

GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY September 30, 2024

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

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

Staff present: Interim City Manager Andrea Phillips, City Attorney John Shaver, Assistant to the City Manager Johnny McFarland, Interim Finance Director Jodi Welch, Community Development Director Tamra Allen, Utilities Director Randi Kim, Transportation and Engineering Director Trent Prall, Parks and Recreation Director Ken Sherbenou, General Services Director Jay Valentine, Deputy City Clerk Misty Williams, and City Clerk Selestina Sandoval.

1. Discussion Topics

a. 2025 Budget Workshop Introduction

Interim City Manager Andrea Phillips introduced the topic, acknowledging the work of the budget team, including Jody Welch (Interim Finance Director), Matt Martinez (Budget Coordinator), and others. She outlined the budget process, noting staffing changes, upgrades to financial and HR systems, and a new ERP system. She emphasized that the budget process has been ongoing for months, involving discussions on capital projects, labor projections, nonprofit funding, and revenue balancing.

The schedule includes three budget workshops, with the first on economic development, the second on the 2025 recommended budget (operating budgets, funds, etc.), and the third on the Downtown Development Authority, Business Improvement Districts, and nonprofit funding policy. Public hearings on the budget are planned for November and December.

Key budget priorities identified by the community include housing, homelessness, transit options, bike paths, and public safety. The city is working on road maintenance, trail infrastructure improvements, and expanding affordable housing.

Economic development is supported through core services (police, fire, transportation), partnerships with development entities, and funding for business expansion and tourism promotion. Specific funding for partners, such as the Business Incubator Center, Colorado Mesa University (CMU), and Grand Valley Transit, was highlighted. The lodging tax supports air service and sports tourism. Presentations from partners followed this overview.

b. Grand Junction Sports Commission

Ben Snyder, from the Greater Grand Junction Sports Commission, presented an update to the City Council. He explained that the commission, while officially named the Greater Grand Junction Sports Commission, is branding itself as the Grand Junction Sports Commission for simplicity. The

commission is part of the National Sports Events and Tourism Association and has focused on the recovery of sports tourism post-COVID.

Mr. Snyder shared national data showing the significant economic impact of sports tourism, which generated over \$52 billion in direct spending in 2023, and noted how critical transportation and lodging are for the industry. Locally, the commission relies on lodging tax for 65% of its budget, aiming to generate more revenue through events.

The commission is working on a strategic plan, with a draft received in early 2024, focused on improving local sports facilities, especially the need for turf fields to host large-scale events. Some recent highlights include their involvement with key events like the JUCO World Series, which had a \$4.6 million economic impact, and Rides and Vibes, which generated almost \$1 million in direct spending. Snyder also mentioned future events such as the USA Cycling Road National Championships and the World Wakeboarding Championships.

The council had questions about the funding breakdown, particularly how much goes to salaries versus event support. Snyder explained that around 30% of their budget is spent on operational costs, with most going toward event recruitment and spending. Councilmembers also inquired about the inclusion of adaptive sports, to which Snyder noted the commission's efforts in promoting adaptive activities at various events.

Finally, Councilmembers encouraged the commission to present more detailed economic impact data and suggested developing a quarterly report or dashboard to provide a clearer picture of the overall impact of sports tourism on the community.

c. Grand Junction Area Chamber of Commerce

Candace Carnahan, President and CEO of the Grand Junction Chamber of Commerce, presented on three areas: the Chamber's Business Retention and Expansion Program, Industrial Development Incorporated, and the Air Alliance. The focus was on collaborative economic development efforts that leverage community resources and maintain accountability to ensure impact. The Chamber primarily works on retaining and expanding local businesses by addressing issues such as workforce gaps, skills development, and business assistance.

Key challenges include a shortage of skilled workers and concerns about essential skills in the workforce. To address this, the Chamber introduced the West Slope Works Program, which emphasizes work-based learning and incentivizes employers to engage in internships, apprenticeships, and job shadowing. The program distributed over \$120,000 in grants to local businesses. The Chamber is also involved in workforce development initiatives with School District 51 and the Workforce Center.

Ms. Carnahan emphasized the Chamber's role as an advocate for local businesses, working to reduce regulatory burdens and lobbying on behalf of industries such as construction, healthcare, and tourism. The Chamber also works closely with the state's Office of Apprenticeships and other regional organizations to ensure alignment between local and state workforce goals.

