

**GRAND JUNCTION CITY COUNCIL  
MINUTES OF THE REGULAR MEETING**

**September 7, 2022**

**Call to Order, Pledge of Allegiance, Moment of Silence**

The City Council of the City of Grand Junction convened into regular session on the 7<sup>th</sup> day of September 2022 at 5:30 p.m. Those present were Mayor Pro Tem Abe Herman, Councilmembers Chuck McDaniel, Phillip Pe'a, Randall Reitz (virtual), Dennis Simpson, Rick Taggart and Council President Anna Stout.

Also present were City Manager Greg Caton, City Attorney John Shaver, City Clerk Amy Phillips, Deputy City Clerk Selestina Sandoval, Community Development Director Tamra Allen, Housing Manager Ashley Chambers, Utilities Director Randi Kim and Senior Planner Daniella Acosta.

Council President Stout called the meeting to order, and Councilmember Taggart led the Pledge of Allegiance, followed by a moment of silence.

**Proclamations**

**Proclaiming September 15 - October 15, 2022 as Hispanic Heritage Month in the City of Grand Junction**

Council President Stout read the proclamation and Sonia Gutierrez and Jorge Pantoja accepted the proclamation.

**Appointments**

**To the Grand Junction Housing Authority**

Councilmember McDaniel moved and Councilmember Pe'a seconded to appoint Bernie Buescher for a five-year term ending October 2027. Motion carried by unanimous voice vote.

**To the Downtown Development Authority**

Councilmember McDaniel moved and Mayor Pro Tem Herman seconded to reappoint Maria Rainsdon and to appoint Steven Boyd for four-year terms ending 2026. Motion carried by unanimous voice vote.

**To the Urban Trails Committee**

Mayor Pro Tem Herman moved and Councilmember Pe'a seconded to appoint Brent Starnes for a partial term ending 2024. Motion carried by unanimous voice vote.

**Appointing Members to the Pedestrian and Bicycle Plan Steering Committee**

Mayor Pro Tem Herman moved and Councilmember Simpson seconded to appoint the following members to the Pedestrian and Bicycle Plan Steering Committee: Jason Nguyen, Jack Byron, Matthew Lucero, Ian Thomas, Sarah Lubin, Marcos Ortiz, Gayle Dombow, Rogelio R. Chavez, Jr., JJ Johnson, Michael Hughes, Jody Visconti Clow, Lee Willcockson, Tammy Brislin, Lilly Grisafi, Jess S. Mitchell, Emily McCune, and Ken Scissors. Motion carried by unanimous voice vote.

**Citizen Comments**

Bruce Lohmiller spoke of the Mesa County Valley School District #51 meeting and the League of Women Voters Voter's Guide.

Kevin Bray spoke of his Colorado Mesa University (CMU) class for students in the Real Estate Program who were present to observe the entire meeting.

Mandy DeCino thanked Council for issuing a social proclamation for PACE Awareness Month and spoke of the HopeWest PACE Program.

Ethan Moore asked the City to hold CMU accountable for setting up stations to discard hazardous materials to avoid those items going to the landfill where he works.

Mary Kusak expressed concern of the loss of green space downtown for children to play at playgrounds because of the houseless community.

Robert Maloney concurred with Mary Kusak's comments and asked what City Council and the Police Department could do to resolve the issue.

**Council Reports**

City Manager Caton invited the public to the September 11<sup>th</sup> Remembrance at Fire Station #3 on September 11, 2022 at noon.

**City Manager Report**

Councilmember Pe'a gave an update on the Parks and Recreation Advisory Board.

Councilmember Simpson attended the Business Incubator Meeting.

Mayor Pro Tem Herman met with Dalida Bollig, Chief Executive Officer of the Business Incubator Center, and expressed his excitement to have her in that capacity.

Councilmember McDaniel gave updates on the Forestry Advisory Board and Grand Junction Housing Authority Board.

Council President Stout hosted an outreach event to the Spanish community and attended the Colorado State Fair for Mayor’s Day.

**CONSENT AGENDA**

Mayor Pro Tem Herman moved and Councilmember Pe’a seconded to adopt Consent Agenda items #1 - #5, excluding item #5.a. Motion carried by unanimous voice vote.

