

## **GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY** **June 17, 2024**

**Meeting Convened:** 5:34 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, Dennis Simpson, Anna Stout, Mayor Pro Tem Randall Reitz and Mayor Abe Herman (virtual).

**Staff present:** Interim City Manager Andrea Phillips, City Attorney John Shaver, Assistant to the City Manager Johnny McFarland, Principal Planner David Thornton, Engineering and Transportation Director Trenton Prall, Housing Manager Ashley Chambers, Senior Planner Timothy Lehrbach, Community Development Director Tamra Allen, and City Clerk Selestina Sandoval.

### **1. Discussion Topics**

#### **a. The Grand Valley River Corridor Initiative (RCI) Multi-Jurisdictional Letter of Support**

The Grand Valley River Corridor Initiative (RCI) is a community-driven initiative focused on supporting and maintaining a healthy river corridor and the associated needs, uses, and values for generations to come. The RCI was formed in 2020 to address the acute need for enhanced coordination, planning, and collaboration on river corridor-related activities. A Core Team leads it with representatives from RiversEdge West, Colorado Mesa University, and American Rivers. OV Consulting was contracted to provide necessary river system support and move the process forward by coordinating with local municipalities and stakeholders.

The RCI Core Team hosted three multi-jurisdictional planning workshops in Grand Junction on November 7, 2023, February 6, 2024, and May 8, 2024, to convene planners and professionals from Mesa County, Fruita, Grand Junction, and Palisade to discuss the future of the Grand Valley River Corridor, craft a shared vision for the River Corridor, and discuss planning strategies to support the development of an inter-jurisdictional River Corridor planning framework.

Representatives from all four jurisdictions agreed that a joint resolution should serve as an agreement to plan collaboratively along the Grand Valley River Corridor and to move forward with a multi-jurisdictional River Master Plan.

This item was presented by Rusty Lloyd and Beth Vogelsang, who represent the Grand Valley River Corridor Initiative (RCI). The initiative is a collaborative effort involving multiple jurisdictions and agencies to manage the Colorado River as it passes through the Grand Valley. The RCI aims to engage stakeholders, foster collaboration, and lead informed decision-making for the river corridor. They have 27 stakeholders who meet quarterly. Their recent work includes obtaining funding and working on four key tasks: project management, facilitation and outreach, a riparian and floodplain health assessment, flow conditions work, and a planning framework.

The presentation detailed the planning framework process, which began in November and involved three workshops. The process aimed to develop a coordinated vision for the river, explore planning and management strategies, and establish an agreed-upon planning framework. The outcome was

a shared vision emphasizing a resilient, vibrant, and healthy river corridor that supports agriculture, habitat, wildlife, recreation, economic growth, and sustainable development.

Beth outlined various planning approaches and examples from other cities, such as Colorado Springs, Boise, and Denver, highlighting different strategies for river management. The preferred approach for the Grand Valley is to develop a master plan for the river corridor. The presentation concluded with a call for support from jurisdictions to work collaboratively on the master plan and seek additional funding.

**b. Alley Improvement Districts**

This is a follow-up discussion to the April 1, 2024 Council Workshop. Alley Improvement Districts are a partnership between a block of neighbors and the City to pave alleys throughout the City. The process of bringing a district to fruition is very cumbersome, with ordinances to form the district, award construction contracts, assess the costs to adjacent property owners, and then collect assessments over the next 10 years. A staff-prepared review of the program will be provided for the Council to consider whether to:

Engineering and Transportation Director Trent Prall presented this item, and the key points are as follows:

- Currently, single-family residences pay 15% of the costs, multi-family 25%, and non-residential 50%. This results in single-family homes paying 15 cents per dollar. The city used to complete about four alleys per year, involving significant staff time.
- From 1988, 130 out of 280 alleys were completed, with many still pending. Recent projects have an average cost of \$400 per linear foot, translating to \$60,000 per alley. There are 145 alleys remaining, costing between \$32 and \$36 million.
- Residential rates for improvements average \$1,500 per lot, with multi-family between \$2,500 and \$5,000. The process involves petitions, design, contracting, and final cost assessments, amortized over 10 years with interest.
- Options discussed included continuing with the status quo, decreasing participation rates, having the city cover costs entirely, eliminating residential partnership but keeping commercial ones, and addressing equity concerns in low-income areas.
- Self-performance could reduce costs to \$40,000 per alley, with materials costing around \$100,000 per alley. The city could complete one alley per year with this approach.
- Discussions emphasized balancing these projects against other city priorities and exploring funding within the upcoming budget. Maintaining alleys costs staff time, with significant maintenance required for certain areas.
- Council expressed varying opinions on funding and self-performing the alley improvements. Some favored city funding, citing equity and administrative efficiency, while others emphasized prioritizing other projects. The discussion will continue as part of the budget process.