During the council discussion, there were questions about the Chamber's relationship with the city, particularly regarding the City's involvement on the Chamber's board. Councilmembers expressed

concerns about the Chamber's decision not to include a city liaison on its board, in contrast to other economic development partners. Ms. Carnahan assured the council that the Chamber remains committed to maintaining a strong relationship with the City despite the absence of a formal liaison, but Councilmembers suggested that such a liaison might improve communication and prevent conflicts. The discussion ended with some Councilmembers advocating for more consistency in the Chamber's approach to collaboration with City entities.

d. Industrial Development Inc. (IDI)

Candace Carnahan provided an overview of Industrial Developments Incorporated (IDI), a nonprofit administered by the Grand Junction Chamber of Commerce. Originally, IDI served as the precursor to the Grand Junction Economic Partnership (GJEP), with a mission focused on managing and developing land to promote business growth and job creation. Over the years, IDI has evolved to also manage incentive funds that match those offered by GJEP to attract and retain businesses in the area.

IDI has been involved in significant projects, including the development of business parks like Foresight Park and Book Cliff Tech Park. In partnership with the city, county, and state, IDI helped bring infrastructure to the area, offering properties at below-market rates to attract business. Recent efforts included working on incentives for Westar Aviation and recruiting companies like Goose Gear to the area.

While IDI and GJEP often collaborate on incentive packages, IDI maintains an independent role, offering a flexible approach, particularly in supporting existing businesses with expansion efforts. Ms. Carnahan noted that IDI aims to rebuild its land portfolio and continues to work with partners to expand development opportunities. She emphasized the importance of collaboration between the two organizations, ensuring checks and balances in economic development decisions.

In response to council questions, Ms. Carnahan clarified that IDI operates without dedicated staff, with the Chamber of Commerce managing its operations, and that the two organizations work closely to ensure effective use of incentive dollars.

e. Air Service Alliance

Candace Carnahan and Curtis Englehart provided an update on the Grand Junction Regional Air Service Alliance. The Alliance's mission is to increase and retain air service in the Grand Valley, focusing on affordable air service, frequency, and connectivity. The Air Service Alliance was formed to handle roles that the Grand Junction Airport cannot due to federal rules and to build confidential relationships with airlines. This public-private partnership includes support from city, county, and business leaders.

Despite challenges, such as airline consolidation and a shift to larger planes, Grand Junction's airport has retained and even added destinations. The airport's capacity is growing faster than the national average for similar-sized airports, with new services like Breeze Airways, which connects to Orange County, San Francisco, and soon Las Vegas. The Alliance plays a key role in retaining existing air services and preventing "leakage" of passengers to other airports like Denver and Montrose.

Key initiatives include targeted marketing campaigns to encourage local travel, such as discouraging people from driving to Denver and collaboration with airlines to maintain passenger volumes. The Alliance's efforts have reduced the number of travelers choosing surrounding airports, while overall passenger capacity continues to increase.

A Councilmember raised concerns about the confidentiality of the Alliance's financial data and the use of public funds, and it was clarified that some financial information is restricted due to contracts with airlines.

The presentation concluded with discussions on route performance, seasonality, and future projections, with the Alliance continuing to focus on strategic decisions that balance community needs with available resources. The Air Service Alliance is also working on a dashboard to provide data and updates to the City Council about its activities and finances.

f. Grand Junction Economic Partnership (GJEP)

Curtis Englehart, Executive Director of the Grand Junction Economic Partnership (GJEP), presented an update on the organization's progress, successes, and goals. GJEP's main strategic goals include creating primary jobs (those paying over \$55,000 annually), promoting Mesa County's business assets, assisting business relocations and expansions, and fostering collaboration with local, state, and federal partners.

In 2023, GJEP saw record achievements, including 10 business relocations or expansions, 161 net new primary jobs, and a total economic impact of over \$52 million—double the 2022 impact. So far in 2024, GJEP has already seen 8 relocations or expansions and has a strong prospect pipeline.

Mr. Englehart highlighted key industry focus areas: aerospace and aviation, manufacturing, tech, healthcare, and outdoor recreation. Recent successes include Goose Gear, Grand Valley Ice, Oak Star Bank, and the nearing completion of an Amazon last-mile facility.

GJEP's marketing efforts, including social media, print ads, and events like the Western Colorado Economic Summit, have increased engagement and raised awareness of the area's economic potential. GJEP is also celebrating its 40th anniversary and received a bronze award for its 2023 annual report from the International Economic Development Council.

