

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

February 4, 2015

The City Council of the City of Grand Junction convened into regular session on the 4th day of February, 2015 at 7:00 p.m. in the City Auditorium. Those present were Councilmembers Bennett Boeschstein, Martin Chazen, Jim Doody, Duncan McArthur, Barbara Traylor Smith, and Council President Phyllis Norris. Absent was Councilmember Sam Susuras. Also present were City Manager Rich Englehart, City Attorney John Shaver, and City Clerk Stephanie Tuin.

Council President Norris called the meeting to order. The audience stood for the Pledge of Allegiance led by Councilmember McArthur followed by the invocation given by Pastor Dan Russell, Appleton Christian Church.

Council President Norris welcomed students attending the meeting from a Colorado Mesa University Public Administration class.

Citizens Comments

Bruce Lohmiller, 445 Chipeta Avenue, #25, addressed the City Council saying there have been a series of events and sometimes they have nice results. He displayed a Veteran's Administration national entry ribbon; the gold medalist will be invited to go to Washington D.C. Mr. Lohmiller said there is a new wellness house which provides a safe place for homeless people to recover from illnesses. For more information Leslie may be contacted at 970-244-0805.

Bobbi Alpha, 843 25 Road, took over as President of the Avalon Theatre Foundation (ATF) from John Halvorson. Ms. Alpha said in 2012 the ATF committed to the City to raise \$1.1 million for expansion of the Avalon Theatre. Despite challenges, the ATF was able to raise the funds and pay the City. She thanked the Council for trusting them to keep to their word. The result is a world class theatre. The ATF now has an additional goal to raise \$500,000 to help offset the City's construction costs. Ms. Alpha said she is happy to deliver a check in the amount of \$150,000 toward that goal. The remaining \$350,000 has been committed to in pledges and will be delivered to the City as they are received. The ATF remains committed to the Theatre's continued renovation, especially the stage expansion.

Council Comments

Councilmember Traylor Smith said the Grand Junction Housing Authority (GJHA) had a great presentation at their annual review meeting on January 26th; it showed what they have done as an organization in the past year and how it has affected the community. The GJHA is in its 40th year of operations and they are working on a new project. They have been a great asset to the community.

Councilmember Doody thanked the ATF Board for doing their part.

Councilmember McArthur attended the January 26th Colorado Association of Stormwater and Floodplain Managers presentation on how to avoid flood disasters; it outlined what occurred on the Front Range last year and how they dealt with it. Locally, there are drainage issues that need to be addressed and it is good to get updates like this. He went to the Visitor and Convention Bureau (VCB) annual meeting; it was informative and it was also good to see their participation level and direction. On January 30th, Councilmember McArthur attended the Grand Junction Chamber of Commerce annual banquet; there was a large attendance and awards were handed out to community members.

Councilmember Boeschstein met with the Business Incubator and the Riverside Task Force. The Incubator is a great institution where a lot of businesses have started. He met with Councilmembers and Staff for Municipal Judge Care McInnis' annual evaluation. Councilmember Boeschstein also attended the GJHA annual review meeting, the Museum of Western Colorado Board meeting, and the Bookends Park Plan meeting. He mentioned June is Bike Month; a lot of events are being planned, including Bike to Work day. On January 30th he met with Tim Foster, the President of Colorado Mesa University (CMU). The City has supported CMU with various projects like dorm expansion.

Councilmember Chazen attended the Municipalities Dinner with other Councilmembers on January 22nd; there was a great 911 Call Center presentation and tour which was very informative. It provided a good look at their current operations, how well they work with what they have, and what the 911 Call Center will require in the future. On January 26th he went to the "Severance Tax Protest" which was about the potential of the State Joint Budget Committee keeping some of the Severance Tax. The Severance Tax is collected from mineral and gas extractions and was designed to be distributed to local municipalities and rural counties to mitigate the impact of energy industries. The protest was successful, but this subject will be watched closely. Councilmember Chazen attended the Arts and Culture Commission meeting on January 28th. This Commission provides grants to various local organizations that support the arts and this meeting reviewed some of these groups' financial reports. He also went to the Visitor and

Convention Bureau (VCB) breakfast which celebrated their 25th year; they are truly an economic driver of this community and he is proud of them.

Council President Norris attended the Municipalities Dinner and explained that City Council meets quarterly with all the Mesa County municipalities; this provides a great support network. She talked about the 911 Call Center tour and commented on how well the Center is operating, but that future sustainability needs to be considered. She also went to the VCB celebration; the City is truly fortunate to have them do what they do. On February 2nd she had the opportunity to remotely testify to a State Legislative Committee about tamarisk eradication. Representative Don Coram from Montrose sponsored a bill to fund tamarisk removal. The bill passed unanimously out of committee.

