

**CITY OF GRAND JUNCTION CITY COUNCIL
and
BOARD OF COUNTY COMMISSIONERS FOR MESA COUNTY**

**ANNUAL JOINT PERSIGO MEETING
MARCH 22, 2006**

Call to Order

The Grand Junction City Council and the Mesa County Commissioners met at 9:00 a.m. on March 22, 2006 at the County Annex Multi Purpose Room, 544 Rood Avenue for the Joint Persigo meeting.

Commission Chair Tilman Bishop convened the meeting at 9:07 a.m. City Councilmembers present were and Councilmembers Bonnie Beckstein, Teresa Coons, Jim Doody, Jim Spehar, Doug Thomason, Council President Pro Tem Gregg Palmer and President of the Council Bruce Hill.

From Mesa County, County Commissioners present were Commissioners Janet Rowland, Craig Meis, and Chairman Tilman Bishop.

Also present were City staffers City Manager Kelly Arnold, City Attorney John Shaver, Public Works and Utilities Director Mark Relph, Utilities Manager Greg Trainor, Assistant to the City Manager/Interim Community Development Director Sheryl Trent, Assistant Community Development Director Kathy Portner, Utilities Engineer Bret Guillory and City Clerk Stephanie Tuin.

County staffers present were County Administrator Jon Peacock, County Attorney Lyle Dechant, Assistant County Attorney Valerie Robison, Planning and Economic Development Director Kurt Larsen, Development Planner Linda Dannenberger, Public Works Director Pete Baier, Public Information Officer Jessica Peterson, and Clerk to the Board Bert Raley.

Commission Chair Bishop had City and County governing bodies and staffs introduce themselves. He then thanked the committee that has studied the areas under consideration at this hearing. President of the Council Hill then addressed the audience and explained that any decisions must be approved by both bodies. This meeting is really a continuation of the August 10, 2005 meeting. At that meeting it was determined that the bodies needed more information on the areas in question in order to make a decision. That was the reason for forming the ad hoc committee which did gather and study the areas under consideration.

The Public Hearing was opened at 9:16 a.m. Staff then reviewed what took place at the previous meeting on August 10, 2005. Development Planner Dannenberger stated that

at the August 10th meeting there were several properties requesting inclusion. She listed those properties:

WT Hall Property (Parcel #2701-312-00-520) - properties north and northeast of the I-70 and Hwy 6 & 50 interchange, along 22 Road

Alex Mirrow Property (Parcel 2701-311-00-518) - properties at the southwest quadrant of H and 23 Road

Merkel Properties (Parcels #2701-332-00-133 & #2701-332-00-023) - properties east of the 24 Road and I-70 intersection (located 24 ½ Road and north of I-70)

Fox Property (Parcel #2701-233-00-562) - property at the northwest quadrant of I Road and 26 ½ Road

The Joint Persigo Board decided on August 10, 2005 to review the larger areas before making any decision on these individual requests. The ad hoc study committee consisted of Councilmembers Bonnie Beckstein and Jim Spehar and County Commissioner Janet Rowland. They studied the following general areas:

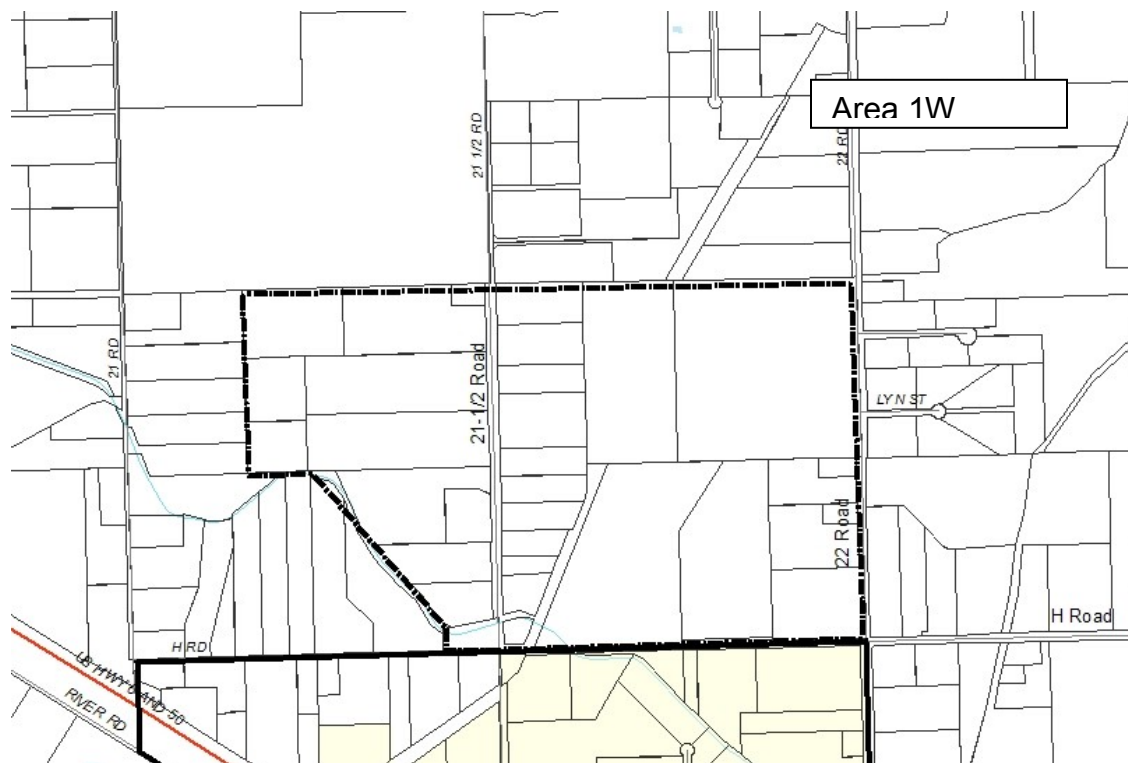
- Area 1W: Properties west of 22 Road and west to 21 Road and south of the canal;
- Area 2: Study Area 2 fills in a gap in the Persigo 201 service area between 22 Road and the 23 ¼ Road alignment, north of I-70;
- Area 3: The area east of 24 Road to 25 ¾ Road; the canal could be considered a logical physical boundary, north of I-70 and south of H Road;
- Area 1E: The area is between 26 ¼ Road and 26 ½ Road, bounded by I ¼ on the north and H ¾ Road on the south.

