

**GRAND JUNCTION CITY COUNCIL
MINUTES OF THE REGULAR MEETING**

December 20, 1995

The City Council of the City of Grand Junction, Colorado, convened into regular session the 20th day of December, 1995, at 7:36 p.m. in the City/County Auditorium at City Hall. Those present were Linda Afman, Jim Baughman, David Graham, R.T. Mantlo, Janet Terry, Reford Theobald and President of the Council Ron Maupin. Also present were City Manager Mark Achen, City Attorney Dan Wilson, and City Clerk Stephanie Nye.

Council President Maupin called the meeting to order and Councilmember Baughman led in the Pledge of Allegiance. The audience remained standing during the invocation by Rev. Dave Crowley, First Assembly of God Church.

PRESENTATION OF APPRECIATION PLAQUES TO WILLIAM E. ELA AND BRIAN MAHONEY FOR SERVICE ON THE RIVERFRONT COMMISSION

REAPPOINTMENTS TO HISTORICAL PRESERVATION BOARD

Upon motion by Councilmember Graham, seconded by Councilmember Baughman and carried, Sandra Karhu and Pat Gormley were reappointed to three-year terms (to expire December, 1998) on the Historical Preservation Board. Mr. Gormley's term to expire December, 1998 or until or until his term on the Downtown Development Authority expires.

APPOINTMENT TO ZONING & DEVELOPMENT CODE BOARD OF APPEALS

Upon motion by Councilmember Graham, seconded by Councilmember Terry and carried, Duane Butcher was appointed to a three-year term (expires October, 1998) on the Grand Junction Zoning and Development Code Board of Appeals.

CONSENT ITEMS

Upon motion by Councilmember Mantlo, seconded by Councilmember Afman and carried by roll call vote with Councilmember **GRAHAM** voting **NO** on Items #4 and #7, **ABSTAINING** on Items #11 and #12, the following Consent Items 1-12 were approved:

1. **Approving** the minutes of the Regular Meeting December 6, 1995
2. **Approving** a Sole-Source Purchase of a \$29,080 Video Monitoring System for the Grand Junction Police Department (E.N.G. Optical Services of Denver)

E.N.G. Optical Services is the only regional manufacturer and service provider of this type of system.

3. **Approving** VCB Funding of 9 Special Events in 1996 for a Total Amount of \$18,200

Applications for 14 events were received by the November 7, 1995 deadline. Upon review of the applications, the VCB Board recommends the following awards:

Colorado West Duathlon	\$2,000
Desert Sun Half Iron	1,200
Norwest Bicycle Classic	3,000
Grand River Indian Arts Gathering	3,000
Magic, Mystery & Ritual	2,500
(for ads in Southwest Art only)	
Dinosaur Days	1,500
Moonlight Madness	1,500
Kokopelli Marathon/Half Marathon	1,500
AOTC Art & Jazz Festival	<u>2,000</u>
	\$18,200

4. *** Resolution No. 122-95** - A Resolution Authorizing a Contract for Group Term Life Insurance between the City of Grand Junction and Kansas City Life Insurance Company

The City of Grand Junction provides its employees with a term life insurance policy which covers employees to the next highest thousand dollars of annual salary. This benefit is employer-paid. Dependent coverage is also made available to employees with the cost equally shared between the employee and employer. This group life insurance coverage has been with Allianz since 1991. The City was notified by Allianz in October, 1995 that coverage would be terminated effective January 1, 1996. Proposals from other vendors were sought with the assistance of Rocky Mountain Health Management Corporation which served as a third party administrator for the Allianz product and, as a service to its clients, serves as a broker for life products with other companies. A proposal was also requested from UNUM which currently carries the City's voluntary life and long-term disability programs.

Of the three companies requested to submit proposals on this program, Kansas City Life Insurance Company quoted the lowest rate.

5. **Award of Contract** for Central Drive Storm Sewer Project

Recommended Award: Parkerson Construction, Inc. - \$44,700

The following bids were received on December 5, 1995:

Parkerson Construction, Grand Junction	\$44,700
Lyle States Construction, Grand Junction	\$46,866
M.A. Concrete Construction, Grand Junction	\$51,503
Skyline Contracting, Grand Junction	\$54,167
Engineer's Estimate	\$49,165

6. **Award of Contract** for Bridge Repairs - 1995

Recommended Award: Mays Concrete, Inc. - \$41,785.90

The following bid was received on December 7, 1995:

Mays Concrete, Inc., Grand Junction	\$41,785.90
Engineer's Estimate	\$57,275.00

7. **Award of Contract** for Design Work of the Colorado River Pedestrian Bridge Project from Orchard Mesa Middle School to the Former Climax Mill Site

Recommended Award: R.G. Consulting Engineering, Inc. - \$38,924

The following firms were selected for interview from the ten engineering firms that responded to the RFP:

RG Consulting Engineers, Inc., Denver	\$ 38,924
L.J. Lindauer, Inc. Grand Junction	\$ 52,000
LONCO, Inc., Denver	\$ 68,543
GNA Consulting Engineers, Inc., Englewood	\$ 95,773*
	\$101,197**

*conventional bridge
**Stress Ribbon bridge

8. **Approving** the Intergovernmental Agreement between the City of Grand Junction and Mesa County for the Fire Department to Provide Designated Emergency Response Authority (D.E.R.A.) and Superfund Amendment Reauthorization Act (S.A.R.A.) to Areas Outside of the City of Grand Junction for 1996

The D.E.R.A. program deals with hazardous materials that have been accidentally released. The S.A.R.A. program deals with hazardous materials in manufacturing, transportation and storage in controlled environments. This is an annual agreement expiring on December 31.

9. **Approving** the 1996 Grand Junction Rural Fire Protection District Service Delivery Contract

This contract frames an agreement between the City of Grand Junction and the Grand Junction Rural Fire Protection District for delivery of fire suppression, code enforcement, and emergency medical response services. Grand Junction Fire Department extends services under the agreement to the Grand Junction Rural Fire District.

10. **Approving** the Contract with Jack R. Sommers, Inc., for Head Golf Professional Services at Lincoln Park and Tiara Rado Golf Courses

Presently the City has two head golf professional contracts with Jack Sommers for the operation of concessions/management of the golf course clubhouses at Lincoln Park and Tiara Rado. Both contracts expire on February 29, 1996.

11. *** Resolution No. 123-95** - A Resolution Designating the Whitman School in the City Register of Historic Sites, Structures, and Districts

The Museum of Western Colorado is requesting the Whitman School (248 South 4th Street) be designated as a historic building in the City Register of Historic Sites, Structures and Districts.

12. **Proposed Ordinance** - An Ordinance Annexing Territory to the City of Grand Junction, Colorado - B 1/2 Road Enclave Annexation Located at the Northeast Corner of B 1/2 Road and 27 Road and Consisting of Approximately 8.06 Acres [File #ANX-95-195]

The B 1/2 Road Enclave consists of 8.06 acres of land located at the northeast corner of B 1/2 Road and 27 Road. This area is totally surrounded by City limits and is eligible for annexation under Colorado State Statutes.

