

GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY
October 6, 2014 – Noticed Agenda Attached

Meeting Convened: 5:05 p.m. in the City Auditorium

Meeting Adjourned: 8:09 p.m.

Council Members present: All. Staff present: Englehart, Shaver, Moore, Finlayson, Hazelhurst, Tice, Gilbertson, and Tuin.

Agenda Topic 1. Web Site Upgrades – Demonstration

Management and Legislative Liaison Elizabeth Tice stated that a new design for the web site was a group effort with Information Technology Director Jim Finlayson, Web Analyst CJ O’Hara, and herself. They looked at two areas for the web site; one being design and the other being content. For the design, it is currently in the preliminary stages until further information is gathered from marketing and economic development partners and the ultimate goal would be moving the City’s entire website into a new design. For content, they surveyed best practices that other cities have on their local government economic development websites. Special emphasis will be put on economic development partners, establishing a newsfeed that would link to stories of new development, expansion, etc., adding success stories of local entrepreneurs, and having a more thorough matrix with cost of doing business.

Industrial Land Analysis

Large industrial parcels and parks were identified, the location of utilities were determined for each parcel, contact information was gathered, and property details were determined such as distances from the property to I-70, to Highway 50, to the airport, etc. By doing all of that, it could help the property be more marketable. They will be able to link the property information to the realtors. Ms. Tice displayed the preliminary web site and said that some of the areas that they are focusing on are business climate (such as tax exemptions, incentives, workforce training and development, and cost of doing business), site selection (links directly to Grand Junction Economic Partnership (GJEP) where commercial sites are available), permitting processes, and a link to Industrial Developments, Inc. (IDI).

Ms. Tice demonstrated the preliminary website which they were hoping may be able to go live within 30 days. She stated that GJEP’s website hosts the industrial and commercial properties availability. By clicking on the parcel identification, it will link directly to the City’s Geographical Information System (GIS) which would allow for all of the additional layers available. She displayed what information could be obtained for each parcel such as whether the utilities are located on or off the property, what size lines, water line pressure, adjacent fire hydrant flow, sewer provider, line size, utility location, and electrical information. Ms. Tice said that any input regarding the website from the Realtors Association would be beneficial.

City Manager Englehart advised City Council that Information Technology Director Jim Finlayson has been working with CenturyLink and Charter to identify internet access from a broadband standpoint.

Lethbridge/Innovation Districts

Ms. Tice informed City Council that recently the GIS group hosted a GIS conference which drew in a lot of people and vendors. One vendor of interest was Lethbridge in Alberta, Canada. Their economic development site has a neat teconnect building which houses a business cluster and lists all of the businesses within the cluster. It attracts industries and it gives entrepreneurs resources. Ms. Tice introduced the Business Incubator (BIC) Executive Director Jon Maraschin to review something similar that the Business Incubator is working on.

Mr. Maraschin said that the Incubator started to work on ideas to replicate an innovation hub to foster startups in Grand Junction. The first step was the GJMakerSpace 3D Innovation Center (which is supported by Western Colorado Community College (WCCC)) in 2014. There are a lot of young people who want to start a business but they have no money. The Incubator is proposing an Accelerator program which is a six month program where the Incubator funds the business to help it get started. They are working on an idea to use strengths from the BIC, WCCC, and the Western Colorado Manufacturing Alliance (WCMA) to create a technology/manufacturing accelerator for a strong pathway for business formations and job creations. Key elements would be education, innovation space, business incubation, and advisory/mentoring. To get this space ready, it could cost \$24,000 to \$35,000 per year. An ideal location would be at 750 Main Street. If the program proves to be successful, BIC would need to acquire better space and additional staff with appropriate skills to optimize the program. It is important to get the community pushing forward with technology. Right now the community is ranked 19th in the country for high technology startups. According to Harvard Business Review Study a month or two ago, there are over 600,000 college students studying entrepreneurship in this country.

Agenda Topic 2. Marketing Plan

City Manager Englehart advised that a survey was sent out to Economic Development (ED) partners and three questions were asked regarding where the community is now and where it should go regarding marketing. The results showed a need for a stronger collaborative effort in marketing and branding. It was decided that the City and County would put out a Request for Proposals (RFP) for a marketing plan. Goals and outcomes for economic development, having a unified voice for marketing, and implementation strategies were all put into the RFP and twelve responses were received. A process was established to evaluate the RFP's. Management and Legislative Liaison Elizabeth Tice was selected as the main contact person.