CONSENT CALENDAR

Councilmember Doody read Consent Calendar items #1 through #4 and then moved to adopt the Consent Calendar. Councilmember Boeschenstein seconded the motion. Motion carried by roll call vote.

1. **Minutes of Previous Meeting**

Action: Approve the Minutes of the January 21, 2015 Regular Meeting

2. **Setting a Hearing Amending Sections of the Zoning and Development Code to Allow Permanent Outdoor Display within the Front Yard in B-1, C-1, and C-2 Zone Districts, Including Seasonal Sales and Exemption Certain Display Areas** [File #ZCA-2014-478]

The proposed amendment to the Zoning and Development Code clarifies outside storage and display in the B-1 zone district, allows permanent display areas within the front yard in the C-1 zone district without approval of a Conditional Use Permit, and clarifies where and how permanent outdoor display is allowed in the C-2 zone district. The proposed amendments do not change the outdoor storage restrictions along commercial corridors, but allow outdoor display of merchandise, such as automobiles, along street frontages. In addition, the amendment would allow display areas under eaves, canopies, or other storefront features immediately connected to the building; because these are discreet and commonly accepted as simply an extension of the indoor display, Staff has determined that they should not be treated as “outdoor display”.

Proposed Ordinance Amending Sections 21.03.070 (b), (d), and (e), and 21.04.040(h)(3) of the Grand Junction Municipal Code Regarding Outdoor Display and Outdoor Storage

Action: Introduce a Proposed Ordinance and Set a Public Hearing for February 18, 2015

3. **Ruby Ranch Easement Vacations** [File #VAC-2014-414]

Ruby Ranch Subdivision consists of 27 lots on 9.69 acres in an R-4 (Residential 4 du/ac) zone district. A portion of a 14-foot multi-purpose easement was inadvertently dedicated as the City of Grand Junction (City) had previously agreed with Grand Valley Water Users Association (GVWUA) to not place a multi-purpose easement in the same location as the GVWUA easement. Upon learning of the conflict and discussions with GVWUA, Staff has agreed that a portion of the trail on GVWUA's easement may be vacated also. This request is to remove the portions of the easements that may conflict with GVWUA's easement.

Resolution No. 07-15 — A Resolution Vacating a Portion of a 14-foot Multipurpose Easement and a Portion of a Public Trail Easement, Located within Tract C, Ruby Ranch Subdivision, Adjacent to the West Side of 26 Road, South of G ½ Road

Action: Adopt Resolution No. 07-15

4. **Request for Fireworks Displays at Suplizio Field**

The request is for fireworks displays from the Grand Junction Rockies, City of Grand Junction, Grand Junction Baseball, Inc. (JUCO) and Colorado Mesa University (CMU). The dates include community displays on Memorial Day and Independence Day, a Friday evening CMU game (April 24th), and 5 regular season Grand Junction Rockies games.

Action: Consider Approval of a Request to Sponsor Fireworks at Suplizio Field on April 24, May 25, June 26, July 4, July 10, July 24, August 7, and September 6, 2015

Public Hearing—Casas de Luz Phasing Schedule Extension Request, Located at West Ridges Blvd and School Ridge Road

The applicant, Dynamic Investments Inc., requests an extension of the phasing schedule for the Casas de Luz Planned Development. The applicant received City Council approval for the Planned Development (PD) residential subdivision on September 21, 2011. The PD ordinance required platting of Phase 1 by December 31, 2014. Due to the economic downturn the applicant was unable to meet that deadline and now requests more time to plat the first three phases of the project.

The public hearing was opened at 7:21 p.m.

Scott Peterson, Senior Planner, introduced this item, described the request, and the reason behind the request. Due to the economic downturn, the development did not get started in the time frame specified by the ordinance. Mr. Peterson identified the location and described the site. The PD is divided into four phases for twenty units. He described the zoning and the surrounding zoning and uses. The new proposed phasing schedule will allow Phase 1 to be completed by December, 2017, Phase 2 by December, 2019, and Phase 3 by December, 2020. The time frame for Phase 4 remains unchanged. Mr. Peterson described some of the benefits of the PD. He noted the applicant was not able to attend.

Councilmember Boeschstein asked if there is a geotechnical soils report on file for this project. Mr. Peterson said there is one on file.

Councilmember Traylor Smith asked if the phases need to be completed by the specified dates. Mr. Peterson said the phases will need to be started and approved by the specified dates.

Councilmember Chazen wanted to confirm that this project went before the Planning Commission (PC). Mr. Peterson said the PC reviewed this December 9, 2014 and recommended approval.

There were no other public comments.

The public hearing was closed at 7:25 p.m.

Councilmember Traylor Smith asked Mr. Peterson if there were any comments from the public. Mr. Peterson said there was a neighborhood meeting held prior to the PC meeting; four residents attended and were briefed on the plan. Concerns were expressed regarding the elevation height in that they might block views. This issue was addressed in 2011 when the project was originally approved.