- a. First Reading of Proposed Ordinance

* * * END OF CONSENT CALENDAR * * *

* * * ITEMS NEEDING INDIVIDUAL CONSIDERATION * * *

PUBLIC HEARING - ORDINANCE NO. 2875 ANNEXING TERRITORY IN A SERIES TO THE CITY OF GRAND JUNCTION, COLORADO - VILLA CORONADO ANNEXATIONS #1, #2, AND #3, APPROXIMATELY 26.37 ACRES, A PORTION OF AIRPORT LANDS NORTH OF INTERSTATE 70, A STRIP OF I-70 RIGHT-OF-WAY, EAST TO 32 ROAD RIGHT-OF-WAY, THEN SOUTH TO I-70 BUSINESS LOOP, THEN WEST TO VILLA STREET, INCLUSIVE OF LOTS 1-4, VILLA CORONADO, THEN ALONG THE I-70 BUSINESS LOOP RIGHT-OF-WAY TO THE EXISTING CITY LIMITS AT 29 ROAD [FILE #172-94]

AND

PUBLIC HEARING - ORDINANCE NO. 2876 ANNEXING TERRITORY TO THE CITY OF GRAND JUNCTION, COLORADO - EASTERN COMMERCIAL/FRUITWOOD SUBDIVISION, CONSISTING OF APPROXIMATELY 649 ACRES OF LAND, A SERIAL CONTINUING THE VILLA CORONADO #1, #2 AND #3 ANNEXATIONS, LYING TO THE EAST AND SOUTHEAST OF THE CITY OF GRAND JUNCTION [FILE #196-94]

All four property owners of Lots 1 through 4 of the Villa Coronado Subdivision have requested annexation into the City of Grand Junction. They have all signed Powers of Attorney for annexation. The annexation ordinance is now before Council for second reading.

The City desires to annex lands east of the present City limits. Powers of Attorney have been obtained for 237 acres of airport lands to the east of the current City limits and the 204-lot Fruitwood Subdivision filings 1-7. These POA's along with adjoining lands are being considered as part of the Eastern Commercial/Fruitwood Annexation.

Mayor Maupin stated Staff will make its presentation, then public testimony will be taken from the audience. He asked that comments be limited to 3 minutes. Councilmember Theobold suggested the hearings on Villa Coronado Annexation #1, #2, #3 and Eastern Commercial/Fruitwood Subdivision be combined. The combined hearing was held after proper notice.

Mr. Dave Thornton, Community Development Department, was present to answer questions. He outlined the boundaries of both annexations using a laser light. Villa Coronado is a serial annexation. The series is such that the first serial establishes adequate contiguity in order to continue the second serial, with the second serial also establishing enough contiguity to complete the annexation

which happens in the third serial. The airport land is in the northwest corner of the annexation, following the existing boundary to I-70, heads east along the Interstate, comes down 32 Road to Coronado Plaza. Coronado Plaza is not included in this annexation. The annexation does include the 32 Road right-of-way.

From 32 Road and the frontage road it heads west to Villa Street, following a narrow strip of land to the existing City limits. That encompasses the Villa Coronado #1, #2 and #3 annexation.

The Eastern Commercial/Fruitwood Subdivision is adjacent to the Villa Coronado annexation, and includes the rest of the airport land, where it connects with the City limits it heads east and continues to the interchange at the I-70 Business Loop and I-70, then south to the area near F Road and I-70 Business Loop, including Coronado Plaza, Peachtree Shopping Center, Mesa Point, KOA Campground, etc. From the commercial corridor it heads southwesterly including some commercial areas along the I-70 Business Loop. It includes the commercial area along 30 Road, I-70 Business Corridor (Country General, etc.). From there it goes south and includes the Fruitwood Subdivision, a residential 204-lot subdivision, single-family, and one additional lot adjacent to Fruitwood, then heads back up to the 30 Road intersection, heading west to the present City limits at 29 Road and North Avenue and also 29 Road and I-70 Business (the area between 29 and 30 Roads, between I-70 B and North Avenue, and a portion of the commercial area north of North Avenue). In a legal sense, it is not an enclave. Right-of-way does not constitute the boundary of an enclave. Because the Villa Coronado Annexation #1, #2 and #2 actually began the process, the serials were initiated within that annexation. Serials #1 and #2 must be completed in order for #3 to meet the contiguity requirements of the Statutes. Councilmember Theobald asked if the Eastern Commercial and Fruitwood Subdivision stand alone legally if the Villa Coronado Annexation did not take place. Mr. Thornton said, as the description is currently written, it would not. It would have to begin again and do a serial within the Eastern Commercial area.

Councilmember Graham noted sections on the maps which are lines and asked if there is any width to those lines. Mr. Thornton explained they are one-foot in width and occur on the outer edge of the right-of-way. Councilmember Graham asked who will be beneficially impacted by changing the one-foot wide strip from unincorporated County land into City of Grand Junction. Mr. Thornton responded there would be no benefit.

Public testimony was given by the following:

1. Kirk Rider, 1050 Gunnison Avenue (within the City), a City resident for 26 years. Over the years he and his wife have determined there are many virtues to living inside the City. The City has been the dominant determinant of their living environment. By living within the City, they have been able to affect their own environment. He has heard fears expressed there will be a loss of identity by becoming a part of the City. He reassured those who are opposed to this annexation that the opposite will be true. Existing residents of the City are being harmed economically by the annexation because this annexation will include areas that will have to be brought up to City standards. He is still in favor of this annexation. Blighted areas outside the City limits affect those inside the City limits. The most substantial argument he has heard against the annexation is the City's sales tax. He gave examples of facilities that were benefits for those outside the City limits, yet paid for by City residents only.

Councilmember Baughman stated the City can choose what to annex and consider the responsibility. He also felt there is just as much blight in some of the old parts of Grand Junction as there is in the County. Mr. Rider did not feel the answer was to ignore these conditions in the east end of the County.

2. John Tomlinson, 2703 Crossroads Boulevard, a former City Councilman and 20-year resident of the City of Grand Junction. He does not live in an area close to the area being considered for annexation. His background includes extensive research and writing in areas dealing with special district governments and with urban and metropolitan systems of government. Colorado provides only two systems for general governmental purposes, that of counties and municipalities. A County system is to provide certain State services, certain County services for all of its citizens (record keeping, tax collection, property assessment, etc.) and provide a series of governmental services in rural areas. The other option is a municipality which is designed to provide services in urbanized areas. The intermediate stage is the problem. As a citizen of Grand Junction, Mr. Tomlinson is also a citizen of Mesa County and pays County taxes. He does not object to his County taxes used for urbanized services in some of the County areas for a period of time, he feels it is an unfair use of his taxes if it is used over an extended period of time. There are only two ways in Colorado to bring areas into a system of urbanized government (municipality) - annexation or incorporation. We must move on with providing urbanized services by an urban

government which is a municipality. He encouraged annexation as an appropriate action by Council. Once the City of Grand Junction decides to annex areas, it needs to be prepared to provide services at a much faster rate than over a 20 year period.

Councilmember Afman asked Mr. Tomlinson to state his profession. Mr. Tomlinson responded he is a political scientist. He has a Ph.D in Political Science from the University of Kansas.

3. Ron Weller, 3221 Howard Court, Clifton. He will be located in the "enclave" upon completion of these annexations. His concern was a person's right to vote on annexation. The Constitution says he has the privilege to vote on any type of taxes that will affect his income and property. He felt City Council has not given him this opportunity. There are residents that want neither annexation or incorporation. He believes there should be an election for those that want to stay "as is". He does not believe contiguity is met because it has been measured incorrectly. He has started an organization, Taxpayers United of Mesa County. He scheduled a meeting three weeks ago to discuss these annexations and invited City Council and the County Commissioners. Three Council representatives attended the meeting, and no County representatives. Fair elections must be conducted.
4. Todd Beckstead, 566 S. Asbury Court. He lives in the area that will be surrounded by the Fruitvale annexation. He is in favor of the annexation. During the debate on the proposed incorporation of the City of Clifton, voters understood what the ramifications of a vote against the incorporation of Clifton were, namely, the City would proceed with the commercial annexation. In the area the City is considering annexing, the vote was overwhelmingly against incorporation of the City of Clifton (3-1 against). The options were incorporation by the City of Clifton, or annexation into the City. The people voted on the choices, and in doing so, knew they would be annexed into the City of Grand Junction. People he has talked to have stated if things could stay the way they are, that would be their preference. The City of Clifton Incorporation Committee brought up the fact it is not staying the same. The area is growing and developing. The density is much more significant than in the past. That area needs municipal services. It is his opinion the City of Grand Junction is in the best position to provide those services. Mr. Beckstead supports the Council in its pursuit of annexation of this area.

