

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

June 14, 2010

The City Council of the City of Grand Junction convened into regular session on the 14th day of June 2010 at 7:00 p.m. in the City Auditorium. Those present were Councilmembers Bonnie Beckstein, Tom Kenyon, Gregg Palmer, Bill Pitts, Sam Susuras, and Council President Teresa Coons. Absent was Councilmember Bruce Hill. Also present were Deputy City Manager Rich Englehart, City Attorney John Shaver, and City Clerk Stephanie Tuin.

Council President Coons called the meeting to order. Councilmember Beckstein led the Pledge of Allegiance followed by an invocation by Executive Pastor Tim Roseberry, Fellowship Church.

Proclamations/Recognitions

Proclaiming June 23, 2010 as “Bike to Work Day” in the City of Grand Junction

Appointments

To the Parks and Recreation Advisory Board

Councilmember Susuras moved to reappoint Tawny Espinoza for a three year term expiring June 2013, and appoint Scott Coleman and Bart Dickson to serve three year terms to expire June 2013, all to the Parks and Recreation Advisory Board.

Councilmember Kenyon seconded the motion. Motion carried with Councilmember Palmer voting NO.

Certificates of Appointments

To the Downtown Development Authority/Downtown Grand Junction Business Improvement District

Stephen Thoms was present to receive his certificate.

Council Comments

Council President Coons explained that she has a hammer for a gavel for this meeting as she participated in a Habitat Build Day Saturday, June 12th and she learned how to repair drywall. She thanked Habitat for Humanity for their good work in the community.

On early Sunday morning, Council President Coons kicked off Ride the Rockies. She thanked the participants, Mesa State College, the Visitors and Convention Bureau, and others for their help with the event.

Citizen Comments

Clark Carroll, 1240 Cannell Avenue, stated that he has lived there for almost fifty years. He echoed comments on the Ride the Rockies and congratulated folks on the JUCO tournament. His subject was streets access and government procedure. His concern was the change to streets, sidewalks, and access changes in and around their neighborhood with the construction at Mesa State College. He received a letter about the changes. He thought the process was over and any further changes would require more notification. He asked under what authority were the streets, alleys, and sidewalks removed and access changes granted to Mesa State College.

Council President Coons thanked Mr. Carroll and noted that Staff will be in contact with him.

Councilmember Palmer said he has heard other comments with the construction as to safety and access.

Darrel Miller, 1315 Houston Avenue, said relative to the same issue addressed by Mr. Carroll, that is, construction at Mesa State College, the morning of May 26, 2010, a construction crew entered his property without notice or permission and started digging. He learned they were searching for his sewer line. Finally they requested a locator, which was not done in advance. He called the City and talked to Bret Guillory, Project Engineer. On Monday June 7, the concrete alley was cut and dug up without permission or notification. It blocked their access and caused his wife to miss an appointment. He asked under whose authority the work is being performed.

Council President Coons said they would speak through Staff to find the answer to his questions.

CONSENT CALENDAR

Councilmember Kenyon read the Consent Calendar and moved that the Consent Calendar Items #1 through #3 be adopted. Councilmember Susuras seconded the motion. Motion carried by roll call vote.

1. **Minutes of Previous Meeting**

Action: Approve the Minutes of the June 2, 2010 Regular Meeting

2. Purchase of Road Oil for Chip Seal Program 2010

Request the purchase of approximately 205,000 gallons of road oil for the Streets Division Annual Chip Seal Program for 2010.

Action: Authorize the City Purchasing Division to Purchase Approximately 205,000 Gallons of Road Oil from Cobitco, Inc., Denver, Colorado in the Amount of Approximately \$500,200

3. Purchase of Motor Control Centers for Replacement at Persigo Wastewater Treatment Plant

Request the purchase for all equipment, supplies, and labor to replace aged and failing Motor Control Centers for the Headworks Building, Raw Sewage Pump Station Building, and Primary Sludge Pump Station Building located at the Persigo Wastewater Treatment Plant.