**1. Approval of Minutes**

- a. Summary of the August 15, 2022 Workshop
- b. Minutes of the August 17, 2022 Regular Meeting
- c. Minutes of the August 24, 2022 Special Meeting

**2. Set Public Hearings**

- a. Legislative
  - i. Introduction of an Ordinance Creating the Housing Advisory Board and Setting a Public Hearing for September 21, 2022
  - ii. Introduction of an Ordinance Placing a Charter Amendment to Change the Authorized Length of Leases of City Property for Housing from 25 Up to 99 Years on the Election Ballot for the Special Municipal Election to Be Held November 8, 2022, and Setting a Public Hearing for September 21, 2022
- b. Quasi-judicial
  - i. Introduction of an Ordinance Rezoning 6.15 Acres from I-2 (General Industrial) to I-1 (Light Industrial), Located at 2415 Blue Heron Road and Setting a Public Hearing for September 21, 2022
  - ii. A Resolution Referring a Petition to the City Council for the Annexation of Lands to the City of Grand Junction, Colorado, Setting a Hearing on Such Annexation, Exercising Land Use Control, and Introducing Proposed Annexation Ordinance for the C 1/2 Road Gravel Pit Annexation of 27.83 Acres, Located at 2855 C 1/2 Road, and Setting a Public Hearing for October 19, 2022
  - iii. Introduction of an Ordinance Vacating a 0.13-Acre Portion of the Undeveloped G Road Public Right-of-Way on the Northeast Corner of Horizon Drive and G Road at 702 Horizon Drive and Setting a Public Hearing for September 21, 2022

- iv. Introduction of an Ordinance Vacating a 15 Foot x 325 Foot Strip of Land Located on a 144-Acre Parcel Located at 675 23 1/2 Road and Setting a Public Hearing for September 21, 2022

### 3. Agreements

- a. South Broadway Shoulder Improvement Project Memorandum of Understanding Between the City of Grand Junction and Mesa County
- b. Authorize the City Manager to Execute a Contract with Mesa County for Building Permitting, Inspection, and Contractor Licensing Services

### 4. Procurements

- a. Purchase Two Chip Seal Oil Storage Containers
- b. Contract Approval for the Architect/Engineer for the Orchard Mesa Pool Renovation

### 5. Resolutions

- a. A Resolution Calling a Special Election in the City of Grand Junction, Colorado Concerning and Providing for the Submission to the Electorate on November 8, 2022, Two Measures to Increase Taxes and Allow the City to Collect, Retain, and Spend Revenues as a Voter Approved Revenue Change Provided for and Defined by Article X, Section 20 of the Colorado Constitution, and One Measure to Amend the City Charter, and Other Details Relating Thereto – ***Moved to Regular Agenda***
- b. A Resolution to Vacate a 62.55 Square Foot Strip of a 14-Foot Multipurpose Easement on a 2.87-Acre Parcel Located at 600 Lawrence Avenue

## **REGULAR AGENDA**

### **A Resolution Setting a Title and Submitting to the Electorate on November 8, 2022, a Measure to Increase the Lodging Tax by One Percent (1%) for Affordable Housing in the City of Grand Junction**

At the August 1, 2022 City Council work session, there was discussion regarding the shortage of affordable housing in the City as well as strategies for funding affordable housing programs. One such strategy is to impose an excise tax on short-term rentals. Under Colorado law, any ballot issue to increase taxes must be considered and decided by voters. This resolution sets a ballot question to increase the lodging tax one percent (1%) and to seek voter authorization for the City of Grand Junction to retain and spend the tax revenue for the use and benefit of housing programs in the City, as determined by the City Council to be necessary, advantageous, and beneficial to the provision of

affordable, workforce housing. Because the lodging tax is almost universally paid by business and leisure travelers, it imposes little if any burden on City residents.

City Attorney Shaver gave a legal overview of this item and Housing Manager Ashley Chambers gave a more in-depth presentation. City Manager Caton spoke of the TABOR amounts.

Discussion included: how our lodgers tax compares to other municipalities, the increase of the Area Median Income (AMI) in the resolution from 80% to 100% (to increase funding opportunities for a greater population), defining affordable housing through AMI limits, this resolution providing a funding source for item 6.c. (A Resolution Creating an Affordable Housing Production Incentive for Affordable For Sale and For Rent Units in the City of Grand Junction), reallocating the existing tax instead of raising taxes, potential funding through the general fund on the front end to push this item back to the April election, urgency to move forward because of the housing shortage in the community, and the applicability of this tax to short-term rentals.

