

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

June 2, 2004

The City Council of the City of Grand Junction convened into regular session on the 2nd day of June 2004, at 7:32 p.m. in the City Auditorium. Those present were Councilmembers Harry Butler, Cindy Enos-Martinez, Dennis Kirtland, Gregg Palmer, Bill McCurry, Jim Spehar and President of the Council Bruce Hill. Also present were City Manager Kelly Arnold, City Attorney John Shaver, and City Clerk Stephanie Tuin.

Council President Hill called the meeting to order. Councilmember Kirtland led the pledge of allegiance. The audience remained standing for the invocation by Pastor Eldon Coffey, Central Orchard Mesa Community Church.

Council President Hill introduced the President of the City Youth Council Lisa Truong, seated on the dais with the City Council.

PRESENTATION OF CERTIFICATES OF APPOINTMENT

TO PARKS AND RECREATION ADVISORY BOARD

Tom Dixon was present to receive his certificate.

TO THE PLANNING COMMISSION

Travis Cox was present to receive his certificate.

TO THE DDA BOARD OF DIRECTORS

Harry Griff and Bill Wagner were present to receive their certificates.

PROCLAMATIONS

**PROCLAIMING SUPPORT FOR MESA STATE COLLEGE SERVICE
LEARNING PROJECT IN EL SALVADOR**

CITIZEN COMMENTS

There were none.

CONSENT CALENDAR

It was moved by Councilmember Palmer, seconded by Councilmember McCurry, and carried by roll call vote to approve Consent Calendar Items #1 through #7, amending the hearing date for item #3 to July 7th.

1. **Minutes of Previous Meetings**

Action: Approve the Summary of the May 17, 2004 Workshop and the Minutes of the May 19, 2004 Regular Meeting

2. **Setting a Hearing on Zoning Bretsel Annexation to C-1 Located at 3145 E ½ Road** [File #ANX-2004-065]

Introduction of a proposed ordinance to zone the Bretsel Annexation, C-1, Light Commercial, located at 3145 E ½ Road. The Annexation consists of 23.3 acres and currently consists of three (3) parcels of vacant land and adjoining right-of-ways that will become two (2) parcels through a Simple Subdivision Plat process in the near future. The petitioner's intent is to annex and then develop the properties in anticipation of future commercial development. A portion of the proposed annexation lies within the Persigo 201 sewer district.

Proposed Ordinance – An Ordinance Zoning the Bretsel Annexation to Light Commercial (C-1) Located at 3145 E ½ Road

Action: Introduction of Proposed Ordinance and Set a Hearing for June 16, 2004

3. **Setting a Hearing to Appeal a Planning Commission Decision – 2938 North Avenue – Palace Pointe Market Place** [File #VAR-2004-056]

The applicant, North Avenue Center, LLC, wishes to set a hearing date to appeal the Planning Commission's decision regarding denial of their variance request of the Zoning & Development Code's requirement to provide a six foot (6') masonry wall between a C-1, Light Commercial and a RMF-8, Residential Multi-Family – 8 units/acre (County) Zoning District. Per Section 2.18 E. 4. g. of the Zoning & Development Code, the appeal shall be scheduled within forty-five (45) calendar days of receipt of the appeal.

Action: Set a Public Hearing for June 16, 2004; amended to July 7, 2004

4. **Setting a Hearing on Zoning the SGH 27 Road Annexation to RSF-2 Located at 215 27 Road** [File #VE-2004-036]

First reading of the ordinance to zone the SGH 27 Road Annexation Residential Single Family-2 (RSF-2), located at 215 27 Road.

Proposed Ordinance – An Ordinance Zoning the SGH 27 Road Annexation to Residential Single Family-2 (RSF-2), Located at 215 27 Road

Action: Introduction of Proposed Ordinance and Set a Hearing for June 16, 2004

5. **Setting a Hearing on Sanitary Sewer Improvement District No. SS-45-03 (26 ½ Road)**

First Reading of a Proposed Ordinance for the assessment of apportionment of costs associated with Sanitary Sewer Improvement District No. SS-45-03.

