



**Minutes of Meeting
September 24, 2013**

A. CALL THE MEETING TO ORDER

The meeting was called to order at 4:03 p.m. by Chair DeMott in the City Council Chambers of the Municipal Building, 7500 West 29th Avenue, Wheat Ridge, Colorado.

B. ROLL CALL OF MEMBERS

Authority Members Present: Thomas Abbott
 Joe DeMott
 Janice Thompson
 Zachary Urban

Authority Members Absent: Jennifer Walter

Also Present: Sally Payne, Deputy Director
 Ken Johnstone, Community Development Director
 Kim Waggoner, Recording Secretary

C. APPROVAL OF MINUTES: July 23, 2013

It was moved by Zack Urban and seconded by Thomas Abbott to approve the minutes of July 23, 2013 as written. Motion carried 3-0 with Janice Thompson abstaining.

D. OFFICERS REPORTS

There were no officers reports.

E. PUBLIC FORUM

Nicole Goodman
PO Box 421
Denver, CO 80201

Ms. Goodman stated she wanted to learn more about Fruitdale and had some creative ideas for possible uses. She stood to hear the Fruitdale discussion.

F. OLD BUSINESS

1. Update on Single Family Home Rehab and Sales

Ms. Payne stated the ADA accessible home at 7910 W. 46th Avenue was sold in late August. The full rehabilitation process is featured in an episode of Channel 8's Top of the Hour program.

Ms. Payne stated she is waiting to hear from Jefferson County in regards to the CDBG Program Income funds. There is about \$650,000 to reinvest in homes. Time frame requirement will need to be reviewed for home purchases and rehabilitation.

2. Fruitdale School

A. Market Study

Ms. Payne provided current expense information for Fruitdale School paid by the Housing Authority. She stated the market study factored in the \$2.2 million improvements for the building for the four reviewed uses which include retail, office, industrial and residential. The estimate also included the finish for each specific use. The value was highest (in order) for retail, residential, industrial and office before the renovation and finish. After the finish, excluding the costs for the renovation and finish, residential and office have the lowest value and the least feasible of the four uses. Retail and industrial were identified as the most feasible uses.

The vacant land value is estimated to be \$360,000. Building demolition costs are estimated to be \$75,000 to \$100,000.

Specific retail uses were identified as a brew pub, a gun shop, dance studio, fitness center and events center. Specific industrial uses identified were a flex industrial office use and a self-storage facility. Office and residential uses could be considered for smaller markets. A mortuary funeral home was identified as a special use. A charter private school was also identified. The report stated the firm cannot recommend any single use for the building and did not consider public uses.

\$1.7 million will be required to bring the building to a usable state.

Targeted marketing was recommended for the building for specific markets and groups. Ms. Payne and Mr. Johnstone had a discussion and suggested groups such as the developer community, brokerage, non-profit organizations, foundations, the Temple Buell Foundation and historic preservation groups.

The report stated demolition was the most financially viable option.

Mr. Urban asked about the purchase price listed on the expense sheet. Ms. Payne explained the expense was for the environmental remediation the school district had incurred.

Ms. Thompson identified some errors in the report and inquired if the reverter clause and costs thereof would impact any of the recommendations. Mr. Johnstone stated there will be costs associated with the reverter clause but the report values are good.

Mr. Johnstone stated he had a conversation with Mike Rinner about parking and Mike stated there was adequate parking for any of the uses.

Chair DeMott stated the Housing Authority needs to determine if housing is a viable option and if the Housing Authority should continue to invest in Fruitdale if it is not going to be used for housing.

Mr. Abbott stated the report did a good job of analyzing the applicable uses.

Mr. Johnstone stated the housing option would require \$1.7 million. He stated he thought an RFP is the best option and the Housing Authority needs to be flexible to sell the land.

Mr. Urban stated from a financial perspective the Authority cannot spend more money on Fruitdale if it is not used for housing.

Ms. Payne stated the Housing Authority needs to determine if the application for the State Historic Grant for the masonry work should be submitted. It could potentially commit the Authority to additional funding.

Ms. Thompson stated the Housing Authority cannot afford to invest more money in the Fruitdale School.

There was a discussion about the reverter clause, the costs associated and possible scenarios.

Chair DeMott asked who would prepare the RFP. Ms. Payne stated staff could prepare it. Mr. Johnstone agreed and said it would take some time and there would be multiple drafts.

Ms. Thompson asked if housing would be an option for the RFP. Mr. Johnstone replied yes.