Council President Norris commented she will support this request because this has gone before the PC, there are no changes from the original approval, and an extension will save the builder on expenses.

Ordinance No. 4654—An Ordinance Amending Ordinance No. 4482 for the Casas de Luz Planned Development Residential Subdivision Revising the Proposed Phasing Schedule Located Adjacent to West Ridges Boulevard and West of School Ridge Road

Councilmember Chazen moved to adopt Ordinance No. 4654 on final passage and ordered it published in pamphlet form. Councilmember Traylor Smith seconded the motion. Motion carried by roll call vote.

Acceptance of the State of Colorado NW Regional Emergency Medical and Trauma Advisory Council (RETAC) Consolidated Grant and Purchase of Zoll "X" Series Cardiac Monitors

The Fire Department has been awarded a State of Colorado Northwest Regional Emergency Medical and Trauma Advisory Council (RETAC) Consolidated Grant to assist with the purchase of 10 Zoll "X" series cardiac monitors. Eight of these are replacements for older units and two are new units.

Ken Watkins, Fire Chief, introduced this item, noting that John Hall, Health and Safety Chief, and Jay Valentine, Internal Services Manager, were present to answer questions. He then explained the RETAC grant and stated that it provides for the purchase of EMS (Emergency Medical Services) vehicles and equipment and he described what the City has done in the past with those grant funds. This is a consolidated grant and is different from traditional grants in that it does not provide funding up front but instead consolidates the purchase for multiple agencies in order to save costs.

Chief Hall described the equipment and compared the old with the new. The new Zoll "X" Series is compatible with AED (Automated External Defibrillator) monitors which are available in offices like the City Clerk's Office. These units also contain an internal modem that allows an electrocardiogram to be transmitted to the hospital, a carbon monoxide (CO) monitor, conforms to the National Heart Association guidelines, has a pediatric/neonatal mode, and see through CPR (Cardio Pulmonary Resuscitation) feature which shows the cardiac rhythm during CPR.

Council President Norris stated this is National Heart Month and she feels it is appropriate that it is being brought forward now.

Councilmember McArthur said a year ago yesterday, the Fire Department Staff took him to St. Mary's and monitored his heart en route to help diagnose his condition which was thought to be a heart issue. He said the technology to send a picture of the heart to the hospital ahead of time is amazing. The Fire Department did a great job that day.

Councilmember Traylor Smith said it is great that the City can utilize grants to help keep the equipment updated. She then asked Mr. Valentine if this equipment had been budgeted for.

Mr. Valentine said these were 2014 budgeted items. The monitors have been received, which is why this is a ratification.

Councilmember Doody made a motion to authorize the City Manager to accept the RETAC Consolidated Grant award for 10 cardiac monitors and ratify the purchase from RETAC in the amount of \$170,816.84 for the City's 50% match. Councilmember Traylor Smith seconded the motion. Motion carried by roll call vote.

Restoring Municipal Authority for Broadband

Requesting City Council refer a measure to April's ballot that would ask voter approval to restore municipal authority previously revoked by Colorado Senate Bill 05-152.

Elizabeth Tice, Management and Legislative Liaison, introduced this item and gave a background and history of SB 05-152. There have been concerns brought forward from businesses and residents on the speed and capacity of the existing broadband service. She reviewed the FCC (Federal Communications Commission) definition and the proposed revision to the definition. She explained the reasons for the new definition. Internet speed is important when companies decide on where to locate their offices. According to the National Broadband map, the City of Grand Junction is not competitive with other like cities, nationwide, or State wide. Grand Junction would not meet the new definition of broadband. One gigabyte per second is the gold standard for download speeds. Upload speed is also important. Currently there is a high cost and limited access in Grand Junction. Grand Junction has expressed the needs to the current providers but SB 05-152 prohibits local governments from doing much more. It even prevents Grand Junction from sharing facilities like fiber optic and conduit. The law also prohibits purchasing through leasing authorities; public Wi-Fi can't be offered; partnerships can't be entered into; and there are many missed opportunities for grants. There are millions of dollars available but not to local governments that have not overridden the bill. A number of local governments have overridden the bill. The previous night, Estes Park passed it by 92%. The request is to place a measure on the ballot asking the voters to restore municipal authority in this area. Ms. Tice emphasized this is not the solution just a first step toward a solution. This would allow the City to partner with the private sector partners, bring more competition to the market, and seek grant funding. The actual proposed ballot question was presented.

City Attorney Shaver clarified that this ballot question will not make for an offering of any service. It is an opening of the door to start conversations. The State Statute includes the authority to ask this question.

