

**GRAND JUNCTION CITY COUNCIL
WORKSHOP AGENDA**

**MONDAY, FEBRUARY 3, 2003, 7:00 P.M.
CITY HALL AUDITORIUM, 250 N. 5TH STREET**

MAYOR'S INTRODUCTION AND WELCOME

7:00 COUNCILMEMBER REPORTS

7:10 REVIEW FUTURE WORKSHOP AGENDAS

[Attach W-1](#)

7:15 CITY MANAGER'S REPORT

7:25 REVIEW WEDNESDAY COUNCIL AGENDA

7:30 STRATEGIC PLAN REVIEW & UPDATE

[Attach W-2](#)

8:05 RIGHT-OF-WAY/UTILITIES ORDINANCE: Public Works Manager Tim Moore will review the proposal to regulate the use of public rights-of-way by utility providers.

[Attach W-3](#)

CONVENE INTO SPECIAL SESSION

8:30 EXECUTIVE SESSION

1. To discuss the purchase, acquisition, lease, transfer, or sale of real, personal, or other property interest under C.R.S.. Section 24-6-402(4)(A) for Fire Station #5, the bus depot and other downtown properties; and
2. For the purpose of discussing personnel matters under C.R.S. 24-6-402(4)(f)(I) relative to City Council appointed employees.

[Attach W-4](#)

ADJOURN

This agenda is intended as a guideline for the City Council. Items on the agenda are subject to change as is the order of the agenda.

Attach W-1
Future Workshop Agenda

CITY COUNCIL WORKSHOP AGENDAS

FEBRUARY 17, CANCELED FOR PRESIDENTS' DAY:

➔ FEBRUARY 19, *WEDNESDAY* Begin at 6:30 PM:

6:30 UPDATE ON CITY'S TOBACCO ORDINANCE

6:45 PROPOSED SEWER BACKUP POLICY UPDATE

MARCH 3, MONDAY 7:00 PM:

7:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA &
REVIEW FUTURE WORKSHOP AGENDAS

7:25 CITY MANAGER'S REPORT

7:30 STRATEGIC PLAN REVIEW & UPDATE

~~MARCH 17, MONDAY 7:00 PM:~~ canceled for Spring Break

MARCH 30, MONDAY 7:00 PM:

7:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA &
REVIEW FUTURE WORKSHOP AGENDAS

7:25 CITY MANAGER'S REPORT

7:30 STRATEGIC PLAN REVIEW & UPDATE

APRIL 14, MONDAY 7:00 PM:

7:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA &
REVIEW FUTURE WORKSHOP AGENDAS

7:25 CITY MANAGER'S REPORT

7:30 OPEN

FUTURE WORKSHOP ITEMS

***1.* DISCUSSION OF TRANSIENTS ISSUE**

Attach W-2
Strategic Plan Review & Update

M
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To: Mayor and City Council
From: David Varley
CC: Kelly Arnold, City Manager
Date: December 16, 2011
Re: January Strategic Plan Progress Report



The Council's recently adopted Strategic Plan has 76 Action Steps, most of which are to be accomplished during 2003. To help us track all these Action Steps and make sure they are completed, we will provide a written progress report every month. Attached to this memo is the first of these monthly reports.

Since this is the first report we are anxious to receive feedback from Council on the form and substance of this report. Please let us know if you have any suggestions for improvement or ways we can make this information more useful for you.

The report is divided into six sections with each one containing information on one of the six Solutions found in the Strategic Plan. Below each Solution you will find the progress or status of each Action Step that is to be accomplished that month. Some of the Action Steps require action by City Council and these are highlighted with a black arrow. These action items will also be listed in the cover memo at the front of the monthly report. In addition, any reports or written material associated with an Action Step will be included behind the section for that Solution.

The following actions by the City Council are requested for this month:

1. **Action Step 1.A:** *Provide updated history (overview/financial) & status of economic development fund. (December 2002)*

➔ Action Requested: Council review and discuss this report.

2. **Action Step 1.B:** *Receive report by outside consultant on economic development efforts & coordination.* (December 2002)

➔ Action Requested: Council review and discuss this report.

3. **Action Step 4.A:** *Fire Department writes summary report on recent efforts & current status (EMS/Transport).* (January 2003)

➔ Action Requested: Council review and discuss this report.

4. **Action Step 9.A:** *Create a work team of CC & staff to review current codes & enforcement practices.* (January 2003)

➔ Action Requested: Appoint one or more City Council members to this committee.

5. **Action Step 8.A:** *Develop a drought management plan.* (March 2003)

➔ Action Requested: Schedule this for discussion at a City Council workshop in March.

6. **Action Step 18.A:** *Create a work team w/ CC, CM, Parks, PW, VCB for gateways & entrances.* (January 2003)

➔ Action Requested: Appoint one or more City Council members to this committee

7. **Action Step 36.A:** *Select a work team (CC, staff, possibly a consultant, possibly an intern) to review & report re: different models for neighborhood programs.* (January 2003)

➔ Action Requested: Appoint one or more City Council members to this committee

8. **Action Step 36.B:** *City Council to discuss & establish criteria/guidelines for using City's CDBG Funds.* (February 2003)

➔ Action Requested: Schedule this item for review and discussion at a lunch meeting during February.

1. GRAND JUNCTION CITY COUNCIL STRATEGIC PLAN 2002 – 2012

MONTHLY PROGRESS REPORT
January 2003



Solution

A BALANCE OF CHARACTER, ECONOMY AND ENVIRONMENT

Action Step 1.A: *Provide updated history (overview/financial) & status of economic development fund. (December 2002)*

Progress: This report has been produced and is attached. This Action Step is **Completed!**

➔ Action Requested: Council review and discuss this report.

Action Step 1.B: *Receive report by outside consultant on economic development efforts & coordination. (December 2002)*

Progress: This report has been received from the consultant Lockwood Greene and is attached. This Action Step is **Completed!**

➔ Action Requested: Council review and discuss this report.

Action Step 1.C: *Complete infill/redevelopment policy & review other pertinent City policies/programs. (January 2003)*

Progress: The infill/redevelopment policy was accepted by the City Council at their workshop on 30 September 2002. The proposed policy will now be incorporated into the Growth Plan Update. It is expected that the Plan Update will be presented to the City Council for their consideration in March, 2003. This Action Step is **Completed!**

Action Step 4.A: *Fire Department writes summary report on recent efforts & current status (EMS/Transport). (January 2003)*

Progress: A copy of this report is attached. This Action Step is **Completed!**

➔ Action Requested: Council review and discuss this report.

Action Step 9.A: *Create a work team of CC & staff to review current codes & enforcement practices. (January 2003)*

Progress: The following work team is proposed. City Council is requested to appoint one or more members to the team.

- City Council: One or more members
- Community Development: Bob Blanchard and Ivy Williams with other assignments to be determined as needed.
- Public Works: Doug Cline
- Police:

➔ Action Requested: Appoint one or more City Council members to this committee.

Action Step 8.A: *Develop a drought management plan. (March 2003)*

Progress: Public Works is working on a draft plan. It is requested that this item be scheduled for presentation and discussion at the City Council workshop in March.

➔ Action Requested: Schedule this for discussion at a City Council workshop in March.

ADMINISTRATIVE SERVICES DEPARTMENT

MEMORANDUM

January 2, 2003

**TO: The Honorable Mayor and City Council
Kelly Arnold, City Manager**

FROM: Ron Lappi, Admin. Svcs. & Finance Director

**SUBJECT: Strategic Direction II, Goal 1, Objective (a)
Overview of Past Funding Mechanism and
Report on the History and Status of Economic
Development Efforts**

The City of Grand Junction has been involved in various economic development efforts dating back to its incorporation in 1882. In more recent times since 1985 those efforts have been focused on providing financial assistance to organizations and businesses that are relocating to Grand Junction/Mesa County or expanding there business already here. Incentives from the City have been provided through either the Chamber of Commerce for existing businesses or through Mesa County Economic Development Corporation (now Grand Junction Economic Partnership). The only exception to this pass through process is that we have from time to time given funds directly to certain non-profit organizations such as Mesa State College.

Resources for our Economic Development efforts have come from the City's Sales Tax, since 1988 it has involved a specific set aside of \$300,000 annually from the new $\frac{3}{4}$ % Sales and Use Tax implemented January 1, 1988 and overwhelmingly approved by the voters. Since 1985 the City has spent \$6.6 million assisting 28 different businesses to relocate to the grand valley or expand operations already here. Our incentives have been approved for businesses located within the City and those located elsewhere in the valley. The City Councils over these past years have believed that what is good for jobs and the economy of the grand valley is good for all the citizens and residents of Grand Junction; its central city. The economic impact of additional jobs is of course very difficult to measure, but these businesses that have been assisted created over 2000 direct jobs with a 2 to 3 multiplier effect on the entire economy. The multiplier effect depends a great deal on the type of job and the industry that they are in. The businesses that we have assisted have an annual payroll of approximately \$300 million, and made a capital investment of approximately \$120 million.

The City has participated in two very significant economic development partnerships that are difficult to measure. We helped IDI purchase the 55 acre Bookcliff Technology Park, the areas newest business park property that is still in need of infrastructure. We also committed over a ten year period \$2.5 million to Mesa State College for campus expansion. Through 2002 we have contributed \$1,750,000 in matching funds to the college, and the expansion is well underway. Although not a lot of new jobs have been created by this expansion, we have been a major player in retaining large numbers of jobs at the college as a result of this important expansion.

Other City economic development efforts might be described as direct assistance to various non-profit and social service organizations to help mostly with facility expansion and improvement. These non-profits range from the Avalon Theater to Catholic Outreach, and have included millions of dollars in assistance from the general fund directly or from the CDBG funds. All of these efforts make the grand valley a better place to work and live.

Have all these efforts been successful? The Grand Junction metro area economy was among the strongest in the nation during the last decade. The area's gross metropolitan product (GMP) grew by an average of 8.3% a year, from 1991 to 2001, ranking it 17th in the nation. This was according to a report commissioned by the U.S. Conference of Mayors.

Attached to this memo is a report on the status of the City Economic Development Fund and a detailed history of the various companies and organizations that we have assisted using our economic development resources.

If anyone has questions about this report and the detailed program information, feel free to give me a call.

Thank you,

Cc: Lanny Paulson, Budget and Accounting Manager
Department Directors

ECONOMIC DEVELOPMENT FUND STATUS
Projected As Of 01/01/2003

2003 Beginning Funds Available \$ 617,494

<u>Revenue Source:</u>	<u>Description</u>	
Transfer-In from Sales Tax CIP	Annual transfer of the 3/4 cent sales tax	\$ 300,000
Transfer-In from General Fund	General-Fund portion for Mesa State	\$ 150,000
		\$ -
	Total Revenue	\$ 450,000
	Total Funds Available	\$ 1,067,494

<u>Expenditures Made To:</u>	<u>Description</u>	
		\$ -
		\$ -
		\$ -
	Total Expenditures	\$ -

Balance As Of 1/01/03	\$ 1,067,494
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<u>Current Year Commitments:</u>	<u>Description</u>	
Mesa State College	City Council Contribution	\$ 250,000
WCBDC	2nd of Two Annual Pmts.	\$ 28,600
	Total Current Year Commitments	\$ 278,600

Projected Balance As Of 12/31/03	\$ 788,894
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<u>Future Year Commitments:</u>	<u>Description</u>	
Mesa State College	Balance of commitment from 2003 thru 2005	\$ 500,000
n/a		\$ -
n/a		\$ -
	Total Future Year Commitments	\$ 500,000
Projected Resources thru 2005		
General Fund Transfer	\$150K 2004 thru 2005	\$ 300,000
Sales Tax CIP Fund Transfer	\$300K thru 2005	\$ 600,000
	Total Projections	\$ 900,000
	Total Available from Future Years	\$ 400,000
	Projected E.O.Y. Balance	\$ 788,894
	Total Available	\$ 1,188,894

Note: Beginning in 1996, an annual amount of \$250,000 for ten years was identified to assist Mesa State College with land acquisition and expansion. Through the end of 2002, the City of Grand Junction has allocated \$1,750,000 to the college for this purpose. A summary of the financial status of this program is provided in the table below.

<u>Mesa State College Foundation</u>	
1996 Expense	\$ 94,891
1997 Expense	\$ 439,982
1998 Expense	\$ 215,127
1999 Expense	\$ 81,474
2000 Expense	\$ 418,526
2001 Expense	\$ 250,000
2002 Expense	\$ 250,000
Total Expense Thru 12/31/2002	\$ 1,750,000
Total Commitments	\$ 2,500,000
Balance	\$ 750,000

City of Grand Junction
Economic Development Fund
Contribution History

9/20/02

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Total	
3D Systems																				\$ 540,000
Amtek Dixon													\$ 54,400							\$ 54,400
Benson Property Purchase												\$ 200,000								\$ 200,000
Bicycle Parts Pacific				\$ 6,000																\$ 6,000
Chamber of Commerce, Profit Center							\$ 7,200													\$ 7,200
Choice Hotels												\$ 58,000								\$ 58,000
City Market, West End Development						\$ 140,000														\$ 140,000
DT Swiss Bikes											\$ 5,000									\$ 5,000
Fuoco Motors							\$ 15,000													\$ 15,000
GTE Spacenet				\$ 25,000																\$ 25,000
Job Site													\$ 120,000							\$ 120,000
Johns Manville / Mesa Insulation														\$ 85,000						\$ 85,000
Lift Industries		\$ 250,000																		\$ 250,000
Luxury Plating									\$ 37,500											\$ 37,500
Maddack Industries				\$ 5,000																\$ 5,000
MCEDC / Bacon Foundation						\$ 10,000	\$ 10,000	\$ 7,500	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000			\$ 5,000					\$ 52,500
MCEDC / Refund				\$ (1,651)																\$ (1,651)
Mesa State College												\$ 94,891	\$ 439,982	\$ 215,127	\$ 81,474	\$ 418,526	\$ 250,000	\$ 250,000		\$ 1,750,000
Peak Telecom															\$ 40,000					\$ 40,000
Peak Telecom: Refund																				\$ (80,000)
Public Service Company				\$ 15,916																\$ 15,916
Quality Inn				\$ 125,000																\$ 125,000
Ram-Line											\$ 40,000									\$ 40,000
Reynolds Polymer									\$ 175,124	\$ 8,701			\$ 4,736	\$ 4,918						\$ 193,479
RHSC											\$ 49,737									\$ 49,737
Sentry Services				\$ 6,000																\$ 6,000
StarTek USA																				\$ 6,000
Sundstrand	\$ 304,930	\$ 161,154	\$ 402,880													\$ 300,000		\$ 300,000		\$ 600,000
Thermo Electron Components				\$ 14,286	\$ 30,000	\$ 14,286		\$ 14,286	\$ 14,286										\$ 47,200	\$ 916,164
Trick Wheels				\$ 20,000																\$ 20,000
Trinity Architectural Metals							\$ 18,000													\$ 18,000
UTEC, Mesa State Vo-Tech							\$ 100,000				\$ 300,000		\$ 193,686							\$ 593,686
Wal-Mart								\$ 2,500												\$ 2,500
West Star																\$ 60,000				\$ 60,000
Western Colo. Business Devl. Corp.										\$ 10,000	\$ 15,000				\$ 270,000				\$ 28,600	\$ 323,600
Western Filament						\$ 165,671			\$ 8,267											\$ 173,938
TOTALS	\$ 304,930	\$ 161,154	\$ 402,880	\$ 287,635	\$ 207,916	\$ 329,957	\$ 150,200	\$ 24,286	\$ 240,177	\$ 23,701	\$ 514,737	\$ 797,891	\$ 812,804	\$ 305,045	\$ 396,474	\$ 778,526	\$ 257,200	\$ 578,600		\$ 6,574,113

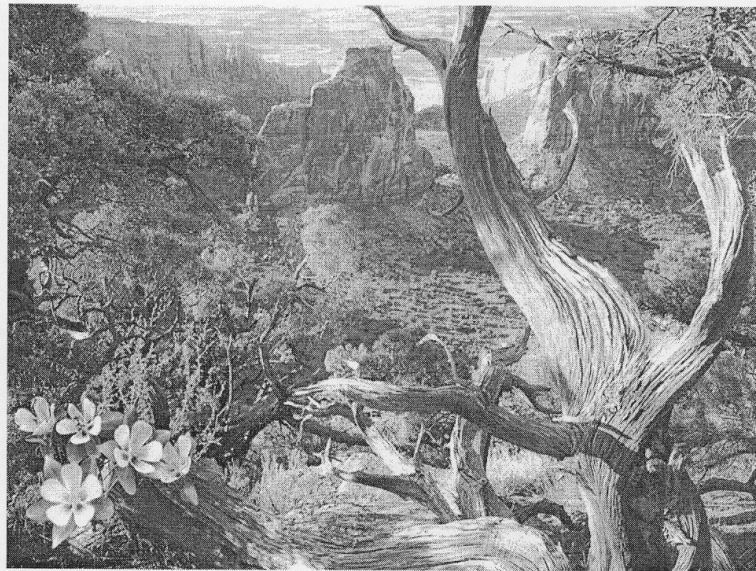
* Transfers to other Funds for City construction costs.

Econdevl.xls Sheet1/LP

RECOMMENDATIONS FOR DELIVERY OF
ECONOMIC DEVELOPMENT SERVICES IN
MESA COUNTY

PREPARED FOR:

WESTERN COLORADO BUSINESS DEVELOPMENT CORP.
GRAND JUNCTION AREA CHAMBER OF COMMERCE
GRAND JUNCTION ECONOMIC PARTNERSHIP



FINAL REPORT
NOVEMBER 2002



LOCKWOOD GREENE
— A J.A. JONES COMPANY —
ENGINEERING & CONSTRUCTION

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1. Introduction and Project Scope

After a competitive bidding process, the Grand Junction Economic Partnership (GJEP), the Grand Junction Area Chamber of Commerce (Chamber), and the Western Colorado Business Development Corporation (BDC) contracted with Lockwood Greene to conduct an assessment of the delivery of economic development services in Grand Junction and Mesa County. The project scope as defined by the Request for Proposals (RFP) and Lockwood Greene's proposal includes the following tasks:

- Gather information on the current economic development situation in Mesa County by reviewing economic development materials and reports, and by conducting personal interviews with key staff members, board members and other stakeholders (28 interviews were completed).
- Compare the delivery of economic development services in Mesa County with three other areas of similar size.
- Make recommendations on how to improve the delivery of economic development services in Mesa County based on the input from the interviews, comparison with three other areas and Lockwood Greene's professional expertise in business location and economic development consulting.
- Note the economic development strengths and weaknesses of Mesa County in the course of the study of economic development service delivery.

This report contains Lockwood Greene's findings and recommendations for this project, beginning with an overview of the background and current situation regarding the delivery of economic development services in Section 2. Section 3 contains the comparison cities information and analysis, and Section 4 contains Lockwood Greene's conclusions regarding the economic development strengths and weaknesses of Mesa County. Section 5 contains Lockwood Greene's recommendations concerning the future delivery of economic development services.

2. Background and Current Situation

One of the first milestones in economic development in Mesa County occurred in 1959 with the creation of Industrial Development, Inc. (IDI), whose purpose is to hold land for industrial expansion. IDI is administered by the Chamber, and its Board is appointed by the Chamber Board.

In the early 1980s, Mesa County was dealt a significant economic blow when shale oil development was curtailed. Interviewees spoke of extreme economic hardship, including many jobs lost and houses in foreclosure. This economic blow acted as a catalyst for the private sector to rally and create the Mesa County Economic Development Council (MCEDC) after raising \$1.7 million from private sources in a funding campaign. With the creation of MCEDC, the business recruiting function was removed from the Chamber, although it continues to be active in retention and expansion of existing business.

Grand Junction Economic Partnership

Approximately two years ago, MCEDC changed its name to the Grand Junction Economic Partnership (GJEP) to provide a better market identity. The name Grand Junction is more widely recognized than the name Mesa County among corporate executives and other “clients” of GJEP. The term “partnership” was put in the name to indicate a united effort among municipalities and Mesa County for economic development. GJEP currently operates with a staff of four, and it is still completely funded by the private sector. GJEP is the lead business recruiting organization for Mesa County.

Lockwood Greene believes changing the name to GJEP was a wise course of action from the economic development marketing standpoint. Our advice to communities is to create a name that prospects can more easily recognize and that means something to them. Prospects are the clients for economic development agencies, and the organization’s name should be for their benefit. Lockwood Greene also understands that naming an economic development organization after the main city in a region can cause resentment in other communities served by the organization. However, in Lockwood Greene’s experience, the marketing benefits from a readily identified name usually outweigh the negative local implications. The bottom line is that recruitment of new companies benefits everybody in a region, regardless of the particular jurisdiction in which they locate.

Western Colorado Business Development Corporation

Also in the mid 1980s, the Western Colorado Business Development Corporation (BDC) was established to facilitate the start-up of new businesses and help grow existing businesses already established in the County (retention and expansion). BDC operates on a 46 acre riverfront campus on a former Department of Energy site now owned by the Riverview Technology Corporation (RTC), a non-profit entity created by the City of Grand Junction and Mesa County to serve as landlord/owner. BDC performs property management and

administrative functions for RTC. Economic development programs of BDC include the following:

- Business Incubation Center (BIC). BDC has established a strong and award-winning business incubation program, among the strongest Lockwood Greene has seen in an area the size of Mesa County. BIC occupies 60,000 square feet of space and has in excess of 30 tenants, including kitchen tenants. BIC offers shared services to its tenants as well as a variety of active consultation and training programs.
- Revolving Loan Fund (RLF). Since 1986, the RLF has loaned more than \$6.7 million to Mesa County businesses, creating or retaining 1,178 jobs in the County. It has a current capital base of approximately \$3 million. As part of the loan process, RLF usually takes an equity position of 20% or greater in a business.
- Small Business Development Center. SBDC offers free consulting services as well as low-cost seminars to new and existing businesses in Mesa County. The Leading Edge program provides classroom training and one-to-one consultation to Mesa County businesses.
- Enterprise Zone. BDC administers the Enterprise Zone program for Mesa County. Businesses located in an enterprise zone area qualify for State of Colorado business tax credits. BDC administers the Enterprise Zone under contract to Mesa County.
- Venture Capital. BDC encourages the flow of venture capital into Mesa County by actively trying to match local businesses with state Capcos (State-created capital companies) and other venture capital funds and organizations. BDC hosts Venture Forums featuring leading speakers from the Venture Capital industry where local businesses can learn about the process and pitch their businesses.

