

## **GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY** **April 29, 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 Pro Tem Abe Herman. Mayor Anna Stout was absent.

**Staff present:** Interim City Manager Andrea Phillips, City Attorney John Shaver, Assistant to the City Manager Johnny McFarland, Ken Sherbenou Parks and Recreation Director, Engineering and Transportation Director Trent Prall, Community Development Director Tamra Allen, Housing Manager Ashley Chambers, Finance Director Jennifer Tomaszewski, Randi Kim Utilities Director, City Clerk Amy Phillips, and Deputy City Clerk Krystle Koehler.

- **Discussion Topics**

- a. **Community Recreation Center Final Design Update**

Parks and Recreation Director Ken Sherbenou introduced this item along with representatives from the construction and design team, reported that the Grand Junction Community Recreation Center (CRC) is at the final design stage and is ready for presentation to the City Council and the community and will be followed by more community presentations the following day. The presentation was the culmination of almost a year's worth of in-depth design as well as many decades of planning and community effort to bring the new Recreation Center to fruition.

They reported that the CRC, when constructed, will fill a major gap in the community's infrastructure by being the first multipurpose indoor recreation center in Grand Junction. The 2021 Parks, Recreation and Open Space Master Plan, driven by community input such as a statically valid mail survey, revealed that the highest priority of the community was to build a community recreation center. This was further confirmed by a statistically valid phone survey conducted by professors from Colorado Mesa University in February 2022.

With an extensive public process and multiple opportunities for community feedback, this CRC Plan envisioned the construction and operation of an approximately 83,000 square foot facility that is planned to provide, but not be limited to, a multi-generational aquatic area with lazy river, zero depth entry, playground and slides, a cool water lap pool, and a warm water therapy pool, a multi-sport gymnasium, an indoor walk/jog track, fitness and weights area, multipurpose meeting rooms, and other community gathering and recreation spaces. The plan was adopted by the City Council in November 2022 and led to an April 4, 2023, ballot proposal asking voters to authorize a 0.14 percent sales tax increase and to authorize the City to incur debt to fund the new recreation center.

After a successful election, the City issued a Request for Proposals (RFP) that led to the selection of Barker-Rinker-Seacat and Chamberlin Architects, along with a full team of engineers in all requisite trades, to complete the design and engineering of the CRC. Following the selection of BRS - Chamberlin Architects, the City released an RFP for Construction Management - General Contractor (CMGC) services for the new CRC. FCI constructors was selected to serve as the

Construction Manager/General Contractor.

FCI provided in-depth cost opinions in the schematic design phase and the design development phase, along with constructability guidance and engagement with sub-consultants who will be submitting formal bids. This ensures keeping the project on budget while informing decisions that maximize community benefit. BRS also led the update of the Pro Forma to account for the design that has the CRC at 109,000 square feet. This effort focuses on exceeding community expectations for the new community recreation center.

Next, BRS will create construction documents that FCI will use to gather formal bids in all the trades necessary to construct the CRC. An early release package to include earthwork and deep foundations is anticipated this summer for City Council consideration, followed by a Guaranteed Maximum Price (GMP) that will guarantee delivery of the CRC as represented in the construction documents. The official groundbreaking is scheduled for Saturday, June 1 at 10 a.m. at Matchett Park. A 5k walk/run, a disc golf tournament, a virtual tour of the staked-out CRC and other family-friendly activities are planned before and after the 10 a.m. groundbreaking ceremony. The CRC construction is then scheduled to proceed for approximately 22 months with a CRC grand opening anticipated in mid-2026.

Discussion following the presentation included:

- The expansion to 107,000 square feet within budget, site design decisions, and floor plan refinements,
- Features of the Recreation Center emphasize various pools, fitness areas, and community spaces,
- Budget management alternatives and admission fee adjustments based on market comparisons,
- Financial projections, partnerships, and revenue sources,
- Considerations for outdoor areas, revenue generation, partnerships, senior citizen spaces and fees, and operational logistics,
- Efforts towards sustainability, stormwater management, energy efficiency, contingency funds and future expansion plans,
- Renewable energy sources and building orientation.

Commitment to sustainability, energy efficiency, and responsible budgeting were recurrent themes.

**b. Water-Wise Landscaping and Turf Limitation on Single-Family and Duplex Lots**

Tamra Allen Community Development Director introduced this item. She stated to stem water shortage issues, the State of Colorado General Assembly recently passed legislation restricting the installation of non-native, water-intensive turf and expanding property owner rights to install xeriscape, particularly in residential areas subject to homeowners' association (HOA) rules. The bill does not apply to residential properties; however, some cities within Colorado are beginning to adopt regulations to limit turf on residential properties. Staff researched recent developments at the state level regarding turf limitation and water-wise landscaping. Staff also surveyed twenty cities and one county to identify localities actively regulating turf in single-family residential or duplex development, as well as to understand the spectrum of possible regulatory tools to limit turf on these types of properties.