Action: Authorize the City Purchasing Division to Enter into a Contract for the Purchase and Installation of Motor Control Centers for Persigo Wastewater Treatment Plant with Specialized Automation Services, LLC, Grand Junction, Colorado in the Amount of \$115,663.43

ITEMS NEEDING INDIVIDUAL CONSIDERATION**Main Street Marriott Hotel—City Council Economic and Community Development Committee Report and Transportation Capacity Fee Recommendation**

This is a request for the City to pay the cost associated with the Transportation Capacity Payment (TCP) fees as part of an infill and economic development project. The project is the development of a 100 room Marriott Hotel at the northwest corner of 3rd and Main Streets. The request has been considered by the City Council Economic and Community Development Committee. The Committee agreed to forward a recommendation of approval of the request. The Committee recommendation is subject to consideration and approval by the full City Council.

Rich Englehart, Deputy City Manager, presented this item. He described the request and the project. The Economic and Community Development Committee considered the request and the Committee agreed to forward their recommendation to the full Council. Approval will authorize the use of reserve funds to pay the TCP fees. The applicant is available for any questions. He deferred further discussion to the Committee members.

Councilmember Beckstein explained that the Committee felt it was a unique situation with it being an infill area and the construction of the new hotel will make the downtown even

more viable. Additional rooms will allow for more use at the Convention Center. It will also create jobs. The development company has worked with the Downtown Development Authority and the City to make the Two Rivers Convention area a positive area in sharing parking and spending money on the breezeway between the hotel and the Convention Center.

Councilmember Palmer stated he dissented from the recommendation due to the financial issue. The Transportation Capacity Payment is designed for all new construction projects. He agreed there will be minimal impacts. He suggested that half of the TCP be paid. He is concerned about spending money out of the City's reserve. He was not opposed to helping out some.

Councilmember Beckstein said it will come out of the reserve account but it will not take the reserve below the minimum specified by City Council.

Councilmember Susuras said he thought the agreement was to bring the reserve fund down to \$20 million.

Assistant Financial Operation Manager Jay Valentine explained that the current reserve projected year end fund balance at the end of 2010 is \$20.8 million.

Councilmember Susuras asked what the balance is today. Assistant Financial Operations Manager Valentine said at the end of 2009 it was at \$19.3 million. The reasons are the accrual of sales tax. Typically, sales tax collected in January is moved back to December. Sales tax collected in January this year was lower than anticipated. Another factor was the early retirements which had to be counted in the year the offer was made so that was accounted for in 2009.

Councilmember Susuras asked if this sets a precedent and will it result in other requests? City Attorney Shaver advised that this does not set a precedent legally, the policy precedent is up to Council. There is no binding precedent.

Councilmember Palmer said there have been requests in the past, Cornersquare and Guytons on North Avenue, and they have been approved by the City Council.

Council President Coons noted there was an infill and redevelopment program where incentives were offered so it is not totally without precedent.

Councilmember Susuras said the Council agreed to take the reserve fund down to \$20 million but now Council finds out that it was below that amount and that was not brought before Council. He suggested maybe they receive a monthly update on where the reserve funds stand.

Councilmember Pitts concurred with Councilmember Susuras in that Council should have been made aware of the reserve funds being down.

Mr. Valentine explained that there are book adjustments that are required by government accounting principles, it does not affect appropriation; the sales tax collections were lower in January than anticipated. There is an adjustment in the books.

Councilmember Kenyon inquired if City Council approves the expenditure, can the expenditure wait until the end of the year so the reserves do not fall below the \$20 million? Mr. Valentine responded there will be no need for a re-appropriation and they will have a better idea at the end of the year where there might be some savings; right now budgets are on track.

Councilmember Kenyon asked if this is in effect a City to City distribution of money. Mr. Valentine replied it truly is and they could wait to make the transfer when the funds are actually needed

Council President Coons explained that the Council is not truly waiving the fee but rather paying for it out of another fund to keep the accounts whole. The TCP fee is intended to help build the streets and the transportation networks needed to support new development and the additional capacity. The question is whether there is a need in this area as the transportation network exists.

Councilmember Palmer said this is a great project and the developer already has two quality hotels in downtown already. His only question is the level of participation.

Council President Coons asked the Council if they would like to hear from the developer. The Council responded affirmatively.