5. Gil Jungert, 3061 Wellington Avenue, representing the Mesa County Taxpayers United. He lives near Cross Orchards. Citizens are greatly concerned with the future of the Grand Valley. People have contacted him regarding the unreasonable restrictions and abuses by the Grand Junction City Administration and City Council. Activities of the Staff and Council are to be conducted in open meetings, not with threats made in the dark of night, deals that support the private agendas of Council, City Managers and City Attorneys. Mr. Jungert was asked to be specific on these allegations. Mr. Jungert was not willing to be specific at this time. Mr. Jungert continued by stating the use of Powers of Attorney to force citizens of the Grand Valley to conform to these agendas is an immoral use of the Law. Grand Junction should be a "Camelot," not an evil empire. Grand Junction should be a place where the citizens desire to live, where people know the Staff and Council represents them, a place where every property owner has a vote, a place where people are clamoring to be annexed. He stated a single mother was denied the right to connect to a sewer service which is jointly owned by the City and County, when it is only 450 feet away. Instead she is going to have to pay for a \$30,000 sewage treatment facility. The City has threatened to shut off the water to a Christian camp unless it gives the City its property rights. The City has taken the right to vote on the sovereignty of their property by using the Power of Attorney that it has extorted from contractors. Mr. Jungert stated these accusations are documented. He requested Council vote no on this ill-planned annexation.

Councilmember Afman asked Mr. Jungert if he participated in the question of voting for incorporation or opposed to incorporation. Mr. Jungert replied he opposed incorporation. He worked with the group that opposed annexation. Councilmember Afman asked him if he felt the committee had a good understanding of why the City delayed voting on the annexation which was so the Clifton people could take a vote, and what steps would take place after the vote. He felt everyone understood a city could not be incorporated and be run on \$3.5 million. Mr. Jungert represented the group that was opposed to annexation.

6. Clyde Jorgenson, 529 32 1/2 Road. He did not vote against incorporation so the City of Grand Junction could annex his property. He questioned why the City Council did not present

the proposed annexation to the affected area more openly and honestly, with a vote on the annexation by those affected.

7. David Dearborn, 3093 Walnut Place. He stated this country was founded on no taxation without representation. He is totally against the City trying to surround his property, taking tax dollars for up to 20 years, and not giving him a vote. He stated 4 of the 5 properties on Villa Street have petitioned for annexation. The water line on Villa Street is 6" stub. He asked if the City is going to require the residents on Villa Street replace the water line with an 8" line. He requested Council vote no on this annexation.
8. Lewis Anderson, an attorney from Cedaredge, Colorado. He does not live in Mesa County, but had been asked by some of the residents about the legality of the annexation. The one-sixth contiguity does not exist. The Statute says this is supposed to be an orderly and gradual process of growth (31-12-102 C.R.S.). The one-sixth contiguity means one-sixth of the perimeter must touch the existing City. It does not. The maps are difficult to read. He asked where in Villa Coronado #3 does the one-sixth of the perimeter touch the City. He stated that if any Councilmember does not understand where the one-sixth is that touches the City, he is violating his oath of office. He stated if there is no enclave, the Constitution states, "No property shall be annexed without the vote of the people." That is Article II, Section 30 of the Constitution. This annexation is not legal.

Councilmember Afman asked Mr. Anderson what group he represents. Mr. Anderson answered he officially represents "As Is" from Clifton, Colorado.

9. Bobby J. Ward, 615 33 3/4 Road, Clifton. He was the leader of the "As Is" group. They have combined with the Mesa County Taxpayers United. The perimeter shown on the map is impossible. It is fraud.
10. O.R. Dowdell, 568 Bentwood, Clifton. He is not in the area proposed to be annexed, but trades in that area. The sewer system in Clifton is paid in full. He voted against incorporation, but did not favor annexation. The water system is nearly paid for. The fire department and drainage district is paid with tax dollars. Mr. Dowdell stated Councilmember Mantlo said all he wanted was the sales tax from Clifton. He did not want Clifton. Councilmember Mantlo responded he had

said the old town part of Clifton is outside of the area that is proposed to be included in the annexation. Mr. Dowdell said he does not want to be in a city because there are too many regulations. He requested City Council wait until 1996 and let the people vote on this annexation. His reason for voting no on the Clifton incorporation question was because he wanted to stay the way he was, and felt 80% to 85% of that area does not want to be annexed.

11. Doris Tondle, 3085 F 3/4 Road, Fruitvale. Her concern is the definition of an enclave. It might not be an enclave right now, but is setting up the possibility of becoming an enclave by surrounding her area. She honored the request of the four property owners on Villa Street that petitioned for annexation. She also understood the City had to extend a small strip in order to include them. It bothered her that the City then circled around. She felt the City Council had a responsibility to future Councils to assure that they don't misuse this encircling, and create an enclave, thereby taking away her right to vote.
12. Jim Rose, 3112 Highway 6 & 24, is located in a small parcel on the I-70 Business Loop which is included in this annexation. He also has a business (JJ's Lounge) at the corner of 30 and F Roads. The sales tax represents a 2 3/4% reduction in his bottom line. He asked if Council has a specific plan and purpose for this annexation. He stated if there is not enough resources to support a City of Clifton, how does Grand Junction expect to provide those services. He resents financing residential areas with retail sales taxes.
13. John Crouch, Mesa County Commissioner, 204 Easterhill Drive. He encouraged Council to consider the Mesa County Commissioners' letter requesting Council not proceed with these annexations. He felt Council is proceeding unreasonably. He urged Council consider the past good examples of the City and County working together (joint planning process) in the past as the vehicle for the City's future growth. In response to Councilmember Afman, Mr. Crouch stated the land use area being considered is approximately three miles outside the different municipalities.

Councilmember Theobald asked Mr. Crouch if the County would be willing to drop the sewer law suit in exchange for delaying these annexations. Mr. Crouch stated the Commissioners are willing to discuss a wide level of services. The joint steering committees

have shown openness and have tackled many topics. They analyze the solution to a reasonable expansion and an orderly solution to some of the problems.

Councilmember Theobald asked Mr. Crouch if Council should go ahead with the Eastern Commercial annexation, would the offer still stand if Council did not annex the Redlands.

Mr. Crouch felt the crux of the situation is the reasonableness of the area to the east. It would fit better if it was done within the joint planning process, looking at the level of services and how to reach out to those areas, not in a one or two-foot strip. He thinks there is a better way to do it.

Councilmember Mantlo asked Mr. Crouch if the three County Commissioners would be willing to send a letter to the City Council stating what they want to put on the table. Mr. Crouch would like to see the City set these annexations aside, and the City and County complete the land use process.

Councilmember Baughman attempted to clarify Council's position by stating that if Council backs off on these annexations, what will the County relinquish in return. Mr. Crouch stated the County Commissioners would entertain discussions on the issues discussed tonight. Councilmember Mantlo requested Mesa County to list, in writing, what it will give the City in return for waiting on these annexations. Mr. Crouch stated he will take Council's comments back to the other commissioners. Mr. Crouch felt 30 days after the adoption of the annexation ordinances is not sufficient. He feels the completion of the joint land-use process must be accomplished first. Council thanked Mr. Crouch for taking the time to discuss this item.

