

## GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY

**January 13, 2014 – Noticed Agenda Attached**

Meeting Convened: 2:30 p.m. in the Green Room at the Avalon

Meeting Adjourned: 5:50 p.m.

Council Members present: All. Staff present: Englehart, Shaver, Moore, Kovalik, Portner, Romero, Valentine, Cox, Prall, Cooper, Rainguet, and Tuin. Also present were Robin Brown, John Halvorson, Jim Grisier, and Harry Weiss.

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Brief Tour of Avalon Theatre Project – The City Council and Staff took a tour of the Theatre under construction. The meeting reconvened in the Green Room for an update on the project.

### Agenda Topic 1. Construction and Fundraising Update

City Manager Rich Englehart thanked the ones taking the tour, and then updated the City Council on the financing with the successful award of the Department of Local Affairs (DOLA) grant. City Council had approved \$7.6 million dollars and with the grant, the project can be expanded to the \$8.2 million option. This is a \$600,000 increase. The update from FCI said there is a loss in value with the changes (adding components), and there is an association cost for that. The architect, Westlake, Reid, Leskosky, has added their contract addition for \$34,000 for design work on the additional work. The Mayor signed the contract for the \$1 million grant from DOLA that day, but there is a clarification needed from DOLA. FCI is on track timing wise and they have provided assurance that they will work with the numbers and the subcontractors.

Chair of the Avalon Theatre Foundation (ATF) Board John Halvorson thanked Councilmember Boeschstein and Communications Manager Sam Rainguet for their contributions to the article in the Daily Sentinel. ATF Representative Robin Brown said the newspaper editorial has already helped spark some interest. She reviewed 2013 fundraising and referenced a work sheet she distributed. There has been over 300 donors; in 2013 there were 250 donations, and they are trying to grow the donor base. Councilmember Norris said these numbers are very disappointing. Councilmember Boeschstein said there is a perception out there that they have raised enough money. It is hoped that this article will clear that up that misconception. Up until now Ms. Brown said they have been a quiet campaign but they are launching their first campaign and will be very visible, noting that every dollar counts. Prior donations have been focused on over \$5,000 gifts. Councilmember McArthur asked Ms. Brown about the naming rights. She said they are in talks, but nothing concrete yet. She said when they get to that point, they will be brought to the City Council for approval.

Jim Grisier, ATF Treasurer, distributed the balance sheet and explained the details. Pledges are outlined and the smaller ones are grouped together and total about \$414,000. There is also an unsigned commitment from Alpine Bank in the amount of \$10,000 and there was a donation of

\$20,000 for a projector and an additional \$90,000 from the Gates Foundation; they were notified the same day they received the DOLA grant. To date they have paid \$537,000 to the City. The financial statement is a little misleading as it gives a recap of what has been done on the project to date. The funding raised to date has been \$1,300,000.00. Ms. Brown explained the pledges receivable; for 2014 \$301,300.00 and for 2015 \$122,000.00.

Councilmember McArthur asked about the arrangement with Home Loan. ATF Board President Halvorson explained that if funding is short at the end of Phase I, Home Loan will make an unsecured loan backed by the pledge monies for the outstanding amount. This would only be a fallback position as they will be required to pay interest on this money.

Councilmember Chazen recapped the balance sheet with the Staff Report to get to the correct figures. City Manager Englehart gave an overview of what has been paid and said they are still going to raise more funds for things like the rooftop terrace, finishing the mezzanine, and other additions. They are still just trying to get the core funded; FCI will provide good solid numbers in the near future. The phasing of this project will cost an additional 10-15%.

Councilmember Boeschstein said they are continuing to look at cost savings in construction at each meeting and Engineering Manager Trent Prall explained this. Mr. Prall gave an example of the different level of finishes available for this project. They are still trying to use all local contractors.

City Manager Englehart concluded by saying Staff has a great relationship going with the Foundation and is very appreciative of the work; hopefully the tour gave the Council and everyone present an idea about where the project is.

Councilmember Doody asked Ms. Brown to explain about the naming rights, and asked if Kathy Hall is still involved. Ms. Brown said yes but they have not had any luck with the energy companies. They are working with the donors who have given enough to have naming rights. There are some brand new commercial donors and these conversations are still ongoing. There are two types of donations: family legacy in which a family would like to have their name on something and the other is commercial. There was a discussion on the billboards being used in the campaign.

Councilmember McArthur asked about venues lined up for next summer. Ms. Kovalik said the first booking is tentatively June 14<sup>th</sup>, but they have not set up anything since they don't know the official opening date. She said they will show movies for the soft opening.

ATF President Halvorson said he is amazed at what good shape the Foundation is in at this point. Mr. Halvorson explained about the fundraising arm (the Cabinet) that is part of this process, noting it is a very powerful group. They are making lots of contacts.

