

GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY
June 2, 2014 – Noticed Agenda Attached

Meeting Convened: 5:05 p.m. in the City Auditorium

Meeting Adjourned: 7:15 p.m.

Council Members present: All. Staff present: Englehart, Shaver, Moore, Kovalik, Tice, and Tuin.

Downtown Development Authority / Downtown Grand Junction Business Improvement District (DDA/DGJBID): Harry Weiss, Stephan Schweissing, Jason Farrington, Les Miller, Jodi Coleman Niernberg, P.J. McGovern, and Kirk Granum

Agenda Topic 1. Discussion with the DDA/DGJBID Boards

City Manager Englehart introduced this item, thanked the board members for being present, and advised that this meeting is a follow up to a previous meeting held.

DDA/DGJBID Chair Jodi Coleman Niernberg said there are two items up for discussion; one is the BID renewal which they have held a couple of extra meetings to get input from the downtown businesses, and the other topic is looking at flexibility of changing the Tax Increment Financing (TIF).

DDA/DGJBID Executive Director Harry Weiss said there are no changes being proposed to the BID. The DDA/DGJBID board would like to bring the request for renewal of the BID to Council when they bring the Operating Plan and Budget for the BID in September which would be one year in advance of the sunset renewal provision for the BID that City Council established and allow for some outreach next summer. He provided details for what the BID has accomplished since its formation which included events, general marketing, business recruitment, provision of security, and garbage removal. Out of the top ten businesses that pay the assessment to the BID, City Market, Enstroms, the five banks, the hotels, and the Raso family that have multiple property holdings, contribute the most. The downtown has become a destination where people like to come to the social events that the BID sponsors.

Councilmember Chazen asked Mr. Weiss if part of the outreach they will be doing for the BID will include informing everyone that there will not be an election for the renewal of the BID. Mr. Weiss answered affirmatively and advised that the original election was not for the formation of the BID, but rather for the tax assessment. City Attorney Shaver pointed out that any fundamental change in the financing would trigger a vote. Mr. Weiss stated that City Council will hold a public hearing and decide to adopt an ordinance either to renew the BID or to dissolve the BID. City Attorney Shaver advised that the other part that Council will decide is the term for the BID, even though the law allows it to be perpetual, the original term was ten years.

Discussion was held about the three businesses that have opted out from the BID and if that opt out will continue upon renewal. City Attorney Shaver advised that there will be opportunity

for those businesses to “opt in” to the BID, but if they choose not to, their “opt out” will continue. Mr. Weiss said that there will be no new provisions for anyone else to “opt out”.

Councilmember Chazen expressed concern that the BID should have a strategic plan. It was advised that a strategic plan could be looked at at the time of renewing the BID.

Councilmember McArthur asked if the BID has any programs or projects in process. Mr. Weiss said that they continue to do the marketing events, outreach for a retail study plan downtown, outreach to commercial property owners or agents, and they are looking at commercial and industrial real estate for creative district designation downtown.

Mr. Weiss explained how the BID works versus what the DDA does.

Mr. Weiss then addressed the TIF and whether or not there is a more flexible use of the TIF money in order to participate as an equity partner in projects. He gave Longmont as an example and said that they use TIF money for all kinds of things that the State Statutes allow. In 2001, City Council adopted a resolution restricting the use of the TIF money only for major public capital projects. Because of that, the DDA cannot participate in projects by private investors unless there is a public component to the project. The TIF is the largest amount of working capital that DDA has to work with. He provided a couple of examples of not being able to use the TIF money: the housing study that was recently conducted; in order to help a private development for more housing, a public component would have to be included in the development; and not being able to use TIF money for the purchase of the old vacant Assembly of God Church across from the library because it was not blighted and there was no public use proposed for the property.

Councilmember Chazen pointed out that there would need to be an exit strategy in place if City Council looks at loosening the restriction for TIF money and allows equity sharing with private partners. Mr. Weiss said that the TIF money can only be used for a project that meets criteria in the Plan of Development. He also noted that the TIF formula was adjusted when the DDA was extended for twenty years and now only guarantees TIF funding at 50% for the twenty years instead of 100%. The School District and the City distribute 100% of the increment but all other taxing districts only give the minimum required (50%). Mr. Weiss said that to get even more flexibility with the TIF, it would require the vote of the general membership of the DDA District. There was discussion regarding other financing options, i.e. a new bond issuance, a line of credit, and borrowing against the TIF which would require City Council authorization plus addressing the TABOR issue. Mr. Weiss explained the review of the Plan of Development and oversight mechanisms that protect what projects may be funded with the TIF other than a TABOR ballot question which could be rather general.

Councilmember Boeschstein pointed out that the previous City Council adopted a Greater Downtown Plan and even though it's not a Development Plan, it is a Plan that sets out land uses in the downtown. He noted that DDAs in other communities are involved in land assemblage.