Councilmember Traylor Smith stated a number of communities have passed a similar measure and asked if it has been denied by any communities. Ms. Tice said she believed Longmont had two failed attempts; there was opposition from the cable company. Councilmember Traylor Smith said this is a very important issue because this community needs to get into the 21st Century with broadband. In order to bring broadband up to standard, the City needs to shoot high and think long term. The City must have the opportunities to visit with other partners. She clarified that she is not talking about the City being its own utility.

Councilmember McArthur mentioned, in light of recent events, there were some concerns that the community might think the City is planning to get into the cable

business, but that is not the case; the City is just looking for a way to facilitate the process.

Councilmember Boeschstein sees this as being an important topic for community development. There have been a lot of complaints. This ballot question will set the stage for improving the service and economic development. The City installs underground utilities regularly and it makes sense to install conduit at the same time and make it available for fiber.

Councilmember Chazen asked if the City had talked to the private sector partners about putting this on the ballot. If so, what was their reaction? Ms. Tice deferred to City Attorney Shaver.

City Attorney Shaver clarified that the City had not talked to the partners about putting the question on the ballot, but rather about understanding the availability of the service and the limitations within the bounds of the law. The law clearly states the City can't engage in certain discussions. He then deferred to City Manager Rich Englehart.

City Manager Rich Englehart said, at the Council Workshop, both providers spoke to the availability of grant funding to enhance opportunities and how the override will allow the City to apply for those grants. The City will not provide service but will be able to open a conversation regarding this issue.

Councilmember Chazen said he will support this measure. A higher level of service is needed in the City and this will open up grant opportunities, develop partnerships, and asset sharing. Even though the City is not going to get into the business, he feels partnering with the private sector providers will bring a higher level of service to the City.

Councilmember Doody agreed with all the previous comments and feels this will be a great opportunity for the citizens by letting the City be a part of the dialog. The partnership possibilities will be fantastic and the City has many areas in which it can contribute to the process. He will support this.

Council President Norris said many citizens have asked the City to step forward and do something to help with these services. In response, the City has sent letters to both providers. If there is an override, the City will be allowed to have a more active role; she hopes it will pass. She noted there is no public hearing for this item, but asked Council if they would like to take public comment on whether to place this issue on the ballot.

Council agreed to open this item for public comment.

Council President Norris asked those that would like to comment to come forward, but stressed this is not a candidate forum.

Chris Kennedy, 2514 Filmore Avenue, said he is a City Council candidate and he fully supports this question going to the ballot. He is a telecom professional and recognizes this is a unique environment in that the City's hands are tied. He feels this is needed in order to advance the technological front. This is just the first step on a long road; the City is ten years behind.

There were no other comments.

Resolution No. 08-15 — A Resolution Setting a Title and Submitting to the Electorate on April 7, 2015 a Measure Regarding Local Authority to Provide Services Restricted Since 2005 by Senate Bill 05-152

Councilmember Traylor Smith made a motion to adopt Resolution No. 08-15. Councilmember Chazen seconded the motion. Motion carried by roll call vote.

Authorization to Incur Additional Debt and Retain Excess Revenues for the Construction of the Westside Beltway Projects

The request is to set a ballot title asking voters at the April 7, 2015 election if they want to finance the construction of the Westside Beltway, which includes improvements to 25 Road from I-70 B/Highway 6 & 50 to F 1/2 Road, F 1/2 Road to 24 Road and 24 Road from Patterson Road to the interchange at I-70 in the City. To finance such construction it is necessary to issue bonds and to use funds above limits established by Article X, Section 20 of the Colorado Constitution ("TABOR") for purposes of the project.

Rich Englehart, City Manager, introduced this item as a second ballot issue and explained why it is being brought forward. He described the basis for the request; TABOR funds are being collected and saved to pay off the Riverside Parkway debt in 2021. There are no new taxes being proposed. City Council is considering asking voters to use the funds accumulated and then finance the rest at the historically low interest rates for the Westside Beltway projects. Comments printed in The Daily Sentinel were mentioned. A picture showed the original beltway with the completed Riverside Parkway section. He described the Westside Beltway and the failure anticipated in that area with future traffic models. City Manager Englehart detailed the timeline and the of costs for each section. The debt service will end at the same time the Riverside Parkway debt is due, 2024. He outlined the costs and asked Internal Services Manager Jay Valentine to address the financing.

Mr. Valentine said the scenario presented is based on the City's current bond rating from Standard & Poor for a nine year bond with a half year of amortized interest. The anticipated interest rate is 1.5%; this will be a July issuance at the earliest so this factor is a wild card. If it is decided to go in debt, there is no better time than now. The total debt cost allows for a better interest rate. He referred to the Fed Dot Plot and explained

this shows where the Federal Reserve anticipates interest rates will be in the future. They are anticipating a rise in rates; the question is when and how quickly they will act.