Public comment opened at 6:55 p.m.

Vara Kusal read a letter from the Horizon Drive Business Improvement District in opposition of the increase.

Kevin Bray spoke of the need for public engagement on this item.

Cody Kennedy expressed his concerns of how this increase impacts the houseless and refugee communities that live in hotels.

Emily Powell, Director of Housing Resources of Western Colorado, spoke to the affordable housing needs in relation to AMI levels created by the current economy and the importance of a stable local funding source.

Public comment closed at 7:04 p.m.

Conversation ensued regarding the affordable housing definition per Proposition 108 and adopting the resolution with a 60% AMI for rental and 80% for ownership.

Mayor Pro Tem Herman moved and Councilmember Pe'a seconded to adopt Resolution No. 71-22 with the original language plus TABOR notice language, a resolution setting a title and submitting to the electorate on November 8, 2022, a ballot question to increase the lodgers tax by 1% to fund affordable housing in the City of Grand Junction and publish in pamphlet form.

Comments were made regarding the need to reallocate current taxes and the concern of rushing this ballot item without public input.

Motion carried by roll call vote with Councilmembers Taggart and Simpson voting no.

Council took a break at 7:14 p.m.

The meeting resumed at 7:22 p.m.

**A Resolution Setting a Title and Submitting to the Electorate on November 8, 2022, a Measure to Impose an Excise Tax of Eight Percent (8%) on the Amount Charged for Short-Term Rentals for Affordable Housing in the City of Grand Junction**

The increased popularity of short-term rentals in the City has impacted both the availability and the price of long-term rentals, which coupled with higher prices on “for sale” homes have resulted in those in middle and lower-middle income brackets being unable to find affordable housing. The City Council therefore is considering referring to the November 8, 2022 election, a ballot measure to impose an excise tax of 8% of the amount charged for short-term rentals, as defined by the Grand Junction Municipal Code, including any off premise short-term rental used by any lodging business that does not pay a commercial property tax rate, with the revenue derived from the excise tax being allocated to provide long-term, workforce, or attainable/affordable housing and to fund other housing projects at City Council’s discretion.

City Attorney Shaver stated this item was identical to the previous, just adds another form of revenue, and opened the floor to Council’s questions.

Conversation resumed regarding the wording of the recitals in the resolution, concerns of the impact of the tax on short-term rental owners, impacts of short-term rentals on affordable housing in the community, and reverting to the original language of the resolution.

Public comment was opened at 7:30 p.m.

Tom LeValley spoke of his properties and how this tax would impact his short-term rentals.

Scott Beilfuss, member of Just Housing with Western Colorado Alliance, spoke of affordable housing issues in the community and advocated passing this resolution.

Arlo Miller, member of Just Housing with Western Colorado Alliance, stated that short-term rentals are contributing to the housing issues in Grand Junction and supported this resolution.

Kevin Cole spoke of tax reporting of short-term rentals in the City, recommended they work with Airbnb for tax collection and of the impacts of the tax increase on competition of short-term rentals in and outside of City limits.

Jeff Warner spoke of VRBO versus Airbnb tax collection and how it impacts the pricing of his short-term rental.

Public comment closed at 7:43 p.m.

Mayor Pro Tem Herman moved and Councilmember Simpson seconded to adopt Resolution No. 72-22, a resolution setting a title and submitting to the electorate on November 8, 2022, a ballot question to impose an excise tax of 8% on the amount charged for short-term rentals to fund affordable housing in the City of Grand Junction and publish in pamphlet form with original language plus the TABOR notice prior to the redline version.

Comments were made on the motion stating there are other means in which to fund affordable housing.

Motion carried by roll call vote with Councilmember Taggart voting no.