Mr. Urban stated the Housing Authority is at the top for additional spending especially considering the possible costs for demolition and the reverter costs. Maintenance and safety/health costs will continue to be incurred.

Chair DeMott stated the Housing Authority is not a profit center. Any potential costs could be negotiated with the purchase price.

Ms. Thompson stated she would like to move forward with an RFP.

Mr. Abbott agreed with Ms. Thompson.

Ms. Thompson expressed her concern about the City revitalizing 44th Avenue to make the area inviting to investors.

Chair DeMott asked if there were any costs associated for an RFP. Mr. Johnstone stated staff time and possibly publication costs.

It was moved by Zachary Urban and seconded by Thomas Abbott to instruct staff to prepare an RFP for Fruitdale School.

Ms. Thompson asked if the report is public information. Ms. Payne stated the report was prepared for the sole discretion of the Authority. Chair DeMott stated it is public information. It was determined the errors need to be clarified for any future use by another party and it should be removed from the website to identify and clarify the errors.

The motion was carried 4-0.

There was some discussion about the playground and the parcel behind the school which is owned by Jefferson County.

Mr. Urban ask if an RFP can trigger any issues for the reverter clause. Ms. Payne stated the City attorney will review this.

Chair DeMott asked the Authority if the State Historic Grant for masonry work should be pursued. Mr. Urban stated the Authority should not investment any more money until a use is identified. Ms. Payne stated the Authority could apply for the grant next spring. Ms. Thompson stated she would like to wait. Mr. Abbott agreed.

It was moved by Janice Thompson and seconded by Zack Urban to not apply for the State Historical Grant for the masonry work on the Fruitdale building at this time. Motion approved 4-0.

Ms. Payne stated she was contacted by Karen Bailey from the Mountain Phoenix School. She is interested in the building. She worked on a couple of old school buildings that were similar to Fruitdale. She has experience with grant funds and other funding sources. Her original idea was to utilize the building for a Mountain Phoenix High School or possibly a preschool. A board of teachers is pursuing the idea and discussions will continue.

Ms. Goodman stated the RFP path is a great idea. She stated there are a lot of opportunities for historic buildings for incubator spaces and community space. She asked if the housing authority is required to use a building for housing. Non-profit centers use historical buildings. She asked if the code could be relaxed in regard to zoning for bars, etc.

There was some discussion about liquor codes and why the site couldn't be used for a brewery or bar.

Ms. Goodman wanted to know what the possible opportunities were for the building.

Mr. Urban stated he has some co-workspace in Denver and Wheat Ridge is lacking co-work space.

Mr. Johnstone stated the Housing Authority couldn't hold the property and be a landlord for a purpose that wasn't housing.

Ms. Goodman asked if a live/work scenario would be acceptable. Mr. Johnstone stated Colorado State law would dictate the ability of the Authority.

Mr. Johnstone stated foundations and non-profits need to be targets to underwrite the value of the building.

Chair DeMott thanked Ms. Goodman for her ideas and time. Ms. Goodman left the meeting at 5:34 p.m.

Chair DeMott stated he was comfortable with the level of funding and due diligence invested in Fruitdale. It was very worthwhile trying to save the building. The board needs to decide what the focus will be when RFP's are received including housing scenarios and getting a return on the investment. He stated he supports keeping the building.

G. NEW BUSINESS

H. OTHER

Chair DeMott stated the Housing Authority has the operating account funds for new projects. He suggested Kid's Castle located at 37th Ames or Benton which is not currently empty. It is a good sized and may have had a house on the property at one time. He asked if Larry Nelson could analyze this potential project. There is another house at 44th and Kendall next to the park which could be considered also. Chair DeMott stated any Authority members could suggest sites for purchase, rehabilitation and sale to continue to increase neighborhood revitalization.

Ms. Payne stated the CDBG funds have specific restrictions for acquisition and rehabilitation. New construction would not be allowed with CDBG funds.

Ms. Thompson agreed to look into the house on Ames.

Mr. Urban stated the Authority should facilitate properties the market is not moving.

I. ADJOURNMENT

It was moved by Thomas Abbott and seconded by Zack Urban to adjourn the meeting at 5:58 p.m. Motion carried 4-0.

The Authority watched the Top of Hour video and the meeting concluded at 6:19 p.m.

Next meeting will be October 22, 2013.



Janice Thompson, Chair



Kim Waggoner, Recording Secretary