The City updated its landscape code regulations on January 23, 2023, which included the introduction of a 15 percent turf maximum for non-functional turf on non-residential and multifamily properties. The Zoning and Development Code (ZDC) defines non-functional turf as “an area of turf measuring no less than 30 feet in width and length with a minimum area of 1,500 square feet for common recreational uses open to the public, members of a neighborhood, or clients and/or customers of a commercial or office use”.

The City already bans the installation of invasive species and has several tools in place, such as the Suitable Plant List, to ensure staff can apply the regulations in a standardized manner. The Suitable Plant List also indicates which species meet the required minimums for water-wise and native plants. These standards require that:

- At least 25 percent of proposed shrubs are native or native alternatives.
- At least 90 percent of proposed shrubs are xeric, xeric-low, xeric-medium, or low water.
- At least 50 percent of proposed trees have a “preferred planting” status.
- No more than 15 percent of proposed trees have a “limited” status.

While single-family and duplex subdivisions adhere to these regulations as it relates to landscaping required along the perimeter street frontage(s) of a development, the ZDC does not currently regulate landscaping or limit turf on individual single-family and duplex lots.

Apart from existing regulations, the City's Turf Conversion Program is an existing non-regulatory effort led by the City's Utilities Department to assist property owners by providing a rebate of \$1 per square foot of living turf when converted to low water plants. The City also provides a tree assessment, support with calculating a water budget, and other irrigation related rebates. Some goals of the program include reducing outdoor water use by 40 percent, decreasing the heat island effect, protecting existing trees, and expanding the urban tree canopy.

While it can be assumed that limitations on turf installation will further reduce the extent of turf installation, it is noteworthy that the trend appears to be a reduction in the presence of turf on single-family properties over time.

Discussion included:

- **Compliance with State Law:** The City needs to align its regulations with the new state law.
- **Possible Actions:** Options include allowing water-wise grass seeds, updating regulations, or exploring more stringent measures.
- **Examples of Regulations:** Some cities like Castle Rock and Broomfield have stringent regulations, including turf size maximums.
- **Concerns about Affordability:** Some Councilmembers are concerned about costs for single-family properties and aim to balance water conservation with affordability.
- **Consideration of Cost Savings:** Long-term savings from water conservation were discussed, along with the potential benefits of native vegetation.
- **Exploration of Regulatory Tools:** The Council expressed an interest in exploring tools like restricting turf size or requiring adherence to certain principles.
- **Concerns:** Staff voiced concerns about overwatering in water-wise landscaping, the capacity for enforcement, and the need for water-wise education.
- **Exploring Alternatives:** Instead of banning turf outright, Council considers guidelines and incentives for sustainable landscaping.

- **Grass Seed Options:** Hybrid grass varieties that require less water and educate residents about native species.
- **Balancing Water Conservation and Affordability:** There's a focus on promoting sustainable landscaping while minimizing barriers to homeownership.
- **Interest in Approved Landscape Plans:** Council expressed interest in requiring approved plans for new construction, potentially with a required plants list.
- **Interest in Granular Water Rates:** There was interest in setting water rates based on user type to incentivize conservation.

Overall, there was a consensus to explore measures that promote water-wise landscaping while balancing affordability and practical considerations. Council directed staff to further explore recommendations and place this item in a future workshop.

**c. Impact Fee Exemptions and Waivers for Affordable Housing**

Ms. Allen stated this item concerns the formulation of a policy for Impact Fee Exemptions and Waivers, specifically targeting the facilitation of Affordable Housing unit development to increase overall housing production. The focus is on first, the unique situation whereby Colorado Law exempts Housing Authorities from paying fees related to development and the consideration of whether to exempt or waive/backfill all or some of the fees due for the recent "The Current" project by Grand Junction Housing Authority (GJHA). Second, determine if Council desires to establish a more structured incentive policy for other affordable housing developers.

Impact fee exemptions and impact fee waivers were the subjects of inquiry at the January 30, 2024, special meeting, during which funding for the GJHA "The Current" project was approved. It was represented at that meeting that the City is exempting \$757,184 in fees for the project. The question arose whether the City should "backfill" the fee accounts with non-fee revenue. Colorado's law (C.R.S. 29-4-227(1)) exempts housing authorities from paying development-related fees due to the local government; as such, these projects have not been paid nor backfilled by other City funds.

