

Salida Business Alliance Minutes  
8/16/18

Attendance

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Allie Stevens – Monarch Mountain  
Bob and Katy Grether – The Mixing Bowl  
Donna Cole – Kal toys  
Patrick Payne – Boathouse Cantina  
Joe Jordan – Observer  
Linda Frances – Four Winds Gallery  
Sandi Lacey – The Hodgepodge  
Vickie Sue Vigil – Mountain Mail  
Paige Judd – Powder Projects  
Marilyn Bonedine – a little help  
Pip Conrad – First Street Flooring  
Nicole Balaun – Su Casa  
Jim Balaun – Su Casa  
Collen Kunkel – Lifestream water systems  
Sue Fosseen - Observer

Start Time: 8:05

Vickie Sue: Alright, Let's get started!

Linda: I know it's a little early to think Christmas, but the cards are ready. \$8 wholesale. If you're the first couple people to get cards, you'll get a sample to show off. No limit, no minimum.

Vickie Sue: Elaine left some flyers on the table. Upper Arkansas has disbanded.

Paige: HPACK will have a meeting next Thursday at the café. I'll email you the flyer, so people can put it in their store. Access to school, access to infrastructure. If they need more information. Free food and childcare. We'd love to have new faces in the room.

Dewayne: I'm going to start with some handouts for everyone. They talk a little bit about Salida Crossings. I see a lot of familiar faces but some I haven't seen. This was first just another project for me, but now it takes up pretty much all of my life. It used to be that I just talked about Salida Crossings and now we seem to be talking about all of Chaffee county. I still hear around town that housing is not that important and that it's just a fad. Some folks think that this boom will be over in 5 years and it will fix itself. But the way that I feel is that we need to look

to the future and look to 2025. I do not foresee this community slowing down. Housing is my specialty and they are predicting that in all of the state things will continue to get worse. There could be another 4 million people moving to the state by 2025. Some of the things I wanted to share with you, and why there is a demand, I feel like this is the number 1 place for people to live who have 2<sup>nd</sup> homes. The city has tried to dampen down the VRBOs but I'm not sure that it is effective. I'm okay with them as long as there is proper taxation. They are competing with other business and should be taxed just like other businesses. That's my philosophy, right or wrong. This was not my first idea for this property. It was actually a hotel. I thought, Okay I need 30 employees. Where am I going to get employees? I'll have to steal them from other businesses and pay them more to win them over. There are only a certain number of people that live in the area and we have more jobs. I've talked to a lot of business people, a lot of them are excited about what's going on in the area, but they're tired. They need employees, but where are they going to live? That's when I decided to build Salida Crossings. I knew it was going to poke the hornets nest a little bit, but it seems to have done a lot more than that. I'm seeing a lot of it as a thought process of whether or not we need this kind of housing. You have to overcome the price of land. It's most expensive here in Salida. There are the higher tap and sewer fees in the county. It is necessary for the city to provide services. When you add up the number (this is a sample) and you need 5 million to put the project together and you build 50 units, that's \$100,000 a unit. But if you build 200 units, suddenly they are affordable. Right now, were at 1150 sqft per unit which isn't even the densest you can get. Jim Lavichi recommended 1200 sqft, so we're not far off. Let's talk about height for a minute. The tallest building will be the hospital, but it's not finished yet. The tallest structure in Salida is the Palace at 52 ft tall at the top of the sign. Our building will be 44ft 6 in. Below that, the units would not be a livable structure. When they bring up the height issue, some people think that they will block out the sun. If I build a 35ft building 10 ft. from the property line, it's much more obtrusive than if I build 65ft. from the property line.

Sandi: Did anyone measure the Grace church?

Dewayne: Not that I know of, but I should send someone out to do that. The building is 88 ft. deep but the four stories start in the back so that you cannot see the fourth story from the street. I can assure you that the drawing is completely accurate. The other mock up that we have is from the east. If you're looking from the Gateway, you can just barely see the fourth story. If you're coming from the west, there is a 10 sec window that you can see the fourth story. So, who's views are going to be damaged, is Laurny's and the 505's. The reason we chose this site is because of the locations. It has the least amount of impact.

Guest: This is great and it's hard to imagine. I imagine there are different phases, how much housing will be available and when?