Development Planner Dannenberger advised that open houses were held in these areas and around 500 notices were sent out. She said about 80 folks attended the open houses.

Development Planner Dannenberger then addressed the recommendations for the committee regarding each area.

Area 1W

A portion of this area is recommended to be included within the Persigo 201 boundary. Properties west of 21 ½ Road and west and south of the canal are currently in rural residential land use and are not recommended for inclusion as shown by the dashed lines on the map. The canal is a physical division between these residences and the businesses that are located along 21 ½ Road. Various contractor shops and offices, Jobsite manufacturing and a Quikrete processing facility line 21 ½ Road from H Road to the H ½ Road line.



There are no physical constraints to service for this area. Staff recommends that these businesses have sewer service available to them but is not recommending that the entire area be included. A petition from property owners in that area was submitted indicating they did not want to be included in the 201 boundary. It will not be a problem to provide sewer service to this area.

A petition was submitted by many of the businesses along 21 1/2 Road objecting to sewer service. Discussions with some of the business owners at the public open houses in November disclosed their concerns that inclusion of the Jobsite operation would force them to pay for sewer extensions. Jobsite appears to be willing to participate in a sewer line extension to their site.

Council President Hill opened the public hearing on this area at 9:29 a.m.

Glen Younger, owner of 43 acres in the area, 2172/2176 H Road, asked if all of this area will be considered commercial or industrial if included in the 201 boundary.

Councilmember Spehar responded that is a separate process; this hearing is not dealing with the zoning or land use designations, it is dealing with sewer service which does not impact zoning. However, a rezoning can be requested later.

Mr. Younger supported the inclusion as the water table is high in that area so sewer is a problem; sewer service would be a good thing.

Dennis Lucas, 848 21 ½ Road, submitted a copy of the petition from business property owners in the vicinity that were opposed to being annexed but want the sewer. He also referred to a letter from Carol Jane Denton, resident at the corner of H & 21 ½ Road, which was submitted (letter in opposition).

Dale Beede, a real estate broker, questioned, with the high water table, why the sewer line will not be extended further east down H Road.

Lanita Renfro, owning property at Ranchriders Ditch and H Road, 2223 ½ H Road, stated she does not have a high water table and her septic system works, so she doesn't want any part of the sewer service. If it helps others fine but she doesn't want to hook up especially since her home is down 1800 feet from the road. It would be very costly.

President of the Council Hill advised Ms. Renfro that her property is already in the 201 boundary so no change to her property is proposed.

Marcia Claussen, 2137 H Road, a commercial property, said she is excited to see the development; she encourages it and supports it. She also has a residential property at 856 21 ½ Road which is currently on septic. She doesn't know if that property is affected.

Gary Feltes, regarding Quikrete on 21 ½ Road, inquired if this will automatically bring the property into the City. Council President Hill replied it will not; however, once an area is within the boundary; any further development will require annexation. It was noted that this property has already gone through the approval process through the County. Therefore, annexation will not be required.

There were no further comments.

The public comment portion was closed.

Commissioner Craig Meis asked for the rationale for including the area east to 22 Road into the 201 boundary. Councilmember Spehar advised that both the Mirrow property and another area that is already developed is in need of sewer service and rather than go through this process multiple times, the Committee studied and recommends inclusion of the entire area. Assistant Director of Community Development Kathy Portner added that there is potential for the area to redevelop in the future as there are large parcels which are not constrained, so from a service standpoint it makes sense.

Utilities Engineer Bret Guillory added that the area can be served and the reason for including the entire area is to avoid piecemealing.

Council President Hill asked if the Committee recommendation is the same as the staff recommendation. County Commissioner Rowland advised that the Committee agreed to let the whole area in, up to the Ranchmen's Ditch.

Councilmember Coons asked if there are any septic failures in that area. Engineer Guillory replied there are no issues currently but there is high groundwater so any new septic systems have to be an engineered or mounded system.

Mr. Glen Younger advised there have been several failures in the area and it is costly to put in mounded systems. Therefore it is a problem and it will be good to have sewer service available.

Councilmember Spehar noted that although the decision on inclusion will not change zoning or land use designation, it won't be long before the argument will be brought forward that once sewerred, it will be prime for development. Commissioner Rowland agreed.

Commissioner Meis asked about the cost for hookup and to landowners. Public Works and Utilities Director Relph deferred to Engineer Guillory to summarize the expected costs. Mr. Guillory advised that the 3,000 foot sewer extension is estimated to cost \$225,000 to \$300,000. Allocating that to individual owners, the cost is about \$17,000 per lot, or \$3,600 per acre. Costs have increased since 2003 when the estimates were done, so today the estimate would be increased by 10 to 15%. That gets the sewer to the area; the developer is responsible to extend the sewer service line back into parcels.

Council President Pro Tem Palmer noted that the service line is the obligation of the property owner. The individual property owners don't have to hook up but if a district is formed, they will have to participate in the district, whether they hook up or not. Staff concurred.