14. Rick Kaufman, 3489 G Road, outside the currently proposed area of annexation. He has lived in Grand Junction and the area for approximately 45 years. Recently he chose to move outside the City limits in order to have horses and dogs. He knows of nothing the City could provide him that would make his current lifestyle any better. He believes this annexation process is illegal, immoral, unjust and unethical. The vast majority of the residents do not want Grand Junction's interference or help. He requested the residents be given the opportunity to vote between being annexed or being left alone to their individual choices.
15. Rita Stassen, property owner of 413 Smallwood, 3213 D 3/4 Road, and 3255 Villa Sur. She appreciates what Council does

as a group, but feels this annexation is immoral and illegal. She felt the citizens outside the City limits are owed the right, as United States citizens, to vote and tell City Council what they want as a civil society. Council's decision should be made as a result of such a vote, not Council's choice.

16. Jane Quimby, 636 Horizon Drive, served on City Council years ago, and served as Mayor in the late 1970's and early 1980's. She stated the current Council is not responsible for the POA's. She and the Council that served with her are responsible. A city needs to have the possibility of annexation. Her only criticism of the current Council is how it has gone about using the POA's. Ms. Quimby gave some history of the POA's. The POA's were a business deal made between the City and developers. When the Valley was faced with a lot of growth, people wanted some of the services the City could provide (sewer), but they wanted them outside the City limits. The City used POA's as a protection for the City because it knew the City was going to grow. The POA was a tool to do that. If developers and realtors neglected to tell people to whom they sold property that a POA was attached and might be called upon in future years, she is sorry about that. But buyers should also beware. Her Council thought it was taking steps for improvement and enhancement. In reality, the POA's probably made the property more valuable for the sellers. The POA is a legal tool and has been used by Councils very judiciously. A city cannot afford not to be able to grow. She is disturbed by the fact that the POA's have caused such a disagreement in the community in the past few months. She lives in the City and also the County. She resents living in the City and paying taxes to the City, and also doing the same in the County, then having both entities fight, and she must pay for it through tax dollars. She was elated tonight to see County Commissioner John Crouch suggest that the City and County get together and discuss problems as reasonable people. The City and County need to begin working together and determine what is best for the greatest number of people.

Councilmember Theobald thanked Ms. Quimby for her comments on the POA's. He noted the POA's in this annexation have nothing to do with sewer. The POA's from the Fruitwood neighborhood came from a deal between the developer and the County to get a higher density.

Councilmember Graham asked Ms. Quimby if she was asking Council to forego this annexation at this time. Ms. Quimby responded she is asking Council to consider the offer County Commissioner Crouch gave earlier and see if compromise can be accomplished.

17. Randy Booth, 3053 E 1/4 Road, a City of Grand Junction employee. He addressed Mr. Rider's comments feeling the area is not blighted. Mr. Booth enjoys the area. Council's plan to annex the commercial area is specifically to avoid any drain the City coffers. He also noted he pays a lot of City sales tax. If this annexation succeeds, the sales tax would increase minutely. Therefore, Fruitvale residents do contribute to the City's resources and should have the right to draw upon some of those resources. The City Council has been under siege recently. Many have forgotten why an election was held in November. The City of Grand Junction was poised to annex the area being considered tonight. A group did not like that and tried to find ways to stop it. The only solution was to incorporate. The group convinced Council to postpone its decision until they could have that vote. Council continued all the processes of annexation up to the final hearing and final vote. He does not believe anyone had any misconceptions. He believes they understood that the City had planned to annex if the incorporation effort failed. In the nine months before the election, Mr. Booth spoke to 100-200 people in areas that are being surrounded. None of them had any question as to the outcome. If the incorporation failed, the City was going to annex. The proponents of the incorporation felt if they did not incorporate, the City of Grand Junction was going to annex them. Given that expectation, one must conclude the majority of the voters preferred annexation by the City of Grand Junction to incorporation by Clifton. This does not mean they wanted or valued annexation. For some, it was a matter of the lesser of two evils. Mr. Booth noted some of the election results of Precincts 26, 52, 54, 55 and 58 with 82% voting against incorporation. The only other way to keep from being incorporated by Clifton is some form of annexation by the City of Grand Junction. If Council does not proceed as planned, there will be another incorporation effort. Most of the area citizens would prefer to stay unincorporated. There are too many who need, want, expect or demand municipal services (street maintenance, parks, planning, zoning, etc.). If Council does not proceed with this annexation, there will be more neighborhoods petitioning for annexation. Will Council turn them away? He does not think it will, so how does the City pay for those services? Mr. Booth stated

without the Clifton commercial area, it will mean spreading some of the current resources over a larger area. He thinks as an accountant and citizen that it is better to properly finance the process. The streets in the area are falling apart. The County made some improvements, but does not have the resources for adequate street maintenance. Mr. Booth felt the proposed resolution provides a fair and financially sound plan and strongly encouraged City Council to approve this annexation.

18. Paul Jennings, 124 Donaldson Road, spoke representing his cousins who live in the proposed annexation area at 515 30 Road. They are retired and have lived here over 50 years. He has seen nothing published in the local newspaper that states what type of police services will be provided, fire protection, etc. He cannot accept any Council dictating to him and his relatives how they must live. He felt 90 days is a more reasonable time limit to work with Mesa County to consider what the people want. Mr. Jennings faulted Councilmember Terry for not living up to her campaign promises.
19. Charles Stevenson, 2118 Zion Road, Redlands. He realizes the City needs to grow and felt it should be done in an orderly fashion. The residents on the Redlands and in Clifton feel City Council is going about annexing the wrong way.
20. John Leane, 372 Rodell Drive, stated he would not be impacted by either annexation as he was annexed a few years ago. The problem in the future is growth. He approves of annexation from the City's perspective. No matter what Council does ultimately, there will be those opposed. He applauded City Council's efforts in providing services of a nature this community expects. He urged City Council to continue its efforts.
21. Judy Chaffin, 654 Country Court, opposed this annexation. She lives in the affected area and it is outside the City limits. She enjoys having open space. She made that choice and would like to keep that choice. She disagrees with the annexation of the Business Loop and taking the revenue away from the area residents. She voted for incorporation because she wanted to remain in the community of Clifton. She asked Council to vote against the annexation.
22. Alan Moore, 722 35 3/10 Road, outside the affected area. He trades in the annexation area and sales tax is a concern. He

asked which the Council would rather have, 100 totally satisfied customers that would spread word of mouth, or a \$1,000 advertising budget. He asked Grand Junction to concentrate on being a city with people begging to get in.

23. George Franks, 498 Lupine Drive, Redlands. He stated this annexation does not affect him, later ones will. He did not believe in the flagpole annexation. It is illegal and immoral. He feels that anyone in an enclave that is going to be annexed at a later date should be allowed to vote on it. He feels it is morally and legally right that anyone working in real estate should abstain from voting on buying and selling of property for the City. It is a conflict of interest. Voting on annexation can also be a conflict of interest.
24. Bill Fiegel, 668 20 1/2 Road, Redlands. He was representing his mother who has 4.7 acres of commercial property in the area located at 3228 F Road. She is opposed to the annexation of her commercial property she owns. He wanted a third choice on the November election vote, to leave the residents alone. It was not on the ballot. He was concerned that the City has interpreted the non-response to their letter to businesses in the Clifton area as a vote for annexation. If there were a petition from the Clifton businesses demanding they be brought into the City, that would be a vote. That wasn't the case. If there is no petition from people demanding and exercising their constitutional rights to be brought into the City, what gives certain councilmembers that are not listening to the will of the people the inalienable right to go ahead with the annexation.

Mr. Lewis Anderson, attorney from Cedaredge, asked to address the Council again. He asked Council why the English language must be changed and quoted the specific definition in C.R.S. 31-12-103(4) of an enclave. "Enclave means an unincorporated area of land entirely contained within the outer boundaries of the annexing municipality." The area surrounded on the map is an enclave. This double speak is why there are so many angry people. It is not right to do that. Mr. Anderson agreed with Mayor Maupin that it is not legal to have an enclave there to produce any further annexations in the area.