Ms. Tice reviewed the process of evaluating the RFP's and identified which ED partners took part in the process. There were two main strategies that were looked at in the RFP; branding

and marketing plan development and advertising and promotional material development. A very reputable approximately 86 year old company out of Nashville, TN (with a presence in Denver), North Star, is the company that ended up unanimously on top. Some of their main deliverables are: 1) their brand development which they offer a combination of a vision of the community, the perception of consumers and influences, and a competitive strategy; 2) asset alignment which is matching industries with specific economic assets; 3) industry intelligence which will identify clusters, relationships between industries, critical site selection factors, and workforce needs; and 4) creativity to develop concepts, logos, and visual identity of brand, content recommendations, and a targeted marketing message. Ms. Tice encouraged City Council to go to North Star's website where it lists other cities that they have done business with including, Montrose tourism, Lansing, MI, a town in Alaska, and Lodi, CA. They target mid-size communities. There was some discussion regarding the outcome of references checked and benchmarks. Grand Junction Chamber of Commerce Executive Director Diane Schwenke advised that several of the previous clients of North Star's have received awards in the economic development industry for outstanding marketing.

Councilmember Chazen asked if the marketing materials and execution strategies are part of the RFP. City Manager Englehart said that the strategies are part of the RFP but not the materials. He also stated that the RFP's for the Cluster Analysis are due on October 7th.

When asked what the cost is Ms. Tice responded \$137,000 and it will be requested that City Council fund it possibly over a two year time frame. Mesa County has expressed interest and may be willing to contribute. City Manager Englehart said it would come out of the ED fund and if the cluster RFP goes forward, Department of Local Affairs could be asked if there is a component of funding from them for that.

There was some discussion about including Fruita, Palisade, Powderhorn, the Forest Service, etc. in the collaboration of the plan and the implementation of the plan since they all contribute to the community.

City Manager Englehart advised City Council that the direction Staff is asking for them is to place this item on the agenda to procure North Star and then Staff will move forward working with ED Partners and defining roles. City Council agreed to place this item on the October 15th City Council meeting agenda. City Manager Englehart said that he will also get with Mesa County to get this on their agenda as well.

Agenda Item 3: Commercial Catalyst Pilot Program

Management and Legislative Liaison Elizabeth Tice advised that in July they surveyed local government and ED organizations to find out what the greatest needs are in the business community for economic development incentives. The biggest results were the need for façade improvements grants which she explained could be modeled after the program that the Downtown Development Authority (DDA) has. It could be a partnership program that is

authorized on a project by project basis. The proposal modifies the façade improvements grants model that works well for DDA to include pedestrian safety investments because that is a main focus of the North Avenue Owners Association. Ms. Tice advised that eligible projects would include repair, restoration, or installation of exterior masonry, stucco, or siding, exterior awnings, windows, trim, and doors, lighting and signage, removal of nonconforming structures, pedestrian safety, sidewalks, and park strips. She stated that all improvements must be permanent. She reviewed the proposed criteria which included having to be a commercial property. A matching grant of up to \$10,000 per request would be available. Proposed are two years/rounds of funding. Applications will be reviewed on a first come, first served basis and must conform with North Avenue Overlay. Funding will be on a reimbursement basis.

Deputy City Manager Tim Moore explained the Overlay and the process the City used to develop it.

There was a lengthy discussion on the criteria requirement for the conformity with North Avenue Overlay, the process for reviewing and processing the applications, the total of the funding, and funding options for the program over the proposed two years.

City Attorney John Shaver advised Council that Staff would also need procedural direction from them on whether or not Council wants to make decisions on individual projects or have some other process for decision-making. City Attorney Shaver advised City Council that Community Development Block Grant (CDBG) monies could not be used for these façade improvement projects because of the restriction of those funds.

City Council was in agreement to go forward with the proposal on the program and bring it back to City Council for adoption. The funding will come from Council's Economic Development Fund.

Agenda Topic 4 – Vendor Compensation

City Manager Englehart advised Council that this item was discussed at the retreat held at HopeWest. Staff has a lot more information for them at this time and turned the discussion over to Management and Legislative Liaison Elizabeth Tice.

Ms. Tice explained that Sales Tax Vendors are sometimes compensated by the taxing authority, the State and/or the local government, for their duties and responsibilities in remitting sales tax (referred to as a Vendors Fee as well as Vendors Compensation). It is a certain percentage of tax that is retained by the vendor before remitting payment of taxes. The City's uncapped percentage for the fee is 3.33% of the amount of sales tax being returned. In 1983, City Council adopted an ordinance that reduced the vendors fee from 5% to 3.33% and the additional 1.67% of the tax was transferred to Visitor and Convention Bureau (VCB) for tourism. She advised that the State and many local governments have reduced and/or eliminated those fees and she listed some of those. Out of 46 states that have sales tax, 19 of those do not offer any form of

compensation to the vendors. They surveyed the home-rule municipalities in Colorado and found that 29 municipalities do not offer any compensation, 32 municipalities offer a lower compensation than Grand Junction currently does, 6 municipalities offer the same rate of compensation as Grand Junction, and 1 municipality offers a higher rate of compensation. The City of Grand Junction has the most generous compensation rate out of the 20 most populated cities in Colorado. She provided examples of how much compensation is given on an annual basis for several municipalities including Grand Junction.