(Persigo employees Manager Dan Tonello and Larry Brown entered at 9:55 a.m.)

Public Works and Utilities Director Relph noted it does take a majority to form a sewer improvement district.

City Attorney Shaver noted that if a failed system is within 400 feet of sewer service, the property owner must connect to the sewer line.

Engineer Guillory advised that more infrastructure is needed for the now broader area defined. Public Works and Utilities Director Relph added that it can be designed efficiently to reduce the cost.

There was additional discussion on the accuracy of the estimates provided based on the increased construction costs.

Councilmember Beckstein moved to include the recommended area (modified Area 1W) in the 201 Persigo boundary. Council President Pro Tem Palmer seconded. Motion carried unanimously by roll call vote.

County Commissioner Meis moved to include modified area 1W in the 201 boundary. Commissioner Rowland seconded. Motion carried unanimously.

The meeting was recessed at 10:00 a.m. so that it could be moved to the City Hall Auditorium, 250 N. 5th Street.

The meeting reconvened in City Hall Auditorium at 10:14 a.m.

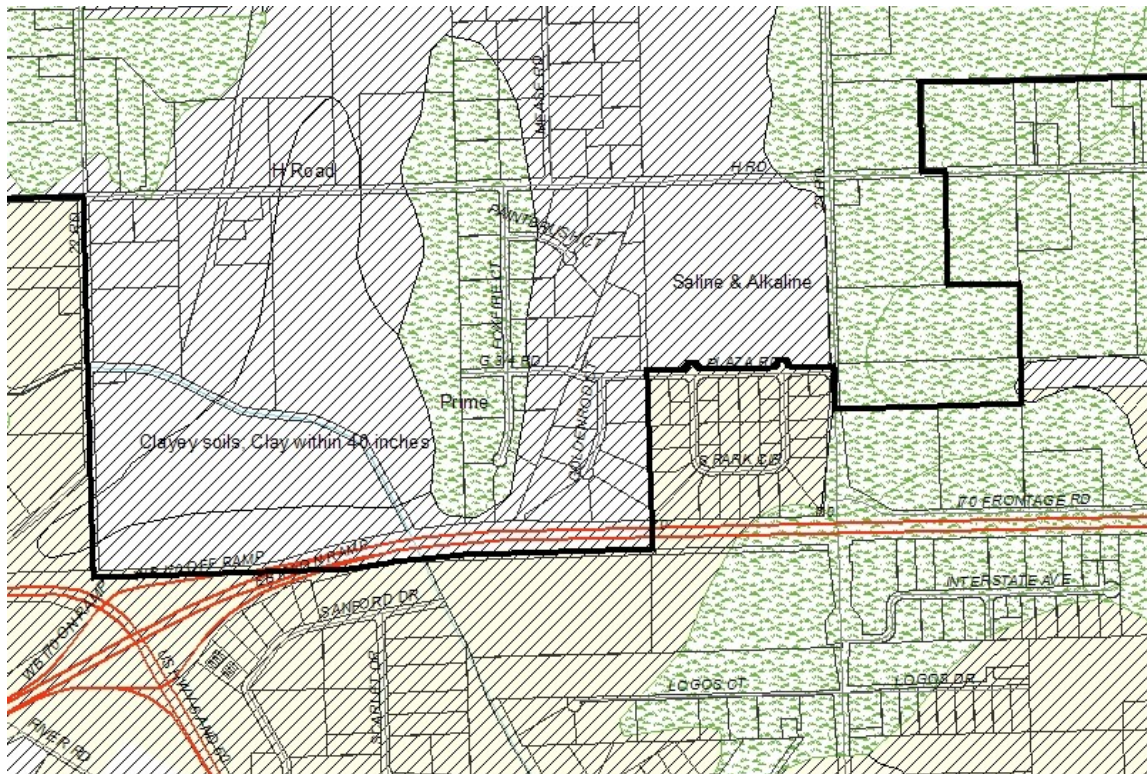
Council President Hill apologized for the inconvenience but felt the location change will allow everyone to hear and thus expedite the process.

Council President Hill then recapped the first portion of the meeting.

Development Planner Dannenberger then addressed Area 2.

Area 2

Staff recommends inclusion of this entire area into the Persigo 201 district. Groundwater problems exist in Bookcliff Ranches and possibly on adjacent properties with the same poor soils.



There is potential for additional commercial/industrial development at the I-70/22 Road interchange. The west side of 22 Road has the availability of sewer service. Federal Express and a Gay Johnson’s facility are located within this study area on the north side of the canal and east of 22 Road in the TIC Industrial Park.

The inclusion of Study Area 2 fills in a gap in the Persigo 201 service area between 22 Road and the 23 ¼ Road alignment. The engineers' comments state that the most efficient route for service is along the entire southern boundary of this area (north of I-70) back to 22 Road.

Comments from the public were mixed in favor of and against inclusion. Concerns were expressed regarding additional industrial development around Bookcliff Ranches.

Development Planner Dannenberger advised that most of the area is designated as Estate on the Future Land Use Map. There are existing businesses and in order to develop these areas with sewer, there will need to be a change jointly between the City and the County to the Land Use Map. Staff and the ad hoc committee agree the entire area needs to be included in the 201 area. There are groundwater problems so the area could benefit from the availability of sewer. The majority of residents are not opposed to availability of sewer but are concerned about future land use and what would happen to their property values. Staff and the Committee do recommend the inclusion of the entire area.

Council President Hill opened the public hearing at 10:20 a.m.

Doug Colaric, speaking on behalf of the Hall property and on behalf of the Gay Johnson property, said they support inclusion.