**A Resolution Calling a Special Election in the City of Grand Junction, Colorado Concerning and Providing for the Submission to the Electorate on November 8, 2022, Two Measures to Increase Taxes and Allow the City to Collect, Retain, and Spend Revenues as a Voter Approved Revenue Change Provided for and Defined By Article X, Section 20 of the Colorado Constitution, and One Measure to Amend the City Charter, and Other Details Relating Thereto**

The City Council has determined that an election shall be held on November 8, 2022, at which time there shall be submitted to the registered electors of the City three questions: two tax questions and one Charter amendment question. Each question is described in detail in separate resolutions and an ordinance which has been duly considered by the Council and, with the approval of this resolution, the City Council authorizes the City Clerk to enter into an agreement with the Mesa County Elections Department for the City to participate in a coordinated election being conducted by the County on November 8, 2022 (Election).

City Attorney John Shaver presented this item.

Councilmember McDaniel moved and Councilmember Pe'a seconded to adopt Resolution No. 69-22, a resolution calling a Special Election in the City of Grand Junction, Colorado concerning and providing for the submission to the Electorate on November 8, 2022, two measures to increase taxes and allow the City to collect, retain, and spend revenues as a voter approved revenue change provided for and defined by Article X, Section 20 of the Colorado Constitution, and one measure to amend the City Charter, and other details relating thereto. Motion carried by voice vote with Councilmember Taggart voting no.

**A Resolution Creating An Affordable Housing Production Incentive for Affordable For Sale and For Rent Units in the City of Grand Junction**

At the August 1 City Council workshop, a potential incentive for the production of affordable housing units was discussed. With the direction garnered from that

discussion, staff prepared a resolution for consideration that provides an incentive with the purpose of encouraging the development, both by non-profit and for-profit developers, of affordable housing units anywhere within the City of Grand Junction.

This incentive would waive all development impact fees (Transportation Capacity Payment or TCP, police, fire, parks) and plant investment fees (water, sewer) for units that are Affordable at 60% AMI or below for rental housing and 80% AMI and below for unit for sale. The incentive requires a commitment to maintain the affordability of the unit for at least 30 years, which is consistent with industry standards. The 60% AMI or below for rental housing and 80% AMI and below for units for sale is consistent with the City's more acute needs for housing. For the purposes of this incentive waiver, the City will backfill the lost revenue from the fees that would otherwise be due.

Community Development Director Tamra Allen presented this item.

Discussion included: Cap on annual equity appreciation versus equity share, making education programs available for homeowners who take advantage of the incentive, waiving water plant investment fees by other water providers and correction of stated rental limit amounts in the staff report in relation to AMI (30% of 60% AMI).

The public hearing opened at 8:05 p.m.

Cody Kennedy made comments related to how this resolution doesn't benefit small real estate investors.

Brian Shiu stated the City should expand their incentive program beyond this resolution.

Jeremy Nelson commented the 30-year time frame is too long and recommended an opt out provision, inquired about eligibility, and stacked incentive plausibility.

Emily Powell of Housing Resources of Western Colorado addressed the counseling availability recommendation and spoke to a cap versus equity share.

The public hearing closed at 8:20 p.m.

Conversation ensued regarding running the numbers to ensure the impact of the incentive is going to benefit developers, public engagement, the model of the incentive's intention to leverage up for a higher number of production, how this is just one of many tools available to incentivize development, unrestricted balance availability for these incentives and the time it would take for Council to approve an incentive and how that would impact a development.

Councilmembers concurred that they need more information before making a decision on the resolution.

Councilmember Reitz moved and Mayor Pro Tem Herman seconded to refer Resolution



No. 73-22, a resolution adopting an affordable housing production incentive, to the agenda committee and continue this item to a future workshop giving staff time to engage the development and non-profit community on how to create the best incentives. Motion carried by unanimous voice vote.

**A Resolution Creating a Corridor Infill Incentive and Formula for Calculating the Incentive**

The City has received requests from several market rate developers to contribute to their projects, including the Slate on 25 (168 units), The Junction by Richmark (257 Units), and The Lofts on Grand Avenue (78 units). The Grand Junction Chamber of Commerce has also requested the City expand its development incentives. At an August 1 workshop, City Council discussed and provided direction to staff to develop a new incentive policy that provides predictability and equity regarding who and to which projects are provided development incentives. This resolution addressed a proposed Corridor Infill Incentive that further encourages infill in and along corridors that are in and near the City’s center utilizing a “level” approach to the offering of incentives that is relative to the cost of private investment.