25. Evelyn Weller, 3221 Howard Court, Clifton, an area just outside this annexation. She stated the prices at City Market on Rood Avenue are much higher than at the City Market

store in Clifton. Now that annexation is pending, City Market prices are going up in Clifton also. She felt there was a conspiracy. Councilmember Mantlo clarified that the City does not tax food items.

There were no other public comments. The hearing was closed.

Councilmember Afman confirmed that all members of the audience had a copy of the resolution that was attached to the agenda outlining the City's policy regarding the annexation. She felt the resolution answers many of tonight's questions about the legality, taxes, where the money will be spent, etc.

Councilmember Baughman felt the most prudent action of Council would be to listen again to the people and try to work out an agreement with the County Commissioners for the land use planning. He felt the annexation process should make sense from present City boundaries into the incorporated areas of Mesa County. He is definitely opposed to flag pole annexations.

Councilmember Terry concurred with Councilmember Baughman. Her husband's office is located in this annexation area. The City Attorney has determined there is not fiscal impact on her regarding this annexation so there is no conflict of interest. She will continue to vote on this annexation. She referred to Mr. Jennings's statement regarding her renegeing on any campaign promises. She would like to talk to Mr. Jennings for some clarification. She defended the City staff which has been attacked unfairly. She has seen no bias represented by the Staff in terms of directing any annexation. Any decision Council makes will be Council's full responsibility regardless of Staff's input in response to questions posed to them. She is strongly supportive of a delay of this vote for six months to discuss land use planning with Mesa County. She stated Commissioner Genova has represented that Mesa County will place items of the lawsuit on the table. There was no indication that there would be a dismissal, but they are willing to talk about them. She strongly believes that the process has not been served. The petition for this annexation came to Council in November, 1994. It was tabled as of January, 1995 and continued to be tabled for the benefit of the Clifton residents to vote for incorporation, or not. During that time the City has been silent about annexation. The City did notify the businesses affected and two public meetings were held with Fruitwood residents. From the comments of the audience tonight, she feels there is so much misconception that she thinks Council would be remiss in its duties not to take more time to

explain the issue. For these reasons she feels there is no alternative but to delay this vote for six months.

Councilmember Mantlo felt six months is too long. If the County Commissioners are willing to discuss the annexation problems and work toward a solution, also the Persigo Waste Water Treatment Plant, he would be in favor of passing the ordinance with the stipulation that the annexation be delayed for thirty days and meet with the County Commissioners. The vote on the annexation was delayed so the Clifton residents could vote. The residents voted down the incorporation.

Councilmember Afman stated she took a great deal of time and effort to study and listen by attending neighborhood meetings long before the annexation process began for the eastern area. Clifton area residents approached here saying they wanted parks, needed police protection. She has confidence in the figures that have been presented by the financial staff that the eastern portion will be self-supporting. Councilmember Afman entered into the record the Summary of Financial Impacts and Services for the Eastern Commercial Annexation (attached). The commercial area will support that plan so there will be no burden on the current City residents nor the citizens that are wanting to come into the City in the future.

Councilmember Theobald agreed with many of Councilmember Mantlo's and Afman's comments. He felt a delay of six months will not make most of tonight's audience happy. They don't want to go through this in six months - they want it to go away. This vote has been delayed for well over a year. Six months is not going to make a difference. The County Commissioners asked Council to delay this annexation for 30 days to allow "cooling off." He does not see a room full of people that have "cooled off" much. Their opinion today is the same as it was one month ago. He referred to Alan Moore's comment of being impacted because he shops for one reason, and the taxes he is going to have to pay. Voting is determined based on where you live and the boundaries of the annexation. Paul Jennings specifically said "Listen to the people that put you (Council) here." Councilmember Theobald said the people that put him on the City Council live inside the City of Grand Junction. The people who live inside the City are in favor of the annexation.

Councilmember Graham thanked those who came here tonight, including those Councilmembers who had to listen to some angry remarks. Even when we passionately disagree with other, we are all citizens and have a right to be here and speak. He discussed the use of the term "enclave." It is true that this one-foot line

that is being drawn through Clifton, is not a complete loop, and therefore not an enclave. It is like a situation where you neighbor builds a 26-mile fence around your property and tells you not to worry because he hasn't put the gate in yet. This loop can and will probably be closed in the near future, and at that point an enclave will be created. He appealed to Council as a taxpayer and discussed the likely tax consequences of this annexation:

1. If this annexation is passed it will be challenged in the courts, and will be a drain on the City defending it. The City does have able counsel in house, but will probably have to contract expensive outside counsel to defend the City.
2. If this annexation is passed the City will be morally obligated to annex the portion which has been surrounded. Council will have the choice of either incurring a burden to the existing City taxpayers to pay for the capital improvements and amenities for this Clifton plan, or the City will have to sparsely dole them out over twenty years.
3. This annexation will raise the property taxes of persons owning land in the affected area, and because of the inevitability of the annexation of the rest of it, everyone else in the area.
4. It will cost all the taxpayers in the Valley in terms of eliminating a commercial center where you do not have to pay City sales tax. From a taxpayers standpoint, a consumer's standpoint, from a shopper's standpoint, it is going to cost everyone.
5. This annexation is totally antithetical to the principals of "populus sovereignty" that Americans hold most dear. The fact that the City has to trace the 26-mile perimeter around the area that's ultimately going to be annexed suggests to Councilmember Graham that the current direction on the Council, with respect to annexation, does not trust the will of the people to come forth and request to be annexed, but is going to have to "corral" them whether they want it or not. Taxpayers should have a say in where they live and what their community is, and who they consider themselves to be. If this annexation is passed, Council is circumventing that, and it will be the most unfortunate consequence.

Mayor Maupin apologized if he has been heavy handed in conducting the meeting. As a taxpayer in the City and the County, he thinks

the 22,000 people living in the area of Clifton have some responsibilities they are not living up to. Fruita and Palisade have agreed to tax themselves for additional police protection and other services. Those residents living between the current City boundary and 32 Road do not share that same burden in taxation, yet they want to reap those same benefits. The City's parks are overused for the 37,000 people living inside the City. He is pleased that everyone uses Stocker Stadium and Suplezio Field for athletic activities, and that every High School wants to march up and down Main Street. These are community issues that one must deal with. The land use plan is talking about planning the entire valley with the other municipalities and the City Council. There is no border on the maps showing where the City of Grand Junction stops and the City of Fruita stops, and where the County is going.

This plan is for the future. He is disappointed in the manner in which Mesa County does land use. They have consistently waived requirements for developers in the past. It is not right. Down the road, the municipalities will pay for the upgrade the infrastructure deficiencies (the lack of parks, open space the County has not demanded developers contribute). Mayor Maupin stated he was elected by the citizens to take care of the City of Grand Junction now and in the future. He also wants to give everyone what they want, but knows of no way demonstrate it without proceeding with this annexation. He will not vote for anymore annexations in this area unless over 50% of the people in the subdivision petition for annexation. To guarantee that there is not another incorporation attempt for the City of Clifton, it is important that the City of Grand Junction annex the commercial corridor.

It was moved by Councilmember Theobald that Ordinance No. 2875 be adopted and ordered published on second reading. As a related, but distinct, matter, he moved that the Council notify the Mesa County Commissioners as follows:

1. The City Council appreciates the Commissioners' offer to begin serious discussions aimed toward finding common ground and accepts that offer;
2. The Commissioners' request asks the Council to delay its annexations as a demonstration of Council's commitment. The Council believes both entities need to demonstrate their commitment. The Commissioners can do so by petitioning the court to dismiss its sewer lawsuit against the city. This lawsuit involves many of the annexation issues.