Doug Gilliland, Texas, Taurus Industries, owns the Mirrow property, which he recently purchased along with the 35 acres to the south. He ultimately wants to develop the entire property as industrial so he supports the inclusion.

Councilmember Coons asked what are the options if the property is not included; would it be developed as I/O with septic? Mr. Gilliland replied that the only option would be to develop it into one to two acre sites that is compatible with septic.

Patty Perrott, 791 Foxfire Court (Bookcliff Ranches), said she does not care if sewer is extended or not as she has had good luck with her septic; the soils are salty but she can get things to grow. Ms. Perrot asked what impact sewer will have on them as she is concerned about development around her.

Lanita Renfro, H Road, asked for clarification of the lines, which was provided.

Tom Volkmann, 225 N. 5th, attorney representing John Usher, advised his client is very interested in his property being included in the 201 boundary.

Council President Pro Tem Palmer asked what the current zoning is on the property. Development Planner Dannenberger responded that it is designated Estate on the Future Land Use Map but is currently zoned AFT.

Sean Norris, 778 23 Road, is currently not within the boundary. He is not concerned about having sewer as his septic system is working, but he knows adjacent parcels will ask for annexation. He said his neighbors are concerned about the expansion of industrial/commercial properties into the rural areas, noting that City Council has assured the neighborhood that wouldn't happen.

Jack Wernet, an owner in Bookcliff Ranches, 756 Goldenrod Court, stated his concern with industrial development in the area. He noted there are no other industrial properties nearby and he is concerned about development of the property directly to the north. Mr. Wernet asked where the information that there is a problem with groundwater in Bookcliff Ranches came from, denying there is a problem and advising that such claims will hurt their property values.

County Commissioner Meis asked Mr. Wernet if he is the President of the Homeowners' Association. Mr. Wernet replied he is the vice president.

Commissioner Meis inquired if a special district were to be created, then would all have to participate? Public Works and Utilities Director Relph replied yes, if the majority says yes, then the fee is imposed upon everyone in the district.

Commissioner Meis asked if the entire area would be assessed or if the developer pays and is then reimbursed as it is developed. Mr. Relph responded that it could be handled either way.

Development Planner Dannenberger advised that the information concerning the soils came from Curtis Swift of the State Extension Office and his assessment was that there are problem areas, but not every parcel has a problem.

George Rink, a property owner in Bookcliff Ranches and President of the HOA, said he has had zero problems with his septic system. There have been a few problems with a couple of the septic systems, but he doesn't know the details. He contended that the subdivision does not have a groundwater problem and was concerned that if the area is brought into the 201 boundary and a sewer district is formed, the area would have to be annexed. Council President Hill told him it would not have to be annexed, that only occurs when property wants to develop. Commissioner Meis noted annexation can occur without development, if the area is enclaved.

Mr. Rink inquired where the trunk line will run. Utilities Engineer Guillory answered the preferred alternative is to run the line north under I-70 then east which will be a gravity fed line. Another alternative would require a lift station, which would be more costly and would not serve all of the properties.

There were no additional public comments.

Council President Hill closed the public hearing at 10:50 a.m.

Councilmember Spehar said the committee was in agreement that this area should be included. There is a variety of development in the area; inclusion will square up the boundary. He suggested the Joint Board accept the staff recommendation. Commissioner Rowland concurred.

Commissioner Meis inquired about the cost analysis for sewer line extension and questioned if the analysis considered the whole area. Councilmember Spehar advised that the preferred option becomes workable with the entire area included. Utilities Engineer Guillory noted that a 10" line will adequately serve the entire basin.

County Commissioner Rowland moved to approve including Area 2 into the Persigo boundary. Commissioner Meis seconded the motion noting since there is growth, option 2 makes sense. The motion carried unanimously.

Council President Pro Tem Palmer noted that the staff recommendation rests to some degree on the existence of groundwater problems. He did not feel that squaring off the boundary is a good reason; that inclusion is perhaps overreaching particularly in light of the fact that he is not hearing a lot of support.

Councilmember Beckstein said she supports this inclusion noting the Committee spent a lot of time and conducted research to develop the recommendation. She pointed out that most of the concerns expressed relate to what will happen to the area once sewer is provided. She contended that any development will be reviewed and surrounding areas will be respected.

Councilmember Coons said there are good reasons to include the whole area and that it doesn't make sense to split the area; besides excluding the Bookcliff Ranches would have the same impact, that is, allowing any development will still be a concern to the neighbors.

Councilmember Spehar moved to include Area 2 as recommended by staff. Councilmember Beckstein seconded.

A discussion ensued.

Council President Hill pointed out that the concerns raised do not relate to inclusion into the 201 boundary but rather are land use issues. He noted that it is the responsibility of the community to maximize the infrastructure and some of the best roadways in the community are in that area.