Proposed Ordinance – An Ordinance approving the assessable cost of the improvements made in and for Sanitary Sewer Improvement District No. SS-45-03, in the City of Grand Junction, Colorado, Pursuant to Ordinance No. 178, adopted and approved the 11th Day of June, 1910, as amended; approving the apportionment of said cost to each lot or tract of land or other real estate in said district; assessing the share of said cost against each lot or tract of land or other real estate in said district; approving the apportionment of said cost and prescribing the manner for the collection and payment of said assessments

Action: Introduction of Proposed Ordinance and Set a Hearing for June 16, 2004

6. **Amendment #3 to ICON Engineering for Completion of the Conditional Letter of Map Revision (CLOMR)**

Engineering contract amendment # 3 with ICON Engineering, Inc. in the amount of \$94,006 for the preparation and submittal of a Conditional Letter of Map Revision (CLOMR) to the Federal Emergency Management Agency (FEMA) for the Ranchman's Ditch and Leech Creek drainage areas. The preparation and submittal of the CLOMR is the formal step to gain FEMA approval for the City's plan (i.e. the "Big Pipe", Leach Creek and Ranchman's detention pond projects) to mitigate flooding problems along these two drainages.

Action: Authorization from Council for an Engineering Contract Amendment #3 with ICON Engineering Inc., in the Amount of \$96,006 for the Completion of CLOMR for Ranchman's Ditch and Leach Creek Drainages

7. **Pavement Management Data Collection**

Contract for Pavement Data Collection and Analysis professional services.

Action: Authorize the Public Works Director to contract for Pavement Data Collection and Analysis by amendment to the City's contract agreement with GBA Master Series, Inc. not to exceed \$52,555

***** ITEMS NEEDING INDIVIDUAL CONSIDERATION *****

24 ½ Road Pedestrian and Median Improvements

Award of a construction contract for the 24 ½ Road Median and Pedestrian Improvements Project to Reyes Construction, Incorporated in the amount of \$62,587.10. The largest portion of the project will include construction of decorative concrete median cover in the existing medians on 24 ½ Road from I-70B to Patterson. In addition, some curb and gutter will be reconstructed to improve the safety and performance of the roadway. A section of new sidewalk will also be constructed on the east side of 24 ½ Road.

Mark Relph, Public Works and Utilities Director, reviewed this item. He explained the reason for the project, noted that two bids were received, only \$400 apart, and the recommendation is to award the bid to Reyes Construction. There are two improvements adjacent to the Mesa Mall, increased stacking distance at 24 ½ Road and I-70 B to Patterson and by the Carmike Theatre, making the exit a right-turn only. Aside from this project, discussions are taking place to construct a new access point into the mall near Target.

Councilmember Palmer voiced concern about timing of the 24 ½ Road improvements. Mr. Relph assured Council that timing would be a consideration.

Councilmember Palmer asked about the proposed change order for the Carmike improvement. Mr. Relph replied that the agreement had not been finalized but they are planning to add it to the contract awarded.

Councilmember Kirtland moved to Authorize the City Manager to Sign a Construction Contract for the 24 ½ Road Pedestrian and Median Improvements with Reyes Construction Inc., in the Amount of \$62,587.10. Councilmember McCurry seconded the motion. Motion carried.

Drainage (Stormwater) Authority Intergovernmental Agreement

Drainage (Stormwater) Authority Intergovernmental Agreement drafted by the Authority Charter Committee made up of representatives of the City of Grand Junction, Mesa County, Town of Palisade, City of Fruita, and the Grand Junction Drainage District.

Kelly Arnold, City Manager, introduced this item. He outlined the history and the request. The Intergovernmental Agreement is basically the same agreement that was presented to Council at an April 1st workshop. He noted that the request also asked for an appointment to the new Authority and Councilmember Dennis Kirtland, who has been serving on the steering committee, has agreed to serve o the Authority as the Council's representative.

Mike Meininger, Mesa County Engineering Supervisor, explained some of the drainage problems in the valley. He also had slides of some of the flooding occurrences that have happened in recent years. One element the newly formed Authority will be addressing is water quality.

The other element of this proposal is water quality, the NPDES issue. In essence, the issues for water quality are public education, public participation, illicit discharge detection and elimination, plan review, post construction inspection and municipal operations that are required in order to acquire a permit.

These two major activities are areas where the citizens do not know who to call because of the multiple jurisdictions. The Steering Committee has had many meetings over the last eight months and recommends the formation of the Drainage Authority. The Authority will coordinate all the activities and permits and provide a sustainable revenue for administration of this issue.

He listed the dates the other entities will be considering the proposal.

Councilmember Spehar asked if all entities approve, when will the Authority begin its work. Mr. Meininger said the first step would be a rate study and they have targeted getting started in 2005. City Manager Arnold stated that the Authority plans to meet in July to begin drafting by-laws. A calendar of activities has already been drafted.