In response to questions, Mr. Englehart noted that GJEP has made significant progress in reducing reliance on public funding, now obtaining about 60% of its funding from private sources and grants. He also emphasized the importance of public infrastructure in attracting businesses and praised the city's support for economic development. Councilmembers commended Mr. Englehart for his leadership and the improvements in GJEP's reporting and transparency, demonstrating a clear return on investment.

g. Business Incubator (BIC)

Dalida Sassoon Bollig, CEO of the Business Incubator Center (BIC), presented an update on the organization's activities in Mesa County. Established in 1986, BIC supports entrepreneurs and small businesses through innovation, funding, tools, training, and mentoring programs. In 2023, BIC created 745 new jobs, hosted 73 businesses on campus, helped 18 businesses graduate, and provided 22 loans totaling \$1.79 million, leveraging an additional \$1.97 million through banks. The

center also serves over 500 businesses outside of its incubator, highlighting its broad community reach.

Several programs were spotlighted, including the Grand Junction SBDC, which assisted 570 clients and created 220 new jobs while helping raise \$4.9 million in capital infusion. The Revolving Loan Fund provided \$2.7 million in direct loans and leveraged \$6.47 million, while the Grand Central Makerspace supported 148 users in prototyping and innovation. The Hi5 FIRST Robotics League expanded STEM training to 63 students, and the Workforce Innovation Project offered up-skill and re-skill programs, training 31 participants to date. BIC also launched initiatives like AgriWest, focused on sustainability and food security, and the Circular Economy Development Center, addressing recycling and reuse challenges in Western Colorado.

Additionally, BIC's Strategic Nonprofit Training Program assisted 21 nonprofits in boosting capacity, creating 26 jobs and generating \$2.4 million in grants. BIC's work has earned it recognition as a leader in supporting small businesses, including being named runner-up for the best incubator in the world. Ms. Sassoon Bollig concluded by emphasizing BIC's long-term success, the vital partnership with the City of Grand Junction, and the need for planning the future of the incubator's campus as they explore expansion or retrofitting options.

h. Western Latino Chamber of Commerce

Jorge Pantoja, representing the Latino Chamber of Commerce, presented on the challenges and successes of 2023 for Spanish-speaking businesses in the community. The year began with struggles for employers facing rising costs, difficulties finding skilled workers, and issues related to the political and economic climate. However, the last six to eight months showed improvement, particularly in the food industry, with the rise of more food trucks. Mr. Pantoja noted the ease of obtaining permits and assistance from the health department in establishing food trucks, highlighting this as a growing trend within the Latino community.

The chamber mainly operates by responding to businesses that reach out to them, but a major challenge remains finding an effective way to proactively engage the minority community. In the construction sector, contractors are facing similar difficulties, particularly in finding skilled labor to take on larger projects. Mr. Pantoja emphasized the potential for partnerships with educational institutions like CMU to help bridge the skills gap.

Mr. Pantoja acknowledged the difficulty in quantifying the impact of the Latino Chamber's efforts, admitting that while they provide guidance and referrals to resources like lawyers and the Business Incubator, they lack a system to track long-term outcomes. He also addressed concerns from Councilmembers about the chamber's use of funds and lack of data-driven reporting. While the chamber received \$23,000 from the city in the previous year, only around \$10,000 has been spent, primarily on efforts to engage the community. Mr. Pantoja explained the difficulty in hiring a dedicated staff member to enhance operations, noting that much of the chamber's work is still carried out by volunteers.

The council raised concerns about the lack of data to demonstrate the chamber's return on investment (ROI) for taxpayer dollars, expressing a need for clear reporting on the number of businesses served, referrals made, and the overall economic impact of the chamber's efforts. They questioned the sustainability of funding a staff position that has gone unfilled for two years and urged the chamber to provide more concrete data and plans moving forward.

Mr. Pantoja acknowledged the need for improvement in reporting and expressed a commitment to better track their impact, while also emphasizing the unique challenges faced by the Latino community and the role the chamber plays in supporting long-term business development

i. Capital Budget Presentation

Interim City Manager Andrea Phillips highlighted \$162.8 million allocated across various departments and projects. This marks a significant increase from previous years, with last year's budget at \$141.5 million and \$67 million in 2023. Key projects include the Community Recreation Center (CRC), the Phase 1 expansion of the Persigo Wastewater Treatment Plant, and several transportation initiatives.