Councilmember Traylor Smith asked what DDA foresees happening in downtown. Mr. Weiss said there is an interest and demand for housing downtown, but the market hasn't produced. Something needs to fill the gap to make it feasible. They discussed other options to providing housing with a public component such as affordable housing and what kind of funding it would take to fill the gap which Mr. Weiss estimated to be between \$700,000 and \$2 million.

There was discussion on whether or not Council is in favor of moving forward in loosening the restriction of the TIF monies with either a short term debt instrument (line of credit) or a ballot question to the DDA electors. City Council felt that they need more information before they can make a decision. The direction was to have the DDA Board put together suggested changes with "guardrails" and see if it would require going to a vote. Council could then look at it again to see if they would be in favor of the proposal.

Agenda Topic 2. Board Reports

Councilmember McArthur said that he met with Staff to discuss what Grand Valley Drainage District has done regarding past fees. The Chairman of the 521 Drainage Authority is working on a resolution to present to the Board on June 26th on establishing fees for the 521. More discussion will be held regarding the resolution on Friday, June 6th. He feels that they should look further into the future and look at assessments for infrastructure and operational costs because fees are hard to collect.

Councilmember Traylor Smith had no report as the Housing Authority meeting was canceled.

Councilmember Chazen said that the Associated Governments of Northwest Colorado (AGNC) meeting was canceled and the next meeting will be on June 19th in Rifle. There were two bills signed in May; one was the Cameo bill for the shooting range and the other was allowing for remote testimony. AGNC played a big part in supporting both of those bills.

Councilmember Susuras said that Colorado Water Congress (CWC) is still short about \$80,000 in their opposition to Initiatives Nos. 75, 89, and 103. They are asking all board members to sign a resolution against the initiatives because it could destroy water rights in the State of Colorado. He shared an email requesting additional funds to support a resolution that will be discussed in the pre-meeting before the Council Meeting on Wednesday, June 4, 2014. Councilmember Susuras said that the Airport Authority approved an application to the Federal Aviation Administration (FAA) for approximately \$3 million for the administration building. If the FAA approves the application, it will be brought to the City Council and the Mesa County Commissioners for approval. The FAA is not interested in the City participating in having a Fire Station out at the airport.

Councilmember Boeschstein reported that he attended the Riverfront Commission meeting and it was noted that the derelict house located by Las Colonias was burned and the Great Outdoors Colorado (GOCO) Board is coming to Grand Junction to announce a Las Colonias GOCO grant within one week. He reported that all of the seats are in at the Avalon Theatre. It will be opened for the church in August and for a big symphony concert on September 20th.

The Three Sisters ribbon cutting is June 3rd. He attended a really productive meeting for the Riverview Technology Corporation (RTC) and they discussed the need for cell phone service at their location because they are in a blackout area. City Manager Englehart said that as part of the Economic Development Plan, they are meeting with School District 51 on fiber and are going to have a series of maps drafted to try to mitigate the situation. City Council discussed how much involvement the City should have since the facility is not in City limits, however the RTC Board is a joint City/County board.

Other Business

City Council discussed an article that was in the New York Times regarding what New York is doing for the homeless.

There is a luncheon at Colorado Mesa University (CMU); the topics are parking enforcement in the surrounding neighborhoods to 7th Street and the sale of CMU's land at 29 and D Roads. Deputy City Manager Moore said that representatives from the School District, the City, and the County will all be there.

Councilmember Susuras asked how the second half of the year funding is looking to fund the second contribution to CMU. City Manager Englehart replied that is looking good and advised that the deal with Grand Junction Economic Partnership (GJEP) did not pan out so there are additional funds available. He advised that if Council is ready to release the money to CMU, Staff can make that happen.

Councilmember Traylor Smith asked about an update from the Avalon Foundation. City Manager Englehart said that they are at about \$817,000 right now. He wrote a letter to Department of Local Affairs (DOLA) and has asked them to look at another \$340,000 in grants. The Avalon Theatre Foundation still has pledges for over \$360,000. Council discussed asking CMU for an economic forecast and seeing if CMU would possibly collaborate with the Avalon for theatre productions.

With no other business, the meeting adjourned.

**GRAND JUNCTION CITY COUNCIL
WORKSHOP**

**MONDAY, JUNE 2, 2014, 5:00 P.M.
CITY AUDITORIUM
250 N. 5TH STREET**

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

- 1. Discussion with the DDA/DGJBID Boards:** Grand Junction City Council met with the jointly appointed Grand Junction Downtown Development Authority (DDA)/ Downtown Grand Junction Business Improvement District (BID) Board of Directors on April 21, 2014, to discuss general issues related to Downtown and the specific activities and current concerns of the DDA and BID.

This workshop session focuses more narrowly on two topics previously introduced: the renewal of the DGJBID and the introduction of greater flexibility in the utilization of TIF resources for redevelopment activities in the district.

Attach W-1

- 2. Board Reports**
- 3. Other Business**