3. The Council is proceeding with the Eastern Commercial annexations. However, these will not become effective until January 25, 1996. In the meantime City Council proposes the City and County negotiate the terms under which discussions will occur;
4. The City Council believes these discussions should include land use authority annexations, the Persigo sewer system, the Clifton Fire District, joint capital planning and growth buffers between municipalities.

The motion was seconded by Councilmember Mantlo.

Councilmember Terry stated she strongly supports the attachments to the motion, the possibility of negotiation with Mesa County, but cannot support the motion to pass the ordinance.

Councilmember Graham felt that making Clifton the cat's paw between the County and the City does not address the issue of what is the will of the people. He is not entirely satisfied that the motion addresses that issue.

Councilmember Baughman stated Council's action will have ramifications affecting more than just the residents of Grand Junction. He pointed out that we are members of a community, not just the City of Grand Junction, and need to do the best for all. He feels Council would be remiss by not taking the opportunity to come to an agreement with the County Commissioners on annexation procedures and/or the sewer agreement. He is in favor of delaying this annexation.

Councilmember Theobold stated tonight's decision will have an impact for a long time on thousands of people no matter which we Council votes. Delaying or not annexing has consequences that some will like and some will not.

Councilmember Terry stated a delay will allow the City to fulfill its obligation to provide information and notice to the people that are impacted by this annexation. She feels that responsibility has not been fulfilled.

Roll was called on the motion with the following result:

AYE: MANTLO, THEOBOLD, AFMAN, MAUPIN
NO: BAUGHMAN, GRAHAM, TERRY.

It was moved by Councilmember Theobold that Ordinance No. 2876 be adopted on second reading and ordered published. The motion was seconded by Councilmember Afman.

Roll was called on the motion with the following result:

AYE: MANTLO, THEOBOLD, AFMAN, MAUPIN
NO: GRAHAM, TERRY, BAUGHMAN.

RESOLUTION NO. 124-95 - A RESOLUTION ESTABLISHING THE CITY OF GRAND JUNCTION POLICY AND PRACTICES RELATIVE TO THE ANNEXATION OF THE AREA KNOWN AS CLIFTON AND GENERALLY BETWEEN 30 AND 32 ROADS

A resolution has been prepared at the unanimous direction of the Growth Committee on November 21, 1995. It was the consensus of the City Council members present that such a resolution to be formally adopted was needed so that the public, staff and all City Council knew how the city planned to proceed with the Eastern Valley area.

Upon motion by Councilmember Theobold, seconded by Councilmember Afman and carried by roll call vote with Councilmembers **TERRY, BAUGHMAN** and **GRAHAM** voting **NO**, Resolution No. 124-95 was adopted.

INDEPENDENCE VALLEY (REDLANDS AREA) ANNEXATION PETITION RECONSIDERATION - PETITION WITHDRAWN

The City Council will discuss the time tables for annexation of Independence Valley. The public hearing is currently scheduled for February 7, 1996.

Mayor Maupin announced two weeks ago the petition for annexation of this area was accepted. Councilmember Theobold stated the impacts in this area are much more dramatic, and suggested rejecting the petition and putting a moratorium on the Independence Valley annexation for six months to allow the land use planning to be completed along with discussions with the Mesa County Commissioners. He sees the delay of the Redlands Annexation as Council's good faith effort to bring to the bargaining table.

Councilmember Afman stated to the Redlands residents that Council is listening to them. There are serious needs in the area, especially with the Rural Fire District. She is concerned about the sprawl development. She felt these issues can be discussed with the County Commissioners for a type of capital improvement

plan. She invited the residents to keep in touch with City Council to help direct and guide Council. If there are other needs such as the fire station, better police protection, Council needs to know that. She is comfortable with the six month delay.

In that the Mesa County Commissioners have asked City Council to step back from annexations because of land use planning issues, and whereas there are fire protection issues on the Redlands, undeveloped lands on the Redlands, and enclave issues on the Redlands, Councilmember Theobald moved that the City Council withdraw the Independence Valley petition. The motion was seconded by Councilmember Baughman. Roll was called on the motion. The motion carried unanimously.

RECESS

Mayor Maupin declared a ten-minute recess at 10:35 p.m. Upon reconvening, all members of Council were present.

LOCATION AND DEVELOPMENT OF A SKATEPARK - RESOLUTION NO. 125-95
AUTHORIZING AND DESIGNATING THE WESTLAKE/BUTHORNE DRAINAGE AREA AS
A PARK SITE

Based on comments received at the November 21, 1995 meeting, the Westlake attendees were much more receptive to the development of a skatepark when contrasted to the south Sherwood neighborhood. Observations from Sherwood residents included the extensive use of the park's two shelters, children's playground, soccer, summer camps, classes, popular meandering walkway, etc. Parking (traffic), vandalism, security, visibility, lack of restrooms, noise and lack of common courtesies were recurring themes at the November 21st meeting regardless of location. Many Westlake residents viewed doing "anything" with the Buthorne Drainage area as an improvement and perhaps a catalyst for future park development.

Michael W. Blackburn has offered to purchase the unimproved portion of Sherwood Park for \$95,000. As additional consideration, Mr. Blackburn is offering to donate \$5,000 to a skate park project being proposed by the parks and recreation department.

This item was reviewed by Joe Stevens, Parks and Recreation Director. John Gormley, Chairman of the Parks and Recreation Advisory Board, was present to answer questions of Council. Mr. Stevens stated the Board met and recommends the skate park be located in the Westlake neighborhood as opposed to South Sherwood Park. The entire parcel of Westlake is approximately 9.5 acres. Sherwood Park is approximately 17 acres. The available area for

the skatepark is 1.2 acres. There would be a dedicated area for the skatepark at Westlake. The Parks and Recreation Department, in conjunction with the neighborhood association and the Parks Board, would like to develop some buffers and passive areas around the initial development of the skate park. There are some funds available for that development, but not enough to develop the entire 9.5 acre parcel. He has spoken with the principal at West Middle School and the manager at City Market who are in favor of the City moving forward.

Councilmember Graham was concerned about the absence of any fiscal impact. He was also concerned that this recommendation is for two skate parks when Council had directed the development of one skate park. Mr. Stevens responded the Canyon View Park included the skating feature when the Master Plan was adopted by the Task Force, Parks Board and the City Council. In considering Canyon View Park, there was a need to identify additional funding sources. The sale of South Sherwood Park was an instrument to spread the proceeds from South Sherwood to begin development at Westlake, and also identify another funding source for the development of the regional park in Canyon View. Since it did have the in-line skate feature, the City would like to keep it there, but identify those funds to go toward that, also recognizing the City needs more than one skating facility.

Councilmember Afman discussed the fiscal impact. She felt the sale of the Sherwood Park property allowing the use of additional funds to create this particular park area puts the project ahead financially. Councilmember Afman requested the minutes reflect the fact that the Parks Advisory Board voted 7-0 to recommend to Council that this park site (Westlake) be approved.

Councilmember Baughman asked Mr. Gormley if there were other possible sites for this skate park. Mr. John Gormley, Parks Board chairman, stated Lilac Park and other sites were considered in addition to South Sherwood. Being able to generate funds from the sale of Sherwood, having someone donate \$5,000 toward the development of a skate park in a different location, having a neighborhood that was very much in favor of a park, and agreeing with the concept of allowing a skateboard park as an initial component in developing that park, it seemed the Westlake park site was the most suitable.

Councilmember Baughman felt the City has not contacted all the affected neighbors in the Westlake park area. He asked if all of the neighborhood was notified. Joe Stevens stated 500 letters were mailed to the Westlake and Sherwood areas for both meetings.

The majority of the residents were in favor. There will always be those that say they didn't hear about it, and are not in favor.

The next step is to go into the neighborhood with the construction plans.