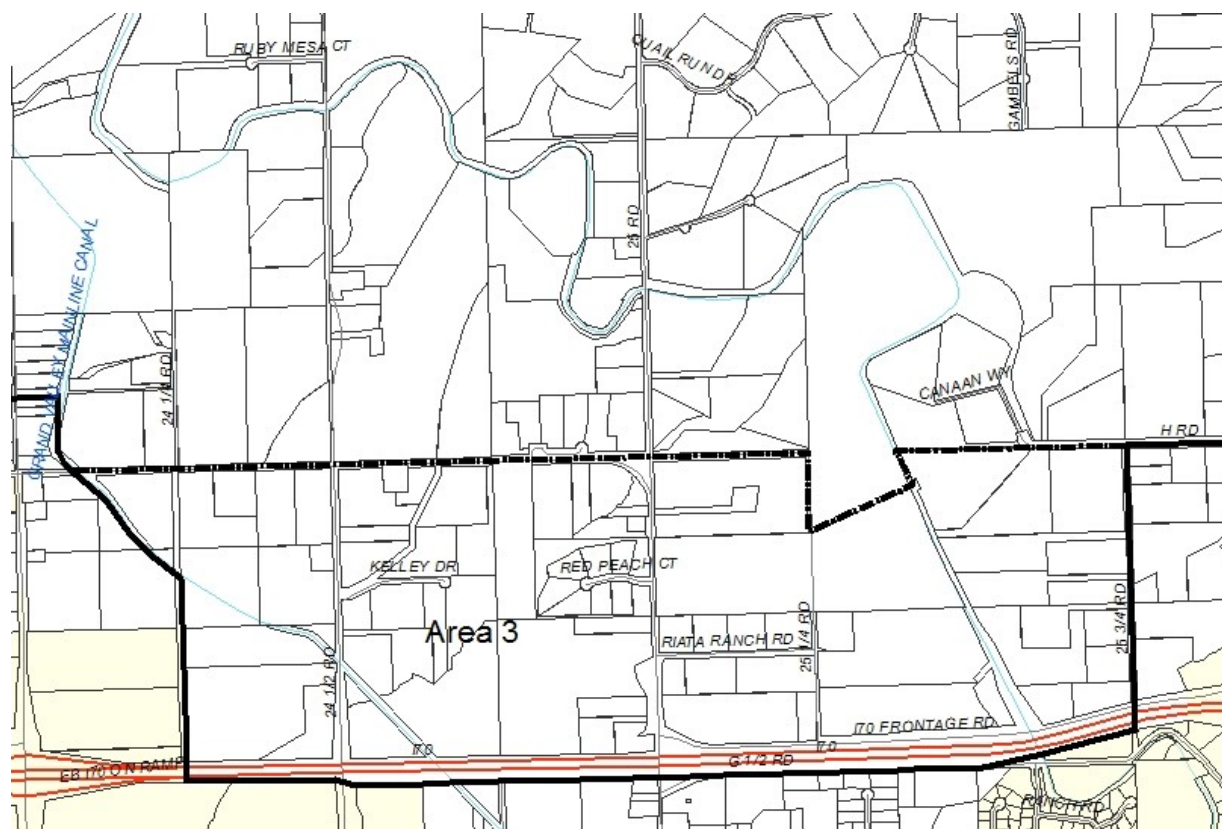
Councilmember Spehar added that decisions were made in the past, which created some inconsistent growth areas and the current governing bodies are left to deal with it.

Councilmember Doody felt it would be best in the long run to include Area 2.

Roll was called with the motion carrying 6 to 1 with Council President Pro Tem Palmer voting NO.

Area 3

This property is located east of 24 Road and north of Interstate 70 in the northwest quadrant of I-70 and 24 ½ Road and is designated Estate on the City's Growth Plan and County's Land Use Plan. This designation establishes a residential density of two to five acres per dwelling unit. The North Central Valley Plan map shows this property located within an area identified as Estate, 2 – 5. County zoning is AFT, Agriculture, Forestry, and Transitional.



Development Planner Dannenberger described Study Area 3 which encompasses a few Planned Unit areas, which are zoned RSF-E. The entire area is classified as Estate but zoned AFT. The staff recommendation is to not bring in any of Area 3 into the 201 Boundary. The majority against inclusion thought I-70 should remain a boundary. The Appleton Church came to an open house and expressed interest in sewer service. The subcommittee discussed including one small portion of the area, the area to include the Merkel properties, bounded by the ditch.

Council President Hill asked if the canal bisects the 4.5 acre property shown. Ms. Dannenberger said it does not and staff is not recommending bisecting any property.

The subcommittee wanted to wait on making a recommendation pending hearing public comment.

Commission Chair Bishop asked how the attendance was at the open house to which Ms. Dannenberger replied there was good attendance.

Commissioner Rowland asked for the zoning for the two properties to the west of the Merkel properties. Ms. Dannenberger replied they are zoned C-1 and RSF-R.

Council President Hill asked the reason the study area got so big. Ms. Dannenberger replied that the committee thought they should look at the entire area.

The public hearing was opened at 11:14 a.m.

Larry Beckner, attorney on behalf of Merkel property (Merkel Amendment Request Parcel #2701-332-00-133 & #2701-332-00-023), stated they are only interested in the Merkel property being included. He noted the comments from the open houses did not oppose including the Merkel property, so he asked that the Joint Persigo Board focus on the area south of the canal. He recalled that staff recommended last year that the Highline Canal be the northern boundary of the 201 sewer district. He stated it makes sense and is appropriate to include the Merkel properties so that they can be developed in conjunction with other Merkel property that is already in the 201. A developer has to have enough property to make development worthwhile. The access for the Merkel properties will be 24 Road and the interchange is currently being improved. It is the logical place for development to occur, and the logical extension for the sewer is from the park right across the interstate. Mr. Beckner said staff noted no technical concerns in serving this area. He advised that when the 201 boundaries were looked at in the early 1990's, these properties were originally included. The properties were then taken out, but City Council noted it would be put back in once studies were complete.

John Kelleher, 2506 Riata Ranch Road, said if sewer comes into the entire area, there will be pressure to develop, and his area could be enclaved. He felt that the existence of sewer causes an increase in density.

H. McNish, from Denver with Oppus Northwest, the contract holder on the Merkel property, said his business is family-owned and he is planning a landmark project which will enhance the gateway into Grand Junction at 24 Road. He would like to move forward in fulfilling the vision of 24 Road Subarea Plan. If the Merkel properties are included in the 201, he will be back for development review.

Dave Zollner, 2545 Canaan Way, of his 27 acres, 10 acres are in the study area and the balance is outside the study area. He asked what the committee recommendation was.