**c. Housing Strategy Update**

The city's first housing strategy was adopted in October 2021 with 12 initial strategies, later adding a 13th for public outreach. The strategy is three years old, necessitating an update due to evolving trends and demographic information. Council had previously discussed affordable housing strategies in a March workshop, prompting an accelerated strategy refresh.

This item was presented by Mollie Fitzpatrick, Managing Director of Root Policy and provided an update on Grand Junction's housing strategy, highlighting the evolution since its initial adoption in October 2021.

Key points include:

### Recent Trends and Market Analysis

- **Renter Incomes and Affordability:** Renter incomes have increased at a similar pace to rents, but there's uncertainty about the continuation of this trend. Vacancy rates remain very low, indicating a tight market.
- **Rental Market Shifts:** Significant reduction in rental units priced below \$800 per month, and increases in units priced at \$1,500 or more.
- **Home Prices:** Home prices have stabilized, but higher interest rates have reduced purchasing power, particularly affecting first-time buyers. Cash purchases have slightly increased, indicating a presence of investors.
- **Gaps Analysis:**
  - **Rental Market:** There's an estimated shortage of 1,200 affordable rental units for households earning below \$25,000 annually.
  - **Homeownership:** An increasing affordability gap is affecting households earning up to \$75,000 due to rising home prices and interest rates.

### Key Findings from Demographic and Market Trends

- Median renter incomes have risen, but future trends are uncertain.
- The biggest shortage of rental units remains in the lowest income brackets.
- Home prices continue to rise, affecting the affordability for prospective first-time buyers.
- Investor activity is slightly increasing, which could crowd out entry-level buyers.
- Special needs populations and diverse housing options remain crucial areas for support.

### Updated Needs and Strategic Directions

- **2024 Housing Needs:** Continuation of the need for affordable rentals, starter homes, and diverse housing options.
- **Strategic Refresh:**
  - **Strategies:** Regional collaboration, setting affordability goals, land use changes, incentives, use of city-owned land, dedicated funding, support for housing services, acquisition and rehab of affordable housing, consideration of inclusionary policies, urban renewal, rental registry, and community engagement.
  - **Unhoused Strategies:** Enhancing coordinated entry, flexible housing funds, prevention and housing navigation, basic needs and hygiene access, mental health and substance use treatment, accessibility and transportation services, and increasing non-market housing options.

### Discussion Points

- The session concluded with a call for council feedback on moving forward with the housing strategy update, ensuring that the refreshed strategy aligns with council priorities and addresses identified needs effectively.

**d. Neighborhood, Subarea, and Corridor Plans and Overlays**

Over the past several decades, the City, and some instances, in partnership with Mesa County, has completed several neighborhoods, subarea, and corridor (collectively, “subarea(s)” hereafter) planning efforts. The results of the work were to adopt either a plan for the subarea as an element of the Comprehensive Plan or a zoning overlay for the subarea, or in some cases, both a plan and a zoning overlay.

Plan Principle 5 of the Comprehensive Plan provides for “Strong Neighborhoods and Housing Choices.” Goal 3 of Plan Principle 5 states “Support continued investment in and ongoing maintenance of infrastructure and amenities in established neighborhoods.” Strategy e. of this goal gives direction to “Update Neighborhood and Subarea Plans.” Whereas the subarea plans were adopted under previous growth plans or comprehensive plans, any review of or updates to such plans must be undertaken within the context of the One Grand Junction Comprehensive Plan, which elevates to a citywide vision many of the same principles that motivated the subarea plans.

This discussion concerns the first round of efforts to implement this strategy, studying whether the policies and guidance adopted in the subarea plans have since been adequately addressed (under a broad scope to achieve citywide effect or specifically pertaining to one or more subareas) in the Comprehensive Plan. The analysis resulted in a recommendation to relocate elements of the Orchard Mesa Neighborhood Plan, Pear Park Neighborhood Plan, and Redlands Area Plan into the Comprehensive Plan, either into the primary document or the Grand Junction Circulation Plan, and to retire the remaining components of the subarea plans.