City Manager Englehart proposed to Council to submit this question to the voters.

Councilmember McArthur asked, if approved, would the new debt and the Riverside Parkway debt both be paid off in 2024. City Manager Englehart said yes.

Councilmember Boeschstein asked if there was a cost estimate for this project's right-of-way (ROW) and if the project cost included the ROW.

Greg Lanning, Public Works and Utilities Director, said there are numbers figured for the ROW. He will break them out and send them to Council and clarified the ROW is included in the cost estimate. Councilmember Boeschstein then questioned what would happen if private owners did not want to sell. Mr. Lanning said the offers negotiated will be fair market value. Councilmember Boeschstein asked if this section will be a limited access road or will a lot of driveways be cut. Mr. Lanning answered that there are portions of road that qualify for different access control which is always a concern on arterial roads. Councilmember Boeschstein asked if the cross sections shown to Council earlier will be used. Mr. Lanning said there are three cross sections; two sections will include a center median. Councilmember Boeschstein asked who has requested this project. City Manager Englehart responded this was a Council request at a retreat to build infrastructure. Councilmember Boeschstein mentioned that previously the 29 Road interchange was an option; why is it not being considered? City Manager Englehart said when public input was sought the number one priority for the City was 24 Road; the County's top priority is the 29 Road interchange. He believes the County may have started allocating money for the environmental review of 29 Road project.

Councilmember Boeschstein said he feels a higher priority should be a recreation center and he will not support this project.

Councilmember Chazen asked to clarify that the projected interest rate for this project is 1.5%. Mr. Valentine answered yes. Councilmember Chazen said, considering interest rates may go up, whether the actual amount borrowed will be \$14 million. He noted there will be a \$500,000 issuance cost in addition to the 1.5% interest rate. He then asked if an APR (annual percentage rate) calculation had been done. Mr. Valentine said a calculation had been done on the \$14 million proceeds; the annual payment is based on \$14.5 million at a 1.5% interest rate for nine years. Councilmember Chazen said based on those numbers, the APR on this loan is pushing 5%. If this request goes to the ballot, he would like to have that calculation available to show voters the true cost. Mr. Valentine said he had total finance costs (not interest) of \$1.7 million which includes issuance and the debt issuance cost. Councilmember Chazen noted the TCP

(transportation capacity payments) will be derived from properties as they are developed and asked what the disposition of those payments will be.

City Manager Englehart said the total amount of the TCP will not be known until the area is developed since these payments are based on use. He added Council is scheduled to conduct a Comprehensive Plan (CP) review and the 24 Road Corridor is a part of that. The Planning Department compiled the TCP's that have been collected over the last three years in that area. For residential development, they collected \$35,000 in 2012, \$89,000 in 2013, and \$107,000 in 2014. On the commercial side \$20,000 was collected in 2012, \$783,000 in 2013, and \$391,000 in 2014. Over the three year period the total was \$1.4 million.

Councilmember Chazen asked if there is any wording in the ballot question that would direct future TCP payments to the debt. City Manager Englehart said there is not. Councilmember Chazen asked if this type of project usually goes before the Planning Commission (PC).

City Attorney Shaver answered under the City Code it does not. The planning done for the 24 Road Corridor Plan and the CP have generally identified transportation corridors and proposed links for transportation, but the specific capital construction plan is not under the PC's authority.

Councilmember Doody asked if the City refinanced in 2012. City Manager Englehart said yes. Councilmember Doody then asked what the interest savings were. City Manager Englehart said the savings were about \$7.4 million. Councilmember Doody asked if this proposed ballot question will raise anyone's taxes. City Manager Englehart said it will not and it is clear in the title this is not a new tax. Councilmember Doody wanted to clarify that the Riverside Parkway and Westside Beltway debt would be paid off at same time, in 2024. City Manager Englehart said yes.

Councilmember Traylor Smith clarified that the City had been authorized to apply any TABOR excess to the current Riverside Parkway debt so that it could be paid off early and these funds are going into a holding fund because that debt cannot be paid off until 2024. City Manager Englehart said that is correct. Councilmember Traylor Smith then asked what the City is earning on the money in that fund. Mr. Valentine answered .53%. Councilmember Traylor Smith said the City will hold that money until 2024, but by 2021 the account will have enough money to pay off the Riverside Parkway debt. However, the City will need to hold those funds earning, in today's dollars, .53% until 2024 when the City can legally pay off the debt. Mr. Valentine said the debt can be legally paid off in 2021. Councilmember Traylor Smith then asked for clarification.

City Attorney Shaver said defeasance is having the accrued funds. A call could be exercised and the debt could be paid off in 2021, but the term of the loan is 2024. If a call is made, the trustee will have to pay for the call and a defeasance fee.