The capital improvement plan outlined both new projects and ongoing maintenance, funded through user fees, taxes, restricted revenues, debt proceeds, and grants. Parks and Recreation received the largest portion of the budget, with major investments in the CRC. Other significant allocations include \$53.8 million for utility sewer projects, \$36 million for engineering and transportation, \$6.4 million for city manager projects, and \$2.9 million for community development. Public safety received \$551,000, with a larger project, a \$30 million police annex, slated for future funding. The grants team plays a crucial role in leveraging state and federal grants to support these projects. Additionally, the capital improvement plan includes four proposed self-performance projects, though no specific details were discussed in this meeting.

Utilities Director Randi Kim presented the 2025 Water Fund Capital Improvement budget, totaling \$2.8 million. The focus is on maintaining infrastructure, planning for future growth, and supporting sustainability efforts. Key projects include \$1.4 million to replace the aging Linden Avenue waterline and \$450,000 for the Ouray Avenue waterline, which includes asbestos cement pipe and lead service line replacements. The city is also addressing lead service line replacements with a decade-long plan. Water supply projects include \$320,000 for the Juniata enlarged ditch piping, \$100,000 for potential agricultural water rights purchases, and \$100,000 for sustainable agriculture initiatives. Additionally, \$225,000 is allocated for the first phase of restoring the historic water treatment plant, contingent on securing a state grant. The presentation also touched on the impacts of climate change on water supply, with long-term planning in place to address future challenges.

Transportation and Engineering Director Trent Prall presented the City's 2025 capital improvement budget focusing on infrastructure maintenance and development. He emphasized maintaining the City's streets, noting an improvement in the Pavement Condition Index from 69 to 73 over six years. Major investments include \$15 million for F ½ Parkway, \$5 million for D ½ Road, 29 to 30 Road and \$2.75 million for work on 26 ½ Road.

Additionally, projects include improvements to the Patterson Road access management plan, updates to Crosby Avenue for better bike and pedestrian access, and various Safe Routes to School initiatives. Mr. Prall also addressed questions about specific projects like levee renovations and trail improvements, noting the challenges of balancing grant funding, project timelines, and growing costs. He highlighted efforts to improve multimodal transport options, including pedestrian crossings and bike paths, to enhance city connectivity and safety.

Parks and Recreation Director Ken Sherbenou highlighted key projects including turf conversion, renovations at Whitman Park, and continued construction on the Community Recreation Center. The first focus is removing non-activated turf, such as in Lilac Park, to conserve water and reduce

aesthetic-only green spaces. The budget also allocates funds for Whitman Park, which underwent a year-long public consultation, with plans to continue its renovation in 2025, funded primarily through parkland dedication fees. The largest allocation, \$56 million, is for the Community Recreation Center, focusing on major construction activities in 2025, with an additional \$10 million projected for 2026. If successful, a GOCO grant could add \$2.4 million for outdoor facilities alongside the center. The council also discussed potential revenue sources and considerations for broader projects such as turf conversion and Whitman Park's timeline in terms of funding and grant applications.

Community Development Director Tamra Allen shared the main points of the 2025 capital requests. One request is for \$2.8 million for infrastructure at the Salt Flats project, which is part of a larger initiative to create affordable housing. The funds would be used for backbone infrastructure necessary for both the Salt Flats subdivision and future affordable housing developments. Additionally, \$2.2 million is set aside for other housing-related projects, including supporting an accessory dwelling unit (ADU) production program, affordable housing incentives, and specific housing developments. These funds would be allocated to various projects such as Habitat for Humanity, Housing Resources of Western Colorado, and Liberty Apartments, among others. Another important consideration is the challenges faced at the Resource Center, where funding for its continued operation is debated due to issues such as safety and community impact. Councilmembers discussed concerns regarding drug-related arrests and the center's management, suggesting possible changes in operations or even closure if improvements are not made. Overall, the discussion highlighted the balance between investing in housing projects and addressing ongoing community challenges, particularly in how resources are managed and allocated.

2. Council Communication

Council member Stout suggested that the City of Grand Junction honor Mark Achen, a beloved former City Manager, who passed away on Friday. Mark Achen was well-regarded for his many years of public service to the City. The council agreed to explore options, such as a proclamation or a memorial bench and directed staff to determine an appropriate way to honor him.

3. Next Workshop Topics

Mayor Herman outlined future workshop items.

4. Other Business

There was none.

5. Adjournment

There being no further business, the Workshop adjourned at 9:27 p.m.