BDC is funded operationally through earnings on its RLF, incubator tenant rents, the RTC property management contract, the Enterprise Zone contract, SBA grants for the SBDC, contributions from the City of Grand Junction, Mesa County, Fruita and Palidade, a state grant for Leading Edge, and contributions from commercial banks and local businesses. BDC is approximately 70 percent self-funded.

All of the above programs are strong business retention and expansion activities for Mesa County. BDC estimates that of its total staff of 10, a full-time equivalent of 2.5 persons are directly involved in serving existing business clients (retention and expansion).

Grand Junction Area Chamber of Commerce

While many of BDC's activities involve retention and expansion of businesses in Mesa County, the Chamber also operates an active business retention and expansion program. According to Chamber staff members, approximately one-fourth of one person's time is allocated each year to business retention and expansion activities at the Chamber, all funded by private sector contributions and dues paid to the Chamber. These retention and expansion activities include business visitation, employer surveys, and workforce surveys. The Chamber also screens and

makes recommendations regarding City incentive grants to existing businesses for expansion. One of the Chamber's main economic development roles in Mesa County is to serve as the "voice" of the business community in advocating a better local and state business climate.

City of Grand Junction

The City of Grand Junction's role in non-tourism related economic development involves the following:

- Cash grants to new or expanding businesses from its incentive fund. The fund currently amounts to approximately \$917,000. Since 1985, the City has disbursed a total of \$6.2 million from this fund. It is supported by 3/4% sales tax receipts within the City (each year the City puts \$300,000 into the fund). This is an excellent tool to help recruit new businesses or retain and expand existing businesses (see strengths and weaknesses analysis, Section 4).
- Property tax abatements for certain prospects (however, the City's revenues are mainly sales tax driven).
- Annual grants to BDC to support its retention and expansion activities.
- Contribution of \$300,000 to renovate and relocate the BDC at the RTC campus.
- Creation and initial financial support (along with the County) of RTC, whose goal it is to retain and expand DOE jobs in Mesa County.
- Facilitating community growth by providing municipal services, improving infrastructure, and performing other local government functions.
- Active participation in the Comprehensive Economic Development Study by Mesa State College.

The City does not have any full- or part-time economic development staff members.

The City of Grand Junction has an active tourism and convention promotion program through its Visitors and Convention Bureau. The VCB is funded by a lodging tax in Grand Junction. Formerly, the tourism and convention program was operated by the Chamber with financial support from the City. In 1988, the City brought the program in house and increased its funding with the lodging tax.

Other Municipalities in Mesa County

Other municipalities in Mesa County, including Fruita and Palisade, do not have active economic development programs. However, Fruita is working with private land owners and the County to develop the Fruita Greenway Business Park, which has strong potential to become one of the leading industrial/business parks in Western Colorado (see "Industrial Sites"

in Section 4). Fruita and Palisade give grants each year to BDC for its retention and expansion programs.

Mesa County

Mesa County's role in economic development includes the following:

- Tax abatements to selective prospects and issuing of industrial revenue bonds (IRBs) to help the expansion of local businesses.
- Annual grants to BDC to support its business retention and expansion programs.
- Annual contributions for the SBDC funding local match.
- Financial support of Enterprise Zone program at \$25,000 per year.
- Contribution of \$300,000 to renovate and relocate the BDC at the RTC campus.
- Creation and initial financial support (along with the City of Grand Junction) of RTC, whose goal it is to retain and expand DOE jobs in Mesa County.
- Work with City of Fruita to facilitate development of the Fruita Greenway Business Park.
- Active participation in the Comprehensive Economic Development Strategy by Mesa State College.

The County does not have an incentive fund. Like the City of Grand Junction, the County has no full- or part-time economic development staff members.

Summary of Current Situation

In summary, the economic development situation in Mesa County can be described as one where the private sector through the GJEP and Chamber supports most of the new business recruitment activities and some of the business retention and expansion activities. Business retention and expansion and new business start-up activities in the BDC are supported partially through grants from the City of Grand Junction, Fruita, Palisade and Mesa County.

Based on interviews and research, Lockwood Greene believes that economic development in Mesa County is supported more by the private sector than the public sector. Nationally, on average, economic development is supported by both the private and public sectors in approximately equal financial shares. However, in some communities successful economic development programs are funded entirely through either the private or public sectors exclusively, with many variations in between. Lockwood Greene's recommendations concerning the economic development programs in Mesa County are given in Section 5.

3. Comparison to Other Communities

Three communities were interviewed by telephone regarding economic development organization in their respective service areas: Area Development Partnership (ADP, Hattiesburg, MS MSA), Greater Flagstaff Economic Council (GFEC, Flagstaff, AZ MSA), and Cedar Rapids Area Chamber-Priority One (CRAC-PO, Cedar Rapids, IA MSA). The communities, similar in size to Mesa County, were selected after consultation with GJEP, the Chamber and BDC. Information on the comparison communities, summary results of the telephone survey and the completed survey forms are given below.

- Populations of the service areas are: CRAC-PO – 200,000; Grand Junction – 119,281; ADP – 115,000; and GFEC – 85,000. (Actual MSA populations are as follows from Census 2000: Cedar Rapids – 191,701; Flagstaff – 122,366; Grand Junction – 116, 225; Hattiesburg – 111,674).
- Interviewees for all organizations were the Executive Directors or Presidents (heads of the organizations).
- Per capita marketing (recruitment) budgets are: CRAC-PO - \$1.08; ADP - \$1.83; GJEP - \$0.75; and GFEC - \$0.45. No data on the exact budgets for retention and expansion or new business start-up activities were readily available from the interviewees.
- All organizations interviewed are responsible for recruitment of industry to their area.
- CRAC-PO and ADP are similar in that the Chamber is also part of the overall organization. However, CRAC-PO is the economic development division of the Chamber, has its own funding mechanism and its own Board of Directors. ADP is the umbrella organization of the Hattiesburg Area and includes both the Chamber and Economic Development. All funding is to ADP and then allocated to the individual components.
- GFEC and ADP are the community-contracted organizations for economic development in the areas they represent. There are no economic development departments in the cities or counties that contract with the organizations. ADP has one mayor and two county representatives on their board who serve in an ex-officio capacity. GFEC has voting community representatives on its board.
- All three comparison organizations receive funding from both the public and private sectors. GFEC receives the largest share of public funding - 80 percent from the city and county and 10 percent grant funding. ADP receives 28 percent from the public sector and CRAC-PO receives 15 percent.
- CRAC-PO works in conjunction with the Iowa City Area Development Group on all recruitment and marketing activities. There is talk of combing both organizations to create a major organization for the area. They call the area the Iowa City-Cedar Rapids Technology Corridor and have a copyright in the State of Iowa and at the federal level for the term Technology Corridor.

-
- CRAC-PO does very little advertising and does not attend trade shows. CRAC-PO only does direct marketing and prospect visits. They interview companies in the area to find out what trends are taking place in the industry, what new products are being brought to market and which segments are growing. They also have a headquarters visitation program where they visit all of the headquarters of manufacturers and large business in their area, meet with company executives and build relationships with the decision makers. GFEC and ADP both advertise and attend trade shows. All three do targeted marketing campaigns.
 - Retention and expansion activities are performed by the organizations interviewed for all three comparison areas. In Flagstaff, the City has one person responsible for redevelopment that is considered retention and expansion.
 - All organizations have an active existing industry visitation program. GFEC visits 25 companies per month. ADP visits every company at least once per year. CRAC-PO interviews 600 companies per year.
 - CRAC-PO reported retention and expansion results in the past year of 21 expansions totaling \$105 million in investment. GFEC reported 318 jobs through retention and expansion in 2001. ADP reported that no plant closings occurred over the past year, and the several plants are in the process of expanding. The comparison communities shared with Lockwood Greene some of their retention and expansion techniques, as reported in the matrix. We suggest that some of these techniques be adopted by Grand Junction/Mesa County as discussed in Section 5.
 - ADP, GFEC and CRAC-PO do not have an active new business start-up program in place. ADP relies upon the community college small business program sponsored by the State of Mississippi and has a community investment fund available for financing high-risk projects. GFEC provides funding to the Technology Incubator, which provides all the necessary resources for new business startup and is located in the same facility as GFEC. They are working in conjunction with Northern Arizona University. CRAC-PO relies upon the Iowa City area resources, including the incubator at the University of Iowa, and the local community college for entrepreneurial development. However, they are evaluating programs to assist in order to work toward better service to start-up development.
 - Local government involvement is diverse among the comparison groups. ADP represents two counties and one city. The governments contract with ADP and sit on the board in an ex-officio capacity. In addition, the governments play more of a support role rather than a decision making role. CRAC-PO has more involvement from the mayor of Cedar Rapids. The mayor is a voting member of the Board and also attends site visits to prospects. The county is just beginning active participation. GFEC has even more local government involvement. The county and city sit on the board in a decision making capacity and provide 80 percent of the funding for the program. As with ADP, GFEC is the economic development agency for the area. In addition, the city has created a redevelopment position within the city to work toward redevelopment of existing properties.
 - Private sector involvement is part of every organization. ADP's voting board is comprised of only private sector representatives and the organization is governed only by the private sector. CRAC-PO not only has board members from the private sector but they also take

private sector representatives with them on call trips and participate in hosting prospects and new companies. GFEC utilizes their private sector representatives mainly in a governing role. They have private sector board and committee members and will use them periodically in recruitment efforts.

- Chamber of Commerce involvement is also diverse. ADP is the umbrella organization for both the Chamber and Economic Development. There is a vice-president of each who reports to the president of ADP. They have a team mentality and often times will help share the tasks. The Chamber is mainly focused on addressing business related issues, supporting education and its linkages with industry and supporting and addressing issues for the University. They do pitch in when called upon in economic development. CRAC-PO is actually a division of the Chamber of Commerce with a separate board and funding mechanism. The Chamber mainly participates in the community development side of economic development and focuses on supporting existing businesses, especially the small business community. The GFEC president and the Chamber president sit on each other's boards and representatives from each organization are involved on each other's committees. The Flagstaff Chamber is mainly charged with dealing with the political issues that are raised that affect all businesses rather than on an individual basis.
- All of the communities interviewed believe that one of the pros of their current community economic development organization is that they provide good service to prospects and the community. ADP stated that they can provide a one-stop shop for any business related and even tourist related information and support. CRAC-PO said they have the ability to provide good service and one-stop shop ability for new businesses. GFEC stated that with the interaction of the different organizations, they have open communication and can help direct inquiries not related to their charge to other organizations in a seamless manner.
- Two of the communities interviewed stated there are some cons to the organization structure currently in place. ADP stated that having to answer to the governmental entities can be a problem at times because they are more immediate results oriented and do not have a full understanding of the economic cycles in business. In addition, if one of the three were to pull out of the partnership then there could be some problems with the effectiveness of the program. CRAC-PO stated that there are sometimes funding issues, while not severe, with the current set up of the organization. In addition, Priority One is the actual organization but they choose to use the Cedar Rapids Area Chamber as their name when recruiting outside of the area. Also, the chamber has a tendency to take credit for economic development success because it gets greater headlines and appears to be more glamorous. It has also created some internal power struggles, graying of responsibility lines and competition between the two. *It was stated that they would not in hindsight establish the organization in this manner.*
- All three organizations share resources in some manner. Since ADP is the umbrella organization, there is a lot of resource sharing. CRAC-PO pays rent to the Chamber and in turn is allowed to utilize the accounting processes and personnel as well as the receptionist and other resources. They share the phone system and other business facility utilities. GFEC shares space and resources with the Technology Incubator in order to reduce to the costs for the incubator.

-
- Some of the pros associated with the resource sharing are reduction of cost and elimination of redundant capabilities. For GFEC, the incubator has the opportunity to work close to a mature agency.
 - Some of the cons include: lack of independence in vacation policy and accounting procedures, lack of involvement in the decision making process of some of the system upgrades, and difference of work culture (project focus vs. program focus).

Grand Junction

Area:	Mesa County			
Economic development organizations in area	Grand Junction Economic Partnership	GJ Area Chamber of Commerce	Western Col. Bus. Dev. Corp.	Other
Contact person	Steven Ausmus	Diane Schwenke	Thea Chase	
Phone number	970-245-4336	970-242-3214	970-243-5242	
Staff members	4	7	10	
Recruitment				
Type of activities performed	Full range of recruiting activities including trade shows, prospect visits, negotiations, etc.			
Annual budget for marketing excluding any salaries/ overhead	89,190			
Percent private money	100			
Sources of the private funding	Private business contributions			
Percent public money	0			
Region served	Mesa County			
Population of the region served	119,281			
Per capita marketing budget	\$0.75			
Sources of the public funding	NA			
What has been the recruiting success?	Historically, very successful. Past two years, recruiting success has declined. Have some good prospects now, however.			
How is success measured?	1.Prospect generation (number of qualified prospects, leads, website visitors, reach of editorial and advertisement placement) 2.Corporate locations (number of jobs, payroll, average salary, prospect to locate conversion rate) 3.Organizational competitiveness (stakeholder satisfaction survey, program implemented within budget)			

Grand Junction

Economic development organizations in area	Grand Junction Economic Partnership	GJ Area Chamber of Commerce	Western Col. Bus. Dev. Corp.	Other
Retention and expansion				
Type of activities performed		Business visitation; top employer surveys; workforce surveys; incentive recommendations and applications to City	Incubator, business education and training; revolving loan fund; administer enterprise zone for County; venture capital forums; described further in report. Estimated 2.5 FTE staff devoted to retention and expansion	
Sources of private funding		Member dues	Rent from incubator tenants and private contributors; 70% self-supporting	
Sources of public funding		None	Grants from city, county and federal governments	
Region served		Mesa County	Mesa County	
Population of the region served		119,281	119,281	
What has been the r&e success?		Good, but limited program	Good; As discussed in report, all of the BDC programs are retention and expansion programs as well; many of the incubator tenants regularly expand; 12 did so in 2001. RLF has created or retained over 1,100 jobs since 1986.	
How is success measured?		No systematic program	Measured in detail in 2001 BDC report - number of BIC tenants, expansion of tenants, number of seminars, consulting projects, etc.	

Grand Junction

Economic development organizations in area	Grand Junction Economic Partnership	GJ Area Chamber of Commerce	Western Col. Bus. Dev. Corp.	Other
New business start-up				
Type of activities performed			Incubator, business education and training; revolving loan fund; administer enterprise zone for County; venture capital forums; described	
Sources of private funding			Rent from incubator tenants and private contributors; 70% self-supporting	
Sources of public funding			Grants from city, county and federal governments	
Region served			Mesa County	
Population of the region served			119,281	
What has been the new business start-up success?			Very good; high graduation rate; 25 companies there now; new facilities being built out; Incubator of Year award from NBIC in 1996	
How is success measured?			Graduation rate, number of companies served, etc.; Extensive measurement in BDC 2001 report.	

Grand Junction

Economic development organizations in area	Grand Junction Economic Partnership	GJ Area Chamber of Commerce	Western Col. Bus. Dev. Corp.	Other
What is the approximate acreage of prime prepared industrial property?				55 acres at airport; 100-150 acres at Fruita Greenway Park
Number of speculative buildings				None
What is the average size?				NA
What economic development needs are not being met now?				Outreach retention and expansion program; see report

Grand Junction

Economic development organizations in area	Grand Junction Economic Partnership	GJ Area Chamber of Commerce	Western Col. Bus. Dev. Corp.	Other
What is the role of the local government in economic development other than what is above?				City gives incentives for recruiting and retention and expansion County issues IRBs. Both grant property tax abatements
What is the role of the private sector in economic development other than what is above?				IDI (Indus Dev. Inc.) holds land; Chamber administers
What is the role of the chamber of commerce in economic development other than what is above?				Chamber acts as general advocate for business and lobbies to improve business climate
What are the pros of having economic development organized like this?				ED effort diversified among organizations
What are the cons of having economic development in your community organized like this?				Harder to communicate; too many boards; potential duplication of effort
Do any of the organizations share resources?				No
What are the pros of this arrangement?				NA
What are the cons of this arrangement?				NA
What are some of the unique characteristics of community's economic development program and the community itself that assist in successful economic development?				Strong private sector support; Award-winning new business start-up program; see report for others

Cedar Rapids

Area:	Cedar Rapids
Economic development organizations in area	Cedar Rapids Area Chamber, Priority One
Contact person	Mark Seckman, President of Priority One
Phone number	319-398-5308
Staff members	7
Recruitment	
Type of activities performed	Mainly focused on two markets: North America and Europe. All marketing is done in conjunction with the Iowa City Area Development Group (home of University of Iowa, major research University). The area is known as the Cedar Rapids-Iowa City Technology Corridor. The area's biggest competitors are Denver, Dallas, Chicago and other large cities in the U.S. The area has a copyright on and is registered at the federal level for the term "Technology Corridor." Corridor is registered in Iowa. No one else in the State can use it. They recently went through a cluster analysis, using a scientist from Iowa State to research the communities. The area was identified as one unified regional economy. They tried to find gaps in the region, found a couple of minor ones but didn't see any huge needs. They interviewed the executives of major industry in the area, and asked "tell us more about your industry, what segment is growing and what areas are they growing." They do very little advertising in trade journals. Their whole philosophy is relationship building. They send out a brochure and set up meetings to develop a relationship with them. All marketing materials are on desktop publishing and can return a response with 24-48 hours of request. They use targeted marketing for: food, computer and data processing, research development and testing, electronic equipment, and personal care products. They partnered with a PR firm and will develop stories and have them published in journals. They do not attend trade shows.
Annual budget for marketing excluding any salaries/ overhead	216,000
Percent private money	85%
Sources of the private funding	businesses - retail, real estate, manufacturers
Percent public money	15%

Cedar Rapids

Economic development organizations in area	Cedar Rapids Area Chamber, Priority One
Region served	Cedar Rapids MSA
Population of the region served	200,000
Per capita marketing budget	\$1.08
Sources of the public funding	Cities and County
What has been the recruiting success?	860 new jobs, 5 new companies, and capital investment around \$115M (include r&e) in the past year.
How is success measured?	<ol style="list-style-type: none"> 1. 1200 new jobs per year (recruitment, retention & expansion or new business start-up) for manufacturing or interstate commerce, where the organization is specifically involved in the recruitment or expansion. 2. Locate 8 new companies in the area on an annual basis, either manufacturing or interstate commerce. 3. \$150 M capital investment of office and industrial development each year (also includes r&e)
Retention and expansion	
Type of activities performed	Headquarter call program - when they travel, they meet with the executives of companies that have a presence in Cedar Rapids and Iowa City. This has been an extremely successful strategy (been in place for 5-6 years). It has also helped in fundraising efforts for the entire organization. They call on the local executives first then call on the headquarters. They try to get Board members to go on the trips to meet with the headquarter executives. There are 25 companies headquarters that they visit on a yearly basis in the US. They travel to Europe to visit those headquarters. They recently partnered with Quad Cities and two utilities to market in Europe and set up a local office there. The Priority Business committee calls on local smaller businesses and retail. Priority One schedules plant tours of companies for the Board Members.
Sources of private funding	same
Sources of public funding	same
Region served	same
Population of the region served	same
What has been the r&e success?	\$105 M dollars came from existing expansion. 21 expansions in past yr.

Cedar Rapids

Economic development organizations in area	Cedar Rapids Area Chamber, Priority One
How is success measured?	<ol style="list-style-type: none"> 1. Assist in 25 business expansion projects each year. 3. Conduct 600 business interviews through staff, etc. 4. Host 50K visits each year on Corridor Careers website (a visit constitutes at least 6 pages and on for 30 minutes) 5. Identify 80 companies each year that have used at least one of the workforce tools on Corridor Careers. 6. Identify 40 companies that are using more than 1 tool. 7. Provide information to 40 community colleges and 4-year institutions each year on employee recruitment.
New business start-up	
Type of activities performed	<p>Very little is done for new business start-up. Kirkwood Community College has a small business development center. Priority One is not planning to start something for new business start-up within the organization. They will most likely go out and work with the organizations currently in place doing those activities. The University of Iowa has an incubator. Priority One hasn't really utilized the resources to help new businesses. There is a lack of a concerted and strategic effort to develop own companies (state-wide concern) Cedar Rapids has had more start-up companies than any other city in Iowa. It has happened in spite of the lack of a local program. There are no incentives for new business start-up. The State recognizes the need for funding programs and is in the process of reviewing the requirements of the incentives. The history of Cedar Rapids is that it is an entrepreneur environment.</p>
Sources of private funding	NA
Sources of public funding	NA
Region served	NA
Population of the region served	NA
What has been the new business start-up success?	Very successful in spite of not having a new business start-up program
How is success measured?	No measures in place.