Mr. Tom LaVally, 586 Elkhart Lane, thanked City Council for positive input and everyone (kids and adults) who has put a lot of work into it. There is continued support for the project and more people are getting involved. It will have a huge positive impact.

The local Lions Club has pledged \$12,000 toward the skate park. Mr. LaVally felt Sherwood Park was the best location for the skate park because it already had park activities, parking, shelter and restrooms. He would like the Westlake skate park area to be a positive impact for the neighbors. Efforts will continue for support and monies. Restrooms and amenities for the new area are needed. They would like to build the skate park without burdening the community by using lottery funds, matching self-help funds, community support and contributions from other funds. He requested the funds from the sale of Sherwood Park to go toward mostly the development of the Westlake area. He would like to see more than the 50-50 split of the proceeds from the Sherwood Park sale. Mr. LaVally will be contacting other organizations and Mesa County as well for financial contributions.

Mayor Maupin urged Council to use all of the proceeds from the sale for this skate park. He also suggested a contest be conducted for renaming the park. Councilmember Theobald would like to see the funding earmarked for Phase II as Phase I has already been designed and contemplated with identified funding. The County lottery funds might not be available if it appears more funds are available than actually are.

Mr. Gormley explained the 50% was proposed because there are many other recreational uses that need to be funded. They wanted to see the skate park at Westlake get started.

Councilmember Graham stated Canyon View Park has had resources lavished on it far disproportionate to any other park, and it is \$1.2 over budget in its first phase. He cannot justify additional expenditures on it. He is in favor of putting all of the eggs in one basket at the Westlake facility.

Councilmember Mantlo stated Mr. Blackburn has been placed in an awkward position for the open bidding process as his offer of \$95,000 has already been made public.

Upon motion by Councilmember Terry, seconded by Councilmember Mantlo and carried by roll call vote with Councilmembers **GRAHAM** and **MAUPIN** voting **NO**, Resolution No. 125-95 encompassing the recommend-ation from the Parks Board as outlined in the Staff report on page 2 of 2 under recommendations, was adopted.

It was noted City Property Agent Tim Woodmansee will use the sealed bid process for the sale of the property south of Sherwood Park.

PUBLIC HEARING - RESOLUTION NO. 126-95 CREATING AND ESTABLISHING ALLEY IMPROVEMENT DISTRICT NO. ST-96, PHASE A, WITHIN THE CORPORATE LIMITS OF THE CITY OF GRAND JUNCTION, COLORADO, AUTHORIZING THE RECONSTRUCTION OF CERTAIN ALLEYS, ADOPTING DETAILS, PLANS AND SPECIFICATIONS FOR THE PAVING THEREON AND PROVIDING FOR THE PAYMENT THEREOF

Petitions have been submitted requesting a local improvement district to reconstruct the following eight alleys:

1. East-West alley from 11th to 12th Street between Grand and White Avenue;
2. East-West alley from 10th to 11th Street between Belford and Teller Avenue;
3. East-West alley from 5th to 6th Street between Hill and Teller Avenue;
4. North-South alley from Elm to Mesa Avenue between 19th and 20th Street;
5. East-West alley from 3rd to 4th Street between North and Belford Avenue;
6. Cross alley from 7th to 8th Street and from Main Street to Rood Avenue;
7. East-West alley from 12th to 13th Street between Colorado and Ute Avenue;
8. East-West alley from 5th to 6th Street between Chipeta and Gunnison Avenue.

All petitions have been signed by a majority of the property owners to be assessed.

City Property Agent Tim Woodmansee explained the improvement district process. The City has received one letter of opposition from Mr. Tom Bolger for improvements to the alley which runs from 10th Street to 11th Street between Belford Avenue and Teller Avenue.

A hearing was held after proper notice. The following persons spoke in favor of the improvement district:

1. Lloyd Carlson, 1155 Grand Avenue supported alley paving between 11th Street and 12th Street and White Avenue and Grand Avenue. Councilmember Baughman noted he had received a phone call from Mrs. Lloyd Carlson today in support of the improvement district.
2. Martin Krakowski, 2227 Village Court, one of the partners who own the apartments at 1029 and 1049 Belford Avenue. He is

very much in favor of the improvement district. He feels it is a benefit to all property owners in the area.

There were no other public comments.

Upon motion by Councilmember Afman, seconded by Councilmember Mantlo and carried by roll call vote with Councilmember **BAUGHMAN** voting **NO**, Resolution No. 126-95 was adopted.

AUTHORIZING A GRANT OF \$40,000 FROM THE ECONOMIC INCENTIVE FUND TO RAM-LINE, INC.

The Board of Directors of the MCEDC recommends a settlement of \$40,000 from MCEDC to Ram-Line, followed by a \$20,000 contribution from Ram-Line to the City of Grand Junction through the Enterprise Zone.

Ms. Betty Bechtel, 744 Horizon Court, Chairman of the EDC was present and introduced Jim Fleming, Treasurer of the EDC and Steve Ausmus, Vice President and staff member of EDC. She requested Council approve a \$40,000 grant to be paid by MCEDC to Ram-Line as settlement of the Ram-Line incentive agreement that was entered into in July, 1993. Part of the negotiated settlement would include a contribution back from Ram-Line to the City through the incentive fund of \$20,000. The net impact on a reduction in the EDC funds would be approximately \$20,000. Under the 1993 agreement, Ram-Line did not get all of its incentives up front. They had a \$35,000 loan, but there was a provision for a grant that would not be awarded until February, 1995 based on their performance of certain obligations and their maintaining of full-time employees in 1994. The grant was \$500 per full-time employee which amounts to the \$40,000. Ram-Line was purchased by Blount in November, 1994. Blount moved out of the area in October, 1995. The company no longer exists, but a contractual obligation still remains.

Ms. Bechtel stated there was payroll over \$4,000,418 generated by the company during 1993 and 1994. Using some national figures provided by the Chamber of Commerce, it is estimated 25% of that income would have been spent locally on retail sales resulting in sales tax of approximately \$30,374. Other benefits to the community were discussed.

Councilmember Graham questioned Ms. Bechtel about a breach of agreement by the relocation of the company. Ms. Bechtel stated there is nothing in the agreement saying they could not sell to another company. There is an assignment clause in the agreement.

If Ram-Line was being paid everything it wanted under this agreement, it would amount to more than \$40,000. It is the EDC's position that Ram-Line is not in breach of the agreement.

Councilmember Graham also asked what new jobs will be created by Council approving this \$40,000 appropriation. Ms. Bechtel responded no new jobs will be created at this point in time forward by the \$40,000. The \$40,000 was agreed to in 1993 to create approximately 70 full-time jobs in Grand Junction. A period of time was specified to create those jobs, and was satisfied.

Councilmember Graham asked if the EDC is contractually obligated to pay something. Ms. Bechtel answered yes it is.

Councilmember Graham asked City Attorney Dan Wilson if the City is obligated as a guarantor. Mr. Wilson did not believe the City is in the position of a guarantor. His general perception would be the City is not legally obligated.

Councilmember Baughman questioned how the City can be obligated to pay the entire \$40,000 rather than the MCEDC. Ms. Bechtel explained the City was involved in the approval of the incentive arrangement. The EDC would not have agreed to the incentive if the City had not supported it. The EDC did not have the funds to support the incentive. EDC requested the City to approve the incentive from the MCEDC funds with the City. It was approved. Ram-Line came to Grand Junction and lived up to its requirements.

Councilmember Graham clarified it is not the Mesa County Economic Development Fund. It is known as the Economic Development Fund. Ms. Bechtel stood corrected.

Councilmember Theobald agreed the funds are obligated. There is also an ethical obligation. It was unfortunate this has happened. He asked Ms. Bechtel if an incentive would be handled differently in the future. Ms. Bechtel stated a 7-year commitment would be required.