Dewayne: The vote is September 25<sup>th</sup> and then the paperwork for the loan will take 3-4 weeks, which means the concrete crew won't be able to come until January which is a hard month for this. So we're looking at breaking ground in March. The reality is that they will not be ready until 2020 because of the delays. I'm pretty good at streamlining, but the problem is labor. 34 units in the first phase, 44 in the second and 44 in the last. The penthouse unit, according to the newspaper, I'm getting a million dollars for, but really I'll be looking at \$325,000. We can grab the highest dollar amount for the premium units so that we can lower the cost of the other units. The penthouse units are custom, so it all depends on how many chunks each person wants to buy. Someone could buy the whole floor and it would be about \$4 million. But more likely will have about 10 units at \$135,000 per unit, were taking a hit. Right now, we have a fair amount of reservations

Reed: Were trying to get these reservations ready. They did not think that they would be eligible for buying so their credit is not ready.

Dewayne: The qualification process will not start until after the vote.

Guest: If you did have difficulty would you be able to rent them?

Dewayne: We would do a lease to own situation. That way the bank can see that they are paying their rent on time and they can start to work together. The other backup would be that we as the developer would own them and lease them.

Guest: Have we given thought to letting business own them and rent them to employees?

Dewayne: That would be something we would have to take up with the city. There are pros and cons. Pros, it helps the business have more stability. The down side is that you are now their employee and their landlord. It can get tricky. I have a better idea. You take a group of business owners and create an LLP. You take those funds to a bank and you buy existing properties. That way to have a mechanism that you can leverage your money with other business and there is a distance between the employer and the employee.

Sandi: What's the deal with the retail space?

Dewayne: That will most likely be office space. And it will be open to small businesses. I'm an anti-corporate guy

Sandi: Even though you were thinking about a corporate hotel?

Dewayne: That's a little different. I'm all about supporting our small business here in town. Corporate business there does not make sense in this town. Other people seem to already know what my deed restrictions are going to say. These spaces can be purchased or rented.

Guest: Going back to the commercial part of it? How many shops?

Dewayne: It's one big space, but were hoping to get about 600 sqft blocks. There is a total of 8,000 sq ft.

Sandi: We need a dry cleaner, could that be a thing?

Dewayne: Possibly, I haven't even gotten that far.

Guest: Can you talk to us about the storage units and parking spots?

Dewayne: We are just hoping to cover costs, There will be 30 spaces \$5000 for a storage unit and \$2400 for a parking spot. Everyone will have a dedicated space, and the purchased spaces will be underground. But if you live there you will have a covered space.

Nicole: Amenities?

Dewayne: There is a dog park and three fire pit, two of them can be used by restaurants in an attempt to bring the community together. There is an exercise unit on site. A lot of people put in amenities that 2 people use. We're trying to keep it at a perspective that makes sense.

Guest: Are any of the units totally handicap accessible.

Dewayne: Yes, we have to make a certain amount by law and every unit has to be convertible. I think our obligation is 3 units. Everyone is looking at us, so we are trying to do everything as perfectly as possible.

Nicole: What's going to happen with the election how can we help?

Dewayne: We have signs that are ready to go in front of yards. Joe Jordan has them at 3<sup>rd</sup> and C. There are two big banners that are strapped to the construction fence. We have hundreds of the hand outs and we have stickers that say vote yes that we would like to put in the windows. Write to the Mountain Mail and Ark Mag as letters to the editor as to why the project is important to you.

Vickie Sue: How are you going to reach the folks who think Salida shouldn't change?

Donna: What is the exact ballot language?

Guest: I think the key for this is talking to the lower income and young crowds and encouraging them to vote. It's easier to reach out to the undecided than the no's.

Dewayne: "reads ordinance"

Vickie Sue: If it passes we're ready to go. If it doesn't then what?

Dewayne: We have a lot of ideas, but I'm not ready to answer that at this time. We may build at least the front building, but they will not be as affordable. We'll do our best. If it gets shot down, Salida will be sending word to all local developers that we are not serious about growth and that we are closed for business. We need to get the millennials to vote. They are working multiple jobs and taking their one day off to get into the mountains and not reading the Mountain Mail. There's only one of them in room.

VS: Thank you! I'm going to adjourn the meeting but stay and ask questions.

End: 9:04