Cedar Rapids

Economic development organizations in area	Cedar Rapids Area Chamber, Priority One
What is the role of the local government in economic development other than what is above?	It gives money for projects, develops, maintains and improves the community infrastructure. The mayors are involved and on the Board. The mayor of Cedar Rapids goes on the visits, as well, to headquarters and prospects. The county is just starting this month on the Board.
What is the role of the private sector in economic development other than what is above?	They travel on new business recruitment trips and assist with hosting of companies.
What is the role of the chamber of commerce in economic development other than what is above?	Tries to make the community better. Deals with the community development issues.
What are the pros of having economic development organized like this?	It is a one-stop shop, everything funnels to Priority One. All recruitment and r&e activities are coordinated through the organization, very focused, not fractionated.
What are the cons of having economic development in your community organized like this?	They are a division of the Chamber, but have separate funding and a separate board. It makes the line between responsibilities very gray at times. They are viewed as the Chamber not as Priority One, nothing says Priority One. The Chamber will take credit for the successes, can cause problems in fundraising. There are sometimes internal power struggles. It has created some competition; would not set up under this format - either all or nothing
Do any of the organizations share resources?	Priority One pays rent to the Chamber, uses their receptionist and accounting person
What are the pros of this arrangement?	It cuts some expenses, saves from hiring an accountant.
What are the cons of this arrangement?	Since it is the Chamber's facility etc, they come back and say this is what we are doing, hope you like it. There is no opportunity for input for things. They are under their accounting system even though it may not be the best; conflicts in culture; employee manuals etc. Vacation policy is a problem. Mostly administration problems.

Cedar Rapids

Economic development organizations in area	Cedar Rapids Area Chamber, Priority One
What are some of the unique characteristics of community's economic development program and the community itself that assist in successful economic development?	They have the ability to create relationships, ability to find that hot point with each individual project. They do a good job of understanding each organization individually. The community is extremely pro-business, thinking that it is bigger than it is, cooperative effort. There is not a lot of infighting. There is not much competing with other organizations; if there are arguments, done behind closed doors and appear as a unified front. Their reputation standouts as being a progressive community.
What is the approximate acreage of your prime prepared industrial property?	300 acres or site ready property
Number of speculative buildings	0
What is the average size?	Priority One does not build spec buildings. Some private developers have built them and the the organization witll promote them. They have also used older or abandoned buildings as spec buildings.
What economic development needs are not being met now?	new business start-up

Flagstaff

Area: Flagstaff				
Economic development organizations in area	Greater Flagstaff Economic Council	City of Flagstaff	Small Business Development Center	Technology Incubator
Contact person	Stephanie McKinney		Lee Vadnais	Richard Baron
Phone number	928-779-7658		928-527-1222 x 254	928-213-9234
Staff members	6	1		
Recruitment				
Type of activities performed	1. Advertise 2. Reverse trade show in one of the industries 3. Renewable energy fair to attract companies 4. Direct contacting 5. Respond to direct leads or referrals, largely Dept of Commerce, and Utilities 6. Managing the telecommunication plans for northern AZ (500K project)			
Annual budget for marketing excluding any salaries/	38,000	700,000 incentive fund		
Percent private money/	10			
Sources of the private funding	100 members made up of a variety of businesses			
Percent public money/	10% Grants, 80% public			
Region served	Flagstaff			
Population of the region served	85,000			
Per capita marketing budget	\$0.45			
Sources of the public funding	City of Flagstaff and Coconedo County			
What has been the recruiting success?	Pretty Good, 50 jobs, 4 companies in 2001 (direct or primary jobs)			
How is success measured?	Goals are not numerical in nature.			

Flagstaff

Economic development organizations in area	Greater Flagstaff Economic Council	City of Flagstaff	Small Business Development Center	Technology Incubator
Retention and expansion				
Type of activities performed	Active calling program. They call on 25 companies per month, find out what is going on and work with them on a customized basis to help them grow.	They are responsible for redevelopment and revitalizing inventory, installing infrastructure, creating a redevelopment district that has additional incentives and taking inventory of land that has out lived its useful life and making it new		
Sources of private funding	same			
Sources of public funding	same	City of Flagstaff		
Region served	same	Flagstaff		
Population of the region served	same	85,000		
What has been the r&e success?	318 incremental new jobs in 2001			
How is success measured?	Goals are not numerical in nature.			
New business start-up				
Type of activities performed	GFEC helps fund the Technology Incubator, a separate legal entity.		Public, Federal Program, at the community college	It can operate virtually or within a physical space. None of the companies have chosen to house in the incubator. It provides direct mentoring to business owners, advisory boards are set up to oversee operations, speakers for the CEOs of the companies come in to present and provide educational seminars, financing and connections into market are provided, and it is set up so customized service is available to all companies.

Flagstaff

Economic development organizations in area	Greater Flagstaff Economic Council	City of Flagstaff	Small Business Development Center	Technology Incubator
Sources of private funding	same		Federally funded with local match	GFEC, other sources that have made donations, incubator, clients pay a monthly fee, and the incubator takes an equity position within the companies.
Sources of public funding	same			
Region served	same			Flagstaff
Population of the region served	same			85,000
What has been the new business start-up success?				It was established 1 year ago. There are 4 companies in the program. The incubator is a finalist for a 4 million grant and has been approved to build a permanent facility on the University campus, an applied research facility- biotechnology, forestry and renewable energy and sustainable development, and information technology - set up around these disciplines so that spin-offs
How is success measured?				
What is the role of the local government in economic development other than what is above?	Local governments are the best partners. They give expedited review of projects and work with GFEC consistently to reduce barriers (ex. Rewriting new zoning district, which will make it easier to do projects).GFEC provides direct marketing for city property, recommends the utilization of incentives. The Mayor, a council person and the city manager sit on the Board - very active			

Flagstaff

Economic development organizations in area	Greater Flagstaff Economic Council	City of Flagstaff	Small Business Development Center	Technology Incubator
What is the role of the private sector in economic development other than what is above?	GFEC is governed by board made up of community leaders from the membership. Private sector representatives participate on committees, in business retention and recruitment activities, and set the tone of efforts.			
What is the role of the chamber of commerce in economic development other than what is above?	There is an understanding between the two. The directors sit on each other boards and committees. The Chamber deals with companies more on a political standpoint - on behalf of the entire business community and provides referrals for projects.			
What are the pros of having economic development organized like this?	Clients that work with EDC are able to have confidential discussions; leverage of dollars spent on economic development - ensures community stays involved and public gets more bang for the buck. GFEC is able to effectively advise the city on ED efforts.			
What are the cons of having economic development in your community organized like this?	None			
Do any of the organizations share resources?	GFEC shares the facility with the Technology Incubator.			
What are the pros of this arrangement?	It keeps cost of incubator down, and allows the incubator to work with a more mature agency. GFEC provides "cheerleading" and infrastructure for the			
What are the cons of this arrangement?	None			

Flagstaff

Economic development organizations in area	Greater Flagstaff Economic Council	City of Flagstaff	Small Business Development Center	Technology Incubator
<p>What are some of the unique characteristics of community's economic development program and the community itself that assist in successful economic development?</p>	<p>1. Have wrapped all of the strategies of the core competencies of the University into economic development efforts - single largest employer. 2. Now acts as the commercialization avenue of choice for new technology from University 3. Goals are not number of jobs but increasing livable wage (average wage per employee and incremental increases) 4. They focus more on making home ownership and raising a family affordable 5. Largest employment WL Gore and Associates - medical devices 6. More PhD's and more college graduates that anywhere else in</p>			
<p>What is the approximate acreage of your prime prepared industrial property?</p>	<p>125-170 acres</p>			
<p>Number of speculative buildings</p>	<p>1 under construction</p>			
<p>What is the average size?</p>	<p>30000 sq ft</p>			
<p>What economic development needs are not being met now?</p>	<p>None</p>			

Hattiesburg

Area:	Hattiesburg
Economic development organizations in area	Area Development Partnership
Contact person	Grey Swoope
Phone number	601-296-7513
Staff members	13
Recruitment	
Type of activities performed	Target marketing, direct mail. Recruitment trips, advertising - PR, image-in-state, consultant updates, trade shows partnered with utility or state
Annual budget for marketing excluding any salaries/ overhead	210,000
Percent private money	72
Sources of the private funding	Capital campaign, membership through the Chamber, Non-traditional revenue (program income)
Percent public money	28
Region served	Hattiesburg MSA
Population of the region served	115,000
Per capita marketing budget	\$1.83
Sources of the public funding	Two counties, city of Hattiesburg
What has been the recruiting success?	2001 - Been good, two companies that have located or announced new facilities since Sept 11
How is success measured?	1. Leads generated 2. Prospect visits 3. Inquiries

Hattiesburg

Economic development organizations in area	Area Development Partnership
Retention and expansion	
Type of activities performed	There is a plant managers group that meets quarterly. They have programs and address issues. ADP does industry visits, one on one time with the industries. They visit each company on an annual basis (\$38000 budget)
Sources of private funding	same
Sources of public funding	same
Region served	same
Population of the region served	same
What has been the r&e success?	Very well, held on to the manufacturing in place, have not had any plant closings, and have several plants in the process of expanding
How is success measured?	1. Net employment 2. Number of closure and layoffs 3. Total investment
New business start-up	
Type of activities performed	The weakest area. They have a community investment corporation in house that allows for high risk financing. They mostly refer people to the community college - state funded program, not really that good. ADP is currently looking at a couple of incubation projects
Sources of private funding	same
Sources of public funding	same
Region served	same
Population of the region served	same
What has been the new business start-up success?	Have been successful mainly because of the University town atmosphere, seen high-tech companies that have been helped a little, but not much
How is success measured?	No measures in place
What is the role of the local government in economic development other than what is above?	City limits cross over two counties. They provide more of a support role and let the private sector take the lead

Hattiesburg

Economic development organizations in area	Area Development Partnership
What is the role of the private sector in economic development other than what is above?	Runs the organization, Board is mostly private, the government entities sit in an ex-officio capacity
What is the role of the chamber of commerce in economic development other than what is above?	Product development work, involved in education support, linkages between businesses and educators - Coordinates the Educators in Industry program; involved with the University support, does the retirement development; all meet together and divide the tasks
What are the pros of having economic development organized like this?	One-stop shop from a customer perspective whether a tourist, or wanting to retire, relocate, start a business or locate a business in the community, know that the office with have resources to do this
What are the cons of having economic development in your community organized like this?	Only downside is because of the umbrella organization they have to maintain some separate boards that are contracted with the local government entities. Everyone has to be on the same page. Keeping the two separate contracting agencies happy is the biggest struggle because if one pulls out then the entire partnership could be in jeopardy.
Do any of the organizations share resources?	All resources are shared. All are under 501 (c) 6.
What are the pros of this arrangement?	Best arrangement that can be found.
What are the cons of this arrangement?	Chambers tend to get lost in the shuffle. ED is highly visible and there is some sensitivity among staff.
What are some of the unique characteristics of community's economic development program and the community itself that assist in successful economic	1. University city. 2. Organization over 70 percent funded by private sector.
What is the approximate acreage of your prime prepared industrial property?	500 acres, but not all could be developed due to topography and wetlands

Hattiesburg

Economic development organizations in area	Area Development Partnership
Number of speculative buildings	1 - being built now
What is the average size?	80,000 square feet - could add another 80-120K square feet if need be
What economic development needs are not being met now?	Only thing missing is the business incubation and helping start-up businesses.



4. Economic Development Strengths and Weaknesses

An analysis of economic development strengths and weaknesses (competitive assessment), is a useful exercise for communities. It compares a community against other communities competing for the same business investment dollars and provides a guide for future community improvement. The competitive assessment is an analysis of the strengths and weaknesses of a community from the perspective of *business investment – how an outside business investor might view the area and its communities as a potential location for a new facility, or as a location for an expansion of an existing facility.*

In a competitive assessment, economic development factors can be classified as strengths, weaknesses, or neutrals as outlined below:

- **Strength:** a significant asset for promoting economic growth and job creation in the area.
- **Neutral:** factors, which have neither a strong positive or negative impact on potential growth. Neutral factors may include a combination of strengths and weaknesses that tend to offset each other, conditions that are just average, or may be a somewhat less critical location factor.
- **Weakness:** a significant limitation potentially constraining future growth and development or a critical deficiency in a key location factor.

A complete competitive assessment involves extensive analysis of data on how a community compares with other “competitor” communities (and usually the state) over a broad range of business location factors such as labor, transportation, utilities, taxes and incentives, quality of life and a host of other factors. Some of these factors can be expressed in quantitative terms (e.g. wage rates) while others are more qualitative in nature (e.g. labor work ethic and loyalty).

Lockwood Greene’s scope for this project does not include a complete competitive assessment of Mesa County of this comprehensive nature. Instead, Lockwood Greene’s task is to catalog major economic development strengths and weaknesses in Mesa County as noted in the course of the project analysis based on review of materials, interviews, and physical inspection of the area. Our findings on the economic development strengths and weaknesses of Mesa County are given below.

Strengths

Labor availability

- Most employers interviewed stated that labor availability was very good in Mesa County, especially compared to areas such as Salt Lake City and Denver. Employers stated that workers want to live in Grand Junction and are happy to have a job. This makes it easier to recruit technical and managerial employees into the area. The job market tightened in 2000 and 2001 at the height of the economic boom, but has loosened since then.
- Employers reported that certain skilled workers such as machinists, industrial electricians and tool and dye workers were harder to find, but Lockwood Greene finds that this is the case for many communities.

labor relations

- There is no union presence in the manufacturing and export-based service sector in Mesa County. Local employers reported no union problems in the County. This is a strong positive as some employers will screen out areas with a significant union presence.
- Most employers described labor management relations as good, hence there is no incentive for employers to unionize. Grand Junction is the major labor market for the Western slope with significant distances to other metropolitan areas. This gives employees an incentive to remain loyal, reducing turnover and absenteeism.

status as a high growth new msa

- Grand Junction/Mesa County was designated an MSA (Metropolitan Statistical Area) in June 1995, indicating that the County's population surpassed 100,000. Many companies prefer to locate in metropolitan areas because of the advantages accompanying a certain population size (labor force, quality of life amenities, etc.). Grand Junction is clearly the major business center for Western Colorado. This status as a regional center (no geographically close "competition") will clearly help sustain growth.
- The population growth rate in the Grand Junction MSA was almost 25% during the 1990s, making it the 38th fastest growing MSA. In-migration typically accounts for 80% of population growth in a given year. Many employers consider small cities with high growth rates and in-migration to be desirable locations.

Private sector support of economic development

- Following the decimation of the shale oil bust in the 1980s, Grand Junction/Mesa County almost literally picked itself up by its bootstraps. The private sector organized the Mesa County Economic Development Commission (precursor to the GJEP) and raised \$1.7 million in private

contributions. The private sector has continued to support the GJEP and the business recruiting effort.

- The Chamber is strong with broad based membership. Many interviewees commented that the Chamber serves as an effective voice for the business community, working to improve the business climate in Mesa County. The level of private sector support for economic development in Mesa County is among the strongest Lockwood Greene has ever seen.

NEW BUSINESS START-UP ACTIVITIES

- As discussed in Section 2, the new business start-up activities in Mesa County are very strong. SBDCs and Enterprise Zones (or similar programs) are common activities in communities, but both are particularly strong in Mesa County.
- The distinguishing new business start-up activities in Mesa County are the award-winning business incubator program, the revolving loan fund and the venture capital program, all administered by the BDC. Overall, the new business start-up activities in Mesa County are among the strongest Lockwood Greene has seen in comparable-sized or even much larger communities. Certainly the new business start-up activities in Mesa County are far superior to those in the comparison communities as discussed in Section 3.

City incentive fund

- The City of Grand Junction allocates 3/4% of its sales tax receipts to an economic development fund, used mainly for economic development incentives for new and existing businesses. Currently this fund amounts to \$917,000. According to City records, the fund has disbursed \$6.2 million dollars since its inception in 1985. The incentive grants can be used for facilities, capital purchases, or working capital.
- This fund, supported by sales tax revenues, is a strong local economic development recruiting and retention and expansion tool. A completely flexible fund like this is rare at the local level, and it could act as a tie-breaker in a project against other communities without this capability.

quality of life

- Quality of life means different things to different people. Some people prefer the urban experience of a New York or Chicago with the best in arts and restaurants. Others prefer outdoor recreational activities and natural scenic beauty. Grand Junction offers some of both, with good regional restaurants, a strong arts community and a charming downtown retail district. Grand Junction excels in outdoor recreational activities and scenic beauty. A mild,

sunny climate with little snow in the Valley allows residents to enjoy year-round activities including snow skiing, rafting on the Colorado River and hiking and camping on the Grand Mesa and in the Colorado National Monument.

- Mesa County also boasts a strong wine industry with many award-winning vintages. A wide variety of fruits and vegetables are grown (and mainly sold) locally. Good local food and wine certainly contributes to the quality of life.
- Mesa County offers a variety of lifestyles, from the relatively urban lifestyle of Grand Junction to the small town lifestyle of Palisade or Fruita to the completely rural lifestyle in the remote sections of the County.

Neutrals

labor quality

- Most employers reported satisfaction with the quality of the workforce in Mesa County. As discussed above, because Grand Junction is a regional center relatively far from other major cities, workers generally appreciate their jobs and have a high degree of loyalty.
- However, some employers reported mixed experiences with regard to their workers. One of the County's largest employers reported a high annual turnover rate of 44 percent – due mainly to entry level workers with a poor work ethic. One employer of skilled workers stated that the labor force in Grand Junction was just average compared to other cities where the manager has worked, and that he had some difficulty training local workers for the skilled positions.

Cost of living

- Many interviewees commented that the cost of living in Mesa County has been increasing in the past few years, especially housing. Many attributed that to the strong rate of population growth and in-migration putting a strain on the supply of land and housing.
- Data from ACCRA (American Chamber of Commerce Researchers Association) support these observations. According to ACCRA, the overall composite cost of living index for the Grand Junction MSA is 106, compared to a national average index number of 100. Transportation, health care, utilities and grocery items are all slightly above 100, but housing is well above the average at 120.4 (4th quarter 2001 data).

Retention and expansion program

- As discussed in Section 2, there are retention and expansion programs for existing businesses in Mesa County. The Chamber (private sector) devotes approximately 1/4 of a staff person's time to retention and expansion activities. The BDC conducts various programs related to retention and expansion such as business training seminars and education programs, the revolving loan fund, venture capital forums and, of course, its incubator program which houses growing existing businesses as well as brand new start-up businesses. BDC has 2.5 FTE staff members devoted to retention and expansion activities. The City of Grand Junction and Mesa County support the BDC and its retention and expansion programs through annual cash grants, grant tax abatements and incentives (City only) to existing businesses to facilitate expansion, and generally facilitate business retention and expansion through community development activities.

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- Despite the above programs, it is Lockwood Greene’s opinion that there is only a limited proactive outreach effort to existing businesses in Mesa County. There is also a lack of clarity regarding the roles that the economic development organizations in the County have in retention and expansion. The Chamber’s retention and expansion activities, primarily conducting surveys and visitations, are valuable, but much more business outreach needs to be done. Recommendations for additional retention and expansion activities are given in Section 5.
 - Several interviewees commented on the lack of business retention and expansion activities in the area, and stated that this was the biggest deficiency in the economic development effort. One elected official commented that there is a feeling that retention and expansion is not being given nearly enough emphasis. Other interviewees stated that because there is some confusion over which organization(s) handle retention and expansion, many opportunities to create jobs in this way fall through the cracks.
 - Research has shown that, on average, between 60 and 80 percent of new jobs are created in a community by the retention and expansion of existing businesses and new business start-ups. The economic base of Grand Junction is much more diversified now than in the 1980s, and the strides that have been made should be protected and enhanced by an even stronger business retention and expansion program, in Lockwood Greene’s opinion.

Weaknesses

business climate in city of grand junction

- Numerous interviewees stated that the city is not supportive of business in permitting, zoning and code compliance. Some interviewees stated that often city staff members would return several times and order them to change construction plans, costing additional dollars and delays. One interviewee stated that this happened even when he instructed his contractor to sit down at the beginning of construction and lay out everything for the city so there would be no surprises. Another interviewee stated that he has managed businesses in many other communities, and the situation in Grand Junction was the worst he has encountered.
- The consensus among the interviewees was that the City also does not support development of infrastructure to facilitate business expansion. In the interviews, Lockwood Greene got the impression that the City might be reluctant to support infrastructure development to help bring an export-oriented manufacturing or service firm to the City. Some attributed this to the

City's "pay as you go" mentality and reluctance to incur any bond indebtedness.