Commissioner Rowland explained there was not agreement on the committee for a recommendation. It appears that the majority of the residential owners do not want to

be included. Some committee members were, however, in favor of including the area south of the canal.

Commissioner Spehar clarified that the committee all agreed that whole area should not be included, but the committee has not decided on the Merkel piece.

Mr. Zollner felt the inclusion of the area would result in a zoning change. He agreed that the Merkel property inclusion makes some sense. He said he was involved in the Appleton Plan and the North Central Valley Plan; both processes had a lot of participation. The plans concluded that a transition area was needed, and recommended the use of natural and existing manmade barriers for the 201 boundary. For example, I-70 creates a natural break. He advised that for his vacant 10 acres he has planned future development for kids and grandkids and a boundary change would alter that plan and would require hook up to sewer. It would also change the complexion of the neighborhood. He asked the Joint Board to reject the broader section for inclusion with the exception being the Merkel properties.

Council President Hill noted that they have a copy of Mr. Zollner's letter for the record.

Don McBee, 773 25 ¾ Road, has 11 acres. The area is currently rural and he wants a rural environment. He is farming the property now and he agrees with Dave Zollner. He said he has no position on the Merkel property but asked the Board to deny inclusion of the entire area.

Mary Coombs, 2465 Kelley Drive, said she moved there for the rural atmosphere. She has a 3-acre lot. She asked if the area to the south is included and her septic fails, if the 400-foot rule is to the property line or to the house. Council President Hill answered it is to the property line. Ms. Coombs had concerns then because she would be affected.

Bill Merkel, the applicant, 2136 Banff Court, said he attended all the meetings for the North Central Valley Plan. He said when he bought the properties they all had the same designation. He was asked then to bisect it and was told the balance would be brought back into the 201 boundary. He said he has met every landowner in that area and has not received one objection for development of that property. Further, the North Central Valley Plan states that the property in question should be designated for development.

Ester Castor, 2520 Riata Ranch Road, said she searched the area for two years looking for the right property. The area had 5-acre lots on average which has now changed to a 2-acre average. A right-of-way was forced on them for 25 ¼ Road which was never built. Plum trees were removed and it has become a trash dump. She pointed out that wildlife is affected by development and is concerned with the Merkel property and how many homes will be built. She said she circulated a petition opposing the request (copy provided) noting her concern about property values. She doesn't want a change.

Bret Pomrenke, 2479 H Road, concurred with his neighbors. He said he is not for or against inclusion of the Merkel property, but is concerned about traffic. He would welcome 2-5 acre per unit subdivisions and felt that I-70 is a good border.

Commission Chair Bishop said it appears the study option was aggressive. He felt there was no reason to keep taking testimony on the broader area and suggested the Joint Board focus on the smaller area, separating them into a 3a and 3b.

Council President Hill agreed, he saw no support for including the broader area, but he wanted to make sure everyone had the opportunity to speak.

Councilmember Spehar offered to make a motion to separate the two areas into 3a and 3b. President of the Council Hill determined from a show of hands that there were about five people still wanting to be heard, so the Joint Board decided to continue forward asking for the rest of the public comment.

Terry Shepherd, property owner at the corner of H and 25 Road, 791 25 Road, noted his septic still works with care. If his septic were to fail, he will need an engineered septic, which would require 3,000 square feet at a cost of \$20,000 to \$35,000. He thought it made sense to look at other alternatives. He was in favor of further study although he agreed with inclusion of the Merkel property. However, he would like to have service available to his property.

Katelynteria Tagan Fisk, owning property adjacent to the Merkel development, said she spent a lot of time looking for property and selected this area for the views, the rural atmosphere, and the comfortable distance between neighbors. Her husband, Michael Fisk, echoed her comments adding that they do not have septic problems and they don't want to lose their rural lifestyle. If a district were formed, they would have to pay. He feels that I-70 is the dividing line, so he opposes inclusion of Area 3, including the Merkel property.

Pam Fox, a property owner to the north, 2517 I Road, said she is in favor of the sewer extension to this area as it is needed and smaller acreage is the trend. She said there is a high water table on her property.

Cindy Waller, 761 25 ³/₄ Road, opposed being brought into the 201 boundary.

Ben Hill, managing member of two LLC's that own the larger pieces, one of which could be included with the Merkel properties, stated he had no knowledge of the proposal prior to this meeting. He advised there is a tremendous desire for folks to buy houses in the north area, and there are no lots available. He is currently working on a project for 25 lots and they are all spoken for. He hopes to use the rest of the property for more homes, but if he is constrained to larger lots, then the result is \$500,000 to \$1 million dollar homes. He therefore supports the extension of sewer into the area.

Tom Harding, the developer of Red Peach Farm Subdivision, said he realizes that land use is a big part of the question, but the availability of sewer starts that "tail that wags the dog". His subdivision has already been approved for septic and there has been no problem with percolation tests. Once sewer is there then higher density follows, so he is opposed to the entire Area 3 being included in the 201.

Fritz Warner, 2282 H Court, is opposed to inclusion of Area 3.

There were no further public comments.

The public hearing was closed at 12:10 p.m.

Councilmember Beckstein asked staff to address the applicant's statement that the Merkel property was originally in the 201 boundary.

Assistant Community Development Director Kathy Portner advised that she has seen a map where the subject property had a commercial designation, but as far as inclusion she was not sure.

Councilmember Beckstein asked for clarification.

Dr. Merkel advised that between 1994 and 1996, a top City official asked him and his partners to agree to the subject property being excluded with the understanding that in two years it would be put back into the boundary. Dr. Merkel said he has written 5-6 letters asking for this to be addressed, and has spoken to a previous Mayor who remembers the situation.

