k will be forgiven if the project at 734 Main Street is 20% completed within the next 18 months as determined by Kraai Design, the architect that is in charge of the project. The remaining \$300k would be secured by note and deed of trust on 702 Main Street in a first position with 2% interest annually. Construction would need to commence within 36 months or \$300k would be owed back to the DDA. The DDA could foreclose on the deed of trust if necessary or the \$300k could be paid back to the DDA. That note would be forgiven when the project at 702 Main Street is 20% completed as determined by the architect that is in charge of that project. The DDA also recognizes that when ASWY, LLC begins construction and secures construction financing that their note would be subordinated to that construction loan on each of the projects as they progress. Phyllis seconded the motion.

Tom modified his motion to include that the DDA recognizes this is a project that is fluid in nature and possibly would have to have extensions granted due to construction delays, administrative delays, and governmental delays so these guidelines are open to renegotiation if they are not met. The owner of the lots at 702 Main Street and 734 Main Street recognize that if the lot is not developed they may wish to do other things to the lot to beautify the corner. Phyllis seconded the motion again.

Phyllis withdrew her motion.

Tom modified his motion again to include the DDA will fund the \$500k when we sign documents on April 8th 2019. Phyllis seconded the motion. The motion was approved unanimously.

UPDATES

- The new bus (The Dash) is scheduled to launch on March 21st. The Dash will run from Downtown, Colorado Mesa University, Horizon Drive Business District, and the Airport.
- A meeting will be held to discuss potential options for the City Market building that recently closed.
- Brandon sent out a memo to the Board regarding the R-5 project timeline.

OTHER BUSINESS

None

PUBLIC COMMENTS

None

ADJOURN

There being no further business, Phyllis made a motion to adjourn; Tom seconded the motion. The meeting adjourned at 8:26 a.m.