Community Development Director Tamra Allen presented this item.

Discussion included: funding concerns of this program, lowering the bottom threshold of the incentive program, current eligible areas as defined by the resolution, possibility of adding Horizon Drive and Mesa Mall corridors as eligible areas, more details necessary on the types of projects that are eligible, targeting specific areas and incentivizing risk (investment) being the primary purpose, and the need for Council’s discretion on proposed projects based on budget and value to the community instead of quantifiable eligibility that prevents flexibility.

Public comment was opened at 9:05 p.m.

Jeremy Nelson spoke in support of this item but stated he didn't feel the resolution benefited the smaller developments.

Brian Shiu said this incentive should be expanded to other areas of the city.

Public comment was closed at 9:10 p.m.

Conversation resumed regarding the concerns of subsidizing big business, restrictions on the types of eligible housing, and the purpose of infill to areas that may not be developed otherwise.

Councilmember Pe’a moved and Mayor Pro Tem Herman seconded to adopt Resolution No. 74-22, a Resolution Creating a New Corridor Infill Incentive and Formula for Calculating the Incentive.

There was discussion regarding adding the Horizon Drive corridor to the motion.

Motion was amended to include the Horizon Drive corridor and clarified to the Horizon Drive District. Motion carried by roll call vote with Councilmembers McDaniel, Reitz and Simpson voting no.

A break was taken at 9:31 p.m.

The meeting resumed at 9:40 p.m.

**An Ordinance Regarding the Conjunction Junction, LLC/Richmark Real Estate Partners, LLC Redevelopment Agreement**

The City Council was asked to authorize and confirm the redevelopment agreement (“Agreement”) by and among Conjunction Junction LLC, a Colorado Limited Liability Company, or its successors and assigns as permitted in accordance with the Agreement, the City, and the Downtown Grand Junction Development Authority (“DDA”) for the property located at 200 Rood Avenue (“Property”), Grand Junction, Colorado. The terms of the Agreement, include but are not limited to a) the City waiving or paying fees, as defined by the Agreement, in an amount not to exceed \$2,408,219.00 (\$2.4 million) for and on behalf of Conjunction for the redevelopment of the Property; and, b) the purchase of Rood Avenue right-of-way together with improvements thereto to be made by Conjunction; and c) a pledge by the DDA of tax increment, all as provided in the Agreement.

The \$2.4 million is a calculation of the total value of the incentive for the project. This valuation includes an estimate of the forgone sales and use tax revenues on construction materials as well. The net amount that may be directly paid by the City is \$1.75 million, which would include right-of-way purchase by the City. The fee rates will be set upon planning clearance and payment would occur at the end of the project.

City Manager Caton presented this item.

City Attorney Shaver clarified the Agreement between Richmark, the City and the DDA, and how the funding is subject to annual appropriations.

Conversation ensued regarding the 29-month term of the project and how Council and the DDA Board would have discretion to extend that term, TABOR requirements relating to the City paying itself and the DDA’s contributions, and a breakdown of the funding request.

Tyler Richardson and Adam Frasier with Richmark Holdings presented on behalf of the applicant.

Conversation resumed regarding the demolition budget, projected rents of the units (120% AMI), the reasoning for forming a new LLC for this project, the timeline of

construction and lack of financials or personal guarantees provided on the project.

The public hearing opened at 10:25 p.m.

Nick Allen of Just Housing with Western Colorado Alliance, spoke of their mission and introduced other speakers from his organization that would be highlighting the organization's issues with this ordinance.

Constance Combs of Just Housing with Western Colorado Alliance spoke of how the housing crises has impacted her, and asked Council to vote no on this ordinance.

Scott Beilfuss of Just Housing with Western Colorado Alliance stated he supported the Richmark project but didn't agree with the City waiving their fees.

Arlo Miller of Just Housing with Western Colorado Alliance opposed the City contributing money to the Richmark project.

Mike Foster spoke in support of this ordinance to help redevelop the downtown area.

Brandon Stam, Executive Director of the DDA spoke in favor of this ordinance due to the impact of redeveloping the blighted area where it is proposed, and the positive impact on downtown businesses.

Cody Kennedy expressed excitement about this project.

Todd Schmidt is part of the construction team and spoke of the employment opportunities this project would create.

