

GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY March 18, 2024

Meeting Convened: 5:30 p.m. The meeting was held in person at the Fire Department Training Room, 625 Ute Avenue, and live streamed via GoToWebinar.

City Councilmembers Present: Councilmembers Scott Beilfuss, Cody Kennedy, Jason Nguyen, Randall Reitz, Dennis Simpson, and Mayor Anna Stout. Mayor Pro Tem Abe Herman was absent.

Staff present: City Manager Greg Caton, City Attorney John Shaver, Assistant to the City Manager Johnny McFarland, Niki Galehouse Planning Supervisor, Utilities Director Randi Kim, Transportation and Engineering Director Trent Prall, Housing Manager Ashley Chambers, Deputy Chief Gary Marak, City Clerk Amy Phillips, and Deputy City Clerks Krystle Koehler and Selestina Sandoval.

1. Discussion Topics

a. Housing Resources of Western Colorado (HRWC)

Emily Powell Executive Director of Housing Resources of Western Colorado, presented a proposal for a housing project in collaboration with BOA Builders. The project involves buying lots from BOA Builders at their Meridian Park subdivision and hiring them to construct affordable housing units. The request is for \$350,000 in acquisition funds to purchase 10 finished lots, limiting affordability to 120% of the area median income. The project aims to provide affordable housing for eligible homeowners, supported by pre-purchase counseling and homebuyer education. The proposal includes an affordability analysis and outlines how the funds would be utilized. The project is described as shovel-ready. The presentation emphasized the importance of partnerships between the nonprofit and for-profit sectors in addressing affordable housing needs. Council discussed various aspects of the proposal.

Councilmember Kennedy disclosed a personal connection with someone involved in the project but indicated that it would not affect his decision-making.

Discussion ensued regarding the flow of funds, potential interest rates on loans, and the availability of down payment assistance funds. It also delved into assumptions about household size and affordability, with considerations for the viability of the project without City funding. There was discussion of alternative ways the City could support the project, such as covering impact fees.

Council discussed various options for funding the project, including using existing funds versus seeking a supplemental appropriation, implications of tapping into different funding sources and the potential impact on future projects. There was a desire to balance the immediate needs of the project with the ongoing need for affordable housing funding in the community.

Council also considered the mechanics of amending an existing agreement to add flexibility needed to adapt to changing circumstances.

Overall, Council supports the concept of the proposal, but needs further analysis to address concerns before placing on a Council agenda.

b. Follow Up to January 8 Workshop for Second Hand Sales Tax Exemption

This item was a request from Councilmember Kennedy for discussion related to the consideration of a sales tax exemption for secondhand stores.

Based on the recent request for consideration of a sales tax exemption for secondhand stores, City staff brought forward information to assist Council with the discussion that took place at the January 8, 2024 City Council Workshop. As an outcome of that meeting, a subsequent memo was submitted to Council on January 19, 2024. This item was presented to Council for further discussion purposes.

Councilmember Kennedy lead the discussion. The proposal suggested exempting all secondhand goods under \$5,000, excluding motor vehicles, from sales tax. He stated that the proposal aligns with the City's Strategic and Comprehensive Plans, focusing on resource stewardship and environmental health. The exemption is seen as part of promoting a circular economy and diverting useful items from landfills.

There was discussion about the potential revenue loss of around \$675,000 and its impact on the budget. Supporters of the proposal contended for a multiplier effect and increased economic activity offsetting this loss. A concern was raised about whether the exemption would actually change consumer behavior and if the revenue loss could be better spent elsewhere.

Opinions varied on whether to include nonprofits immediately or phase them in later. Some suggested starting slow and evaluating the impact before expanding the exemption. Others proposed making it part of the budget process, advocating for broader implementation and coordinated efforts with neighboring jurisdictions. The discussion highlighted a balance between fiscal responsibility, environmental goals, and the practicality of the proposed exemption.

The conversation included transparency about recent discussions with the County regarding their stance on the proposal. There are concerns about legal feasibility and the perception of favoring certain businesses over others. The potential impact on various funds was noted, with suggestions to simplify accounting by subsidizing impacted funds from the general fund.

There was discussion of the complexity involved in enforcement and reporting, especially for businesses that sell both new and used items.

Concluding discussion, Council agreed to revisit the proposal during the 2025 budget process, with a possible implementation to begin with nonprofits in 3rd (July 1) or 4th (October 1) quarter of 2024, and a request for staff to explore measurement mechanisms, particularly regarding nonprofits' sales data availability.

c. Orchard Mesa Pool

Ken Sherbenou, Parks and Recreation Director assisted by consultants Ohlson Lavoie Corporation (OLC) and PROS consulting presented this item.