There was a lengthy discussion held on what the effects on the Sales Tax Vendors would be if a cap on the compensation were to be put in place and the challenges to small businesses completing the sales tax returns.

Ms. Tice said what they are proposing is placing a cap on the compensation and capturing the savings and putting it toward Economic Development. She broke down the 2013 vendor compensation expense and advised that there was \$1.35 million total vendor compensation expense which was \$395 average compensation per account. She stated that there are some vendors that don't take the vendors fee. If there were a \$100 cap, it would result in a \$700,000 savings, a \$200 cap would result in \$535,000 savings, and a \$500 cap would result in a \$350,000 savings. Ms. Tice explained what the tracking mechanism would be so that the savings would not get lost in the general fund.

Councilmember Chazen expressed concern the cap on compensation could have an effect on black box revenue (TABOR). City Attorney Shaver advised that it is not black box revenue because it is sales tax imposed on the sale and results in a change to the fee, i.e. the City is actually paying a fee on the sales tax, resulting in a reduction of the expenses.

Councilmember Susuras asked City Attorney Shaver when the Vendors Fee was implemented. City Attorney Shaver said he believes it has been around since the 1950's if not before to compensate for the imposition of filing taxes.

There was discussion on the affect on businesses and whether or not placing a cap on the compensation would hurt small businesses. Although a cap may not affect most small businesses, it was pointed out that some small businesses handle large ticket items and a cap could affect them.

Staff was directed to bring back more detail to a workshop to include the actual sales of retail businesses and the effect on businesses by zip code with a cap on the vendor fee at both \$200 and \$500.

Agenda Topic 5 – International Economic Development Council Conference

Addressed as last item.

Agenda Topic 6 – Global Petroleum Show

Management and Legislative Liaison Elizabeth Tice advised Council that the Chamber's Energy and Economic Development Committee has been doing some great research and brainstorming in terms of economic development towards companies that are related to the energy industry. The thought is to have a community coalition attend the Global Petroleum conference which is attended by a lot of energy companies. GJEP has committed to being a partner for this conference and several local businesses will be going as well. Grand Junction Chamber of Commerce Executive Director Diane Schwenke said that one of the community's unique features is that there are so many energy resources within this region. They are looking at the possibility of building on the manufacturing base and as an example she used the Halliburton remanufacturing facility. The committee has a mix of industry, energy services, and regular business representatives. They have looked at the CNG opportunities which led to looking at the Global Petroleum Show. If the committee could have at least 12 representatives, thus having a community presence, at the show to react with potential customers, it could be beneficial. Because it is in June of 2015, it could be an opportunity to roll out some elements of the Economic Development Marketing Plan. They are requesting \$15,000 of City funds be allocated to help cover a booth space at the show.

BIC Executive Director Jon Maraschin encouraged Council to look at increasing that contribution to help the ED partners with expenses to be able to go to the show.

City Council will consider including this in the 2015 budget.

Agenda Topic 5 – International Economic Development Council (IEDC) Conference

City Manager Englehart advised City Council that instead of going to the International City Manager Association Conference, he and Ms. Tice looked at going to the IEDC Conference in Fort Worth, TX starting October 19th. It offers a lot of opportunities and asked Council if they had any objections.

Chamber of Commerce Executive Director Diane Schwenke said she goes to this conference every year and highly recommends it.

Council had no objections.

Agenda Topic 7 – Other Business

City Manager Englehart introduced Tatiana Gilbertson who is the City's new Revenue Supervisor.

City Manager Englehart asked City Council for direction on putting the sale of Fire Station #4 on the market. The sale is part of the budget. Persigo is a potential buyer for it but there could be

other potential buyers as well. There was discussion regarding other properties that would be better for Persigo to purchase in the Orchard Mesa area but they have not found another suitable property.

City Council felt it was best to hold off on putting the Fire Station #4 property on the market at this time.

City Manager Englehart mentioned the Mesa County Commissioners' request for a joint budget meeting. No one on Council expressed support of having a joint budget meeting. He also mentioned it may be a good idea to discuss the Persigo Agreement in the near future.

With no other business, the meeting adjourned.

**GRAND JUNCTION CITY COUNCIL
MONDAY, OCTOBER 6, 2014**

**WORKSHOP, 5:00 P.M.
CITY AUDITORIUM
250 N. 5TH STREET**

To become the most livable community west of the Rockies by 2025

[Supplemental Document](#)

1. Web Site Upgrades – Demonstration

- Industrial Land Analysis
- Lethbridge
- Innovation Districts

[Supplemental Document](#)

2. Marketing Plan

3. Commercial Catalyst Pilot Program

4. Vendor Compensation

5. International Economic Development Council Conference

6. Global Petroleum Show

[Supplemental Document](#)

7. Other Business