Other low- and moderate-income housing projects are not exempt from fee payment by local code or state law. Typically, low-income housing projects have approached the City to pay all or a portion of the development fees that are due. If requests are approved, funds have been allocated from the General Fund or other sources like the Community Development Block Grant (CDBG). The City has historically taken the position that the fees are not exempt and need to be paid in full; however, the Code provides the City Council with the discretion to pay for some, none, or all the impact fees imposed on low-or moderate-income housing development to promote housing of affordability as enabled by CRS.290290194.5(c)(5).

At the April 1 workshop, Council discussed various options for the fees as they related to GJHA's "The Current" project. The options ranged from:

1. Exempt all fees
2. Exempt all impact fees, and the City pays on behalf of GJHA the Plant Investment Fees
3. Exempt all Plant Investment Fees, and the City pays on behalf of GJHA the Impact Fees
4. The City pays on behalf of GJHA all fees due

Staff recommends continuing to exempt from payment those governments and housing authorities that are exempt from state law and City Code from fee payment and continuing the practice of not backfilling those fees. The fees related to "The Current" are as follows. The cost associated with each option is provided below as it relates to options 1-4 listed above.

Fee Type	Fee Amount	Option 1	Option 2	Option 3	Option 4
Major Site Plan Application		\$785	\$0	\$0	785
Stormwater Inspection Fee		\$973	\$0-	\$0	\$973
Open Space Fee		\$281,000	\$0	\$0	\$281,000
Police Impact Fee		\$12,258	\$0	\$0	\$12,258
Fire Impact Fee		\$28,620	\$0	\$0	\$28,620
Parks Impact Fee		\$51,948	\$0	\$0	\$51,948
Transportation Impact Fee		\$166,050	\$0	\$0	\$166,050
Sewer Plant Investment Fee		\$215,550	\$0	\$215,550	\$0
Total		\$757,184	\$0	\$215,000	\$539,876

Council consensus was Option 4.

For entities not exempted from fee payment, staff recommended one of the following options:

1. Continue to require fees to be paid for non-exempt entities building affordable housing. Funding to backfill could be provided by the City on a case-by-case basis or through a formalized affordable housing incentive policy. Either backfilling option would require funding to be assigned through the annual budget process from General Fund dollars.
2. Require Enterprise Fund Fees (water and sewer) to be paid, but not Impact fees (pursuant to GJMC 21.02.0670(a)(10))
3. Do not require either Enterprise Funds for Impact Fees to be paid (in full or part), (pursuant to GJMC 21.02.0670(a)(10))

Summary of the key discussions regarding fee waivers for affordable housing projects:

- **Financial Implications:** Councilmembers expressed concerns about the long-term impacts of not collecting these fees, highlighting the need to cover costs through future fee adjustments or other revenue sources.
- **Support for Affordable Housing:** There was recognition of the importance of supporting affordable housing initiatives and reducing barriers to such projects, while also ensuring financial sustainability for the City.
- **Decision on Backfilling Fees:** Council seems inclined not to backfill fees for Housing Authority projects, acknowledging the impact on the budget and the need for adjustments or additional funding sources in the future.
- **Proposed Structure for Fee Waivers:** The presentation outlined options for fee waivers for affordable housing projects, focusing on incentivizing affordability in both private and nonprofit developments.
- **Complexities of Defining Affordability:** The discussion delved into the complexities of defining affordability and incentivizing developers, with suggestions to simplify the approach based on deed restrictions or income thresholds.
- **Budgeting Challenges:** There was agreement on the need for annual decisions regarding budgeting for incentives and the importance of flexibility while ensuring predictability for developers.
- **Alignment with City Goals:** Discussions focused on aligning budgeting processes with the City's goals, including the creation of affordable housing units, and exploring alternative mechanisms like shared equity models.
- **Addressing Barriers and Finding Solutions:** The conversation highlighted challenges with insurance liability, legislative barriers, funding utilization, and strategies to incentivize private investment in affordable housing.

Overall, the discussion underscored the importance of balancing affordability goals with financial sustainability and finding innovative solutions to increase the availability of affordable housing.

### **Board & Commissions Selections**

Council decided which members would represent Council on the various boards, committees, commissions, authorities, and organizations. Annually, this activity is conducted.

Assignments were discussed and agreed upon. A resolution will formalize the discussion at the May 1, 2024, City Council meeting.

### **3. City Council Communication**

The following items were advanced:

- Concerns about the Airport Alliance's transparency and reporting requirements.
- Improving Efficiency: There's a suggestion to potentially receive meeting packets earlier to allow for more time to review materials before meetings, with the acknowledgment that it may involve complex conversations about deadlines and processes.

The meeting concluded with a discussion about future workshop topics and scheduling, reviewing upcoming agenda items such as policy updates, housing strategies, alley improvements, and business licensing discussions. The meeting adjourns after confirming the schedule.

### **3. Adjournment**

There being no further business, the Workshop adjourned at 8:44 p.m.