Senior Planner Tim Lehrbach and Principal Planner Dave Thornton presented this item and focused on the following items:

• **Review Process:**

- Staff began by creating a review matrix for each sub-area plan, analyzing policies to identify redundancies, obsolescence, and alignment with the comprehensive plan.
- The focus was on eliminating contradictions between sub-area plans and the comprehensive plan, streamlining policy understanding, and preserving necessary content for ongoing implementation.

• **Findings and Recommendations:**

- For the Orchard Mesa, Pear Park, and Redlands neighborhood plans reviewed in the initial phase, staff found that most policies either had been accomplished or were already integrated into the 2020 Comprehensive Plan.
- Minor amendments to the comprehensive plan were proposed to account for any remaining relevant content from these neighborhood plans.
- Recommendations included retiring the Orchard-Mesa, Pear Park, and Redlands plans, with proposed amendments to clarify references and preserve essential maps and policies within the comprehensive plan's appendices.

- **Next Steps:**

- Pending feedback from the City Council, the Planning Commission would consider recommending an amendment package to relocate text and maps as proposed and retire the neighborhood plans.
- Future phases will review additional sub-area plans to determine their relevance and alignment with the comprehensive plan, with considerations for updating or retiring them accordingly.

- **Discussion and Feedback:**

- Councilmembers discussed the complexity of administering outdated plans, the need for clarity in development guidelines, and the potential role of economic development partners in assisting with plan navigation.
- Overall, the council expressed support for the methodical review process and anticipated the Planning Commission's upcoming recommendation on retiring the initial set of sub-area plans.

- e. **Undergrounding Existing Overhead Utility Lines - Draft Code Changes**

The Zoning and Development Code requires that all new utility lines be undergrounded and that any existing overhead utilities be installed underground except when the development has less than 700 feet of frontage, in which case the director can accept cash payment in lieu. The burden of undergrounding an overhead utility line is borne fully by the property owner on which the power poles have been installed, and it is generally perceived by the development industry that the requirement to underground along frontages less than 700 feet puts an unfair burden on development that happens to have overhead utilities along the property frontage. For development with frontage less than 700 feet, with the option to pay the in-lieu fee, the rate was established in 2005 and is set at \$25.65 per linear foot. The actual estimated average cost for undergrounding utilities is approximately \$300 per linear foot.

In 2018, participants in the City's ad hoc Development Roundtable identified the issue of existing overhead utility undergrounding requirements as a development challenge to staff. Subsequently, in 2018, staff discussed several options for addressing the issue with the City Council and received direction to continue working with industry representatives. Over the course of the past five years, staff have worked intermittently with the roundtable to identify an approach that would address the community's needs. Discussion continued on this topic until as recently as June 2022, when the Code Committee took up this issue as a part of the Zoning and Development Code update. As expected, the Code Committee recommended the requirement be removed from the Code. This recommendation was supported during the review and recommendation process by the Planning Commission. At that time, Community Development staff also supported the removal of the code requirement while the consultant team (Clarion Associates) recommended "maintaining the current undergrounding requirement while pursuing a policy discussion at the City Council level to determine whether City participation in the undergrounding costs for some projects would provide an overall benefit to the community." Ultimately, the City Council's adopted code update maintained the requirement to underground existing overhead utility lines. Staff was directed to bring the topic of utility undergrounding to a City Council workshop for additional policy discussion and direction in early 2024. A workshop was held on February 5, 2024, to discuss the topic, and the Council asked that staff reach back out to industry representatives through the Development Roundtable to seek

additional input.

Staff met with the Roundtable group in March and again in April to discuss options, and the Roundtable group reiterated its lack of support for the continuation of this code requirement. City Council held a workshop on April 15 and provided direction to staff to draft revised code sections that provide an option for developers to underground or to pay an in-lieu fee as well as to increase to in-lieu fee to \$150 per lineal foot for any development that opted to pay the fee instead of underground existing overhead utilities. In addition, the draft revisions allow for a developer to request a distribution from the Undergrounding Fund of up to 50 percent of the actual cost (without markup for Overhead and Profit) to the developer of materials and labor to underground those utilities.

The next steps involve drafting amendments for review by the Planning Commission and subsequent Council consideration, potentially modifying Title 21 zoning regulations.

## **2. City Council Communication**

Mayor Pro Tem Reitz summarized upcoming workshop topics.

Mayor Herman gave an update on communications with Mesa County Valley School District 51 regarding Orchard Mesa Pool.

## **3. Adjournment**

There being no further business, the Workshop adjourned at 8:28 p.m.