Councilmember Traylor Smith clarified there would be no new taxes to use the TABOR override and both debts would be paid off at the same time.

Mr. Valentine said that is correct.

City Attorney Shaver said the reason this works is Council is paying for the Riverside Parkway debt obligation from a different source of funds. The Riverside annual debt payment is paid from General Fund dollars and these dollars will be used for all the transportation projects with the possibility of using some General Fund dollars or some TABOR funds, but it allows the continuation of the current annual payments and the use of these funds for any additional payment, whether for this project or the Parkway.

Councilmember Traylor Smith asked what the anticipated costs are if this project is delayed. Mr. Valentine said if the project was delayed until 2027, the City would be fortunate to get an interest rate around 3%. Councilmember Traylor Smith noted this would double the interest rate. Councilmember Traylor Smith then asked how much more would the project cost be using normal inflation. Mr. Valentine said the projected inflation rate would be around 3.5%. Councilmember Traylor Smith reiterated that the County is interested in completing 29 Road so that part of the Beltway is being addressed.

Councilmember Chazen asked, when the Parkway bonds were refinanced, wasn't the projected defeasance date of roughly 2015/2016? City Manager Englehart said that is correct. Councilmember Chazen asked if the defeasance date had been pushed back when the property tax dropped and led to the amount of TABOR overage dropping. City Manager Englehart said it could have been a combination of things; local growth and the Denver/Boulder Consumer Price Index also need to be factored in.

Councilmember Chazen noted that about \$1.8 million of TABOR overage was to be retained to pay the new bond off. He then asked what Plan B is if something similar happens and the City no longer has the TABOR overage. City Manager Englehart said the payment would have to be made and it is hoped that sales tax would have come back from the spur of development due to this infrastructure update.

City Manager Englehart answered a previous question on what this project would cost in the future; in 2021 the estimated cost would be \$29 million.

Council President Norris asked if the Beltway Project is a vision from the early 1990's. City Manager Englehart said it is. Council President Norris then noted in 2003 the citizens voted to construct the first Beltway section which is the Riverside Parkway and in 2007 the citizens voted for the City to keep all of the TABOR override and apply it to Parkway debt. Then two years ago the voters were asked to allow the TABOR override funds to be used for another set of projects, but the citizens turned that down. City Manager Englehart concurred with her overview. Council President Norris said she

understands the citizens saying they would like the Beltway finished and would like specifics of how much it will be and when it will be paid off. She said it might be possible to collect more TABOR override and if so, could the debt be paid off earlier. City Manager Englehart said that would be a Council decision; however he would recommend that any excess go toward an early payoff. Council President Norris said she remembers in 2003 and 2007, the citizens were told the money would only be spent on the Parkway and Beltway and that is why she is in agreement to ask the citizens, but is not interested in spending the money elsewhere.

Council President Norris asked Council if they would like to hear public comments about whether or not to put this on the ballot, though again this is not a debate of the issue.

Council agreed to allow public comment.

Vara Kusal, 675 34 Road, represents the Horizon Drive Association Business Improvement District (HDABID) and has worked with City Council the last few years and has been impressed with how deeply the City Council cares about the future of Grand Junction. She said everyone wants Economic Development; 49% of Horizon Drive is undeveloped and the property owners have voluntarily taxed themselves to improve the District. The City has been a great partner for Phase I of the corridor improvement project. The HDABID is disappointed they were not included in this proposed project. Phases 2 and 3 are estimated to cost \$5 to \$6 million. The HDABID board would like to be included in this ballot question to help with Phase 1. If this is not possible, the board would like a firm commitment from Council to complete the next two phases on Horizon Drive.

Bill Voss, resident and former Finance Director of Mesa County, referenced a one page spreadsheet he made available to the public and handed to Council (attached). The spreadsheet makes clear what Council had been talking about regarding the City's mill levy and property tax history from 2000 to current. The City has maintained a base mill levy of 8 mills; a vote is needed to raise it. Beginning in 2000, the City ran into a TABOR limit and had to implement a temporary mill levy reduction in the amount of \$600,000 every year until 2006; \$2.5 million was refunded during that time frame. In 2007, the assessed valuations jumped up and the collected taxes increased. In addition voters allowed the City to keep the TABOR overage and put it into escrow. Projections from 2010 and 2011 were more than \$2 million per year into escrow. In 2013, assessed valuations went down due to the economic downturn. In 2007, the ballot language said there shall be no increase in taxes; the voters said yes. But there was an increase in taxes because there were no refunds. However, the voters understood these funds were going into escrow to pay off the Riverside Parkway debt. He would rather the City pay off the debt like they promised, but now Council is considering not only delaying the debt payoff, but incurring new debt. He would support constructing the project in

phases and paying for it in cash so that taxpayer dollars can be used on something worthwhile.