Councilmember Kirtland said in looking at the size of this issue, it is obvious that they have to figure out a way to tackle it cooperatively. That is the purpose of the rate study. It will take the cooperation of all of the entities. He applauded the work of the County Commissioners to get this project going.

Councilmember Palmer asked about the budget beyond 2005. Councilmember Kirtland said that is the purpose of the rate study, to determine the fees necessary to fund the operations of the Authority.

Councilmember Kirtland moved to Adopt the Drainage (Stormwater) Authority Intergovernmental Agreement (IGA), Approve the Budget and Appoint Dennis Kirtland as the City's Representative to the Authority Board. Councilmember Palmer seconded the motion. Motion carried.

Economic Development Incentive Request

The City Council approval is hereby requested for an Economic Development Incentive in the amount of \$75,000 in support of 25 jobs over the next three years.

Kelly Arnold, City Manager, introduced this item. He noted that Council was first approached on the request in March, 2004. The balance in the Economic Development fund is \$765,000. Administrative Services and Finance Director Ron Lappi has met with the attorney and reviewed the contract.

Ann Driggers, GJEP Executive Director, and Denny Granum, GJEP Board Member, addressed the City Council. GJEP has been working with this company since August, 2003. They have been negotiating with the company since then. They are requesting final approval of the incentive. They expect the company to hire 18 to 25 people, at an average wage of \$14.80. The company provides services in the aviation industry. They lease aircraft for various purposes. They have 20 aircraft. All services are exported out of the State. They anticipate over \$27 million will be returned to the community. The pay back will be within 1.5 years. The company will hopefully relocate at Walker Field Airport. The capital investment will be about \$1.6 million. The request is for \$75,000 for an incentive. Like incentives have been approved by Mesa County and the State of Colorado.

Councilmember Palmer asked if that incentive is within the guidelines considering the capital investment proposed. Ms. Driggers responded affirmatively.

Councilmember Spehar said normally incentives are paid after performance. Ms. Driggers said each agreement is different but that is the case for this incentive.

Councilmember Kirtland said the opportunity does show what a great resource Walker Field Airport is. Mr. Granum concurred, it has added to the increase in prospects in recent years.

Councilmember Spehar asked when there will be a final decision. Ms. Driggers said within the next month.

It was moved by Councilmember Spehar for Consideration and Approval of the Request from Grand Junction Economic Partnership. Councilmember Palmer seconded the motion. Motion carried.

Public Hearing – Cameck Annexation and Zoning Located at 3048 D ½ Road [File #ANX-2004-049]

A Resolution for acceptance of petition to annex and to hold a public hearing and consider final passage of the annexation ordinance for the Cameck Annexation,

located at 3048 D ½ Rd. The 2.5005 acre annexation consists of 1 parcel of land and is a 2 part serial annexation.

The public hearing was opened at 8:29 p.m..

Senta L. Costello, Associate Planner, reviewed this item, combining it with the zoning review. She described the request, the surrounding zoning and uses. She noted the request does comply with the Growth Plan and is similar to the surrounding zoning. The annexation is a serial annexation and both the annexation and zoning meets all the criteria.

Councilmember Palmer asked about all the driveways along D ½ Road and if there are guidelines on the proximity of the accesses. Ms. Costello said there are requirements and there are exceptions processed with in the TEDS manual.

Toby Morris, Woody Creek, property owner, had requested annexation and rezone and plans to submit a preliminary plan down the road. He had nothing more to add except the County and City staff has been incredible in this process.

There were no public comments.

The public hearing was closed at 8:35 p.m.

a. Accepting Petition

Resolution No. 51-04 – A Resolution Accepting a Petition for Annexation, Making Certain Findings, Determining that Property Known as the Cameck Annexation, Located at 3048 D ½ Road is Eligible for Annexation

b. Annexation Ordinances

Ordinance No. 3635 – An Ordinance Annexing Territory to the City of Grand Junction, Colorado, Cameck Annexation #1, Approximately 0.6036 Acres, Located at 3048 D ½ Road

Ordinance No. 3636 – An Ordinance Annexing Territory to the City of Grand Junction, Colorado, Cameck Annexation #2, Approximately 1.8969 Acres, Located at 3048 D ½ Road

c. Zoning Ordinance

Ordinance No. 3637 – An Ordinance Zoning the Cameck Annexation to RMF-5 (Residential Multi-Family 5 du/ac) Located at 3048 D ½ Road

Councilmember Kirtland moved to adopt Resolution No. 51-04, Ordinances No. 3635, No. 3636 and No. 3637 on Second Reading and ordered them published.