Councilmember Spehar stated that he has been involved in the research trying to find the maps to back up Dr. Merkel's statements and those maps cannot be located. Dr. Merkel's requests have not been ignored, neither the City nor the County has been able to substantiate his recollection.

Councilmember Coons asked what happens with the Hill properties if a piece of their property is included. Development Planner Dannenberger replied that they are separate parcels.

Councilmember Spehar clarified that there are other ownerships in the area called the "Merkel properties" and there is not agreement on this piece. He felt it is clearly the intent to make Dr. Merkel's property commercial; right now it is residential with large lots. If it is to become commercial, it will need additional access, yet 24 ½ Road access extends the impacts of any development on that parcel. He opposes allowing expansion of the boundary.

Council President Hill noted the original question was inclusion of the Merkel property. He is supportive of using the canal as a northern boundary but not sure about extending

the boundary across 24 ½ Road. He agreed that will impact the underpass with additional traffic.

Commissioner Rowland advised that the subcommittee looked at the big picture, looking at lines that don't really exist. The subcommittee considered comments heard that there is not enough commercial/industrial property available in the community. She felt it makes sense to deal with this, and so she is in favor of including the 3a portion (the "Merkel properties").

Commissioner Meis noted that there is a huge demand for property in the north area and little supply. The infrastructure is there with the exception of sewer availability. He advised that the County intends to conduct a study of this area and identify the cost of development. He felt it is unfavorable to create 2 to 5 acre-lots on septic. He supported holding off on including the entire area 3 until additional studies can be conducted but had no problem with including the Merkel area. He suggested a conditional inclusion in that access would be from 24 Road, not 24 ½ Road.

City Attorney Shaver recommended against a conditional inclusion; noting the access restriction can be addressed administratively.

Commissioner Meis asked then that the access be addressed at site plan review; making the criteria that the property gain access from 24 Road.

Councilmember Coons asked if there is a problem making the boundary at 24 ½ Road versus the canal. Public Works and Utilities Director Relph advised that it makes no difference service-wise.

Councilmember Spehar agreed with using 24 ½ Road as the boundary.

Councilmember Spehar moved to exclude the area south of the canal and west of 24 ½ Road and deny the broader expansion. Councilmember Coons seconded the motion. Motion carried.

County Commissioner Rowland moved to include the Merkel property into the 201 boundary with the eastern boundary being 24 ½ Road and the northern boundary being the canal; I-70 is the southern boundary. Commissioner Meis seconded. Motion carried unanimously.

Council President Pro Tem Palmer moved to include the Merkel property into the 201 boundary with the eastern boundary being 24 ½ Road and the northern boundary being the canal; I-70 being the southern boundary. Councilmember Beckstein seconded.

City Council had a discussion. Councilmember Spehar expressed his disappointment as the consistent message heard from that area has been that this area is appropriate for large lot development, not as being proposed by the property owner.

Councilmember Beckstein said she supports the inclusion and feels that such issues can be resolved through the planning process.

Motion carried with Councilmembers Spehar and Thomason voting NO.

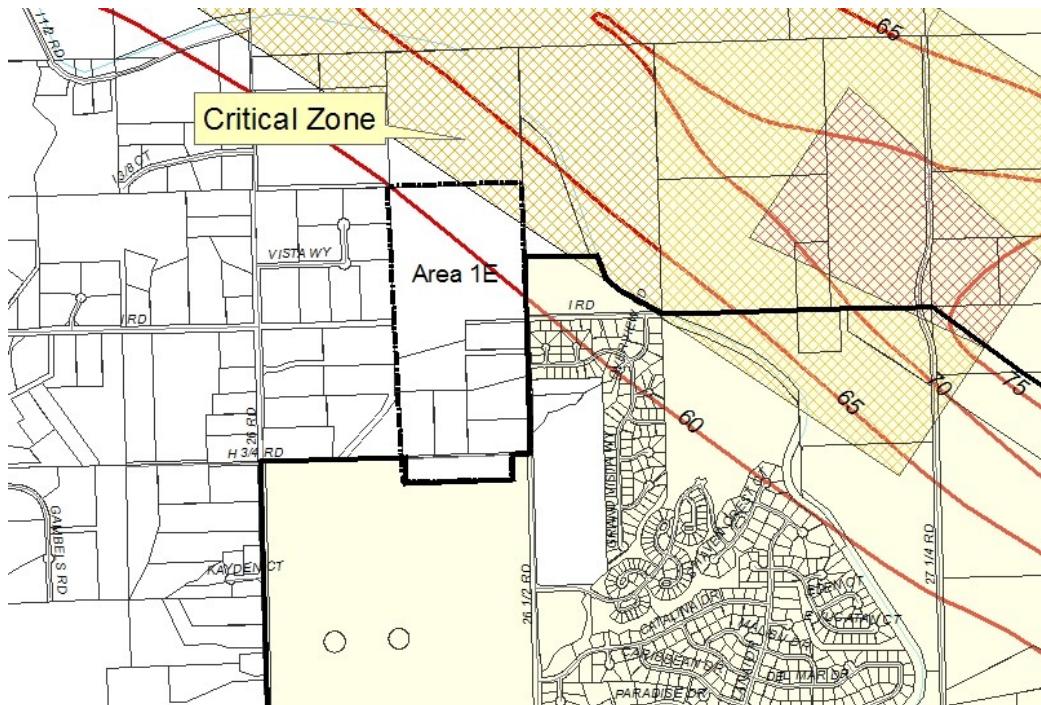
Commission Chair Bishop advised that at some point in time the City and the County will be addressing the septic systems in this area and although he agrees the bigger area was premature there will be continued pressure for sewer availability.