Dennis Simpson, 2306 E. Piazza, candidate for City Council, said the ballot question in 2007 was not a long term commitment for more projects. He has a spreadsheet with various pay off years, but has not been able to compare his figures with Jodi Romero's, City of Grand Junction's Finance Director. He has concerns regarding the ballot language because it does not state how much the City is planning on spending for this project. The total is \$23 million and there is an assumption the voters know the City has \$11 million in cash. It is unfair to the voters that they are not told how much this project will cost. He said if future plans are not explicitly stated in the ballot language, then it is left up to interpretation and allows future Councils to go in a different direction. Another issue not discussed is how and when the City will be borrowing money. Interest rates could change dramatically and then what would happen if no contingency plan is in place. There could be millions of dollars in interest earned if the money is not spent. Also, the cost estimates are rough; there is a 20% contingency built into this number. What would happen if the project doesn't cost as much as budgeted, where does the money go? Does it go to retire the debt or does it become discretionary funds? There are a lot of holes in this ballot issue.

Poppy Woody, NAOA (North Avenue Owner's Association) President, appreciates the opportunity to express her opinion and those of the NAOA. She is pleased the Council does not want to use these funds in an area where they were not generated. She would like the money spent on North Avenue, but understands it would be unfair to the rest of the City. She feels these funds should be used proportionately in the areas where the funds were generated on infrastructure. Ms. Woody asked if the City is planning on waiving development fees as an incentive for new businesses. Many things need to be addressed prior to spending attention and money. The City needs to take care of businesses already here.

There were no other comments.

Councilmember Chazen referenced a comment by Mr. Voss and asked City Attorney Shaver if the minimum legal TABOR levy jumped from 7.308 to 8% due to a Supreme Court ruling that froze mill levy rates. City Attorney Shaver said he believed that ruling was the elimination of the credit mill levy that dealt with the excess. In 2007 the ballot question asked to allow any excess be used to pay off the Riverside Parkway. Councilmember Chazen asked about Mr. Voss's issue with the ballot wording, specifically "without raising new taxes". His point was that this would not raise tax rates. How does the wording of the current ballot address this concern? City Attorney Shaver read the first line of the ballot question.

Councilmember Traylor Smith said she had been looking at the project numbers and did not come up with a debt service of 5%. She said it is more like 10% over the nine years. She then stated the City has a lot of projects that could be done. Taxpayers have asked for this project to be completed in the past. There are other projects and other funding sources. Council has to look to the future and ask what can be done to help the community grow and this is one of those projects that can be done. This project is in the spirit of TABOR; asking the citizens if this is how they would like to spend their tax dollars. This question has been posed before and the City has gotten different answers at different times. The City has gotten a yes to the Parkway question which is why this is a valid project and one that needs to be addressed. The City has looked at transportation models and knows this area is going to be a challenge. It is better to complete the project rather than constructing it piecemeal. The Avalon Theatre project showed how costs increase when construction is spread out.

Council President Norris noted that the ballot question talks about each road and each area that the money is to be spent on; does this language mean all the money has to be spent on these specific areas? City Attorney Shaver said it would. If costs are below the estimates there are other project enhancements that could be done. For example, the ultimate design of F ½ Road is for a five lane section rather than the proposed three lanes. Council would have the ability to spend those dollars, but it would have to be on these particular streets. Council President Norris clarified that if excess funds are raised they would need to be spent on this project only. City Attorney Shaver said yes.

Council President Norris commented on the partnership with the HDABID for Phase I of their project. She said Council is looking hard at the area and the improvements that need to be made since there have been accidents in the area. Regarding North Avenue, she said this is another area that needs more work and the City will continue to support this very important area. Orchard Mesa is also an area Council is looking at to help, but it can't afford to do them all at once. The Westside Beltway is a project the City can afford. If 29 Road is completed first, it would cause failure on Horizon Drive and 24 Road; this is the first step.

Councilmember Chazen said "our purpose here tonight, it is to consider taking voter approval to finance a \$25.5 million project to widen portions of 25 Road, 24 Road, and extend F ½ Road. As Staff described, about \$11.5 million would come from funds already set aside to pay for Parkway debt. The balance, about \$14.5 million, would come from new borrowing. Without this proposal, based on current projections, the Parkway debt would be defeased, essentially paid off, in about five years. With a contemplative proposal, projected TABOR overages would be retained until existing additional debt is paid off, sometime around 2024. As required by TABOR, the plan requires voter approval. My support for economic development, infrastructure, and public safety has been clear and consistent and I am a strong supporter of TABOR