Councilmember Enos-Martinez seconded the motion. Motion carried by a roll call vote.

Public Hearing – Holley Annexation and Zoning Located at 2936 D ½ Road
[File #ANX-2004-059]

A Resolution for acceptance of petition to annex and to hold a public hearing and consider final passage of the annexation ordinance for the Holley Annexation, located at 2936 D ½ Road. The 0.8402 acre Holley Annexation consists of 1 parcel and is a 2 part serial annexation.

The public hearing was opened at 8:36 p.m.

Senta L. Costello, Associate Planner, reviewed this item combining it with the zoning review. She described the property, location, the surrounding zoning and uses. She stated the purpose of the request is to take advantage of the setback requirement in that proposed zone district. No additional development is proposed. The request meets the criteria for both annexation and zoning and Staff and Planning Commission recommend approval.

Tom Holley, 2936 D ½ Road, thanked Ms. Costello and Dave Thornton, Principal Planner for their help in the process. He said the process has been easy. The surrounding property is for sale. When it sells, it will be annexed and will enjoy better setbacks. So he has no plan to develop, he just wants to have the more favorable setback.

There were no public comments.

The public hearing was closed at 8:40 p.m.

a. Accepting Petition

Resolution No. 52-04 – A Resolution Accepting a Petition for Annexation, Making Certain Findings, Determining that Property Known as the Holley Annexation, Located at 2936 D ½ Road is Eligible for Annexation

b. Annexation Ordinances

Ordinance No. 3638 – An Ordinance Annexing Territory to the City of Grand Junction, Colorado, Holley Annexation #1, Approximately 0.1663 Acres, Located at 2936 D ½ Road

Ordinance No. 3639 – An Ordinance Annexing Territory to the City of Grand Junction, Colorado, Holley Annexation #2, Approximately 0.6739 Acres, Located at 2936 D ½ Road

c. Zoning Ordinance

Ordinance No. 3640 – An Ordinance Zoning the Holley Annexation to RSF-4 (Residential Single Family 4 du/ac) Located at 2936 D ½ Road

Councilmember Enos-Martinez moved to adopt Resolution No. 52-04 and Ordinances No. 3638 and No. 3639 and No. 3640 on Second Reading and ordered them published. Councilmember McCurry seconded the motion. Motion carried by roll call vote.

Public Hearing – Modifying the Transportation Capacity Payment (TCP)

Public Hearing for City Council consideration of an Ordinance that proposes modifications to the Transportation Capacity Payment (TCP) and half street policies. The Ordinance would increase the TCP from \$500 per single family unit to \$1500 per single family unit. The fee schedule for commercial-industrial development would also increase by a similar proportion. The Ordinance also places the responsibility of constructing half street, safety and off-site improvements associated with new developments with the City.

The public hearing was opened at 8:41 p.m.

Councilmember Kirtland disclosed that the company he works for, Shaw Construction, has an application in process and so there may be a conflict in the implementation discussion. Therefore, he will not participate in that portion of the discussion.

Mark Relph, Public Works and Utilities Director, reviewed the history of this proposal and recognized the folks that have contributed to the development of the proposal. He believes they have consensus on the concept and the approach. The one point of contention is the implementation piece.

He reviewed what they are trying to accomplish with this new approach. He described the existing process and the conflicts it creates. An adversarial relationship was many times created between the City and the developer. Many times a developer would be required to construct improvements that would ultimately benefit the community at large or at least a great many others. The new approach takes the responsibility of major improvements away from the developer and places it with the City. The fee is being tripled but then the responsibility lies with the City to construct the improvements.

Tim Moore, Public Works Manager, then detailed the changes since the last time it was reviewed with Council. The major change has been in the policy piece. The appeal process is a new element. The recommendation is to use a similar process as in the TEDS Manual. The appellant body will be the Public Works Director, the Community Development Director and the Fire Chief. Another issue

that was discussed in detail was examples of how to handle unusual situations. Lastly, they refined the definition of "Minimum Street Access Improvements". He then referred to a memo from the City Attorney to clarify the definition as requested by Richard Livingston, an attorney representing a group of concerned developers.

Councilmember Kirtland asked about 6.2B2c and what is the intent as it relates to a commercial development. His concern was that many times it takes time to complete the access points. There needs to be flexibility in the sequencing. Mr. Moore said the City's role is going to be very different in the new proposal. City Attorney Shaver said there is always the ability to draft a Development Improvements Agreement in the interim to allow for such sequencing.