Councilmember Boeschstein said that he and his wife were able to be partners in the process and encouraged all of City Councilmembers to take part in this. Councilmember Norris hopes

that more of the community members will contribute, to show that the community wants this project.

Agenda Topic 2. Community Solar Garden Subscription and Lease Agreement

City Manager Rich Englehart opened the topic and gave a brief background on the lease agreement for use of the property with the County and School District.

City Attorney Shaver introduced Eric Anderson from School District 51 and noted that the co-counsel with the other entities are David Frankel of Mesa County and David Price with School District 51. He reviewed the history and current status of the project. The City as a subscriber would receive a reduced cost for the electricity. The agreement is proposed for a 20 year term, which is the effective life of the solar panels. There has been some concern about this being a TABOR issue; City Attorney Shaver still believes that by virtue of how it is structured it is not a TABOR issue.

Mayor Susuras asked what would happen if those credits went away. City Attorney Shaver said the City could go back to paying market rates for electricity.

Councilmember Norris asked about the investment into the property. City Attorney Shaver said for the City it would be only the easement for the road to the property. The City does not have another planned use for the property at this time.

Councilmember McArthur was at a presentation from Xcel Energy who indicated they do not want to go beyond 30% renewable requirement and at that point credits will go away.

City Attorney Shaver said at that point it is the investors not the City taking that risk. Currently there are still favorable federal tax credits.

Councilmember Chazen asked if this is based on location by location, then why the different rates for the different City facilities. Terry Franklin, Utilities Manager, explained the difference between usage and demand and explained the City has done a lot with Johnson Controls to have the City buildings to become energy efficient. Some properties have a higher peak versus ratio. City Attorney Shaver added the City can substitute locations on an annual basis to maximize that benefit.

Councilmember McArthur asked what happens if Ecoplexus builds this and then walks. City Attorney Shaver said from the City's perspective, it is the School District's problem. The School District has a site license for protection in the agreement.

Bill Brick, Project Developer, with Ecoplexus, described the agreement, their role, how the LLC was created and why, and said they are a professional service provider. The O & M (operation and maintenance) provider is local. This firm keeps the facility in good operating condition;

solar is self-operating, as there are no moving parts. City Attorney Shaver said the City would require the contractor to carry liability insurance.

Councilmembers asked if a local contractor would be used. Mr. Brick said yes. Mr. Brick said subscribers (the City) are insulated from all liability. Xcel Energy plays a key role in this; they are providing the credits and the interconnection agreement. The way it works, subscribers pay the project a monthly fee per kWh to be a subscriber and in return the subscriber earns a bill credit back which amounts to four cents per kWh. Council also asked about the risk and if the credit is guaranteed. Mr. Brick said there is a guarantee, but it is subject to market rates and it was explained if rates fall, the City could go back to what they are doing now, paying Xcel for electricity.

Further details were discussed including specific contract provisions, future expansion, incentives to improve efficiency at City facilities, Ecoplexus's role and responsibilities, the City's liability exposure, the status of the other subscribers/parties to the project, and the impact on the neighborhood and buffering.

Mayor Susuras called for a vote. All Council members were in favor with the City Manager signing the contract and proceeding without coming back to Council.

### Agenda Topic 3. Orchard Mesa Neighborhood Plan Update

City Manager Rich Englehart introduced this item and asked Staff to provide Council with an update. Deputy Manager Tim Moore said they are not looking for action today, but it will be coming before Council in April. They want to give an overview to Council before any public process begins. The public process will give them a broader view.

Mayor Susuras asked Mr. Moore how much of the plan is in the City and how much is in the County. Mr. Moore said there are about 16,000 people in the planning area. It is about a 60-40 split between City and County which is why it is so important to partner with Mesa County. The community in Orchard Mesa expected a new plan to come forward after adoption of the Comprehensive Plan. A full hard copy of the Plan will be left in Council's office for them to review. Mr. Moore reviewed the Orchard Mesa Plan Process so far.

Councilmember Norris said thirty five years ago when City Market was developing in Orchard Mesa, they built where they did from the surveys City Market conducted, but the area did not develop as predicted.

Councilmember McArthur said Highway 50 is a major obstacle for Orchard Mesa.