Kevin and Steve Reimer, the developers, addressed the City Council. Mr. Kevin Reimer said this is their third infill project in that area and he read the purpose of the TCP, "in order for a development to pay its fair share". He said they are doing other off-site improvements through the development improvements agreement to the tune of \$87,000. Ten years ago they opened the Hawthorn Suites and paid \$23,000 in TCP fees. The current TCP fee is \$240,000. It is more challenging and difficult to build downtown but it is a win-win. The lower number of rooms in the two hotels has caused the City to lose some conventions. They will spend \$8 million in construction locally. The property which was publicly owned is now in private hands and will pay property tax.

Councilmember Susuras asked where the parking will be. Mr. Kevin Reimer said they will have surface parking and have acquired parking on Rood. Also, the Zellner building will come down and allow more parking. They also have some sharing agreements for other parking.

Deputy City Manager Englehart clarified the use of reserves; it could be now or the end of the year. The goal is to have more than \$20 million in that fund balance but approval of the use of reserves means it will come out of the reserves.

Council President Coons asked for clarification that if they are short in the reserve fund due to this transfer, it would not affect the remainder of the budget. Deputy City Manager Englehart said yes but if the fund balance is not being attained, the budget will be reviewed again.

Councilmember Susuras asked about the difference in property tax now that the property is in private ownership. Mr. Kevin Reimer said an estimate would be \$90,000 to \$100,000 per year. They will also collect \$350,000 to \$400,000 in sales and lodging tax annually.

Councilmember Beckstein asked, by adding the rooms, where does it put the City in ballpark for other conventions. Economic, Convention and Visitor Services Director Debbie Kovalik said there were six to eight groups that could not be accommodated with the current downtown lodging and with 100 new rooms they could easily be accommodated. That is about 200 attendees. The new hotel will double the capacity for attendees for conventions.

Council President Coons asked if Two Rivers Convention Center has the capacity for that size group. Ms. Kovalik said they can handle 500 attendees. The business that is being lost are the conventions that do not want to deal with transportation issues as a result of having to use non-downtown lodging.

Councilmember Beckstein said her concern is that she was under the impression that there was \$600,000 for these types of requests but now that is not the case. She asked if the TCP could be deferred if the cash is not there. Deputy City Manager Englehart said it can be but the projection is that there will be funds available. It is the City Council's option to not transfer the funds.

Councilmember Palmer noted the other option is not to spend as much on transportation improvements.

Deputy City Manager Englehart advised that the Council will see those adjustments when the audit is complete.

Council President Coons clarified that the question is whether the reserve should be \$20 million at the end of the fiscal year or if it needs to be at \$20 million on any given day.

Councilmember Susuras inquired if the reserve fund is actually the General Fund balance. Deputy City Manager Englehart answered it is, and there are reserves in other funds as well.

Councilmember Kenyon moved to authorize the City Manager to use reserve funds in the amount of \$240,700.00 to fund the TCP for the Project known as the Main Street Marriott Hotel noting that it is the Council's intention that the reserve General Fund excess remain at the \$20 million level and the expenditure not be taken out of the reserve fund until such time as the City's cash is on hand for that. Councilmember Susuras seconded the motion. Motion carried by roll call vote with Councilmember Palmer and Pitts voting NO.

Public Hearing—Amendments to the 2010 Zoning and Development Code, Codified as Title 21 of the Grand Junction Municipal Code [File #TAC-2010-039]

Proposed amendments to revise the minimum lot size and width in the R4 zone district, allow an interim use with a Special Permit, and allow an offset for the cost of construction of required trail(s) against a project's Open Space Fee.

The public hearing was opened at 8:11 p.m.

Lisa Cox, Planning Manager, presented this item. She reviewed the history of the adoption of the Zoning and Development Code. At the adoption in April, these three amendments were brought forward and the Council directed Staff to take them back through the process. Those have gone back to the Planning Commission and they are being brought forward with a recommendation of approval.

The first amendment is the change to the minimum lot size and width. The request is that the minimum lot size be reduced from 8,000 square feet to 7,000 square feet and that the minimum lot width be reduced from 75 feet to 70 feet. The proposed change would amend Section 21.03.040(e).

The second proposed amendment affects property in the new Village and Neighborhood centers. Staff proposes that an interim land use be allowed with a Special Permit. The scope and duration of the interim use would be incorporated into the conditions of the Special Permit that would be approved by City Council. Allowing an interim use would permit a property owner to gain use and value from their property until the market is ready for the growth anticipated by the Comprehensive Plan. The proposed change would amend Section 21.02.120(b)(2).