On January 22, 2024, the consultants, presented the results of the Orchard Mesa Recreation Facility (OMRF) Plan. This in-depth community engagement planning process that spanned a

large portion of 2023 had the aim of objectively evaluating possible paths forward for the Orchard Mesa Pool. This facility was built in 1983 as a partnership between the Mesa County School District 51, Mesa County, and the City. Despite significant service to the larger Grand Junction community over the past 40 years, the facility is at the end of its useful life. It needs a complete renovation should it continue its long-term operation.

Options #1 through #5 were fleshed out in the OMRF Plan, ranging from up to \$800,000 to continue status quo to \$33 million for a new facility. After that meeting on January 22, School District #51, the owner of the land and the building, decided to update the appraisal of the vacant land, now valued at \$240,000, and the cost of demolition, now projected to cost approximately \$1,300,000. Following that, the School District sent a letter to the City dated February 20, 2024. The letter gave the City two options: either accept the deed of the land and title of the building or the Orchard Mesa Pool would be demolished. These two options for the City were also shared publicly.

The County has budgeted \$800,000 in 2024 to go towards whatever is pursued, renovation or demolition. The City has taken the position that the pool needs to remain available to the community at least until the Community Recreation Center opens, which is currently scheduled to be mid-2026. The School District may see this expressed goal of the City as an opportunity to push the City into accepting option 1, accepting ownership of the Orchard Mesa Pool. With that said, the urgency is not apparent as nothing has changed over the past five years since the intergovernmental agreement between the three pool partners expired. The only significant change forthcoming is the opening of the Community Recreation Center, which will have substantial aquatic facilities.

Floor Plan Option	Capital Cost	Projected Annual Visitation	Cost Recovery	Annual Subsidy	Operational Subsidy per Visit (not including capital)
Option 1: Status Quo	<\$800,000	14,400	24%	\$400,000	\$27.78
Option 2: Basic Modernization of Pool	\$5.7M - \$6.2M	26,250	30%	\$455,000	\$17.33
Option 3: Full Facility Renovation	\$12.6M - \$13.5M	52,500	40%	\$390,000	\$7.43
Option 4: Convert Pool/ Add Turf	\$27.5M - \$29M	78,750	70%	\$162,000	\$2.06
Option 5: New Fieldhouse	\$30M - \$33M	98,000	80%	\$126,000	\$1.29
New CRC	\$70M	396,000	62%	\$1,329,000	\$3.36

Council had a robust discussion about the future of the Orchard Mesa pool and the financial implications for the City. Discussion revolved around whether the City should take on the responsibility of funding the operation of the pool until 2026, as well as potentially acquiring ownership of the pool. There were concerns about the financial burden on the City and where the funds would come from to support the pool's operation and potential renovations. Additionally, there was discussion about the broader context of City infrastructure needs and how funding priorities are determined.

Varying perspectives on the issue ensued, with some Councilmembers advocating for immediate action to address the pool's condition and maintain it as an asset for Orchard Mesa residents, while others prefer to wait and see the impact of the new Community Recreation Center before committing to a major investment.

There was discussion about the financial implications for the City and the need for community input in decision-making processes.

Some key points and perspectives that emerged from the conversation included:

- 1. Prioritization of Resources:** Prioritize resources, especially considering the financial constraints and competing needs within the community.
- 2. Community Engagement:** Community engagement and ensuring that the decisions reflect the desires and needs of residents, particularly those in Orchard Mesa.
- 3. Negotiations with the School District:** Negotiations with the School District regarding the future of the pool facility, including potential options for operational responsibility and ownership.
- 4. Financial Considerations:** Financial implications of different options, including the cost of maintenance, demolition, and potential upgrades, are being carefully weighed.
- 5. Historical Context:** Past efforts and decisions regarding the pool facility, highlighting the ongoing nature of the discussion and the challenges faced in finding a resolution.
- 6. Maintenance and Repair Needs:** There was a discussion about the ongoing maintenance and repair needs currently for the Orchard Mesa pool, including the need to address issues such as the malfunctioning hot tub.

Further discussions and negotiations with stakeholders were deemed necessary to reach a resolution.

2. City Council Communication

The topic of Public Comment at City Council meetings was brought up, reminding community members that public input is important and occurs during City Council Regular Meetings on the first and third Wednesday of each month.

It was suggested that Council discuss the future structure of the Council, including the possibility of electing a Mayor considering such discussions while the City is in a transition phase with an Interim City Manager.

It was noted, the importance of maintaining consistency in decision-making between City Managers. Additionally, some would like to discuss the process of appointing Councilmembers to various Boards and Commissions and propose discussing it before upcoming decisions in April or May.

3. Adjournment

There being no further business, the Workshop adjourned at 8:40 p.m.