Richard Swingle spoke against the ordinance stating that tax dollars were being allocated for private business.

The public hearing closed at 10:51 p.m.

Council comments included: that the Richmark development aligns with the City's economic development goals, how the City is also working on the separate affordable housing issue, concerns of spending limited resources on this project, concerns with the agreement in terms of financial responsibility and exposure, how this project will help alleviate the housing shortage, the importance of the partnership with the DDA who approached City Council about this agreement, seeing this project as a catalyst project which creates economic development and housing, Richmark being highly recommended by the Greeley Mayor and City Manager where they have developments, the return on investment in funding this project instead of buying the vacant City Market as many residents have requested Council to do, and how incentives are not given if the project doesn't get completed.

Councilmember Pe'a moved and Councilmember Taggart seconded to adopt Ordinance

No. 5089, an ordinance approving the Conjunction Junction, LLC/Richmark Real Estate Partners, LLC redevelopment agreement for the property located at 200 Rood Avenue, Grand Junction, Colorado, on final passage and ordered final publication in pamphlet form. Motion carried by roll call vote with Councilmembers McDaniel and Simpson voting no.

### **An Ordinance Adding Chapter 13.40 Graywater Control Program**

Colorado's Graywater Control regulations require that cities adopt an ordinance for gray water that specifies requirements, prohibitions, and standards for the use of graywater for non-drinking water purposes, to encourage the use of graywater, and to protect public health and water quality.

Given the late hour of the meeting, Council President Stout asked if this item could be continued. Councilmember Taggart moved and Councilmember Reitz seconded to continue this item to the September 21, 2022 City Council regular meeting. Motion carried by unanimous voice vote.

### **An Ordinance Rezoning 18.98 Acres from R-4 (Residential 4 du/ac) to R-8 (Residential 8 du/ac), Located at 2981 B 1/2 Road**

Applicant CIA Investments, LLC, requested the rezone of one parcel totaling 18.98 acres from R-4 (Residential 4 du/ac) to R-8 (Residential 8 du/ac) located at 2981 B 1/2 Rd. The purpose of the rezone is to provide for medium-high density attached and detached dwellings, two-family dwellings and multifamily. R-8 is a transitional district between lower density single-family districts and higher density multifamily or business development. A mix of dwelling types is allowed in this district.

The requested R-8 zone district conforms with the Comprehensive Plan Land Use Map designation of Residential Medium. R-8 zone districts serve as a transitional district, which may act as a buffer between lower density single-family and commercial zones.

Senior Planner Daniella Acosta presented this item.

The public hearing opened at 11:18 p.m.

Vern Hill expressed concerns with the requested R-8 density rezone.

Pete Sanford spoke in opposition of the rezone.

Barbara Miles stated concerns that the existing infrastructure may not support the potential development of an R-8 zone.

Mark Miles spoke against this rezone due to the poorly maintained roads.

Melinda Hill said the rezone was out of character for the area and it lacked

infrastructure.

Mike Noha concurred that the rezone would not fit the rural character of the area.

Debbie Noha expressed concerns that her quality of life would be diminished if the rezone passed.

The public hearing closed at 11:38 p.m.

Tracey States with River City Consultants gave a rebuttal and addressed the Comprehensive Plan process and zoning along with the current infrastructure in the proposed rezone area.

Council comments included: the potential of the developer having more public engagement, R-8 being the lowest density a residential medium category will allow, what facts Council can consider in a quasi-judicial hearing, competing priorities in keeping the rural character of this area and demand for new housing driving the residential medium zone, the 2020 Comprehensive Plan being used as a guide, and respecting the recommendations of the Planning Commission.

Councilmember Simpson moved and Mayor Pro Tem Herman seconded to adopt Ordinance No. 5095, an ordinance rezoning one parcel totaling 18.98 acres from R-4 (Residential 4 du/ac) to R-8 (Residential 8 du/ac) located at 2981 B 1/2 Road on final passage and ordered final publication in pamphlet form. Motion carried by roll call vote with Councilmembers Taggart and Pe'a voting no.

**Non-Scheduled Citizens & Visitors**

There were none.

**Other Business**

There was none.

**Adjournment**

The meeting adjourned at 11:55 p.m.



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Amy Phillips, CMC  
City Clerk