

GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY

August 19, 2013 – Noticed Agenda Attached

Meeting Convened: 5:00 p.m. in the City Auditorium

Meeting Adjourned: 8:07 p.m.

Council Members present: All. Staff present: Englehart, Shaver, Moore, Trainor, Cox (Lisa), Thornton, Portner, Romero, Tice-Janda, Kliska, Prall, and Tuin.

Agenda Topic 1. North Avenue Plan and Next Steps Related to Development of an Urban Renewal Authority

Dave Thornton, Planning and Development Supervisor, advised there are others present that will want to speak on this topic. He described the history including the planning that has taken place for North Avenue from I-70 Business Loop on the west to I-70 Business Loop on the east. He explained the overlay district for the area from just west of First Street to I-70 Business Loop on the east and the elements of the overlay district. The current efforts are the construction of American with Disabilities Act (ADA) improvements through Community Development Block Grant (CDBG) funding and the federal grant funding for the “complete street” design and construction of the first phase.

Members of the North Avenue Owners Association (NAOA) Jay Moss, Poppy Woody, and Kevin Bray provided a history of the corridor and their vision for the future. Their needs included attention to the area, a plan for routine maintenance, funding, and incentives to property owners. Mr. Bray described their ideas to find a funding mechanism for improvements to the North Avenue corridor. NAOA is recommending using Tax Increment Financing (TIF) through the establishment of an Urban Renewal Authority (URA) with the City limits as the boundary. With an Urban Renewal Authority comes a blight designation but that doesn’t mean slum. There are eleven factors that can be used for the blight determination including deteriorating infrastructure or safety considerations. They feel this is the best option as it will allow the incremental taxes on improvements in their project area to go toward the bonds issued for the North Avenue improvements. NAOA presented a proposed project area for North Avenue. There are no TABOR implications because there are no new taxes; it is just the incremental increase from the assessed value. It is recommended that the City Council be the URA board.

Councilmember Chazen pointed out that it would not just be City property tax but property tax that goes to all the other entities. He asked if the other entities should have a say in the formation of this mechanism. City Attorney Shaver said that the other entities can object at the public hearing forming the URA but they do not get to veto the formation. Mr. Bray pointed out that without the investment the taxes would be funding, there would be no increment for

those entities to receive. City Attorney Shaver added that as the area is in decline, those entities will realize the declining values.

Concerns were expressed that this bypassed TABOR in that it is debt financing, with a dedicated revenue stream and there is no voter approval needed. City Attorney Shaver said that is correct as determined by a Court of Appeals case in Golden. It was noted that TIF financing is how the Downtown Development Authority finances its capital improvements.

Councilmember Chazen asked who is ultimately responsible for the debt. City Attorney Shaver said it is the Authority, not the City. It is a separate statutory entity.

Mr. Bray referred to the proposed project area and provided the rationale behind the boundaries indicated. Councilmember Chazen asked why there are residential properties included. Mr. Bray said residential properties would specifically be excluded from the TIF district but if the properties were to redevelop commercially, they would be in the project boundary. There is also County property in the proposed project area and it would be excluded from the TIF, as well as the Federal, State, and City properties. All properties abutting North Avenue were included and the hope is to have a long term vision for the area.

Councilmember Chazen asked if the plans already adopted have had any effect on the area. Planner Dave Thornton replied there has been some movement with new sidewalks and new development. Councilmember Chazen asked why then couldn't they just depend on the private property owners to make the improvements? Mr. Bray said the overwhelming comment heard by the NAOA is that the public infrastructure is deteriorating and needs work. This proposal presents a way to fund that work.

Councilmember McArthur, drawing on his experience with a URA in Texas, stated that it is a Catch 22 because the area becomes so deteriorated that banks won't finance improvements for private owners and it becomes too expensive for them to afford. The missing piece is the financing mechanism.