- However, city officials interviewed seem to be aware of the difficult permitting situation, citing turnover in key positions and new development standards implemented in the 1990s. They stated that efforts are being made to make the permitting and construction process in Grand Junction more "user-friendly" while protecting the integrity of land use regulations and zoning ordinances.
- Lockwood Greene believes that the lack of a City employee with responsibility for economic development may have contributed to the business climate situation in Grand Junction. Economic development professionals in city or county governments often act as a facilitator between companies looking to locate or expand in a community and the local government regulatory agencies. They often work from within to improve the permitting and regulatory situation, making their jurisdictions more business friendly.
- Lockwood Greene recommends that efforts continue to streamline the permitting and construction process in Grand Junction. Permitting delays and uncertainty can act to deter business investment. If possible, a "one-stop" permitting office where a business could obtain all required City and County permits in an expedited manner should be established.

limited support of economic development by city and county

- As discussed in Section 2, the City of Grand Junction and Mesa County support economic development through several programs, including the City incentive fund, tax abatements, industrial revenue bonds, and contributions to various BDC programs for retention and expansion and new business start-up. However, the City and County do not provide financial support for recruiting new industry and their support of retention and expansion is limited compared to other communities (including the comparison communities). While the governments are proceeding with development of general infrastructure, improving educational programs, etc., these activities fall under the category of community development, as opposed to proactive economic development (recruiting, retention and expansion, new business start up activities).
- As discussed in Section 5, the national average for financial support of economic development is 50 percent government, 50 percent private. Strong public/ private partnerships are a hallmark of "best practice" economic development programs. Some prospects may wonder why governments in Mesa County are reluctant to support economic development, and take it as a sign of a weak business climate. Recommendations regarding an enhanced role for the public sector in economic development are discussed in Section 5.

limited industrial sites

- Prepared industrial sites with all utilities, “pad-ready” for immediate construction are scarce in Mesa County. The IDI owns two parcels close to the airport, one 55 acre tract and one 10 acre tract. However, the 55 acre site lacks utilities and it would cost a significant amount of money and take some time to extend utilities to the site. Foresight Park is virtually full, with apparently only one small 1.7 acre parcel available. Interviewees indicated that there is a reluctance to develop prepared industrial sites in advance of having a tenant secured.
- The Fruita Greenway Business Park has the potential to become a first-class regional industrial/business park. The Park has a total of 1700 acres, is on I-70 at US 6 and 50, and is served by the Burlington Northern Santa Fe Railroad. Johns Manville is already located there and employs some 140 people. There are 100 to 150 privately owned acres individually platted and ready for development. The Park has electricity, water and fiber optics lines on site. Sewer lines will be extended to the Park in the future. Fruita has a master plan to develop the Park, with 80 acres of green space, railroad crossing improvements and entrance improvements.
- Despite the Greenway Business Park’s potential, some prospects might prefer to locate in the major urban area in the County, the City of Grand Junction. The lack of prepared industrial land and an available, modern industrial building are disadvantages in recruiting companies, in Lockwood Greene’s opinion. Business location decisions are made in a compressed time frame today, and lack of a prepared industrial site or available (possibly speculative) building can put a community at a decided disadvantage.
- Lockwood Greene recommends that the City of Fruita continue to support development of the Greenway Business Park. The County should continue to assist since part of the Park is in the County (outside of Fruita city limit), and it will strongly benefit from companies locating anywhere in the Park.
- Lockwood Greene also recommends that an adequate inventory of prepared industrial sites with all services be developed in Grand Junction. An analysis should be conducted to determine if the 55 and 10 acre parcels next to the airport should be brought up to current industrial development standards, or if new, larger parcels should be identified and developed (10 acres is really a commercial site, not an industrial site). Many communities develop industrial land through a public/private partnership because of positive externalities that accrue to governments through industrial development (property taxes, sales

taxes, etc.), and because often private developers choose not to take the full risk of speculative property development.

lack of a strategic plan or vision for economic development

- While the GJEP, Chamber and BDC all have strategic plans, the City of Grand Junction and Mesa County do not appear to have a specific vision or direction for economic development. While the City of Grand Junction is developing a community strategic plan, many interviewees were not sure if economic development would be adequately addressed in the plan. Fruita does appear to have a rather well thought-out vision for its economic future.
- The lack of a vision or strategic plan for economic development is reflected in the reluctance of the City of Grand Junction and Mesa County to play a more proactive role in economic development as discussed above. Several interviewees stated that the City and County need to develop a vision or mission statement for economic development and decide in a systematic way whether they are going to increase their support of economic development (including financial support) or leave it entirely to the private sector.
- Lockwood Greene has found that a key best practice in economic development is to explicitly develop a vision or mission statement for economic development, preferably with the private and public sectors working together in the process. If this is not being addressed in the strategic plan underway in Grand Junction, then it needs to be addressed, in Lockwood Greene's opinion. Furthermore, Mesa County needs to develop a vision or mission statement for economic development. Even if the "vision" is not to be proactive and let all economic development activities fall to the private sector, then the situation should be clarified for all.

vocational training

- The major institution for post-secondary vocational training in Mesa County is UTEC, The School of Applied Technology, a partnership between Mesa State College and School District 51 formed in 1992. According to interviewees, UTEC was created to fill the void in post-secondary vocational training when Mesa State became a four-year institution as opposed to a community college approximately 25 years ago.
- Several interviewees cited problems with this arrangement of having a four-year, non-community college perform the vocational and technical training for industry. Some stated their belief that many of the programs at UTEC have a four-year college bent, as opposed to a vocational/technical bent. Also, interviewees stated that some students may be intimidated by a four-year

institution with higher admission requirements as opposed to a traditional two-year community college.

- The quality of local vocational/technical training programs can be an absolutely critical success factor in economic development. With today's higher standards for manufacturing and service workers (e.g. computerized numerical control, statistical process control), employers need top notch local training specifically tailored to their shop or office floor needs. Lockwood Greene recommends that attention be given to developing a better alignment between current vocational/technical training and industry needs in Mesa County.

air service

- Like many smaller metro areas, Mesa County is served by commuter air flights connecting to hub airports, in this case Denver and Salt Lake City. The good news is that Mesa County has commercial air service and a relatively nice terminal. The bad news is that many businesses desire more than just commuter air service. Many of Lockwood Greene's siting clients desire to be within one to one and one-half hours driving time from a hub airport.
- Numerous interviewees commented on the disadvantage of limited air service in Grand Junction. Several executives stated that their customers do not like to visit them because of the limited air service and commuter planes. One executive stated that Mesa County is not the place to locate if you need good air transportation.
- Some interviewees commented that the cost of air service is reasonable if you are connecting through Denver or Salt Lake City to another major destination. However, they stated that if you are flying to a smaller city like Boise, then the cost can be very high. This type of fare structure in today's deregulated market is typical for smaller metro areas.
- Lockwood Greene can only recommend that efforts continue to market to the air carriers to increase service and decrease cost. This is a tall order in the aviation market of today with air carriers incurring record post 9/11 losses. Many communities have partnered with air carriers to guarantee a minimum level of demand for service by getting local businesses to purchase a certain amount of travel vouchers in advance. In this way, the financial risk is lowered to the air carrier. Lockwood Greene also recommends that the GJEP carefully target the industries and firms they try to recruit to Mesa County. They will have less success with industries and firms requiring an advanced level of air service.

5. Recommendations on Economic Development Service Delivery

As noted in the Introduction (Section 1), Lockwood Greene completed 28 formal interviews with local business executives, elected officials and other stakeholders in Mesa County, as well as many other informal conversations concerning economic development in the area. It was obvious from the interviews that people care very much about the economic future of the County and want to do what is best to raise living standards and create more opportunities for residents.

Because people care deeply about the future of the County, it is not surprising that there were some significant differences of opinion regarding the delivery of economic development services.

Assessing and developing recommendations on the delivery of economic development services in a community is both an art and a science. The science involves gathering systematic information on how the services are delivered in other communities and using economic development “best practices” as a yardstick to measure local programs. The art involves using professional judgment based on experience concerning what is the best arrangement for a community given its individual characteristics and history.

To reach our conclusions and recommendations on the delivery of economic development services in Mesa County, Lockwood Greene utilized the following:

- Review of economic development materials, brochures, reports, etc. from the economic development organizations in Mesa County, and its City and County governments;
- Local interviews and conversations;
- Telephone interviews with three comparison communities (Section 3);
- Additional conversations with economic development professionals in other communities regarding organizational structure and service delivery;
- Review of studies and existing research on delivery of economic development services from organizations such as the International Economic Development Council (IEDC); and
- Lockwood Greene’s professional experience in business location and economic development consulting in hundreds of communities throughout the U.S. and abroad.

For purposes of this project, the issues concerning economic development services in Mesa County can be boiled down to the following key areas:

- Delivery of new business recruiting services;
- Delivery of services for the retention and expansion of existing businesses;
- Delivery of new business start up services; and
- Role of the County, City of Grand Junction and other municipalities in economic development.

Lockwood Greene's recommendations in each of these areas are given below.

New Business Recruiting

Lockwood Greene recommends that GJEP remain a separate entity with lead responsibility to recruit new businesses into Mesa County. Our reasons for this recommendation are given below.

- In many communities, there can be conflicts between recruiting new businesses and the normal chamber of commerce functions, including serving as a support organization and advocate for existing businesses. At certain times, some existing businesses may not strongly support bringing additional businesses into the community because of concern about competition for limited resources in the community such as labor. Several economic development professionals interviewed by Lockwood Greene in other communities (including the three comparison communities) stated that combining new business recruiting with chamber activities tends to "muddy the waters" (exact quote) and can cause a loss of focus in the recruiting efforts.
- Historically, many economic development programs have developed in chambers of commerce across the country for several reasons, including the fact that movements for economic development programs often begin in private chambers, and an office and support infrastructure already exists there. Such was the case in Mesa County. However, many economic development programs across the country have split away from chambers. Two examples are Greenville and Spartanburg, South Carolina. Both communities have recently created separate economic development recruiting and retention and expansion organizations separate from the chamber of commerce where the programs started. Economic developers in both communities stated that the focus on recruiting new businesses is much sharper in the new separate organizations. On the other hand, there are examples of communities that are combining their chamber and economic development organizations (e.g. Cleveland County, North Carolina).

Lockwood Greene does not recommend this course of action for Mesa County.

- While two of the three comparison communities have new business recruiting organizations and chambers combined in one entity, they reported some difficulties with this, as discussed in Section 3. These difficulties include chamber staff wanting to take credit for business recruiting success because it is more “glamorous,” internal power struggles and competition, different work cultures (project focus for recruitment vs. program focus for the chamber), loss of autonomy in office decisions such as computer system upgrades, and graying of lines of responsibility.

As discussed in Section 3, Cedar Rapids, Iowa stated that, in hindsight, they would not combine the organizations. In Hattiesburg, Mississippi the economic development program (recruiting and retention and expansion), chamber and visitors bureau are all under an umbrella organization called the Area Development Partnership. However, each function is accorded equal standing and they all report to the ADP director (who is also the head of the economic development department). In Flagstaff, Arizona, the third comparison city, the economic development recruiting and retention and expansion activities are the responsibility of the Greater Flagstaff Economic Council, separate from the chamber. From this information, Lockwood Greene concludes that if the economic development program and chamber are combined in a community, the two functions should be accorded equal standing on the organization chart.

- Evidence for the above conclusion that combining the new business recruiting function with the chamber function can reduce the focus on recruiting is found in the IEDC report “Trends in Economic Development Organizations, 2000.” IEDC staff surveyed 86 U.S. metro areas concerning the organization, staffing and funding for economic development in their community. Different organization types reported in the survey included a separate economic development entity, government agency, chamber of commerce, port authority and some other variations. The average per capita budget for all economic development activities was much lower in metro areas where economic development was the responsibility of the chamber (\$3.16) instead of a separate organization (\$5.25), government agency (\$24.94) or port authority (\$7.12).

Of the 86 metro areas that responded to the IEDC survey, 17 had population less than 1 million. Data on average budgets was not broken out by size of metro area, just type of economic development organization.

- Evidence also indicates that it is relatively rare for economic development functions to be housed in the local chamber. In the 2000 IEDC study, in only

13.9% of the metro areas (12 of 86) did economic development reside in the chamber.

- From the community interviews for the project, Lockwood Greene believes that if the economic development recruiting function were combined with the Chamber, there is the possibility that funding for recruitment would significantly decline. Some contributors might adopt the attitude that they already give dues and contributions money to the Chamber, so why should they contribute for recruiting? The evidence from the IEDC report concerning lower funding for economic development programs housed in chambers lends credence to this concern.

In Lockwood Greene's opinion, the above arguments against merging the economic development recruiting function with the Chamber also apply to the idea of keeping separate organizations but co-housing them. The perception would still be that economic development is back in the Chamber and, in Lockwood Greene's opinion, some of the same disadvantages would accrue. Lockwood Greene believes that the current GJEP offices located in the airport terminal are convenient for hosting prospects and project a good, business-like impression. Lockwood Greene questions how much money would really be saved by co-housing the GJEP and Chamber. If GJEP moved into the Chamber building, GJEP would pay rent, or the Chamber would incur the opportunity cost of lost tenant rent to make room for GJEP staff. Either way, the cost is real. GJEP would still have furniture and computer needs as well. There may be some cost savings from co-housing the organizations (e.g. shared phone system, receptionist, copy machine etc.) but in Lockwood Greene's opinion these savings would be more than offset by the potential degradation of the recruiting program and loss of contributions as discussed above.

From the interviews, Lockwood Greene believes that the sentiment among some people in the community to merge or co-house GJEP and the Chamber may be due to a frustration over limited recruiting success over the past one to two years. There may be a feeling in the community that GJEP supporters are not getting their money's worth because of this limited success, and that something has to be done such as merging or co-housing GJEP with the Chamber. For reasons given above, Lockwood Greene would advise against this course of action and believes it would be counterproductive. Taking this course of action, in Lockwood Greene's opinion, would be akin to the "throwing the baby out with the bathwater."

An underlying issue here may be how strongly the community wants to support the continued recruitment of new businesses into Mesa County. Has the community become somewhat complacent now that the economic emergency of the 1980s is over and the County is experiencing healthy population growth? If so, one way to "tone down" the recruiting effort and save some money too would be to merge or co-house GJEP and the Chamber. On the other hand, if the

consensus of the community is to continue with a strong new business recruiting program, then Lockwood Greene recommends that GJEP remain a separate organization with lead responsibility for that function in Mesa County.

Lockwood Greene also recommends that the role of the GJEP Board should be consistent with “best practice” economic development organizations – the Board should set policies, budgets and broad operating guidelines and let the staff run the day-to-day operations. However, there is also a continuing important role for board members to play in recruiting. In Lockwood Greene’s experience as a business location consultant, it often makes a good impression on a prospect when board members, elected officials and other key local representatives accompany economic development staff on certain recruiting or trade show trips. However, staff should drive the process of prospect contact in or away from the community.

While Lockwood Greene recommends that GJEP take the lead role in recruiting, this does not mean that other economic development organizations in the County should not assist. The Chamber should continue its role of being a voice for a stronger business climate in the County, which greatly facilitates recruitment of new businesses. The Chamber and BDC should continue to assist GJEP in identifying potential new businesses and industries to recruit through their network of members and clients.

The City of Grand Junction, other municipalities and Mesa County also should continue to play an important role in recruitment of new businesses. While Lockwood Greene recommends that GJEP continue to take the lead in identifying new prospects and bringing them in for a community visit, “closing” the deal necessarily involves many officials and departments in City and County government. Government officials and staff personnel must continue to work with prospects through the granting of incentives and abatements, facilitating permits and ensuring the prospects that local governments will work with the prospect company once it is located in the area. In short, GJEP can only “tee up” the deal, and the community at large must drive it home.

Retention and Expansion of Existing Businesses

As discussed throughout this report, retention and expansion activities in Mesa County are dispersed among many economic development organizations and governments. The Chamber conducts business surveys and visitations as part of its normal business support functions, BDC administers numerous programs that help to retain and expand existing businesses (incubator, revolving loan fund, venture capital, seminars, etc.), and local governments play a role through incentives and abatements as well as financial support of BDC programs. More than any other economic development activity, business retention and expansion logically extends over many different entities in a community.

Lockwood Greene believes that this collaborative effort in retention and expansion in Mesa County should continue, but with two major changes and enhancements as described below.

1. EXECUTIVE ECONOMIC DEVELOPMENT COUNCIL

Lockwood Greene recommends the creation of an Executive Economic Development Council in Mesa County to coordinate retention and expansion activities and to facilitate communication and cooperation in all economic development activities throughout the County. The Executive Council should be composed of key staff members from all relevant organizations. For GJEP, the Chamber and BDC, the Executive Council representatives should be the executive directors of each organization. For all municipalities and the County, the chief manager or his designated representative should join the Executive Council. Since IDI has no full-time staff, a board member should represent it on the Council. Lockwood Greene also believes that the Executive Director of the VCB should also be a member of the Executive Council since there can be strong synergy between tourism and convention promotion and the recruitment of new businesses and the retention and expansion of existing businesses.

The Executive Council should schedule regular meetings at least quarterly and preferably monthly, and hold special sessions when needed. The meeting venue should rotate among the member organizations and members should elect a new Chair each year. Agenda items should include two major categories: 1) retention and expansion issues and required actions; and 2) updates on other economic development-related activities of each member organization and discussion of particular business items as appropriate.

In order to avoid getting executive staff of participating organizations involved in too much detail, a subcommittee should be established to handle regular retention and expansion issues. The subcommittee should include representatives from GJEP, the Chamber and BDC. This Subcommittee would work closely with a full-time retention and expansion staff member (see below). Reflecting current practice in Grand Junction and Mesa County, the subcommittee can be the entity that reviews and makes recommendations on retention and expansion incentive applications from existing businesses.

The Executive Council could serve as a powerful tool to coordinate all resources of the community in the recruitment of new businesses and the retention and expansion of existing businesses, as well as addressing general community development and business climate issues. However, it must be understood that often recruitment and retention and expansion activities must be conducted in complete confidence without divulging the identity of the prospect or local business until such time as it is appropriate to name the prospect.

2. FULL-TIME RETENTION AND EXPANSION OUTREACH STAFF PERSON

In line with economic development best practices, Lockwood Greene recommends that there be one full-time person devoted solely to retention and expansion business outreach in Mesa County, with a commensurate budget to fund appropriate activities. The Executive Council should decide in which organization this full-time person resides. Lockwood Greene believes that the full-time retention and expansion outreach staff person could easily fit within GJEP, the Chamber or BDC.

Regardless of where the full-time retention and expansion staff person resides, the Chamber and BDC should continue to play a strong role in retention and expansion activities in the County. The Chamber, through its regular contact with existing businesses, should continue to be a major source of “leads” for retention and expansion activities. If the staff person does not reside in the Chamber, he/she should coordinate very closely with the Chamber’s existing business activities such as surveys and member visitation. BDC, with its many programs that involve new business start-ups and retention and expansion, should also continue to serve as a source of leads for retention and expansion activities. Small businesses should not be overlooked in the retention and expansion program because they have the potential to grow and become major engines of economic growth in Mesa County. All the retention and expansion leads and issues identified in the normal course of activities for all economic development organizations should be coordinated through the Executive Council.

As discussed in Sections 2 and 3, retention and expansion activities that need to be enhanced in Mesa County involve proactive outreach to businesses. Lockwood Greene recommends that these activities include the following:

- Regular program of contact and visitation for all major export-base businesses in the County (see Section 3 for information on comparison communities visitation programs).
- Contact and visitation to headquarters of national companies located in Mesa County to encourage retention and expansion of local operations.
- Working with local businesses to help solve issues which might be impeding retention and expansion. This would especially involve issues with local governments.
- Encouraging more buying and selling of goods and services from/to local companies. This can be facilitated by a detailed database of existing businesses which includes industry classification and product codes and input/output data.

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- Existing industry councils or roundtables to address retention and expansion issues.
 - Raising the level of appreciation and recognition of existing industries in the community.
 - Other best practice retention and expansion activities that have proven successful in many communities.

The organization that houses the full-time retention and expansion staff person must have adequate resources to fund his/her salary and activities. This funding could come from the private sector, but Lockwood Greene believes that Mesa County, the City of Grand Junction and other municipalities should contribute directly to a county-wide retention and expansion outreach program. The benefits of retention and expansion accrue directly to operating budgets of the local governments – more property tax, sales tax, and other revenue benefits. Furthermore, a basic premise underlying economic development programs is that helping to protect the jobs and livelihoods of residents is a fundamental responsibility of local government. In the three comparison communities and in Lockwood Greene’s broader experience, retention and expansion activities are supported directly by local governments. This is discussed further in the section below on the role of local governments in economic development.

The retention and expansion program should concentrate on “export base” businesses that produce goods or services that are sold to a wide market outside of the county. Export base businesses are the foundation of economic growth – they bring new dollars into the County from outside areas, rather than simply recirculate dollars that are already present. Generally, retail, restaurant and many personal service businesses are not export businesses – they serve the local market. Exceptions occur when consumers from out of the area come into the County to buy goods and services, or in the case of local mail order or internet retail businesses. Retail businesses are obviously important (lack of good retail is a detriment to a community), but the export businesses are the ones that mainly drive job growth and income creation, and hence should be the target of the retention and expansion program in Mesa County.

Lockwood Greene recommends that the Chamber handle retention and expansion matters pertaining to non-export base businesses such as retail stores as part of its membership service. If the full-time retention and expansion staff person is housed in GJEP or BDC, then the Chamber should concentrate only on retail and non-export base expansions. Of course, the Chamber should continue to play a key role in the retention and expansion (as well as recruitment) of all businesses through its participation in the Executive Council and its role in creating a better business climate in Mesa County. Interviewees stated that this role is being performed very well by the Chamber.

New Business Start-Up Activities

Lockwood Greene recommends that BDC continue the new business start-up activities it currently provides, including the incubator, revolving loan fund, venture capital forums and business education and training programs. As stated in Section 2, Lockwood Greene believes that BDC provides a very strong new business development program for Mesa County. The interviewees were unanimous in their praise for the BDC's programs and their desire to keep the current arrangement with regard to new business start-up activities.

Across the country, new business start-up programs are usually housed separately from recruitment and retention and expansion activities because of their different nature. The three comparison communities house recruitment and retention and expansion programs together, but all have separate organizations for new business development activities. The 2000 IEDC report indicates that this separation is common. Of the metro areas responding to the IEDC survey that have a separate economic development organization, only 6.7% reported that the organization also did new business development. Among the metro areas that have chambers as the main economic development organization, however, 33.3% reported that the chamber was involved in new business development activities. So, while new business start-up programs are more common in chambers than separate organizations, most communities have completely separate organizations for new business development activities.

The line between new business start-up activities and retention and expansion of existing businesses is often blurred, especially when new, smaller businesses that often need retention and expansion services are prevalent in a community. As noted in Section 2, many of BDC's programs such as the revolving loan fund, venture capital forums, and business education and training can be considered both new business start-up activities and business retention and expansion activities. Participants in the programs are from new businesses as well as established larger businesses. These programs help new businesses grow and existing established businesses expand. The programs at BDC are complementary to traditional retention and expansion activities such as business visitation, surveys and call trips to headquarters locations. Lockwood Greene sees no conflict or duplication of efforts if BDC continues its current programs while the Executive Council and full-time retention and expansion staff person (wherever that person is housed) concentrate on business outreach programs. Obviously, there should be close communication between BDC, the Executive Council and the full-time staff person concerning retention and expansion activities. For example as the staff person conducts business visitations, he/she should recommend BDC training programs as appropriate.

Role of Local Governments in Economic Development

As discussed in Section 2, direct financial support of economic development by local governments is limited in Mesa County. The City of Grand Junction has an incentive fund for new and existing business expansion which is a good tool for economic development. The City and County will abate property taxes as an incentive, and the County will issue industrial revenue bonds. There is no direct financial support of new business recruitment or retention and expansion activities. However, the City and County do give grants to the BDC to support new business start-up activities. When viewed alongside the comparison communities in Section 3, the limited role of government in economic development in Mesa County is apparent. In all three comparison communities recruitment and retention and expansion activities are supported by a combination of public and private funding.