The third proposed amendment would provide that if a trail(s) has been constructed in addition to the construction of required sidewalks, the owner may request an offset or credit for the cost of construction of the trail(s) against the Open Space fee in an amount not to exceed the total Open Space fee. The proposed change would amend Section 21.06.020(c).

The Zoning Code Focus Group also had positive comments on the amendments.

Council President Coons asked if the City Council is comfortable considering all three together or prefer to separate each amendment. Council was comfortable handling all three together.

Councilmember Susuras asked if the wording on amendment number one should be to allow the maximum density in R4 instead of minimum. Ms. Cox agreed that was the intention.

There were no public comments.

The public hearing was closed at 8:22 p.m.

Ordinance No. 4428—An Ordinance Amending Section 21.03.040(e), Residential Districts, R4; Section 21.03.040, Residential District Summary Table; Section 21.03.060(c)(5), Cluster Developments, Bulk Standards; Section 21.02.120(b)(2), Special Permits; Section 21.06.020(c), Private and Public Parks and Open Spaces, Trails; and Section 21.10.020, Terms Defined

Councilmember Palmer moved to adopt Ordinance No. 4428 and ordered it published. Councilmember Kenyon seconded the motion. Motion carried by roll call vote.

Public Hearing—CDBG 2010 Program Year Action Plan, a Part of the 2006 Five-Year Consolidated Plan and Action Plan Amendments to Program Years 2007 and 2009 [File #2010 CDBG]

The request is to consider final adoption of the 2010 Program Year Action Plan. This annual plan is required by the Department of Housing and Urban Development (HUD) for the use of Community Development Block Grant (CDBG) funds. The Action Plan includes the CDBG projects for the 2010 Program Year City Council approved for funding on May 17, 2010. Adoption of the 2010 Program Year Action Plan will constitute amendments to the Action Plans for Program Years 2007 and 2009 to reallocate unspent funds from previous years.

The public hearing was opened at 8:23 p.m.

Kathy Portner, Neighborhood Services Manager, presented this item. This will conclude items for the 2010 Program year. She reviewed the history of the program. This is the 5th year of the Five Year Plan. The City's total allocation for the amended 2009 and 2010 Action Plan is \$422,478.

The purpose of the hearing tonight is to approve amendments to the Action Plans for Program Years 2007 and 2009 to reallocate unspent funds from these previous years and indicated in the budget below. Primarily the amendments are to reallocate 2009

funds for the DIA Slope Stabilization project so the work can get underway as soon as possible rather than waiting for the release of 2010 funds from HUD on September 1, 2010.

Ms. Portner then reviewed the other projects as follows:

1) City of Grand Junction Program Administration	\$ 60,000
2) St Mary's Foundation Gray Gourmet Program	\$ 20,500
3) St Mary's Foundation Foster Grandparent Program	\$ 12,000
4) Western CO Conservation Corps Van Purchase	\$ 17,000
5) Counseling and Educ Center Counseling Services	\$ 6,682
6) DIA Slope Stabilization and Landscaping	\$ 34,471
7) Hawthorne Park Restroom Replacement	\$158,000
8) HomewardBound Homeless Shelter Remodel/Repair	\$ 6,000
9) Center for Independence Program Office Remodel	\$ 34,100
10)GV Catholic Outreach Soup Kitchen Remodel/Repair	\$ 73,725

The total amount being put into the CDBG is leveraging over \$800,000 in funding. They will take public comments until July 8 and then submit the Plan to HUD for final approval.

There were no public comments

The public hearing was closed at 8:27 p.m.

Resolution No. 30-10—A Resolution Adopting the 2010 Program Year Action Plan as a Part of the City of Grand Junction 2006 Five-Year Consolidated Plan for the Grand Junction Community Development Block Grant (CDBG) Program

Councilmember Palmer moved to approve the amendments and Adopt Resolution No. 30-10 approving the 2010 Program Year Action Plan. Councilmember Beckstein seconded the motion. Motion carried by roll call vote.

Non-Scheduled Citizens & Visitors

There were none.

Other Business

There was none.

Adjournment

The meeting adjourned at 8:29 p.m.

Stephanie Tuin, MMC
City Clerk