Councilmember Spehar suggested to avoid Councilmember Kirtland's conflict, Council should decide on the ordinance portion first.

Mr. Relph delineated the policy piece and implementation piece and how the implementation piece may need to be adjusted somewhat more frequently by the committee, to ensure it is meeting the policy goals. City Attorney Shaver noted that the ordinance requires an annual review. Councilmember Kirtland noted that the fees could also be reviewed at that same time.

Council President Hill asked for public comments.

Larry Rasmussen, representing the Homebuilders Association, was grateful for the opportunity to participate in the development of this proposal. For the most part, his group is very supportive of the concept. The implementation piece may need some adjustment.

Don Pettygrove, Consulting Engineers, said the proposal is a big step but it will benefit the community as a whole. The hard part is the details. The policy needs to be a part of the ordinance. He asked if there will be further discussion and motion on the implementation piece. City Attorney Shaver said that it can be done or it can be separated in a couple of different ways. The proposal is to adopt the policy annually by resolution of the City Council. Mr. Pettygrove said the policy is an integral part of the ordinance and he could not support the ordinance without the policy. Councilmember Kirtland offered to step down on both pieces if that is an issue. City Attorney Shaver said the implementation piece could be done separately.

Mr. Pettygrove addressed the appeal process, in lieu of the TEDS Committee, said that the Community Development Director and the Fire Chief have not been a part of these discussions. It was suggested that the task force members sit in on such appeals on an ad hoc basis or perhaps the working group could handle the appeals. The indexing issue proposed is GCPI which isn't always reflective of construction costs. He suggested using a construction cost index, or leave it

out and determine it at the time of readoption. He asked about how the implementation will work for the partials in process; if the City will give them the option of which way to go and anything after July 4th will have to comply with the new. Earlier ones are the ones in question. He felt any lots sales from now on should be under the new proposal. Conversely, anything already platted was already figured under the old policy. There is a possibility of giving them the option if they so choose.

Diane Schwenke, Chamber of Commerce, advised the Chamber board has taken an official position and applauds the City for taking this approach. This has been an issue in the past. Predictability is the strong point. Ms. Schwenke agrees with the regular review of the new method.

Ebe Eslami, commended staff on its work and supported the proposal. This will take care of the patchwork way improvements are being done. It will save a lot of money for the City. He felt that the older developments should not be subject to the new proposal. He agreed that the City staff is a pleasure to work with.

Rebecca Wilmarth, part of the focus group was appreciative of staff including the development community. Regarding implementation she felt in process applications should have options. Those already built will have to go with the new fee and she disagrees with that. She recommended a six month implementation period as her company already has contracts signed. In order to comply with the new ordinance, they will have to pay the fee out of their own pocket.

City Manager Arnold suggested they allow Mr. Relph to present the implementation options before taking any further testimony.

Public Works and Utilities Director Mark Relph laid out the options for implementation – Option 1 – as of the effective date, all lots will pay the fee. He does not recommend this option as some have already paid for improvements. Option 3 – all lots currently platted pay the old fee. The problem with that option is fairness. Mr. Relph noted that when the building permit is pulled that is when the impact occurs. Option 2 is a middle of the road approach – acknowledge where previous subdivisions have constructed improvements and give them credit. It was suggested they go back five years and reapply that value and then charge those lots the difference. Then there are a series of projects in process and they have been analyzed. He deferred to Tim Moore for further explanation.

Public Works Manager Tim Moore clarified these are projects that are in the process, 27 projects, that have not built the improvements. Under Option 2, they would have the opportunity to go with the old fee or the new fee. Some of the developers have been anticipating the change. He said there are about \$2 million in improvements that would be built; under the new TCP, about \$2.3 million would be collected. Fourteen of the projects would probably go with the

old policy. Eleven would probably go with the new policy. The net value of the improvements that would be constructed, if choice is allowed, is \$750,000.

Councilmember Palmer said it might create a lack of funds. Mr. Moore said that is possible, but unlikely.

Council President Hill said if the Council were going to keep the same policy but simply increase the fee, how would that be applied to projects in the pipeline. City Attorney Shaver said the difficulty is the rough proportionality, associating the fee to their development. Under law, the City could require a higher requirement in addition to the fee. The City has chosen not to push that envelope, he felt if a challenge were to occur the City would prevail. That is the reason for Staff proposing Option #2, to recognize the investment already made.