Interviewees expressed mixed feelings about soliciting public funding to help GJEP in new business recruiting. Many stated their belief that public funding would “politicize” recruitment in Mesa County. That may be the case, but around the country, a key economic development best practice is joint public/private partnership in recruitment and retention and expansion activities. The three comparison communities did not state in the interviews that economic development had become unduly politicized because of public sector support.

As mentioned in the strengths and weaknesses analysis, nationally the norm is 50/50 funding of economic development activities by the public and private sectors. The 2000 IEDC report bears this out. For metro areas with a separate economic development organization, 60 percent reported receiving city funds, 53 percent county funds, and 48 percent private funds. The results were similar for metro areas in which the chamber is the lead economic development organization.

Lockwood Greene recommends that the enhanced retention and expansion outreach program (including one full-time staff member and appropriate budget) be supported by a combination of private and public funding for reasons discussed above that retention and expansion is a basic economic development activity that should be supported by local governments. One option would be 1/3 support from GJEP, the Chamber or BDC (whichever organization houses the staff member), 1/3 from the City of Grand Junction and 1/3 from the County. Or, Grand Junction and other municipalities and the County could contribute according to a population share formula. This is a common arrangement in many areas, based on the theory that the benefits accrue roughly in proportion to the population shares. In Lockwood Greene’s opinion, \$30,000, \$40,000 or \$50,000 (whatever the City’s share turns out to be) from the City of Grand Junction in support of the retention and expansion program would create more jobs and

meet other economic development goals better than continuing to spend all the City's economic development money on incentives.

Furthermore, Lockwood Greene believes that consideration should be given to augmenting GJEP's recruitment budget with some public funds. As the comparison community matrix shows in Section 3, GJEP's budget for marketing (excluding salaries and overhead) is \$.75 per capita. This is considerably below Hattiesburg's \$1.83 per capita and Cedar Rapids' \$1.08 per capita, but above Flagstaff's \$.45 per capita. Previous research by Lockwood Greene and others shows that best practice economic development communities spend between \$1 and \$3 per capita on marketing activities. Public funding could help put Mesa County into the best practice category for recruitment spending. The public funding formula for recruitment could be similar to the one suggested above for retention and expansion.

Lockwood Greene is not advocating that the City of Grand Junction redirect all of its incentive money into direct support of recruitment and retention and expansion activities. However, we do believe that some money redirected into these activities while maintaining some level of local incentive cash grants would be the best mix of economic development spending. As Section 3 shows, local governments in all three comparison communities "outsource" the key function of economic development to public/private organizations. Many communities across the country have purely public economic development programs in which the city and/or county has its own economic development office. Mesa County has the opposite of this model, with almost all of the economic development activities conducted and funded by the private sector. Lockwood Greene believes that some public sector support (outsourcing) to the private organizations already in place in Mesa County will improve economic development service delivery and results.

A precedent for increased support of economic development recruiting and retention and expansion by local governments exists in the Grand Junction Visitor and Convention Bureau. The City of Grand Junction operates the VCB with significant funding from a hotel/motel tax. The VCB markets Grand Junction and Mesa County as a visitor destination and convention site. Visitor and convention bureaus are a common element of the overall economic development program in most metro communities, along with direct public support of recruitment and retention and expansion. In Grand Junction and Mesa County, only the tourist and convention portion of the overall economic development equation is publicly supported.

Tourists and conventions generate jobs and millions of dollars in local tax revenues and have a positive economic impact on Grand Junction and Mesa County. However, many of the tourism and convention supported jobs are retail and service oriented, paying relatively low wages. Also, many of the jobs are seasonal. Manufacturing, technology and export-oriented service jobs created by

a proactive business recruiting and retention and expansion program generally pay higher wages and have a greater positive economic impact on the community than tourism and convention related jobs. If the City of Grand Junction believes that support of a visitor and convention program is an appropriate activity benefiting its citizens, then in Lockwood Greene's opinion public support of the rest of the economic development equation would bring even greater benefits to local citizens.

Other Economic Development Recommendations

In addition to the major recommendations above regarding the recruitment of new businesses, retention and expansion of existing businesses, new business start-ups and the role of local governments, Lockwood Greene makes the following recommendations regarding economic development in Mesa County.

- IDI (Industrial Development, Inc.), as discussed in Section 2, has played an important role in economic development in Mesa County for many years by serving as the entity that holds industrial land for new or expanding businesses. Lockwood Greene believes that IDI should continue to play this important role. However, as discussed in the Strengths and Weaknesses section, Lockwood Greene believes that the inventory of prepared industrial land in Mesa County needs to be increased. Many communities accomplish this by establishing private or public/private IDAs (industrial development authorities) with bonding capacity to acquire and develop industrial land with debt retirement through land and building sales and leases or increased tax revenues.

Interviewees discussed at length with Lockwood Greene the limitations on public bond indebtedness in Colorado and the reluctance of the City of Grand Junction and Mesa County to incur any indebtedness. However it is accomplished – whether through a purely private sector development approach or a public/private sector approach, Lockwood Greene recommends that the supply of prepared industrial land in Mesa County be increased and made available to prospects at an attractive price. As noted in Section 3, the comparison communities all have much greater inventories of prepared industrial land.

- Communications among all entities involved in economic development in Mesa County – including GJEP, the Chamber, BDC and City and County governments – should be improved. According to several interviewees, key staff or board members from economic development organizations are often not present at other organizations' board meetings, or, if they are present, "sit in the back of the room" and do not fully participate. There is no factor more critical to successful economic development service delivery than effective communications across organizations. Lockwood Greene has seen many

communities where missed opportunities and duplication of effort result from lack of communication and coordination among local organizations with economic development responsibilities. In short, lack of communication and coordination breeds turf wars.

While public agencies and even private agencies such as GJEP and the Chamber that have community goals generally have open board meetings, Lockwood Greene understands that sometimes board meetings may not be conducive to inter-agency communication because agendas are usually consumed with issues unique to each organization. Lockwood Greene believes that staff representatives from economic development organizations in Mesa County should attend each others board meetings where possible. The Executive Council recommended by Lockwood Greene should significantly help with economic development communications and coordination across organizations in Mesa County.

- Consideration could also be given down the road to creating a public/private economic development umbrella organization in Mesa County similar to the one in the Hattiesburg, Mississippi area as discussed in Section 3. The Area Development Partnership in Hattiesburg is a true public/private organization that combines the Chamber of Commerce with the organization responsible for recruitment and retention of industry and the tourism promotion organization. Area Development Partnership officials interviewed for this project stated that they would like to develop new business start-up activities within the umbrella organization as well. They cited numerous advantages from this structure, including a one-stop shop for all economic development needs and excellent communications since the organizations are co-housed and directed by one board. Clarksville/Montgomery County Tennessee has adopted this unified model of economic development, based on the Hattiesburg ADP. However, as mentioned above, each function should be equal on the organization chart to prevent one function from dominating all others. When and if the time comes to consider this approach, a feasibility study should be conducted to assess the potential benefits and costs to this approach for Mesa County.
- Finally, Lockwood Greene recommends that Mesa County engage in a full assessment of its economic development future. This study focusing on the delivery of economic development services is only part of the work that needs to be done. In Lockwood Greene's experience, the most successful communities complete the full slate of economic development planning activities: strategic plan or vision for economic development, comprehensive assessment of economic development strengths and weaknesses (with a action plan to improve the community and programs), identification of "target" industries or economic activities on which to focus scarce recruiting dollars, and a detailed marketing plan to achieve the economic development goals and objectives covering recruitment of new industry, retention and expansion

of existing industry and new business start-up. Lockwood Greene believes the economic development potential of Mesa County is very strong, and that the major task facing the community is mapping out its future.

Summary of Economic Development Recommendations for Mesa County

- **Maintain GJEP as a separate entity with lead responsibility to recruit new businesses into Mesa County. Provide a large network for business recruitment leads and deal-making assistance through close communications with the Chamber, BDC and local governments.**
- **Create an Executive Economic Development Council to coordinate retention and expansion activities and improve communications among organizations for all economic development purposes.**
- **Establish a full-time retention and expansion outreach staff position with appropriate operating budget. This person could be housed at GJEP, the Chamber or BDC.**
- **Continue to provide a unified voice for the business community to work for an improved business climate through the Chamber. Provide retention and expansion services for retail and non-export oriented businesses through the Chamber.**
- **Continue to provide new business start-up activities including the incubator, revolving loan fund, venture capital forums and business education and training programs through BDC.**
- **Co-fund retention and expansion outreach activities through the City of Grand Junction, other municipalities, Mesa County and the organization that houses the full-time staff person.**
- **Consider developing a true public/private funding partnership for new business recruiting activities.**
- **Continue to provide industrial land in Mesa County through IDI, but take steps to increase the supply of prepared industrial sites.**
- **Consider creating an overall public/private umbrella organization for delivery of all economic development services in Mesa County in the future.**
- **Develop a strategic plan or vision for economic development in Mesa County and an implementation plan to attain its goals.**

INTEROFFICE MEMO

To: Kelly Arnold, City Manager
From: Rick Beaty, Fire Chief
Date: January 27, 2003
Subject: EMS Report for City Council Action, Step 4-A
Copy To: Dave Varley, Assistant City Manager

A report addressing the City Council's strategic plan (item 4A) is attached for inclusion in the January update packet. The report is intended to meet objective 4-A.

The report includes a review of recent efforts as well as State and national items which have direct impact to the delivery of emergency medical care. In order to adequately explain some items, the report goes into detail in various areas. The delivery of emergency medical services is complicated and impacted by numerous interests.

The report should meet the intent of the action steps listed in the strategic plan. If you have suggestions or would like to see another approach, let me know.

City of Grand Junction Strategic Plan 2002-2012

Adopted, January 15th, 2003

City Council Goal:

- Create an environment that fosters a safe community atmosphere which includes absence of crime and access to exceptional health care and emergency services. (3 - 5 years)

Objective:

- By June 30, 2004, implement a City policy standardizing provision of emergency medical services, including transit, with participation by regional partners in developing policy alternatives. (2 years)

Actions:

1. Fire Department to write a summary report on recent efforts and the current status of EMS and transport.

Who: Fire Department
When: By January 2003

How these Action Steps are carried out depends on whether a consultant is hired.

2. Develop a City policy on standardizing emergency medical services in the City.

Who: City Council
When: By November 2003

3. Consultant will work with other entities to see who would like to participate with the City under the new policy.

Who: Consultant
When: By June 2004

Introduction:

Emergency medical services (EMS) delivery in Grand Junction has been a long-term responsibility of the Fire Department. Recent efforts to improve the efficiency and effectiveness of the system have taken place at multiple levels, including: within the Grand Junction Fire Department, the City, County, Regional and State levels. The purpose of this report is to describe recent efforts in standardizing EMS delivery and to describe current improvements in the system.

Background:

The Grand Junction Fire Department has been deeply involved and committed to the provision of high-quality Emergency Medical Services for many decades. During these decades, EMS has been evolving continually in order to meet the ever-increasing demands of the communities we serve.

In the last 10 years, the City has seen significant growth, EMS delivery has continuously evolved in efforts to become more cost-effective and efficient, the American health care system has seen significant changes, and standards and expectations have risen in our society. During this time, it has become apparent that our EMS system must continue to look at ways to be cost effective in order to meet the needs of our community.

Recent Efforts – City and County EMS Study

In late 1998, the City of Grand Junction and Mesa County commissioned a written evaluation of the state of emergency medical services in the Grand Valley. Emergency Consulting and Research Center of Carlsbad, California completed the study in December, 1999 and it was presented to the stakeholders in January, 2000.¹

The study discussed strategic alternatives and presented two strategies: (1) Reactive (not recommended), and, (2) Proactive, in which one or more fire departments establish a new alignment of EMS resources and develop system-wide infrastructure and support mechanisms.

In addition, the study described two solutions:

1. A “City Solution” that addresses communications, first-response issues, transport issues and administrative support. In a pre-emptive solution, the City would assume emergency transports, develop administrative infrastructure and pursue business relationships with EMS agencies, payers, and healthcare providers. And,
2. A “County Solution” that could take two forms: (1) enhance communications and pay fire department first-response agencies from private ambulance transport fees, or, (2) develop an EMS system that covers the entire County and is operated by one or more fire departments.

The second option offered three potential alternative structures: (1) multi-agency cooperative, (2) formation of an EMS tax and service district, and, (3) a fire department service delivery option.

The study and presentation resulted in a follow-up meeting in March, 2000, where a committee was formed composed of representatives of all fire and EMS providers in the Valley floor, City and County representatives and other stakeholders from the medical community, the private ambulance provider and others. The committee was charged with:

- Questioning and informing the public on the EMS issue
- Investigating fire district boundaries and possible consolidation
- Analyzing alternatives to providing and paying for first-response services
- Investigating options for equitable taxation and service provision in selected areas.

These are the committee's recommendations presented at a stakeholders' meeting on December 13, 2000:

1. Consolidate east-area fire protection districts into a single special district providing fire and emergency medical services
2. Obtain voter approval for the merger of the City of Grand Junction Fire Department and the Grand Junction Rural Protection District
3. Create an umbrella EMS administrative agency under the authority of Mesa County for the purposes of:
 - Providing medical direction
 - Providing training support
 - Establishing a quality assurance system
 - Collecting data
 - Licensing ambulances
 - Working with hospitals
 - Issuing an RFP for a sole provider of emergent and non-emergent ambulance service to the entire County
4. Inform and survey the public on these alternatives as a precursor to implementation

The result of this meeting was that:

The Clifton Fire Board, with assistance from the County, agreed to initiate discussions on consolidation of the east-end districts with the stakeholders (Palisade, Palisade Rural, Clifton, Central OM, East OM, and portions of Grand Junction Rural).

The Grand Junction City Council and the Grand Junction Rural Fire Protection Board agreed to continue discussion toward consolidating fire and emergency medical services in Grand Junction and Grand Junction Rural FPD.

A subcommittee was formed to investigate creating an umbrella EMS administrative agency, under authority of the County.

The outcomes of these three initiatives are:

1. East-end consolidation: No progress after the first meeting.
2. GJ/GJRFPD: Significant progress in addressing Redlands service with an extended contract and voter approval of a mill levy increase to jointly support a

fire station in the Redlands. This model agreement will provide a template for future cooperative solutions in other areas served by GJ and the GJRFPD

3. Umbrella EMS administrative agency: This subcommittee was made up of representatives of Fire and EMS agencies, City and County representatives, medical community representatives, and a Communication Center representative. The group focused on developing an administrative overhead structure that would improve EMS delivery for all areas of the County. The result was a recommendation that the County EMS Resolution be amended to reflect the proposed overhead structure. Components of a Resolution would include:
 - A. Authority to oversee the EMS system in the County would be delegated to the Mesa County Board of Health. The role of the Board of Health would be to receive recommendations from an EMS Advisory Council, and set public policy to be followed by all participating agencies (first-response and transport)
 - B. The EMS Advisory Council, with redefined representation and purpose, would advise the BOH regarding the coordination and oversight of EMS in Mesa County. The Advisory Council would specifically recommend a set of rules and guidelines by which all participating agencies would agree to operate. This document would be separate from the ordinance and would serve as a County-wide "operations manual."
 - C. The addition of one FTE to serve as Mesa County EMS Coordinator. This position would support the EMS Advisory Council and the physician Advisor.
 - D. The formation of a medical advisory group to support the Physician Advisor in oversight of the system's clinical performance.
 - E. The addition of one BOH-appointed physician advisor for the County that would be responsible for the clinical performance of EMS- certificate holders in Mesa County including First Responders.

From this plan, a draft County Resolution was developed by Kimberly Parker with input from the County's legal staff and was discussed at meetings in December, 2001, and January, 2002. The subcommittee felt that the draft resolution was not clear in several key aspects of the plan:

1. Limited scope of the rules to oversight of "ambulance services" and did not include first-response agencies or air ambulance.
2. The subcommittee's intent was to define the "structure" of EMS in Mesa County and then rely on that "structure" to develop the rules and expectations for EMS in the County. The proposed resolution did not adequately address the "structure" and, concurrently, went ahead and set the rules without discussion.
3. Designation that the BOH would have authority to designate a single ambulance-service provider for the City of Grand Junction without clear direction on how that would take place within the constraints of the needs of the entities involved.
4. Disagreement on the proposed "Exclusive Operating Areas.". This proposal would have allowed the BOH to restrict emergency operations to one or more ambulance services within the County. In the case of Grand Junction, it was felt that this would violate its home- rule charter.

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5. In the proposed resolution, no clear format was presented that would ensure that the needs of the City, County and other agencies were fairly and equitably met by the “overhead” governing body.

As result of these unresolved issues, it was agreed by the Subcommittee that Chief Beaty and the GJFD would develop a draft resolution addressing the overhead structure and making reference to an accompanying “Manual of Operations” which would contain the rules as set by the Board of Health.

A draft of a proposed County Resolution was completed and presented to the subcommittee in March 27, 2002 and amended in April to include a proposed “Manual of Ambulance Operations”.

Current Status: County

The Subcommittee felt it necessary to present the proposal to the stakeholder Boards, and to the City and County administrations for clarification on whether they wanted to proceed in this direction. The feedback revealed major philosophical problems with the proposal between the City and County administrations. Major issues included:

1. How the County process would relate to the City
2. Would there be an exemption process whereby agencies or municipalities could not participate?
3. Legal questions as to whether the BOCC can delegate authority to the BOH and questions on exactly how the overhead structure would be set up and the specific responsibilities of each component
4. Questions concerning the authority hierarchy of counties, home-rule municipalities and special districts
5. Whether the County could apply more stringent rules than is designated by State statute.
6. Questions also arose as to whether the proposed structure gave representation to agency and municipality concerns.
7. An additional concern was that there was no appeal process for addressing issues.

At this point, it became clear that the direction the group took would not be amenable to the all the involved entities. The process came to a grinding halt and no clear path was found to resolve the issues.

In August, 2002, in an attempt to move ahead with this initiative, Kimberly Parker, representing Mesa County, facilitated a presentation by Jack Snook, a well-known consultant that specializes in fire-service consolidation. On October 3, 2002, Mr. Snook gave a talk on “cooperative efforts” and, at this meeting, it was proposed that Mr. Snook’s consulting firm be hired by participating stakeholders to conduct an assessment of the current fire and EMS delivery systems in Mesa County. Agencies participating would be expected to help fund the assessment. At this time, all the special fire and EMS agencies in Mesa County have expressed an interest in the assessment process except for Central Orchard Mesa and Gateway. The Grand Junction City Council has voted to participate in the assessment and has set aside funds for Grand Junction’s share of the cost of the study. Mesa County, through

Kimberly Parker, is coordinating this process. At this time we are awaiting further information from Mr. Snook on the scope and costs of the assessment.

If the assessment process is successful, the next step would be to continue the evaluation with follow-up recommendations on cooperative efforts to improve emergency services within the County. Progression to the next phase would also depend on committed participation by County agencies.

As a result of the impasse on re-organizing the Mesa County EMS structure, the County EMS Advisory Council has begun moving toward drafting recommendations for changes within the County EMS system. Changes would include formalizing the roles and responsibilities of the EMS Advisory Council and working within the system to support an EMS Coordinator position. At the same time, the Council is facilitating efforts to build an agreement to improve services with the Gateway/Unaweep FPD, Land's End FPD, and AMR. It is hoped that these agreements can be used as a template for future agreements to improve service delivery problems in other parts of the County.

Current Status: State and Region

Concurrently, the State of Colorado Department of Public Health and Environment's Pre-hospital Care Program has been implementing legislated changes in the structure of EMS at the State and regional levels. Major issues are being addressed by a restructured State Emergency Medical and Trauma Advisory Council (SEMTAC) to better regulate and support Colorado EMS and Trauma systems. A major component of the legislated changes include the formation of Regional Emergency and Trauma Advisory Councils (RETACs) that are meant to coordinate services, planning and cooperation at 11 regional levels. Mesa County is a member of the Northwest RETAC with Garfield, Rio Blanco, Moffit and Route County. John Howard, GJFD EMS Coordinator, is one of three representatives from Mesa County and serves as Vice Chair for this group.

With the emphasis on cooperatively addressing issues at all levels, it is apparent that the agencies and counties do not work in a vacuum. The overhead structure currently in place in Mesa County does not lend itself well in integrating efforts locally with regional and state programs.

Recent Efforts: National

At the national level, the potentially greatest impact is in the implementation of the Medicare Fee Schedule for ambulance transport. It was finally phased in starting April 1, 2002. The national Medicare Fee Schedule was a result of changes, mandated by Congress, in the way ambulance transport was reimbursed for Medicare patients as part of the Balanced Budget Act of August, 1997. The goal was to contain Medicare costs related to ambulance transport. Similar efforts had previously been implemented in other Medicare arenas, including containing physician reimbursement, home health services and hospital-related Medicare costs. In those arenas, costs were contained but resulted in decreased revenues for hospitals and physicians. Home-health services, such as in-home occupational therapy, took a major reduction and most companies providing that service went out of business. Cost containment in these arenas dramatically altered the way healthcare is delivered in the U.S.

Essentially, the legislated changes created a shift from reimbursement based on a “fee for service” (or actual costs) to implementation of a flat-rate schedule, based on a set payment schedule. The funds available were locked at 1998 levels (with provisions for inflation). Studies have indicated that the money available in the “pot,” while equitably distributed, will not meet the costs of many providers.

“Under the new fee schedule, nearly all EMS systems will lose money when compared with the actual cost of providing the service, particularly in rural services, efficient systems, and those that bill for services.”¹ An additional fear is that costs will no longer be able to be shifted to third-party payers, including insurance companies, health maintenance organizations or other payers, because of the potential that these payers will adopt the same rates as the “standard” reimbursement. “As an example, several third party commercial payers have already notified ambulance services that once the new Medicare rules are in effect, they will be implementing the same payer codes and payment mechanisms”.² Currently, most third-party payers reimburse at rates higher than Medicare’s rates.