Planning Manager Lisa Cox said she has been impressed with the community engagement. She reviewed the goals, action steps, the vision, and the organization of the draft Plan. They heard loud and clear at every meeting the community image was important. There are not just code enforcement issues, but there are other things such as dilapidated buildings with safety issues

due to neglect. Another issue is how to cross Highway 50 safely. Ms. Cox said the Fairgrounds is a big economic driver for this area. In December 2012, a Master Plan for the Fairgrounds was developed and approved. Ms. Cox also answered questions regarding the future land designations shown on the slides. Deputy City Manager Moore addressed the sewer running along 32 Road and explained it was not only for Whitewater but for residents along 32 Road. Mr. Moore said the County would like to see development in Whitewater and they have extended water and sewer service to the area. There was a discussion on the allowance of sewer connections in some areas.

Planning Manager Cox pointed out the second Village Center area expected in future growth and how it generated lots of comments in the meetings. She noted this is a long range and long term plan to serve the neighborhood 30-40 years from now. Ms. Cox said the last open house is on January 29<sup>th</sup> and the final process should come before City Council in April.

City Manager Englehart said there will be one more update to City Council before it comes to Council in a formal meeting.

#### Agenda Topic 4. Board Reports

Councilmember Traylor Smith reported on the Parks Improvement Advisory Board (PIAB). They are working with Colorado Mesa University (CMU) so they will be able to host the Rocky Mountain Athletic Conference (RMAC) Conference in track and field in 2016. They currently cannot due to not being able to host a major event such as the javelin. The Housing Authority is having their 40<sup>th</sup> Anniversary and Council is invited to their annual meeting on January 27<sup>th</sup>.

Councilmember Chazen said he attended the Downtown Development Authority Retreat and they set priorities for next year which at the top of the list is business development along with White Hall.

Councilmember Boeschstein said the Incubator is getting broadband and the Riverfront Commission is the recipient of a fundraiser happening at Kannah Creek/Edgewater Brewery. The Brewery will donate a \$1 to the Riverfront Commission for each beer sold. He is attending the State Historic Preservation Conference in Denver in February and they will talk about the Aspinnall Building, the Handy Chapel Church, and what is happening in Grand Junction.

Councilmember McArthur will be attending the 521 Drainage Authority Retreat on January 22<sup>nd</sup>. He said there has been lots of preparation for this meeting.

Councilmember Norris had no meetings she attended; she and Councilmember Doody will be attending the Fire Groups meetings at the end of the month.

Mayor Susuras has an Executive Session for the Airport Board on Tuesday, and there is an Executive Session lined up for City Council for a Grand Junction Economic Partnership (GJEP) item.

Agenda Topic 4. Other Business

Regarding proclamations, Mayor Susuras said there were questions with the wording on Human Trafficking proclamation and one Council person had Staff change the Proclamation. Mayor Susuras said these are available for review in the City Clerk's office, but if changes are to be made, it should be a Council decision as a whole. Mayor Susuras explained the process of the review and City Clerk Tuin said how they are brought forward. If any Councilmember has issues with any wording, bring it to the City Clerk's attention and she will forward to all City Council so a decision can be made by all. It was decided to include all proclamations in the City Council packet, not just the title on the agenda.

Councilmember Norris would like an update on the Police Department and how many officers there are on the street. On the Airport Authority, she wonders if there was not cross checks in place and asked how the City does this to protect not only the City but City Council and the citizens. Councilmember Norris asked if this is something the auditor can explain. City Manager Englehart said he could have the auditors give a presentation to Council; several things are already in place, but an explanation of them to Council can be arranged. Councilmember Norris also said she wants to again address the business personal property tax. Mayor Susuras said he would like to wait until after GJEP's presentation.

Councilmember Boeschstein said he would like to revisit the enterprise zone tax credit in the future.

With no other business, the meeting adjourned.

**GRAND JUNCTION CITY COUNCIL  
WORKSHOP**

**MONDAY, JANUARY 13, 2014, 2:30 P.M.  
AVALON THEATRE GREEN ROOM  
NEXT DOOR TO 645 MAIN STREET**

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

**2:30 p.m. Brief Tour of Avalon Theatre Project (Under Construction)**

- 1. Avalon Theatre Project Update:** Construction and fundraising update. [Attach W-1](#)
- 2. Community Solar Garden Subscription and Lease Agreement:** Staff will present the terms of the proposed Subscription Agreement with Ecoplexus, Inc. for the Pear Park Community Solar Garden and request City Council direction on proceeding with the agreement. [Attach W-2](#)
- 3. Orchard Mesa Neighborhood Plan Update:** This is the second of two informal updates by Staff to bring to City Council the current planning effort the City has completed with Mesa County for the Orchard Mesa area. The Plan area encompasses Orchard Mesa from the Gunnison River east to 34 ½ Road and from the Colorado River south to Whitewater Hill. Information will be provided about the planning process, the major findings identified through public participation, the final draft Plan document, and what the next steps are proposed in this joint planning effort with Mesa County. [Attach W-3](#)
- 4. Board Reports**
- 5. Other Business**