

Grand Junction, Colorado

Special Meeting

November 27, 1984

In accordance with Ordinances of the City of Grand Junction, Colorado, and special notice having been served on each member of Council, a special meeting was held November 27, 1984, in the City Administration Conference Room at City Hall, 250 North 5th Street at 8:00 a.m. Present were Council members Frank Dunn, Robert Holmes, Christine Kreissler, Gary Lucero, Ray Phipps, and Council President Mike Pacheco. Councilwoman Betsy Clark was absent. Also present were City Attorney/Acting City Manager Gerald Ashby and City Clerk Neva Lockhart.

The special meeting was called to consider the following items:

HEARING - ORDINANCE NO. 2214 AUTHORIZING ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS FOR THE HOLIDAY INN PROJECT - \$3,500,000

A hearing was held after proper notice on the proposal to authorize issuance of industrial development revenue bonds for the Holiday Inn Project in the amount of \$3,500,000. Kirk Rider, Attorney, and Errett Sechler, President of Western States Motels, were present for the hearing. There were no opponents, letters or counterpetitions.

It was moved by Councilman Dunn, seconded by Councilwoman Kreissler and carried with Councilman PHIPPS ABSTAINING, that the proposed ordinance be called up for final passage and read by title only. The amendments were noted.

There were no comments. Upon motion by Councilman Lucero, seconded by Councilman Dunn and carried by roll call vote with Councilman PHIPPS ABSTAINING and Councilman HOLMES voting NO, the Ordinance was passed and adopted as amended, numbered 2214, and ordered published.

DISCUSSION REGARDING INDUSTRIAL DEVELOPMENT BONDS FOR AIRPORT HOTEL PROJECT

Mr. Penner of the Penner/Franz interests was present for this meeting. City Attorney Gerald Ashby advised Council that he had reviewed the documents that Mr. Penner brought over from Denver but that there was not a bond ordinance among the documents, so he had suggested to Mr. Penner that this item would be placed on the December 5 City Council agenda in order to give bond counsel an opportunity to get it written and over here for consideration at that meeting. Final consideration on the ordinance could still come about on the December 19th City Council meeting after publication of a hearing notice.

Thereafter followed a lengthy discussion. Council President

Pacheco said that he has had some very grave concerns concerning the issuance of the bonds for this project. Basically, because they are bonds that are going to be used on public lands which Penner/Franz is leasing from the Airport. He has felt over the period of years that the lease has been in place that it has not been complied with, and there has been a problem with what he called "good faith" and the operation of the lease. At a previous meeting, Councilman Pacheco had requested some information that he has not received to date. Specifically, they are:

1. Was lease current?
2. A copy of the rent deferral agreement and additional security. A request had been made that the Airport Authority consider additional security during the rent deferral period.
3. A copy of the letter of guarantee from Vernon Savings and Loan, and a copy of the repurchase agreement from E.F. Hutton.
4. The feasibility study for the project.
5. The commitment for the IRBs.

He stated that he had a real grave concern that the good faith that is needed as partners on this project still is not there.

Mr. Penner stated that all of those documents would be available once they have concluded all the negotiations that are in process.

Councilwoman Kreissler stated that there are still several unanswered questions that need to be resolved prior to any action.

BIDS - AWARD OF CONTRACT - SECURITY LIGHTING INSTALLATION - BRINKLEY ELECTRIC - \$10,255

Bids were received and opened October 10, 1984, for the installation of security lighting at Lincoln Park, Spring Valley I, and Cottonwood Meadows Parks. Bidders were:

Spring ValleyCotton wood MeadowsLinco In ParkTOTAL				
Wesco Electric\$3,2 72\$1,400\$11,				

428\$16,100				
B & B Electric\$2,4 15\$1,388\$ 8,707\$12,510				
Curtis Electric\$1,9 60\$ 940\$ 8,400\$11,300				
Brinkley Electric\$2,5 82\$1,221\$ 6,452\$10,255				

Staff recommended award of contract to Brinkley Electric. Upon motion by Councilman Phipps, seconded by Councilman Holmes and carried, the bids were accepted and the Contract was awarded to Brinkley Electric for its bid of \$10,255, and the City Manager was authorized to sign said Contract.

ADJOURNMENT

The President adjourned the meeting.

Neva B. Lockhart

Neva B. Lockhart, CMC
City Clerk