Councilmembers Chazen and Norris raised concerns that the additional layers of government add to the cost, and could impede development. Councilmember Boeschenstein on the other hand supported not only the plan, but also the funding mechanism to put money into it; he identified a number of development projects that have occurred along the corridor. He lauded the grassroots effort. Councilmember McArthur again said that the financing piece is what is missing; two of the developments identified, CMU and Peppermill Lofts, received subsidies in order to go forward.

Council President Susuras asked if the NAOA considered a Business Improvement District. Mr. Bray said they did but it was not supported because the owners wanted to know where the taxes they are currently paying are being spent; they did not want an additional assessment.

There was additional discussion on other financing mechanisms.

In order to form an URA, there is lot of work that needs to be done including a blight study. It was noted that the formation of a URA does not affect the Enterprise Zones.

Council President Susuras polled the City Council on direction to Staff to go forward on a URA for the City. Councilmembers McArthur, Doody, Boeschstein, and Council President Susuras were in favor of having Staff pursue the URA. Councilmembers Norris and Chazen were opposed.

Agenda Topic 2. Grand Valley Trails Master Plan Update

City Manager Rich Englehart introduced the topic. He provided some history of the project and advised that the revised Master Plan went before the Planning Commission and was rejected. He then deferred to Planner Kathy Portner and Deputy City Manager Tim Moore.

Planner Portner said the Planning Commission recommended denial of the Trails Master Plan on August 13, 2013 citing the community benefit criteria was not met. The schedule was for the Plan to go before the City Council on September 18, 2013. She reviewed the history and the purpose of the Plan. She stated the Plan is not a map and it is not authorization for use.

The primary difference between the previous version adopted in 2001 and the version being proposed is that the boundaries in the Plan extend beyond the City limits and looks at trails valley-wide. The 2010 Comprehensive Plan does incorporate the Trails Master Plan. The 2035 Regional Transportation Plan also includes references to the need for multi-modal transportation.

There was discussion of the City's authority to develop such a Master Plan. City Attorney Shaver advised on the basic rights of the canal companies and the decision made by a local judge that the City can plan without it interfering with the operations of the companies. The City stated it has no intention of converting any land to trail use without authorization of the property owner.

Deputy City Manager Moore explained how the Plan is used when planning transportation systems and development of new areas in town. The adopted 2001 Urban Trails Master Plan included the growth boundary and also included trails along the ditch banks. Nothing has been built along the canals but many other sections have been constructed. The update includes

connections from Loma to Palisade. It helps not only the City when planning growth it helps other service providers such as XCEL Energy.

In discussions with the County Commissioners, Mr. Moore said they indicated they were not in favor of trail use along the canals but they did not reject the Plan outright. The County adoption process was discussed briefly.

Councilmember Doody asked who the major shareholders of the canal companies are within the City limits. Deputy City Manager Moore said Staff can provide that list. City Attorney Shaver noted that the facilities operated by the Grand Valley Water Users and the Highline Canal are government owned; others have private ownership.

Councilmember Chazen expressed concerns about adopting a plan without knowing the long term and overall financial impact. The updated Plan calls for adding over 600 new miles of trails. He felt the financial impact should have been included in the Staff Report.

Deputy City Manager Moore said for some of the trails, they are the same road section and the maintenance is synonymous with the road maintenance. For off road trails, the cost can vary depending on if there is land acquisition, how the trails are constructed, etc. City Manager Englehart said a dollar amount can't be determined until the specific plan is brought forward.

Councilmember Chazen pointed out that there were no legal issues identified on the Staff Report either. He said he would like to see pros and cons. Deputy City Manager Moore agreed but for the purposes of this discussion, this was a presentation of the update.

Councilmember Chazen read wording that indicated the Plan could be binding. He asked the City Attorney for clarification. City Attorney Shaver said it would be the dedication requirement when a developer comes to the City for development.

Councilmember McArthur said from a developer's perspective, they want to see these plans in place, then they know what is expected.

There was a discussion on how much the update expands the trail system which may or may not be along roadways, some of which may be across private property.

Elizabeth Collins, Urban Trails Committee member, explained the perspective of the Committee, the value of the Plan, and lauded the benefits of an Urban Trails Master Plan. She said that sidewalks for schools are a priority for them and she noted that trails along canals are only a small portion of the Plan but important for the community.