Mr. Jim Fleming, 3530 Beechwood, emphasized that in most cases the money is up front based on performance. The company has to pay it back if they do not perform. Because Ram-Line was a little different, it was based on performance, or EDC paid after the fact. If the EDC had negotiated a traditional agreement with them, litigation would probably be needed to recover what EDC had given up front. The incentive was still a good investment for the City, although the City did not receive the anticipated payback.

Councilmember Theobold noted the negotiated settlement not only includes the money coming back, but the money is going to Jim Chestnut who still lives here as opposed to the people who moved the company. Ram-Line (Blount) is not benefiting from this because Mr. Chestnut retained the \$40,000 as part of the sale.

Councilmember Afman stated the EDC really evaluated the dollar amount, met with the accountants, verified hours worked, and got the amount reduced to \$40,000.

Mayor Maupin stated the \$20,000 will come back to the City.

Councilmember Baughman did not understand why the City's EDC fund must pay the entire \$40,000 when Mesa County EDC put the package together and there were other contributors. Councilmember Baughman felt that if Mesa County shared in the benefit through taxes, Mesa County should also share in the loss. Mr. Fleming stated the City was the sole participant in this particular case.

City Manager Mark Achen asked what arrangements have been made to allow the City of Grand Junction to receive the entire \$20,000 through the Enterprise Fund.

City Finance Director Ron Lappi stated he had been assured by the MCEDC staff, Steve Ausmus and Barbara Creasman, that this transaction can take place and returned to the City. The DDA keeps 2% on these types of funds (\$400) with the City getting back \$19,600.

Upon motion by Councilmember Terry, seconded by Councilmember Baughman and carried by roll call vote with Councilmember **GRAHAM** voting **NO**, the City was authorized a grant of \$40,000 from the Economic Incentive Fund to Ram-Line, Inc., with the condition that \$20,000 to be contributed back from Ram-Line to the City of Grand Junction through the Enterprise Fund.

BENSON RANCH PURCHASE - AUTHORIZING THE EXPENDITURE OF \$200,000 OF ECONOMIC DEVELOPMENT FUNDS PAYABLE TO IDI (INDUSTRIAL DEVELOPMENT, INC.) TO PURCHASE THE BENSON RANCH PROPERTY FOR ADDITIONAL INDUSTRIAL PROPERTY FOR UTILIZATION WITH MCEDC, AND AUTHORIZING THE CITY MANAGER TO SIGN AGREEMENT WITH IDI FOR TRANSFER OF RESOURCES AND ULTIMATE UTILIZATION OF PROPERTY

IDI is the land holding sister corporation to the MCEDC and has indicated that they have run out of industrial development

property in Foresight Park. The Benson Ranch property, composed of 35 acres, is available and is better suited for a high tech industrial park than for residential development.

Dennis Kirtland, President of IDI, stated IDI is proposing purchasing the Benson Ranch property of 35 acres at \$5,500 per acre. IDI will be contributing \$100,000 into the project. IDI is asking the City to contribute \$200,000 from the development fund.

IDI has run out of land that has been used for the public good to bring businesses to the community. There is one small parcel left in Foresight Park.

Mr. Kirtland stated the IDI is a sister corporation of the Chamber of Commerce and not the Economic Development Council.

The property will be held in the name of IDI as far as title record is concerned. Councilmember Graham asked if IDI will give the City a lien on this property to protect its interest for redeeming its share of the original purchase price. City Attorney Dan Wilson said it could be accomplished with some restrictions in the title that will effectively grant the lien. Councilmember Graham stated that unless the city reduces a contractual arrangement to the title record, it will be merged in the deed and the City will not have an enforceable agreement. City Attorney Dan Wilson stated the subject could be dealt with in next week's discussions on terms of the agreement. In the past, when land was acquired for a new business, the City and the EDC have negotiated the terms of what would happen to that property. The sale is not contingent upon the PUD zone, although it is important that the zoning matter be clear as to the intended purposes of the property. The property will not be useful if it is not rezoned. There is only a six-month option on the purchase of the property. The feedback has been positive. Those in the neighborhood prefer this concept over housing.

Jim Fleming stated the \$5,500 per acre cost is below market value.

The IDI has never been out of property before. IDI needs to purchase more properties, and is unable financially to purchase this property on its own.

Councilmember Baughman asked how IDI obtained its original lands.

Diane Schwenke, President of the Grand Junction Area Chamber of Commerce, stated private investors combined resources and purchased the original land owned by IDI, but it was developed using an EDA grant. Federal funds were involved in the development of Foresight Park. It has been a private/public

partnership. It has not been from the City of Grand Junction in the past. Federal funds are no longer available.

Councilmember Graham asked if property taxes will be paid on the property. Ms. Schwenke answered yes.

Mr. Kirtland explained IDI was, at the time the EDC was created, the entity in the community that did what the EDC does now. All the board members of the IDI are appointed by the Chamber of Commerce board. No one in the IDI has any investment interest in any property held by IDI. When the EDC was created, there were a number of properties and many liabilities that the EDC chose not to be involved with. Throughout the years, IDI has acted as custodians for the land that was held in the public trust, and was able to grant property back to the EDC, to grant properties that was used for the UTEC, did some land exchanges, etc. All that time IDI paid the property taxes, held onto the properties, worked with the EDC and made some efforts with the local businesses that wanted to use some incentives. IDI is legally a subsidiary of the Chamber of commerce, and a separate non-profit corporation.

Steve Ausmus, Vice President of MCEDC, clarified that what is being requested through the County is not a rezone change. It is a modification of an existing planned unit development (PUD), Planned Residential to Commercial Oriented.

Upon motion by Councilmember Afman, seconded by Councilmember Mantlo and carried with Councilmembers **BAUGHMAN** and **GRAHAM** voting **NO**, the expenditure of \$200,000 of economic development funds payable to IDI (Industrial Development, Inc.) to purchase the Benson Ranch property for additional industrial property for utilization with the MCEDC was authorized, the City Manager was authorized to sign an agreement with IDI for transfer of resources and ultimate utilization of the property, and Staff was directed to circulate the agreement amongst City Council for any input and further execute based on Council's approval.

PUBLIC HEARING - 1996-1997 BUDGET - ORDINANCE NO. 2883 - THE ANNUAL APPROPRIATION ORDINANCE APPROPRIATING CERTAIN SUMS OF MONEY TO DEFRAY THE NECESSARY EXPENSES AND LIABILITIES OF THE CITY OF GRAND JUNCTION, COLORADO, THE RIDGES METROPOLITAN DISTRICT, AND THE GRAND JUNCTION WEST WATER AND SANITATION DISTRICT, FOR THE YEAR BEGINNING JANUARY 1, 1996, AND ENDING DECEMBER 31, 1996 - RESOLUTION NO. 127-95 ADOPTING A BUDGET FOR THE PURPOSE OF DEFRAYING THE EXPENSES AND LIABILITIES FOR THE FISCAL YEARS ENDING DECEMBER 31, 1996 AND 1997

The appropriations requests are the result of the budget preparation and reviews over the last several months as presented and reviewed by City Management and the City Council.

A hearing was held after proper notice. There were no public comments.

Mayor Maupin stated the salaries of the City Manager and the Department Heads will be postponed with a supplemental appropriation forthcoming. The Mesa College Foundation request will also be postponed.

Upon motion by Councilmember Theobold, seconded by Councilmember Mantlo and carried by roll call vote with Councilmembers **BAUGHMAN** and **GRAHAM** voting **NO**, Ordinance No. 2883 was adopted on second reading and ordered published, and Resolution No. 127-95 was adopted.

ADJOURNMENT

Upon motion by Councilmember Theobold, seconded by Councilmember Afman and carried, the meeting was adjourned at 12:21 p.m.

Stephanie Nye, CMC/AAE
City Clerk