The fee schedule will be phased in over a 4 ½ year period starting in April, 2002, in 20% increments per year. Full implementation will occur in January, 2006.

Current Status: National Issues

Locally, estimates are that:

- GJFD transport reimbursement for Medicare patients will decrease between 2.1% and 11.1% when the fee schedule is fully implemented. This reflects a decrease of between 0.88% and 4.6% of total revenue. GJFD-based ambulance rates nearly match the new Medicare rates. Of concern is that GJFD rates were set in 1988. The private ambulance company base rates are significantly higher.
- Calculations of the impact on the local private ambulance company are not available since that information is proprietary. However, if reported impacts in the El Paso County (Colorado Springs) system are similar to ours, we can expect AMR to have a decrease of \$35.33 per Medicare reimbursement when the fee schedule is fully implemented. This is a decrease of approx. 10.46% in Medicare reimbursement.
- As noted earlier, deficits could dramatically increase if, as predicted, third-party payers adopt the fee-schedule rates as well.

Nationally, estimates are that there will be an average shortfall of \$76.31 per Medicare call in urban systems and an average shortfall of \$187.40 per Medicare call in rural systems, when the fee schedule is fully implemented. Oceanside Fire Department in California stated “Once the fee schedule is fully implemented, the Oceanside Fire Department will lose \$220,000 a year out of \$1.8 million total reimbursement” (a 12% drop)³

Options identified to address these shortfalls include:

1. Additional subsidization from local governmental entities

¹ Reimbursement in Emergency Medical Services, How to adapt in a Changing Environment. Journal of Prehospital Emergency Care, Jan-March 2002. pp137-

² Overton J. Projected Budget for Fiscal Year 2001-2002. Richmond, VA: Richmond Ambulance Authority, 2001

³ Finally! Medicare Fee Schedule Takes Effect April 1. EMS Insider April, 2002

2. Service Alternatives

- Shifting certain ambulance patients to less costly transportation
- Decreasing number of ALS personnel on units
- Decreasing number of non-emergent transports
- Increasing emergent response times
- Deferring capital purchases
- System design changes (efforts to increase efficiency, i.e.: devise ways to increase the number of transports per ambulance)^{4,5,6}

Several bills were introduced in the Legislature last year to address the reimbursement issues.

So far this year, six bills have been introduced that have ambulance provisions. Two are related to homeland-security issues, but the other four relate to ambulance reimbursement. It is unclear at this time what legislative relief can be expected in the future.

National trends:

Nationally, Fire Departments provide EMS first response in 191 of the 200 largest cities. Fire Departments provide transport in 37% of those 200 cities (single-tier systems), with private for-profit agencies also providing transport in 37% (two-tier systems). Other systems include: third-service transport = 11%; private, not-for-profit transport = 5%; public utility models = 5%; hospital-based transport = 4%; and volunteer- and police-based both had 1%.⁷

According to a large survey conducted by the International Association of Fire Chiefs, 94% of fire departments provide some level of EMS in their community. Fifty-six percent of departments provide single-tier services. This survey included volunteer as well as paid departments⁸.

In all types of systems, the potential impact of the Medicare fee schedule has slowed system changes until the full impact of the fee schedule is known.

Recent Efforts: City

Recent efforts have been focused in three areas:

- Developing contingency plans for potential changes in the system
- Enhancing system competencies in the areas of staffing, training, data collection, quality improvement, clinical performance, integration into medical community, mass-casualty preparation, and county and regional cooperation
- Planning for system changes in service area

Contingency Planning:

An EMS Task Force was formed, composed of members of the GJFD, in the Spring, 2000, in order to develop a contingency plan. This plan is in place. Additionally, this

⁴ Sailor J. Code red for ambulance, Manakota Free Press (Manakota, MN), Sept. 5, 2001

⁵ Welsh A. Changes threaten rural EMS. Arkansas Democrat Gazette (Little rock, AR). Dec 22, 2001

⁶ Domenick R. Medicare attacks to dent EMS funds. Tribune-Review (Allegheny County, PA). Dec 22, 2001

⁷ Cady, G. 200 City Survey. Journal of Emergency Medical Services Feb. 2002

⁸ Spengler, M. IAFC's EMS Survey Results. IAFC On Scene. Dec. 2002

group began discussions based on the EMS study by ECRC on how to implement the recommended changes in regard to the “City Solution.”

Since the County Solution was a focus of EMS planning at the time, this group’s planning was limited while awaiting progress at the County level.

Enhancing System Competencies:

Much effort has been dedicated toward building the Department’s capabilities within the larger system. Based on the 15 attributes of an EMS system, as identified in the EMS Agenda for the future, and which been adopted as the planning template for the SEMTAC and RETACs :

1. Integration of Health Services
 - Coordination of HIPAA requirements within the pre-hospital and hospital systems (to include QA/QI integration) is in development
 - Sharing of electronic record-keeping in order to streamline QA/QI, tracking of patient outcomes to improve clinical performance and to identify needed changes.
 - Building relationships with County Health Dept, medical community, regional and State entities.
2. EMS Research - This component is not yet in place
3. Legislation and Regulation
 - Chief Beaty has taken an active role in the Colorado State Chief’s Association. As a representative of the Western Slope, he has had the opportunity to influence State legislation that impacts emergency services
 - Participation in RETAC
 - Ensuring private ambulance permit requirements
4. System Finance
 - Monitoring Medicare Fee Schedule for impact on funding.
 - Out-sourcing GJFD billing for transports to a private billing company. This program meets federal compliance standards and that could expand if needed.
5. Human Resources
 - Includes working to add staff to adequately support services.
 - Ensuring a quality medical surveillance program is in place to include exposure policies, fit-for-duty evaluations, return-to-work procedures, etc.
 - Developing of an incumbent paramedic training program
 - Ensuring a quality paramedic internship program for paramedics entering the system
 - Aligning dual role paramedic positions to better meet Departmental needs
6. Education Systems
 - Enhancing continuing education
 - Making available conference opportunities
 - Developing an instructor pool which is available to support County and regional education

-
- Developing qualified preceptors for EMT-I and EMT-P students. Students from across the Western Slope gain field experience while riding with the trained GJFD preceptors.
 - Developing relationships between Mesa State College and School District 51.
 - Supporting local and regional training programs
 - Developing a local paramedic training program with Mesa State College
 7. Public Access
 - GJRCC support through the users group committee and Chief Beaty's membership on the GJRCC governing board
 - GJRCC is implementing a prioritized EMS dispatching program in 2003 that will more effectively match resources to the type of call. (This was a major recommendation of the ECRC study).
 8. Communications Systems
 - Infrastructure support with technical expertise for the Medical Communication System (Med Channels)
 - Infrastructure support for the emergency channels
 9. Medical Direction
 - Active participation in the Mesa County QA Committee
 - Active liaison with Medical Direction
 - Participation in Emergency Department Physician meetings
 - Logistical support for physician-advisor programs and initiatives
 - Ensuring GJFD compliance with requirements to maintain Physician-Advisor sponsorship of certified personnel
 - Coordinate field operations with private ambulance company to meet clinical standards
 10. Clinical Care
 - Oversight and integration of private ambulance personnel into system with goal of quality patient care.
 - Through QA/QI program, develop processes to ensure standards are met
 11. Public Education
 - Utilization of the Fire Department's PIO and support of other public education programs (for example, the Safety-Saur-Us program)
 12. Prevention - Not in place
 13. Information Systems
 - Nearing completion of implementation of Fire Records Management System
 14. Evaluation and Improvement
 - Active participation in Mesa County EMS QA Committee
 - Utilizing Fire Records Management and dedicated personnel to improve QA/QI process
 15. Mass Casualty

-
- Supporting cooperative initiatives to plan, test, and evaluate community mass-casualty preparedness
 - Supporting cooperative preparedness for potential weapons of mass destruction
 - Active support of development of community preparedness through the County Incident Management Group
 - Participating in regional planning for potential mass- casualty incidents through RETAC, Hazmat, State Chiefs, Dept. of Health and Environment, etc.

Planning for system changes in service area:

Under direction of the Fire Chief, the Departments' EMS Task Force was brought back together in October, 2001. The Task Force was to investigate options for improvement in service delivery and to prepare a report for the Chief with a recommendation for the preferred option.

The following outside influences led to the re-chartering of the Task Force:

- Changes within the Department increasing the pressure for EMS changes
- Need to increase staffing
- Need to step back and look at where we are and where we are going
- Need to reevaluate the present permit system for regulating ambulances in the City
- Unknown effect Fee Schedule implementation will have
- Lack of progress in County initiatives
- Call volume again reaching point where changes needed
- Growth impacts becoming very apparent

Process: October 2001

1. Set goals:
 - System that is best for the community, based on what is working in other systems and what will meet our community's needs
2. Evaluated multiple EMS systems
 - Las Vegas, NV
 - Denver General Paramedics
 - Delta County
 - Weld County
 - Tulsa/Oklahoma City
 - San Diego, CA
 - Aurora
 - Huntington Beach, CA
 - Colorado Springs
 - Lynchburg, VA
 - Denver
 - Fort Collins
 - Others
3. From these examples, four models were investigated further:

-
- Our current system
 - FD transport system
 - Private transport system
 - Private/Public Partnership system

Recommendations of the EMS Task Force:

Develop an RFP for ambulance transport that incorporates itself into a “state of the art” EMS system. Such a system could:

- Be designed to improve efficiency and effectiveness
- Ensure that control of the system is in the hands of the entity that is responsible for EMS
- Address funding issues
- Provide the option of GJFD submitting a proposal to provide transport

Concurrently, the Grand Junction Professional FF Association has elicited support from the IAFF to further evaluate the status and potential improvements to the system. That study is still in process.

Current Status:

The EMS call volume continues to increase at approximately 5% per year. In 2002, the GJFD responded on 5800 EMS calls of which approx. 3500 resulted in ambulance transport to the hospital. We currently utilize a two-tier system where the GJFD serves as the first responder (GJFD arrives on scene first 80% of the time), while American Medical Response also responds and provides ambulance transport. GJFD continues to maintain backup transportation capabilities and currently has two fully equipped and staffed ambulances available. Both of these units are new and were upgraded in size in order to better meet patient care requirements. A third ambulance was placed in reserve.

American Medical Response continues to provide 911 transport capabilities through the City's permit process. They also provide non-emergent services to the community. They currently staff three ambulances from 0600 to 2000 each day and two ambulances from 2000 to 0600. A third ambulance was added in November to help cover the period from 1800 to 2000. This addition resulted in the GJFD not providing backup transport on 14 calls.

The Department now has 18 dedicated paramedic positions which enables a paramedic first-response on almost all calls. The addition of station 5 will bring the total paramedic positions to 22.

A national paramedic shortage has prompted us to support current Fire Fighters in pursuing paramedic training in Phoenix and Denver. Two FF's completed training in 2002 and we currently have one completing training in Phoenix in February and one FF beginning school in Denver in July.

The further development of the Task Force's recommendation has been delayed in order to concentrate on development of Fire Station 5 and to give time for outside influences to better resolve themselves (primarily, the impacts of the Medicare fee schedule and the progress of the Mesa County initiative).

At this time, the GJFD is prepared to further develop a proposal and supporting documentation for an RFP to provide ambulance transport within the GJFD service delivery area. The intent would be for the GJFD to submit a bid on such a proposal.

Our conclusion is that there are 13 steps in the provision of a critical care response. They are:

- Reception of call through 911
- Dispatchers send the appropriate response units
- A dispatcher, trained in emergency medical dispatch, provides life-saving instructions over the phone before unit/units arrive on scene
- Fire Department unit/units respond to the scene (arrive first 80% of time)
- Concurrently, private ambulance unit responds for transport
- Stabilization of the scene (through ICS)
- Stabilization of the patient
- Treatment of the patient
- Prepare the patient for transport
- Transport the patient
- Personnel from Fire Department accompany the patient to hospital
- A report is completed on the incident and patient
- Response is processed through the quality assurance program

As a first-responder within this two-tier system, the GJFD completes all steps except transport of the patient. In approximately half the responses, a FD ambulance is the responding GJFD unit and could be utilized for transport. Additionally, the infrastructure to support all aspects of EMS delivery is already in place.

Consequently, a bid on the addition of transport services could potentially be an effective way to improve service with cost-effective solutions.

Conclusion:

The evolution of the EMS system within Grand Junction has been delayed by various factors that must be considered to ensure a system that will serve for an extended time into the future. The major unknown has been the potential impact of the new Medicare fee schedule.

Progress at the County level continues with a redirection of efforts aimed at bringing in a consultant to investigate possible consolidation issues.

The State system continues to evolve with formation of regional councils and renewed emphasis on developing standards.

At the City level, work has focused on improving internal systems in anticipation of expanding transport services. Concurrently, an internal task force investigated multiple other EMS systems and has made a recommendation that an RFP be developed to improve EMS delivery and that the GJFD bid on that RFP with the goal to add ambulance transport to the services we currently provide.

As work progresses at the County level, progress toward EMS system improvements at the City level can only help to define solutions at the Valley floor and County level.

GRAND JUNCTION CITY COUNCIL
STRATEGIC PLAN 2002 – 2012

MONTHLY PROGRESS REPORT
January 2003



Solution

EFFICIENT TRANSPORTATION

Action Step 10.A: *Obtain MPO approval for I-70 corridor as 8th pot project.*
(January 2003)

Progress: From Tom Fisher of Mesa County; “I70 is solidly the Mesa County RTPO priority for any 8th Pot”. This Action Step is **Completed!**

Action Step 12.A: *Develop cost/benefit analysis for swaps (CDOT) currently being discussed.* (January 2003)

Progress: Staff will submit to the City Manager by the end of the month a report that evaluates the cost and benefit of accepting from CDOT sections of North Avenue and Hwy 340.

Action Step 14.A: *City Council representative to RTPO places this (permanent/dedicated funding source for GVT) on agenda for discussion @ Feb 2003 mtg.* (February 2003)

Progress: Council Member Dennis Kirtland sent a memo to Tom Fisher, Director of the Grand Valley Regional Transportation Committee (GVRTC), requesting time on their agenda at the February meeting. Dennis will discuss the eight objectives from our Strategic Plan that might affect this group. A copy of Dennis’s memo is attached.

Memorandum

TO: Tom Fisher, Director of GVRTC
FROM: Dennis Kirtland, City of Grand Junction Council Member
RE: City of Grand Junction's Strategic Plan
DATE: January 22, 2003

CC: Kelly Arnold, David Varley, Mark Relph

I am requesting some time on the Grand Valley Regional Transportation Committee (GVRTC) agenda for January 27th to briefly review the City of Grand Junction's Strategic Plan with the other committee members. There are a series of goals and objectives that will involve the GVRTC to some level. I would appreciate an opportunity to describe those issues and our timeline for each. Accompanying this memo are six (6) copies of the City's Strategic Plan for distribution to the other GVRTC members and your staff.

For easier reference, I have identified the objectives within the Plan that will likely involve the GVRTC. They are as follows:

- Objective #6 – Regional Air Quality
- Objective #10 – Developing funding alternatives for both future interchanges on I-70 as well as existing interchanges.
- Objective #11 – 30-year plan for future I-70 interchanges.
- Objective #12 – CDOT jurisdictional swaps
- Objective #13 – 30-year transportation right-of-way plan.
- Objective #14 – Exploring long-term GVT funding alternatives.
- Objective #16 – Evaluating transportation funding alternatives (e.g. bonds, taxes, partnerships, etc.)
- Objective #17 – Identify & evaluate multi-modal transportation opportunities.

For each objective, there are a series of detailed action steps with specific timelines. Again for easier reference, I have separated the action steps that I believe will directly involve the GVRTC and those that are perhaps more of an indirect involvement. The level of involvement on the latter will depend to some degree upon future GVRTC discussions. I have also included the individual timeline for completion of each action step.

A. Strategic Plan Action Items Directly involving GVRTC:

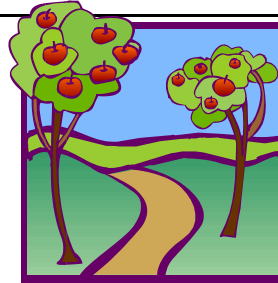
1. Obtain GVRTC approval for I-70 corridor as "8th pot" project.	Jan. - 03
2. City Council rep. to GVRTC places permanent/dedicated funding source for GVT on agenda for discussion @ Feb. 2003 meeting.	Feb. - 03
3. Based on Growth Plan, calculate traffic loading of street network for build out of entire 201 area.	Mar. - 03
4. Update Master Road Plan including corridors and ROW needs.	Jul. - 03
5. If GVRTC accepts GVT funding alternatives as a work item then joint staffs develop financial analysis of funding options.	Oct. - 03
6. Ask GVRTC to consider a formal work item to study opportunities to link transportation modes within the UPWP.	Oct. - 03

B. Strategic Plan Action Items Indirectly involving GVRTC:

1. Develop cost/benefit analysis for swaps (CDOT) currently being discussed.	Jan. - 03
2. Report on current status of Grand Valley air quality.	Feb. -03
3. City Council decides if/when to issue bonds for transportation corridor projects.	May. - 03
4. Conduct feasibility study/analysis to prioritize future interchange locations.	Jun. - 03
5. Prioritize projects on the new 30 year plan (transportation ROW) to add to 15 year CIP include "Redevelopment Designation".	Sep. - 03
6. Prepare estimate of impacts of non-attainment status & discuss future action steps.	Oct. - 03
7. Develop cost estimates and funding strategies for interchanges.	Dec. - 03
8. Review an urban speed limit on I-70 to facilitate additional interchanges & reduce cost	Dec. - 03

GRAND JUNCTION CITY COUNCIL
STRATEGIC PLAN 2002 – 2012

MONTHLY PROGRESS REPORT
January 2003



Solution

OPEN AND BEAUTIFUL SPACES

Action Step 18.A: *Create a work team w/ CC, CM, Parks, PW, VCB for gateways & entrances. (January 2003)*

Progress: The following work team is proposed. City Council is requested to appoint one or more members to the team.

- City Council: One or more members
- Public Works: Mike McDill, City Engineer and Terry Franklin,
Water Resources Superintendent
- Parks & Recreation: Shawn Cooper, Parks Planner
- Visitor and Convention Bureau: Debbie Kovalik, Director
- Community Development: Kathy Portner, Planning Manager

➔ Action Requested: Appoint one or more City Council members to this committee.

GRAND JUNCTION CITY COUNCIL
STRATEGIC PLAN 2002 – 2012

MONTHLY PROGRESS REPORT
January 2003



Solution

RESPONSIBLE YOUNG CITIZENS

Action Step 29.A: *Work w/ school district staff and youth to review different models (youth council) & develop a report on what can be accomplished with each. (March 2003)*

Progress: We have met twice with School District representatives to coordinate this project. We have also met with some of the high school students that will work on this project. During our meetings we reviewed the Strategic Plan and Council's goals and objectives pertaining to youth. Eight high school students will work on this project. They will review the many different models of a youth council and will develop a recommendation for one. It is anticipated that during one of their meetings in February the students will want to meet with interested City Council Members to discuss their views and opinions regarding this project.



STRATEGIC PLAN 2002 – 2012

MONTHLY PROGRESS REPORT
January 2003

Solution

SHELTER AND HOUSING THAT ARE
ADEQUATE

Action Step 30.A: *City staff will work with the GJ Housing Authority and appropriate Colorado State agencies to develop a list of potential developers (of affordable housing). (January 2003)*

Progress: Ron Lappi and David Varley have met with the Grand Junction Housing Authority to discuss this issue. We have received and reviewed a list of potential developers.

Action Step 31.A: *Work with GJHA to review/expand information (affordable housing) they have developed. (January 2003)*

Progress: We have received and reviewed a list of potential developers. We have set up another meeting with the Housing Authority to review and expand information on affordable housing.

GRAND JUNCTION CITY COUNCIL
STRATEGIC PLAN 2002 – 2012

MONTHLY PROGRESS REPORT
January 2003



Solution

VITAL NEIGHBORHOODS

Action Step 36.A: *Select a work team (CC, staff, possibly a consultant, possibly an intern) to review & report re: different models for neighborhood programs. (January 2003)*

Progress: The following work team is proposed. City Council is requested to appoint one or more members to the team.

- City Council: One or more members
- Community Development: Kathy Pornter, David Thornton, Kristen Ashbeck and Ivy Williams
- Public Works: Tim Moore
- Police:
- Parks and Recreation:
- Fire:
- Other Members: such as school district as deemed necessary by the team

➔ Action Requested: Appoint one or more City Council members to this committee.

Action Step 36.B: *City Council to discuss & establish criteria/guidelines for using City's CDBG Funds. (February 2003)*

Progress: David Varley and David Thornton have developed some options for City Council discussion. A copy of the different options is attached. We are asking that the Council schedule a lunch meeting during February to discuss this Action Step. This is how the requests for CDBG funding have been reviewed and discussed.

➔ Action Requested: Schedule this item for review and discussion at a lunch meeting during February.

**M
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O**

To: Mayor and City Council
From: David Varley and David Thornton
CC: Kelly Arnold, City Manager
Date: December 16, 2011
Re: CDBG Funding Guidelines - Action Step 36.B



OVERVIEW

Action Step 36.B in City Council’s Strategic Plan is to be accomplished in February 2003 and states: *City Council to discuss & establish criteria/guidelines for using City’s CDBG Funds*. This memo provides some information and options to assist Council when discussing this Action Step.

Grand Junction became an entitlement city and began receiving Community Development Block Grant (CDBG) funds in 1996. Since that time the City has never formally adopted a policy or guidelines governing the use of these funds. During the years, however, there has been Council discussion regarding how these funds should be used. Much of the discussion has been centered on the idea of using approximately one-half of these funds for City sponsored projects and distributing the other half to various non-profit organizations in the community. However, no action has been taken to formalize this and, the amount spent on City sponsored projects is closer to 33%.