Fred Aldrich, an attorney representing six large entities that operate canals, adamantly expressed his clients' opposition to this and the previous version of the Trails Master Plan. He said the problem began in 1992 when a multi-modal study identified trails along the canals. He referred to a letter from former City Manager Mark Achen which stated that the City was not convinced of the canal companies' position and would go forward with taking dedications. Since 1996, the City has accepted 44 to 45 dedications along the canals. These dedications are unconditional. Only in the court proceedings was there a statement from the City that they will not open up those dedications for trail access without the canal companies' permission. He identified the reasons for his clients' objections to any indication of trails along canal banks - safety, operations, and liability - and stated they will never agree nor will they negotiate to allow trails along their canal banks. He pointed out that the update was a significant expansion of trails along the canal banks. He represented Grand Valley Water Users Association, Grand Valley Irrigation Company, Palisade Irrigation District, Redlands Water and Power Company, and the Grand Valley Drainage District.

Council President Susuras asked Councilmembers to make comments.

Councilmember Boeschstein expressed appreciation and respect for the canal companies but said he will support the Plan.

Councilmember Doody said he understands the position of the canal companies. He suggested a pilot program. He will support the Plan.

Councilmember Norris lauded the work of the Urban Trails Committee but she did not agree with trails along the canals and wants to see a plan that takes all the trails off the canal banks and proposes other routes. She supports personal property rights.

Councilmember Chazen expressed appreciation to the speakers and Staff. He agreed with Councilmember Norris on the private property rights issue. He thought it foolish to let children loose in an industrial facility; it is dangerous. He does not support the Plan as is; he would remove trails from all canals and all private property.

Councilmember McArthur lauded the benefits of planning and visioning. He noted that agricultural uses will decrease and urban uses will increase. However, he will not support the Plan as is; he wanted more school connections and to have the Plan contained within the urban growth boundary. He suggested that some of the canals could be piped and then have trails along them which could benefit both sides.

Council President Susuras said he came prepared to begin negotiations but he now believes that to be hopeless. He does not believe in infringing on the canal easements so he will not support the Plan.

Council President Susuras then polled the Council to see if they would support the Plan if the trails along the canals were removed. Councilmembers McArthur, Chazen, Doody, and Boeschstein said no. Councilmember Norris and Council President Susuras said yes.

Council President Susuras polled the Council about repealing the 2001 Urban Trails Master Plan. Councilmembers Norris, Chazen, and Susuras said yes. Councilmember McArthur, Doody, and Boeschstein said no. There was no direction to go forward with repealing with a tie vote.

Next steps: The applicant can withdraw the Plan or bring the Plan forward with Planning Commission's recommendation of denial.

Agenda Topic 3. Other Business

Wilsea Drain – City Manager Englehart advised the Wilsea Drain transfer is coming before the City Council and is on the agenda.

Planning Overlays – City Manager Englehart said the discussion on the Planning Overlays will be brought back at another time.

With no other business, the meeting was adjourned.

**GRAND JUNCTION CITY COUNCIL
WORKSHOP**

**MONDAY, AUGUST 19, 2013, 5:00 P.M.
CITY AUDITORIUM
250 N. 5TH STREET**

To become the most livable community west of the Rockies by 2025

1. North Avenue Plan and Next Steps Related to Development of an Urban

Renewal Authority: The four mile North Avenue corridor has the highest vacancy rate of commercial buildings and sites of any other area in the City. In an effort to revitalize the corridor, a planning process began in 2007 to create a vision to redevelop and revitalize this area of the City.

Council will also hear from members of the North Avenue Owners Association and representatives from CMU related to the development of an Urban Renewal Authority and Plan for the corridor and the possible formation of taxing districts along North Avenue.

2. Grand Valley Trails Master Plan Update: City Council will review the proposed Grand Valley Trails Master Plan and discuss options for moving the Plan forward.

3. Other Business

- Wilsea Drain

- Planning Overlays