Don Pettygrove is involved in two projects. He has been advised to hold off pending the outcome of this, if the improvements are made and they are held to the old policy there will be patchwork improvements. By allowing them to move to the new policy, there would be money saved and it would also provide money to build improvements where they are really needed. Another example was given where the improvements being required would not match future City plans.

Councilmember Spehar suggested any economic impact of moving to the new system should be the City's impact.

City Attorney Shaver suggested the planning clearances be given a longer time frame so clearances could be pulled prior to the effective date.

Larry Rasmussen, Homebuilder Association, said his groups supports Option #3.

The public hearing was closed at 9:49 p.m. and Council President Hill called a recess.

The meeting reconvened at 9:58 p.m.

Councilmember Palmer asked if moving the effective date out will help the situation with implementation. Mr. Relph said no, the City Attorney's suggestion might help. Councilmember Spehar said that is an easier option.

Council President Hill summarized that the proposal is shifting the burden. If they have already constructed the improvements, they have already done their part. Will that be readjusted on every lot? Councilmember Enos-Martinez thought it would be administrative nightmare. She was okay with giving the developers an option but to go back to the unbuilt lots, would be a nightmare. Councilmember McCurry agreed.

Council President Hill asked if the grandfathering in Option #3 would be forever. Mr. Relph said it would be for any existing platted lot. Councilmember Spehar thought Option #3 was the nightmare; give those with platted lots an opportunity to pull a building permit and twelve months to build.

Councilmember Palmer said in Option #2, the opportunity for a credit in already constructed improvements, is as fair as it can get.

Council President Hill summarized Option #2, modifying it to allow a 12 month construction period on the planning clearance or take the credit of what was already improved. The plan itself, thanks to Staff and the committee, he supports predictability. The challenge is on the City, communicating with the development community, but staff is up to that challenge.

City Attorney Shaver suggested a correction to his memo to include the word "maintenance". Regarding the lengthening of the building permit, authorize the Mayor to approve the language for building permits issued prior to the effective date.

Ordinance No. 3641 – An Ordinance Amending Ordinance No. 2750 as Codified as Section 6.2 of the Grand Junction Zoning and Development Code Concerning Transportation Capacity Payments Including Calculations thereof, Credits and Approved Methodologies

Councilmember Spehar moved to adopt Ordinance No. 3641 on Second Reading and ordered it published subject to the revisions as outlined in the City Attorney's memo and as far as implementation, approve Staff Option #2, adding the ability for any Planning Clearance issued prior to the effective date of the ordinance to be extended to twelve months, also with the correction by the City Attorney to the memo. Councilmember Palmer seconded the motion. Motion carried by roll call vote with Councilmember Kirtland abstaining.

NON-SCHEDULED CITIZENS & VISITORS

None.

OTHER BUSINESS

2003 Sales Tax Studies

Presentation to the City Council of two reports prepared by Jean Townsend, President of Coley/Forrest, Inc. on the City's 2 ¾% Sales Tax. We hired Ms. Townsend to prepare an update to her previous reports from 1991 and 1997 to calculate with a great degree of confidence where our Sales Tax comes from on an annual basis. Also, an additional report on estimated and projected impacts on our sales tax revenue streams from the major big box retailers adding new stores in the Western Slope Region that may compete with our local stores.

Ron Lappi, Administrative Services and Finance Director, reviewed this item. He referred to the two reports provided to Council in their packets. The first report is a source report; specifically how much is paid by City households, and how much is paid by outside City households, how much is paid by visitors/shoppers and how much is paid by businesses. The importance of the current study is that it shows the portion paid by City households and others in Mesa County has gone down, thereby proving the City has solidified its position as a regional shopping area, much like a resort community. Councilmember Spehar took exception that in resort areas, it is tourists and is thus discretionary income. Mr. Lappi agreed. He noted the benefit to the citizens of Grand Junction of the current tax structure.

Lisa Truong, City Youth Council, complimented Mr. Lappi on the report and its content.

Mr. Lappi then referred to the second report that addressed analysis of big box performance. The increase in the number of large retailers has not affected the performance of the existing big box stores. It will be necessary to continue to keep an eye on those large retailers being built in the smaller areas. Fortunately Grand Junction has the number of restaurants and other facilities that continue to attract shoppers.

City Manager Kelly Arnold advised that the sales tax collection last month was 17% over this time last year. Councilmember Palmer noted that 2003 was at a low.

ADJOURNMENT

The meeting adjourned at 10:35 p.m.

Stephanie Tuin, MMC
City Clerk