Action Step 36.B which is promoting this discussion is in the Vital Neighborhoods Solution of the Strategic Plan and is listed under this goal: *Create program(s) to strengthen neighborhoods and provide a framework for them to work closely with the City on issues important to them*. This suggests the idea of using CDBG funds to assist with some type of neighborhood program that might be developed.

Over the past six years of administering the CDBG program the City has had limited neighborhood requests for money. The Riverside neighborhood previously asked about CDBG funding their neighborhood community center and the El Poso neighborhood requested funding for neighborhood street improvements including curb, gutter and sidewalk. However, we have not had a neighborhood program in place and the use of CDBG funds has not been actively promoted to neighborhoods.

It is possible to use CDBG funds for a variety of neighborhood programs and projects. Such neighborhood projects must meet National Objectives and Eligibility requirements as specified by the Department of Housing and Urban Development (HUD). Types of projects could include public infrastructure such as streets including curb, gutter and

sidewalk, utility improvements and drainage improvements. Other projects potentially eligible are community centers, youth programs and neighborhood parks.

OPTIONS

There are basically two options for this issue. The first option is to leave the current process in place and continue to allocate CDBG funds as we always have since becoming an entitlement city. Under this process all applications for grant dollars are weighed against each other each year based on a list of criteria and the projects are selected for funding.

The second option is to adopt formal guidelines governing the use or allocation of CDBG funds. Several variations of guidelines could be adopted such as allocating a certain percentage of CDBG funding each year to neighborhoods. Those neighborhoods meeting eligible income guidelines could apply for CDBG funds for their eligible projects. Projects could be 100% funded with CDBG dollars or could be a match for leveraging other funding sources that would complete the project. Another variation is to allocate a certain percentage of CDBG funds to City sponsored projects, such as those that have been funded in the past, that benefit citizens in low and moderate income neighborhoods.

Whichever option Council chooses the City's CDBG funds will continue to be spent on projects that meet the national eligibility standards and the goals and objectives adopted in the City's Consolidated Plan.

GRAND JUNCTION'S USE OF CDBG FUNDS 1996 – 2002

Non-Housing Community Development Infrastructure (City) Projects

- South Avenue Reconstruction - 5th to 7th Street \$330,000
 - Elm Avenue - 15th St to 28 Rd \$151,855
 - Riverside Neighborhood Drainage Project \$400,000
 - Bass Street Drainage Improvement Project \$231,000
- TOTAL = \$1,112,855 or 32.8%**

Affordable Housing Projects

- Habitat for Humanity \$119,000
 - GJHA Lincoln Apartments \$330,000
 - Mesa Developmental Services Group Homes \$240,000
 - Energy Office Linden Building Rehab (12 units) \$55,000
 - Energy Office Garden Village Apts. (91 units) \$200,000
 - GJHA Predevelopment design of Affordable Housing project \$41,720
- TOTAL = \$ 985,720 or 29.1%**

Homeless Projects

- Homeless Day Center \$203,131

-
- Salvation Army Hope House Shelter (transitional housing) \$50,000
 - GJHA Community Homeless Shelter \$205,000
 - Catholic Outreach Transitional Housing services \$10,000
 - Catholic Outreach Soup Kitchen \$50,000
 - Homeward Bound of the Grand Valley, Inc. \$10,000
- TOTAL = \$ 528,131 or 15.6%**

Special-Needs Population and Other Human Service Needs Projects

- Marillac Clinic \$290,000
 - Colorado West Mental Health \$25,000
 - Headstart Classroom/Family Center \$104,000
 - Mesa Youth Services, Inc., Partners \$15,000
 - Western Region Alternative to Placement (WRAP) \$10,000
 - Western Slope Center for Children \$101,280
- TOTAL = \$ 545,280 or 16.1%**

CDBG Administration Costs

TOTAL = \$217,014 or 6.4%

TOTAL 1996 – 2002 CDBG DOLLARS ALLOCATED = \$3,903,000

**Attach W-3
Utilities In Rights-of-way**

CITY OF GRAND JUNCTION

CITY COUNCIL AGENDA						
Subject		Draft Ordinance for Facilities and Construction in City Rights-of-Way.				
Meeting Date		February 3, 2003				
Date Prepared		January 27, 2003			File #	
Author		Tim Moore & Dan Wilson		Public Works Manager/ City Attorney		
Presenter Name		Tim Moore & Dan Wilson		Public Works Manager/City Attorney		
Report results back to Council		X	No		Yes	When
Citizen Presentation			Yes	X	No	Name
X	Workshop		Formal Agenda			Consent
						Individual Consideration

Summary: The attached draft ordinance is intended to aid the City in the long term management of public Rights-of-Way that are used by utility providers. Proper planning of the location and depth of underground utilities will ensure conflicts between utility providers and City utilities are minimized as the community grows. Most local utility providers have had the opportunity to review and comment on the draft ordinance.

Budget: N/A

Action Requested/Recommendation:
Review and comment on the draft ordinance.

Attachments: Draft Ordinance

Background Information:

The City currently has franchise agreements with Xcel Energy and Grand Valley Rural Power which help regulate the use of City R-O-W's. In addition, the City issued a revocable permit in 1966 to TCI/AT&T, the local cable television provider. The City does not have a franchise agreement or permit with Qwest for the use of public R-O-W's. While these agreements and the permit provide some ability to manage the placement and location of underground facilities, they are not adequate to address several problems we routinely encounter.

Over the last several months, staff has met with most of the potentially affected interest groups and discussed the need for this ordinance. We have also met with members of the Associated Builders and Contractors and Western Colorado Contracting Association to solicit their input. Both groups understand the City's efforts to better manage the future installation of underground utilities and support the ordinance. Additionally, utility providers including Xcel Energy, Grand Valley Power, Qwest, AT&T, Ute Water, Clifton Water, the three area sanitation districts and Grand Junction Drainage District have all had an opportunity to review and comment on the ordinance.

The problems and solutions addressed in the ordinance include the following categories:

1. Street cuts on existing roadways. While the current practice of patching these cuts is adequate for the short term, the surface cannot be completely restored to its original condition until the road is overlaid or rebuilt. This ordinance encourages boring under the roadways where appropriate.
2. Inadequate planning and control over the placement of new facilities many times results in conflicts with other existing utilities and creates a nearly haphazard inter-twined series of pipes, cables and manholes. The ordinance requires the utility provider to show an overall plan for the use of the City's R-O-W.
3. Certain providers do not remove or relocate their infrastructure when requested to do so by the City for capital construction projects. These delays are costly to the City and other providers and in recent instances, have inconvenienced the public. The ordinance establishes a systematic way of identifying and enforcing schedules, and establishes a mechanism for collecting damages associated with these delays.
4. Although efforts like Colorado's underground excavation statute requires providers to locate their utilities in advance of digging, these locations are in the horizontal alignment only. As a result, no depth information is provided resulting in increased costs because work must progress slowly to avoid damaging the facilities during construction. Additionally, there is no state law requiring utility providers to locate their facilities for reasons other than a planned excavation. As a result, the City's Combined Sewer Elimination Project (CSEP) will spend approximately \$100,000 in 2003 to accurately locate underground utilities both horizontally on the ground and their depth for design purposes. This information allows the gravity storm sewer system to be designed with as few conflicts as possible. This information also clarifies the conflict points ahead of the project saving time and money during the construction phase. The ordinance requires all utility providers to locate underground facilities in advance of all of the City's Capital Improvement Projects.
5. There is a long term need to accurately map the location of utilities within the City's R-O-W's. This ordinance requires utility providers to collect "as-built" data which can be blended into the City's GIS system that, over time, will result in a coordinated system of infrastructure locations within the City R-O-W's.

Ordinance No. _____

**An Ordinance Adopting
Regulations Concerning Facilities and
Construction in City Rights-of-way**

Recitals.

A. The City intends to exercise its police powers to the fullest extent possible under this City's home rule powers and authority, Colorado's constitution, the federal Telecommunications Act of 1996, §38-5.5-101, C.R. S. ,*et seq.*, and the guidance provided by *City and County of Denver v. Qwest Corp.*, 18 P. 3rd 748 (Colo. 2001).

B. Several problems are being addressed by this Ordinance. First, each instance of underground use of the City right-of-way ("ROW") has historically meant cutting the road surface. The best of repairs to such cuts still means that until the road is overlaid or rebuilt, the surface cannot be fully restored. Such roads are always more susceptible to water damage. Such roads cost more money to repair over time and are more inconvenient to City residents who use these roads, which reflects badly on the City due to the uneven streets for our citizens.

C. Another problem being addressed is the increasing numbers of entities laying lines and other facilities to create a grid for that utility's or company's purposes. Without an overall plan or method, each entity's independent placement of facilities, and later repairs, extensions and maintenance has led to a nearly haphazard inter-twined, both horizontally and vertically, series of pipes, conduits, manholes and similar facilities.

Not only does the City not know what lines and cables and pipes are located where, neither does any other Provider. Each foray below the surface of City ROW means surprise, all too frequent damage to buried infrastructure and consequential cost increases. The City has developed a sophisticated and very accurate GIS system over the past decade, at a cost to its citizens of well over a million dollars—not counting associated labor costs. The City has invested large sums of money and labor to locate its water, sewer and other facilities on this modern GIS. The City, its citizens, and the various Providers and utilities will all benefit if this GIS can be used to help locate existing facilities, and to plan for the extension of future facilities. This Ordinance will allow this to occur.

D. Another problem is that certain Providers do not remove or relocate their infrastructure when requested by the City, so that the City can build new roads, expand existing streets, and install or upgrade or extend sewer lines and similar City facilities in the least costly and quickest fashion. Recent instances of failure to timely cooperate with the City and other Providers has directly increased the

costs to the City and other Providers, the inconvenience to the public due to construction delays and nuisances. When one Provider promises to relocate its facilities, especially when necessary before another phase of construction can proceed, and then either does not do it on time, or not at all, the City's costs and delays are dramatic and frustrating. All other Providers are injured as well as is the public. Adding insult to injury, the offending party frequently does not pay for the consequential costs incurred by other, innocent, parties.

E. Even with modern efforts to locate utilities in advance of digging, such as Colorado's underground excavation statute (§9-1.5-101, *et seq.*, C.R.S.), work in City ROW must go slowly, increasing labor and other costs, because the consequences of damaging the facilities of others in terms of loss of time, customer service, and increased costs are so significant. While in such circumstances it may be that no one is "at fault," the public, the Providers and the City will benefit from accurate information of the vertical and horizontal location of infrastructure, so that such data can be blended into the City's GIS, resulting in a coordinated system of use, repair and additions to infrastructure within City controlled ROW.

F. History teaches that as our society evolves, the buried utilities will increase in complexity and number. The City can help all concerned by creating a system that regulates and directs the ever-increasing myriad of cables, pipes, manholes, lines, fibers, conduits, utility boxes, culverts, ditches, canals, and many other structures and appurtenances in City streets and alleys. While the process of "getting there" will initially cost some money, the end result will be a much more efficient, and less expensive, ability to maintain existing, and add new, infrastructure. The City, developers, utilities and other Providers will save money during the design phase, during construction and when excavations are required for routine and emergency repairs.

G. Congress has dictated some rules, the General Assembly had added others, and the City has its own broad powers as a regulator of the health, welfare and safety of its citizens and visitors and ROW. The City's voters have authorized the use of City streets by Public Service Company of Colorado and Grand Valley Power, pursuant to franchises. The voters approved a cable operator's use of public ROW in 1966 pursuant to a revocable permit. Congress and other have directed, however, that the City cannot require that every Provider obtain a voter approved franchise, as once was required. However, the City is lawfully authorized to make reasonable regulations that can apply to Providers without franchises, so long as the net effect is not to discriminate or unreasonably burden modern telecommunications and similar functions.

This Ordinance adopts these reasonable rules to solve legitimate local problems, within the constraints imposed by evolving federal and state laws that preempt, if any, local control of City ROW.

H. Some Providers own hundreds of miles of infrastructure within City ROW. Others have fewer miles but larger facilities, such as large diameter pipes. Some Providers have installed facilities that parallel facilities of the City or others, in the same section of a street. The larger the pipe, facility or structure is, the easier it is to avoid in some ways when constructing in the same area of ROW. Yet, the administrative burden on the City to track “smaller” infrastructure is the same as it is for the larger facilities. Rather than attempt to categorize such facilities on the basis of size, the City chooses the rational method of measuring the length of such facilities.

Rather than attempt to distinguish between unlike Providers, the Council determines that it is fair and equitable to adopt a standard “unit” to compare the burden on (and in some ways, the benefit to) the City and its residents, and their ROW. Without such a comparative scale, how can one equitably compare a Provider’s thin but delicate wiring (that is subject to easy injury by other Providers) against a several foot wide drainage pipe that is easily located and hard to break? On the other hand, a larger pipe occupies more space within the limited ROW, and is less susceptible to being easily placed with other utilities in a common trench. Providing for rules and differences for all Providers based on a common “yard stick” or a “unit” of length is reasonable and equitable.

I. The City has the power and authority to provide a systematic method of permitting, standards, cost recovery and coordination, within the limits of any preemptive federal or state laws that may apply. The Council finds that it would be irresponsible not to do so because our citizens are being injured financially, without this Ordinance as are other utilities and Providers. Further, a systematic scheme protects the City’s and the public’s infrastructure.

J. It is noted that above-ground facilities within the City ROW are, for the most part, already adequately regulated pursuant to franchises, the PUC or pursuant to contracts between the affected parties.

K. These rules and regulations will benefit every Provider and utility, as well as the City and its citizens, because the overall costs to and time of each will be reduced. Thus, each utility and Provider will help make more efficient both inter- and intra-state commerce, the provision of services to the public and modern communications.

L. The rules in this Ordinance that require Providers to upgrade existing facilities, and relocate, in accordance with the City adopted rules at that time, will require some initial expense by the Providers. The alternatives are to have the City pay for such costs or to require the Provider’s to come into compliance incrementally. The City does not have the resources to pay the costs caused by other Providers, nor would it be fair to citizens to subsidize such Providers, either overall or during periods when incremental improvements are made. Sometimes when the Provider must relocate its infrastructure, at the direction of the City,

new easements or ROW must be obtained. The City finds it to be in the best interest of City residents if the City obtains such easements on behalf of the Provider, so that a citizen has to only deal with one entity obtaining ROW and so that a fair price is paid, thus reducing the burden on the citizen. However, the costs of such process and easement must be paid by the benefiting Provider(s).

M. As noted, although existing state law requires utilities to locate their facilities, that law and current local practice is such that the owner's of such facilities are not willing to routinely locate their facilities at the City's request, so that such information can be incorporated into the City's capital project design process. Even if such owner's do mark the location of their facilities, experience has shown that too frequently, such information is not accurate.

N. The City incurs significant costs by having to redesign, and to relocate during construction, when accurate information is available, too often not until the excavation process is well under way. Until information, as required herein, is readily available to accurately locate, both horizontally and vertically, all such infrastructure, all Providers must field locate its infrastructure upon request by the City, both during construction but also at necessary stages of the City's design process.

O. Another key purpose to this Ordinance responds to the changing reality of utility Providers, especially telecommunications and cable industry entities, both old and new, that desire to lay new facilities in City ROW, and have installed miles of infrastructure in City ROW. There are now so many different utilities, in so many different horizontal and vertical locations that the City must plan for the years to come, so that inter- and intra-state communications, information and similar facets of the modern economy can continue to expand and bring the benefits to this City. An overall plan and systematic way to integrate all these activities, functions and facilities is absolutely required for the benefit of the City, its citizens, and the Providers and utilities that operate in, and have infrastructure that runs under and through, the City.

P. In general, this Ordinance does four (4) important things: It requires that any entity must first give a specified notice before it may operate in any form in City controlled ROW; each Provider must show its overall plan for use of the City's ROW; third, it establishes a systematic way of identifying and enforcing schedules, impacts, location and other technical standards; it requires that accurate information be provided to the City; and, it provides a mechanism whereby the entity causing delays and damages to the City is responsible to pay for such delays, and to reimburse for such damages so that this City's citizens do not inadvertently subsidize any wrongful or negligent activities of others.

Q. The Telecommunications Act of 1996 (47 U.S.C. § 253) makes clear that cities such as Grand Junction are entitled to be reimbursed for the actual reasonable costs associated with the use of City ROW by utilities and Providers.

In addition, various cases around the country, such as the recent case of TCG New York, Inc. v. City of White Plains, 305 F3d 67 (Second Circuit, 2002), interpret applicable federal law as allowing cities to also receive compensation, equivalent to rent, of up to five percent (5%) per year of the Provider's annual revenues generated in the cities' limits.

R. This City determines that it would be irresponsible not to obtain such reimbursement. In addition, Grand Junction's citizens should receive a reasonable return on the investment in the ROW of the City, as allowed by cases such as the White Plains case.

S. The existing franchises between the City and its two power Providers, Grand Valley Power and Public Service Company of Colorado, provides for franchise fees, analogous to the compensation that may be charged relative to telecommunications Providers and other entities subject to the Telecommunications Act of 1996.

T. The Council acknowledges that federal law authorizes the City to collect such compensation, up to five percent (5%) of gross revenues, from telecommunications Providers.

U. The Council determines that it will not require such compensation, nor request voter approval at this time.

V. This Ordinance is intended to integrate with the City Code, Chapter 38, especially Article IV. References in this Ordinance to section numbers shall be to said Article IV.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE City of Grand Junction: The following is hereby adopted as an Ordinance of the City, as set forth, and shall be effective as of April 1, 2003. The City Clerk shall codify these provisions as Article V of Chapter 38 of the City Code.

1. (a) The terms of voter approved franchises that are inconsistent with, or conflict with, the terms hereof shall control.

(b) Consistent with the requirements of the Federal Telecommunications Act of 1996, the City Council may approve variations from the terms of this Ordinance, as needed to implement specific technical needs of Providers, in the form of a revocable permit. Such revocable permit is the term used by the City Charter, although it is recognized that the Charter language that ostensibly would allow the Council to terminate such a permit without cause on thirty (30) days notice has been preempted by applicable federal laws; discrimination contrary to the Telecommunications Act of 1996; or regulate the provision of telecommunications services.

(c) A revocable permit, pursuant to the City's charter, ordinarily can only be issued by the City Council. Because the Telecommunications Act of 1996 preempts inconsistent local government provisions, and because quick administrative issuance of a permit or license to a telecommunications Provider would not violate any such preemptive law, the Council determines that the extraordinary step of delegating to the Director the power, and duty, to issue revocable permits pursuant to this ordinance is mandated by federal law, and is hereby authorized.

2. (a) It shall be unlawful for any person, Provider, entity or telecommunications Provider as defined by the Telecommunications Act of 1996, within, under, in, through or on any City owned or controlled ROW within the limits of the City, to replace or dig as defined herein, unless such person is a franchisee, a local government authorized pursuant to Article IV of Chapter 38, has obtained a revocable permit as described herein, or is certified by Colorado's Public Utilities Commission and unless such replacing or digging is performed in compliance with the provisions of this Ordinance; and
- (b) The terms of any permit, franchise and revocable permit, and the engineering standards of the City, including construction testing and inspection, and the other provision of this Ordinance shall apply to each such franchisee, local government, and revocable permittee.

3. Notice.

- (a) Before beginning work, replacing, digging or making any use of the any ROW, a Provider shall give written notice of its proposed work at least 15 City business days before beginning any such work or digging.
- (b) If due to workload or other considerations, 15 days is not sufficient to adequately evaluate the notice and address possible impacts on the City or other Providers, the Director may lengthen the advance notice period, up to a total of 90 days.
- (c) Advance notice for a new Provider shall be 30 days, unless extended by the Director up to a total of 180 days.
- (d) For the notice to be adequate, the Provider must supply the following information:
 - (i) For out-of-state Providers and contractors, proof of authority to do business in Colorado;
 - (ii) Proof of Colorado worker's compensation coverage;
 - (iii) The name and street address of the Provider;
 - (iv) Contact information for the Provider;
 - (v) The name, address and contact information for each contractor before such person(s) does any work or digs in any ROW;
 - (vi) The business telephone number of the President, CEO or other decision-maker of each such Provider and contractor.

The Provider or contractor may each designate another individual so long as such designee has the requisite authority to make decisions for the Provider or contractor regarding the matters regulated herein, and if the contact information for such designee is provided;

- (vii) A proposed work plan showing:
 - a. what specific locations and segments of ROW will be effected;
 - b. when each such ROW will be used and effected;
 - c. the location, depth and width of any cuts, digging or other work within the ROW;
 - d. how, if at all, the proposed work or digging will interfere with any City work and how the Provider will mitigate or minimize the interference;
 - e. how warranty work will be secured;
 - f. how the Provider intends to repair or replace any damaged ROW, including any facilities and infrastructure located within the ROW;
 - g. Regarding infrastructure and facilities that have been replaced or installed in compliance with the terms of this ordinance regarding GIS and vertical and horizontal locations, detailed plans of existing infrastructure of such Provider in City ROW showing the vertical and horizontal location of such infrastructure. The scales of such plans shall be not less than one inch (1") equal to forty feet (40').
- (viii) Traffic control plan, as necessary.

4. Boring is Encouraged.

It is the City's policy to discourage cuts and other breaks in the surface of any ROW. It is the City's policy to promote boring so that there are no surface disturbances. To that end, the Director may implement differential review periods, fees, processes and other requirements to require boring unless the Provider can reasonably demonstrate it is impracticable, based on the particular circumstances, such as condition of the surface, topography, groundwater, location of other facilities or structures.

5. Construction Permit. Emergency.

- (a) Within any ROW no Provider shall dig, replace nor make any cuts nor occupy any City ROW until the Provider has obtained a construction permit

issued by the Director, except in an emergency. Unless all or a part is prohibited by other applicable law, the cost of the permit shall be equal to the City's reasonable estimate of the actual costs required to process, issue, review the proposed work, make inspections during the work, perform field and other tests, and generally monitor the activities pursuant to the permit. The City Council may adopt a schedule of average actual costs, based on prior experience which sets the costs of the permit.