Council President Hill called for a recess at 12:44 p.m.

The meeting reconvened at 1:00 p.m.

Area 1E

Between 26 ¼ Road and 26 ½ Road, north of H ¾ Road and south of I ¼ Road. This area, while close to the Grand Vista Subdivision, is subject to higher noise levels from Walker Field air traffic as seen below. Properties closer to H ¾ Road are large estate lots with some possibility for each to subdivide an additional lot as most are over 4 acres in size. The Fox property at the north end of the area is set back from the road and isolated from surrounding RSF-4 development. A pump station is required to serve this area, which is a long-term maintenance issue for the District. Staff recommends that this area not be included in the Persigo 201 boundary. The specific request is: Fox Amendment Request, Parcel #2701-233-00-562.



County Development Planner Dannenberger reviewed the last area for consideration. This property is located at the northwest quadrant of I Road and 26 ½ Road and is designated Estate on the City's Growth Plan and County's Land Use Plan. This designation establishes a residential density of two to five acres per dwelling unit. The North Central Valley Plan map shows this property located within an area identified as Estate, 2 – 5. County zoning is AFT, Agriculture, Forestry, and Transitional. The property is bordered by Del's Country Estates on the south (a 5-acre subdivision), Autumn Brook Farms to the southwest (a 5-acre subdivision) and North Valley Subdivision (RSF-E) directly to the west. The subject property is partially constrained in the northeast corner by the Airport Critical Zone. Where possible, no residential development is permitted within the Critical Zone, and if property is wholly or substantially burdened with this designation, residential densities are limited to one unit per five acres. There are more urban densities in this area. She described the subject property known as the Fox property. Ms. Dannenberger identified the encroachment of the airport noise contours pointing out that a corner of the property is in the critical zone for the airport. No urban development would be allowed in that area. Staff recommended against inclusion of the study area due to flight area plus service would require a force main and pump station. Even if the developer pays for the installation, there would still be the long term maintenance. The ad hoc study committee did not make a recommendation pending further public comments. She described two estate 2 to 4 acre parcel subdivisions nearby, noting they would not be conducive to additional development.

Councilmember Beckstein advised the committee was against inclusion.

Commissioner Rowland noted that the developer was also willing to contribute to the long term maintenance of the pump station.

Utilities Engineer Bret Guillory estimated that a life time (15 year life) maintenance is estimated at \$248,400. The developer would pay as development takes place.

Commissioner Rowland questioned what the issue is since the developer is willing to pay.

Mr. Guillory replied the issue is having another pump station, but if the developer pays, cost is not really an issue.

Commissioner Meis inquired if the property just south is in or out of the 201 boundary. Ms. Dannenberger replied those properties are inside the Persigo boundary but outside City limits.

The public hearing was opened at 1:10 p.m.

Pam Fox, owner and petitioner, stated she would like the property to be included in the 201 sewer boundary. Sewer is available across the street and is available within 500 feet. It was her opinion that it would blend well to have it in the sewer district.

Rex Tippetts, Walker Field Airport manager, voiced opposition for the request. Inclusion into the 201 boundary will make the development a higher density and the airport is already having issues with existing densities. The airport noise contour lines are not precise and there are noise issues 200 feet either side of those contour lines. Most of the noise complaints are generated due to smaller aircraft. The aircraft in general are getting quieter, but housing is getting closer to the airport.

Commission Chair Bishop noted that there may be another runway in the future and he could foresee that residents in that area will oppose expansion of the airport.

Councilmember Coons pointed out that the number of smaller aircraft is increasing.

Airport Manager Tippetts agreed stating that the airport is growing in all directions and the niche market is 50 to 70 passenger jets.

There were no other comments.

The hearing was closed at 1:17 p.m.

Councilmember Doody stated his problem is with lift stations; the City has been looking to eliminate lift stations so it makes little sense to add any new ones.

Councilmember Coons was concerned with the development's proximity to the airport noting that even when potential homeowners are told about the noise, there are still complaints.

Councilmember Spehar pointed out that 26 ½ Road is a clear boundary. The reality is that expanding the boundary leads to more density.

Councilmember Thomason felt it is not a good idea to build that far out.

Councilmember Beckstein stated her biggest concern is the noise factor. She thought it should stay as is, excluded from the 201.

Council President Hill agreed that the boundary should remain at 26 ½ Road.

Council President Pro Tem Palmer moved to deny the request for inclusion of Area 1E. Councilmember Coons seconded. Motion carried unanimously.

Commissioner Meis said he would like to see sewer in the subject area regardless of density, however, he felt that until the development study is conducted it is premature.

Commissioner Rowland said there is a case to be made that there should be a higher density in that area but looking at the airport critical zone, even though the property

owner is willing to pay, the pump station would only serve this area. She agreed with not including the property in the 201.

Commission Chair Bishop expressed appreciation at the owner's willingness to foot the bill, but he too agreed that inclusion would be premature. He noted it needs to be looked at for development, probably at a lower density.

Commissioner Meis moved to deny the request for inclusion of Area 1E into the 201 Persigo boundary. Commissioner Rowland seconded. Motion carried unanimously.

Commission Chair asked if there is additional business for the joint board.

Commissioner Meis asked if this board could have a broader discussion on the 201 agreement sometime in the future. Council President Hill noted that the City and County are getting together on April 11th and could convene into a Persigo workshop. Commissioner Meis expressed the desire to avoid checkerboard services.

City Manager Arnold noted the annual meeting is every July and they could discuss it then.

Adjournment

There being no additional business, Council President Hill adjourned the meeting at 1:30 p.m.

Stephanie Tuin, MMC
City Clerk