- (b) If a Provider cannot first obtain a construction permit due to an emergency, the Provider shall take such "action as is reasonably required" and shall as soon thereafter as practical give oral notice to the Director, and thereafter comply with the rest of the requirements of the City.

6. Provider's proposed Plans. Director's Review.

- (a) No Provider shall begin any work, nor dig within any ROW nor make any cuts nor occupy any City ROW unless the Director has accepted the Provider's construction plans which must comply with adopted City specifications and standards. "Adopted City specifications and standards" includes the specifications, standards of other Providers if substantially equivalent and if approved in writing by the Director.
- (b) A Provider shall deliver three (3) sets of its overall plans, for use or digging in any ROW, to the Director for the use of the City. Among other benefits such overall plans allow the City to coordinate its work with that of the Provider and other Providers. If the City's work load demands, or if the plans are complex or address many units, the Director may extend his review time in whole or for portions of the City and its ROW, by giving notice to the Provider of an extended review period not to exceed a total of 60 business days. The scales of such plans shall be not less than one inch (1") equal to forty feet (40').
- (c) If the plans are complete and adequate, the Director will be deemed to have accepted the plans unless he rejects or amends the plans within ten (10) City business days by giving notice thereof to the Provider via facsimile, email, by mail or in person. The Provider may rely on the lack of rejection, amendment or otherwise of the plans until a contrary notice is given by the Director; thereafter the Provider shall make such changes as the Director requires, consistent with this Ordinance and the City's other standards and requirements.
- (e) To reject or amend the Provider's plans, the Director may give notice thereof: by sending an email or facsimile or by mailing a copy to the Provider's listed address, facsimile number or email address. Such notice by the Director is effective upon the earlier of sending the email, facsimile or mailing the notice first class via the U.S. Postal Service, postage pre-paid.
- (f) If the Director rejects or amends the proposed plans, in whole or in part, the Provider shall not thereafter do any work in the ROW until it submits plans that the Director does not reject or amend; however, the Director may approve a portion of the plans and thereafter the provider

may perform a portion of its proposed work in the locations or at such times as the Director directs.

7. City laws.

Each Provider has the duty to see that its work, and that of its contractors, complies with this ordinance, other adopted City standards and specifications, and other applicable law. Other City adopted standards and requirements include: the Transportation, Engineering and Design Standards; the City's standard contract documents as applicable; the City's ordinances including the Zoning and Development Code; and the City's Administrative Regulations.

8. Infrastructure Standards.

- (a) From time-to-time, the Director may adopt additional or supplemental standards as Administrative Regulations to which each Provider shall thereafter conform its infrastructure in the City ROW whenever the infrastructure is replaced.
- (b) The Director shall adopt standards regulating and guiding the vertical, horizontal and placement of Provider infrastructure relative to the City's infrastructure, the facilities of other Providers and other facilities in the ROW. The Director shall solicit the public input of Providers and other affected interests when considering such standards.
- (c) The City's standard cross section for "wet" & "dry" infrastructure is attached. All work shall conform with such standard cross section, unless the Director has approved a variation established by the Provider as reasonable and necessary.

9. Oversizing. As-Built Plans. Relocate Facilities.

- (a) Whenever a Provider's dry infrastructure in the City ROW is dug up, exposed or repaired, if the Provider desires to re-bury, replace, or install dry infrastructure in that unit, or a portion of a unit as the Director determines is reasonable, the Provider shall within all of such unit:
 - (i) Either upsize conduit or pipe, or at the election of the City, and if the City provides the pipe or conduit, install separate conduit.
 - (ii) Pay the costs required to rebury, replace or install such infrastructure in such unit, in accordance with the City's then adopted standards and requirements.
- (b) If a Provider's infrastructure is dug up, exposed or replaced, or if such infrastructure must be reinstalled or replaced, at the direction of the City or to accommodate work directed by the City, each Provider shall bear the costs and expenses required to reinstall or replace the infrastructure. The City may require a Provider to reinstall or replace the Provider's infrastructure in one or more units on behalf of Mesa

- County or a political subdivision of the State of Colorado.
- (c) If a Provider's infrastructure must be dug up, replaced or relocated at the direction of a Provider other than the City, such Providers shall determine how to allocate such expenses between or among themselves.
 - (d) For all replacements and infrastructure made, the Provider shall deliver "as built" information as required herein to the Director within 60 days of completion of the replacement or infrastructure work.
 - (e) The Provider shall deliver the as-built information in a format and medium specified by the Director so that the City may incorporate the information into its existing software, programs and GIS.

10. Joint Use of Provider Infrastructure.

The City may require that a Provider locate and maintain one or more of its facilities in a common trench and/or common pipe, conduit or similar facility, in which the infrastructure of other Providers and/or the City is also located. Until the Director adopts different standards regarding the vertical and horizontal separation of facilities, the Standards of the American Waterworks Association shall apply.

11. Upsizing Conduit Installation for City Benefit.

- (a) When a Provider places dry infrastructure in the City ROW or replaces such infrastructure, the City may require that such Provider acquire and install larger pipes, conduits, culverts, *et cetera*, for the benefit of the City and, if approved by the City and the pro rata costs are paid, for the benefit of other Providers. The Director may require a (first) Provider to install larger dry facilities at the (first) Provider's initial cost; however, in such event, the Director shall also make reasonable provision for such (first) Provider to be reasonably reimbursed by any other Provider for a *pro rata* share of the incremental costs of such upgrades or upsizing, based on the number of units if applicable, of the benefits received. The City's sewer and/or road reimbursement agreements and policies shall govern such reasonable reimbursement, until the City Council directs otherwise by Resolution.
- (b) The City may pay the incremental costs required to install larger or higher capacity infrastructure upon request of the Provider; in such event, the City may require that another Provider that receives the benefit of such larger or higher capacity shall reimburse the City a proportionate share of the City's costs, as reasonably determined by the Director based on the benefit received.
- (c) Anytime any Provider opens a trench, digs or bores in City ROW, the City may provide conduit or piping which the Provider shall install therein at no cost to the City.

12. City Costs and expenses.

- (a) Each Provider shall pay to the City the costs and expenses incurred by the City and its officers, officials, employees and agents

regarding oversight, inspection, regulation, permitting and related activities ("City Costs"). City costs may be calculated or extrapolated on a per unit cost.

- (b) City costs include the actual wages, plus benefits, paid by the City for the Work of each City employee and/or agent, including clerical, engineering, management, inspection, enforcement, and similar functions.
- (c) City costs include the expenses and costs for computer-aided design programs, maps, data manipulation and coordination, scheduling software, surveying expenses, copying costs, computer time, and other supplies or materials or products required to implement this Ordinance and to regulate Providers hereunder.
- (d) Unless the Director requires a Provider to re-surface a part of a unit, portion of a City block or similar segment of ROW disturbed by the Provider, City costs include the present value of the cost to replace and resurface the damaged asphalt, concrete or other ROW surface.
- (e) The Director shall establish an average per unit cost for the calendar year in question, based on bids the City accepted for City projects in the previous one (1) or two (2) calendar years.

13. Provider Payments to the City. Collections.

If a Provider fails to pay City Costs, or any other money or fee or compensation required by a City law or regulation, in full within 30 days of the City's mailing a claim therefore, the City is entitled to, in addition to the amount of the claim: Interest on all unpaid amounts at the statutory rate or the City's return on investment as reported in the City's then current adopted budget.

14. City Required Utility Locates for Design.

- (a) In addition to locates required pursuant to §9-1.5-101, C.R.S., *et seq.* ("Locate Law"), each Provider shall locate its infrastructure in City ROW during a prescribed work week as directed by the Director. The Director shall give a Provider at least 14 calendar days advance notice of the work week in which such locates shall be completed. The Director shall establish the same work week for all Providers to do the work required by the Locate Law within the specified unit or units.
- (b) The City may require that a Provider provide three (3) different "stages" of locate information:
 - (1) As needed by the City for preliminary design of infrastructure in ROW. Generally, at this stage the vertical datum, the City may require vertical information, and pot holing, in specific locations and depths, so that interference with the City's work and the facilities in the ROW can be minimized.
 - (3) As the final construction plans are completed, and during construction as needed, accurate locate information may be required at additional points and areas.
- (c) Any Provider who fails to comply with the Director's notice to

comply with the Locate Law within the specified work week is responsible and liable for all consequential damages that result from either the failure to comply with the Locate Law or from inaccurate information regarding the vertical and/or horizontal location of such Provider's infrastructure.

- (d) Any Provider may avoid claims for such consequential damages pursuant to this ordinance if such Provider "pot holes" in such locations and to such depths as such Provider determines is needed to provide accurate information to the City regarding the horizontal and vertical location of such Provider's infrastructure in the specified unit(s).
- (e) The Provider shall locate in such additional areas in unit(s) as specified by the City as the City's design progresses and information from various Providers, and elsewhere is available.
- (f) Each Provider that does not accurately locate its infrastructure shall pay the City the costs incurred by the City in changing any design, relocating City infrastructure, and delay and similar costs incurred as a result of inaccurate Locates.
- (g) A Provider may avoid having to perform locates in one (1) or more unit(s) if it delivers to the City accurate, as defined herein, information that is compatible with the City's GIS that establishes the location of such Provider's infrastructure in the unit(s) in question.

15. Incentives.

- (a) Notwithstanding the amount of City costs which a Provider must otherwise pay, the Council may adopt a Resolution that establishes the financial incentives to Providers to obtain the results and to implement the policies described herein.
- (b) The City costs payable by each Provider for each unit may be reduced by one-quarter (1/4) if a Provider installs City provided conduit, pipe or other infrastructure within the unit, at no additional cost to the City when the Provider repairs or installs its infrastructure.
- (c) A Provider may only obtain a construction or revocable permit for multiple units if and while the Provider is in compliance with all City rules and requirements and if the Provider has not delayed the City or City contractors regarding City ROW in the previous six (6) months.
- (d) The Provider must deliver its bill of sale to the City for all infrastructure, to be owned by the City free and clear of liens and the claims of others.

16. Planning. Provider to remove its Facilities at City Request. Provider appeal.

- (a) If the Director posts notice at City Hall of the nature and location of the City's construction plans involving City ROW, each Provider shall plan for and remove its facilities as required by the City in compliance with the City's plan and schedule for the work, and each phase of the work. In general, the City's capital plans can be identified more than

one (1) year in advance by reference to the capital plans and budgets.

- (b) Unless the Provider's appeal of such City plans as provided herein is granted, a Provider shall complete the work, replacements as necessary to avoid delay or interference with such City plans.
- (b) A Provider is not in violation of this Ordinance for failure to coordinate with the City's plans, as provided in this section, if the Director accepts the Provider's written appeal which proposes reasonable alternatives regarding timing and/or methods, or other mitigation of the City's damages or increased costs.
- (c) Without affecting the City's rights under the foregoing provision, the Director may extend the time for performance by a Provider, if the Provider justifies such extension in writing to the Director.

17. Provider Must Relocate.

- (a) For any City project and any City use of City ROW, each Provider shall complete its removal of its infrastructure or replacement in accordance with the City's plans, and the City's most current posted schedule, so that the City and other Providers are not delayed in their use of City ROW in the particular unit or ROW segment.
- (b) Adoption of the City's budget which includes the City's plans for capital projects or other use of City ROW shall constitute notice to all Providers of the City's plans regarding ROW, so long as the City's schedule for use of the particular ROW or unit(s) is also posted.
- (c) The City may acquire additional or other easements for use by such Providers at the Provider's written request so long as the City's work will not be delayed. The Provider shall reimburse the City for the City's Costs incurred in obtaining such ROW and for the costs and expenses of obtaining the ROW and/or easement(s).
- (d) If such easements or ROW are to be used by more than one (1) Provider, including the City, each Provider, including the City, shall pay a *pro rata* share of the total of the City costs.
- (e) Providers who are franchisees, pursuant to the City's code, are subject to Article 10 of the franchises. The City may require that the franchisee move additional facilities of such franchisee underground, at the City's expense.
- (f) A Provider that is not a franchisee shall relocate its facilities at such time and from such unit(s) as the Director shall direct from time-to-time, at the cost of such Provider, subject only to the requirement that the Director shall give such Provider at least 90 days advance notice thereof.

18. Other.

- (a) A construction or revocable permit authorized under this Ordinance shall be void during all times that any provision of this Ordinance or other City law is not fully complied with. In the event that such permit

is later not void, within a week thereof, the Provider shall give the notice required by section 4, and shall apply for a permit as though the Provider was a new Provider.

- (b) A permit to dig or excavate under this Ordinance is void if the Provider supplies materially false or deceptive information to the City at any time.

19. Violations.

- (a) The provisions of Chapter 1 of the City code apply to any violation hereof.
- (b) It is a violation of this Ordinance if a Provider misrepresents any fact in any information provided to the City or to the Director, or the Director's employees or agents.
- (c) A Provider violates this Ordinance if the contact person of such Provider, or the Provider, fails to amend or update the information and documentation supplied to the City pursuant to this Ordinance within 60 days of any change, error, mistake or misstatement.

20. Security.

- (a) If the Provider has violated any provision of this Ordinance within the previous five (5) years, before the Provider is authorized to perform work in the ROW, the Director may require that a Provider post a letter of credit or equivalent security in the greater of:
 - (i) The dollar value of any damage to the City or other Provider's infrastructure that has occurred in said five (5) year period.
 - (ii) The amount of increased costs or price payable to a contractor or similar entity due to the Provider's violation; or
 - (iii) The amount of gross profit the Provider realized due to the violation.
- (b) The City may convert such security to cash and use such cash to pay for any warranty work or to correct any injury or damage caused to the City's infrastructure or property, or other damages, by the Provider's actions or failure to act or to improve the City's infrastructure.

21. Construction Standards.

Each Provider has the affirmative duty to see that the City's construction standards, such as soil density testing of repaired ROW, are complied with.

22. Suspension and/or Revocation of a Permit.

The Director may order that a Provider immediately cease and desist any further use or work within the City's ROW, and suspend all permits and previously granted City approvals for all units, at any time based on reasonable grounds to believe that a violation of this Ordinance, or other

City rules or specifications, has occurred and that the public health, safety or welfare, or the property or rights of another Provider are at substantial risk of irreparable harm.

23. Appeal.

A Provider may appeal any City or Director decision pursuant to this Ordinance as provided in City Code section 38-68, as though the Director were the City Manager.

During such appeal process, the Director has the discretion to allow the Provider to use and/or operate within one (1) or more units, as determined by the Director, with conditions as the Director deems reasonable including the posting of reasonable cash or other security, such as a letter of credit.

24. Administrative Regulations.

The Director may implement this Ordinance by adopting Administrative Regulations.

25. Severability.

If a court of competent jurisdiction declares one (1) or more provision(s) or terms of this Ordinance to be unenforceable or unconstitutional, the rest of the provisions and terms shall be severed therefore and shall remain enforceable.

26. Civil Remedies. If any person or Provider violates any order of the Director, a hearing board or the Council, or otherwise fails to comply with the provisions of this Ordinance, the provisions and remedies provided for in section 38-69 (b) of the City Code shall apply, and shall be available to the City.

27. Definitions.

- (a) City Work: Capital projects of the City, or other City digging or excavating in ROW, according to the schedule adopted by the Director, notice of which can be obtained at the Director's office at City Hall.
- (b) Contact Information: Name, title, email address, physical address, and telephone number of each person to whom inquiries and requests for decisions may be directed and who has decision-making authority to bind the Provider, pursuant to this Ordinance. If more than one (1) person must be identified so that the City may locate a contact person at all reasonable times in response to emergencies, the Provider must supply the Director with a prioritized list containing contact information for each person on the list.
- (c) Construction Plans: The Provider supplied P.E. stamped standards for all Provider work in the ROW.

- (d) Dig: means to dig, cut, excavate, move any earth, remove any earth by any means, auger, backfill, bore, ditch, drill, grade, plow-in, pull-in, rip, scrap, trench and/or tunnel.
- (e) Director: The Director of Public Works and Utilities, the Public Works Manager, the City Engineer and each designee of each.
- (f) Dry: Wires, pipes other than wet, cables, fiber optics, electrical lines.
- (g) Franchisee: Any Provider who has a franchise with Public Service Company and with Grand Valley Power or pursuant to an agreement, such as Ute Water Conservancy or Clifton Water District of the Grand Junction Drainage District.
- (g) Infrastructure: includes the wires, pipes (of metal, plastic, pvc or otherwise), valves, connections, conduits, gas lines, water lines, sewer lines, fiber optics, irrigation pipes and canals and conveyancing devices, cable television, and the various connecting junctions/connectors and other marvels. Infrastructure includes publicly and privately owned and operated facilities. Unless the Director finds another reasonable basis, based on an industry standard, to measure or determine a "unit" of a Provider's Infrastructure for purposes of determining City costs, or a duty to upgrade, or a duty to replace to meet standards, four hundred (400) meters of length of Infrastructure shall constitute one (1) unit or element of infrastructure.
- (h) Locate or Locates: Means to establish the location of within three inches (3") both vertically and horizontally, and in compliance with the Locate Law and the terms of this Ordinance.
- (i) New Provider: A person or entity of whatever form who has not previously given notice to the City under this Ordinance, or who has otherwise been made subject to the requirements of a new Provider.
- (j) Overall Plan: The Provider's overall map or maps of the City ROW, with explanatory text, indicating which streets, alleys and other ROW the Provider desires to use, and when, to place the Provider's facilities. Explanatory text must describe what specific facilities are proposed, what services the Provider expects to offer to what customers.
- (k) P.E.: means a Colorado licensed professional engineer, pursuant to §12-25-101, *et seq.*, C.R.S., or a successor statute.
- (l) Pot Hole: To dig or to excavate in order to locate infrastructure or other facility.
- (m) Provider: A public utility, a provider of services to the public, a governmental subdivision or another person or entity who has, or desires to have, infrastructure or other pipes in City ROW, including homeowner and similar association, but excluding service lines for individual structures.
- (n) Replace or Replacing or Replacement: Dig, expose, fix or reconstruct in whole or part, upgrade, patch or similar activities

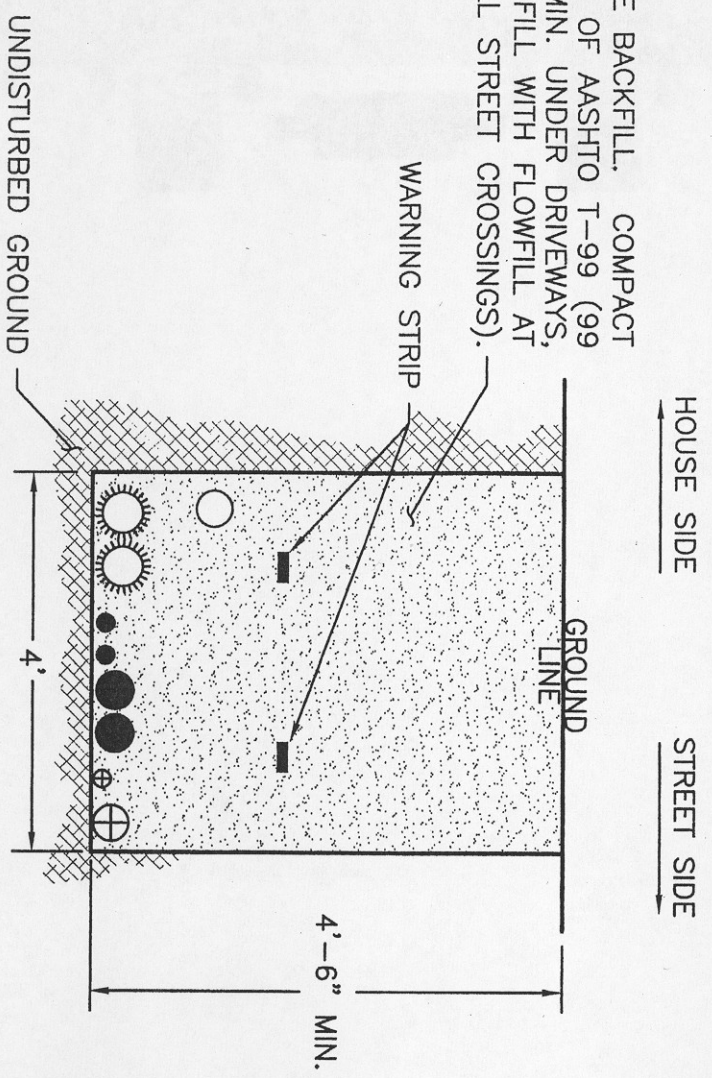
performed with the goal of gaining use or reuse; except that repairs ordinary to the Provider's work, and routine maintenance, is not within this definition.

- (o) Revocable Permit: For this Ordinance only, a revocable permit may be issued by the Director, for the reasons set forth in the recitals and legislative history of this Ordinance.
- (p) ROW: Streets, alleys, highways, boulevards, avenues, roads, ROW owned or other ROW controlled or owned by the City within the limits of the City.
- (q) Unit: A discrete segment of City ROW between intersections, or 400 feet of ROW, as determined by the Director.
- (r) Utility Work: as indicated on Attachment A.
- (s) Wet: Water, sanitary sewer, storm sewer, drainage, natural gas and other fluids or gases.
- (t) Work: any change to any facility, Infrastructure or portion of any ROW, including digging and excavating and replacements.





END OF ORDINANCE

Attachment "A"

NATIVE BACKFILL, COMPACT TO 85% OF AASHTO T-99 (99% MIN. UNDER DRIVEWAYS, BACKFILL WITH FLOWFILL AT ALL STREET CROSSINGS).



LEGEND FOR JOINT TRENCH DETAILS

-  ELECTRIC CONDUITS
-  TELEPHONE AND/OR CABLE TV. CONDUITS
-  GAS PIPE
-  CITY CONDUITS

JOINT TRENCH DETAIL

N.T.S.

**Attach W-4
Executive Session**

**Please see the envelope
in the pocket of your binder**

DRAFT