which requires government to ask for voter approval to raise taxes, borrow money, or keep taxes in excess of spending limits. I also believe that before asking for a TABOR override, the government has an obligation to search for funding solutions within current operations. During our discussions I have heard no proposal for the City to shoulder any of capital costs for this project. The entire \$14.5 million burden with interest is loaded on taxpayers in the form of forfeited TABOR refunds. Even a modest annual capital contribution by the City over the long life of this project would materially lighten the burden on taxpayers but no such alternative proposal was offered. I cannot, in good conscience, put this take it or leave it proposal on the ballot until we make a good faith effort to look at financing alternatives which may include some belt tightening by the City. The merit of this project to improve traffic flow and prepare the area for economic growth is not at issue. I agree with these goals and recognize the benefits of this project to our City. However, all the variables, cost, financing, TCP, future revenues, traffic, and TABOR cannot be discussed in isolation. Perhaps the project should have been thoroughly vetted against competing projects as part of the annual budget which was approved as recently as December. There is a good chance that the vote tonight will refer this matter to the voters. Voters who have a proven track record of making wise decisions under TABOR. Whatever voters decide on April 7th, if this goes to ballot, I will fully support without reservation the outcome of that election. Thank you.”

Councilmember Traylor Smith asked Mr. Valentine if with her figures, she would have gotten back approximately \$10 per year, for a total of \$98 over 7 years and asked if she was in the ball park with the assessed value reduction. Mr. Valentine said that is correct. City Attorney Shaver added that on the 8 mill property tax levy, one could apply the difference with the reduction to get the same result.

Councilmember Doody said this project has continued since he has been on Council; “Council has worked on this Economic Development Plan and we continue to do that, and what I see out of this project, it benefits the whole City, because it is part of the loop that is going to take people to all parts of the City. It is also going to inspire existing business, it will attract new business; each dollar of capital investment in our community is estimated to generate \$1.75 in jobs, wages, and spending. It will mitigate future traffic volume impediments and the public safety piece; we can get around a little bit better. On so many levels, it is a good opportunity. Now, if the citizens don’t want this opportunity they will tell us on April 7th, but I think that is what TABOR is all about. You take a project, it’s been vetted for years; you bring it to the citizens and say can we spend your money to build this project? That’s what TABOR is about, and if you are afraid to go out there and ask a TABOR question, well I’m not, I signed on to do this job, and I see my job is to go out and to try to get the best benefit, the best darn buck for the job to get something complete and that at the end of the day people are going to look back just like they do on the Riverside Parkway right now. I drive it every day. I’m

extremely proud of that project but it's a continuation, this West Beltway is a continuation of that vision that people had way before I came on".

Councilmember Boeschstein said he agreed with Councilmember Doody that this an important project but he believes a community recreation center is a more important project; the City is the only community that does not have a recreation center. The City has a site for it, so right now the most important thing to Councilmember Boeschstein is the community recreation center. The Westside Beltway will be needed in the future, but not now.

Resolution No. 09-15—A Resolution Setting a Title and Submitting to the Electorate on April 7, 2015 a Measure Concerning the Issuance of Bonds to Finance the Westside Beltway and to Retain and Spend Revenues as Defined by Article X, Section 20 of the Colorado Constitution for the Westside Beltway and Providing Other Details Relating Thereto

Councilmember McArthur moved to adopt Resolution No. 09-15. Councilmember Traylor Smith seconded the motion. Motion carried by roll call vote with Councilmember Boeschstein and Mayor Pro Tem Chazen voting NO.

Non-Scheduled Citizens & Visitors

Constance Holland, 587 Eastbrook Street, hopes that Council would support the building of a recreation center; she belonged to private and city recreation centers in Longmont, and it did a better job of building community than any of the private centers did. In Longmont, three other gyms existed and a fourth one opened after the recreation center opened. Today she did a brief look online at recreation centers; it is a tremendous benefit to urban youth, giving them some place to go that is affordable. The exercise and health classes that are available to those that can't afford a private club makes it a tremendous draw and a healthier community.

Other Business

City Attorney Shaver said there is one other item relative to the ballot questions. The City Clerk needs direction of the ordering of the questions and the numbering of the questions. Council President Norris asked for comments and or preferences.

Councilmember Doody said he believed the hot button is the Broadband issue and this should take precedent. Councilmembers Chazen, Boeschstein, and Norris all agreed. Council President Norris said the Broadband issue will be first and the question for the Westside Beltway project next.

City Attorney Shaver said the Secretary of State has specific rules for numbering. City Clerk Stephanie Tuin said that for measures referred by the City Council, it should be the number 2 followed by a letter. Council President Norris said the ballot measures should then be 2A and 2B.

There was no further business.

Adjournment

The meeting was adjourned at 9:25 p.m.

Stephanie Tuin, MMC
City Clerk

Sheet1

CITY OF GRAND JUNCTION MILL LEVY AND PROPERTY TAX HISTORY

LEVY YEAR	ASSESSED VALUATION	BASE MILL LEVY	PROPERTY TAX LEVIED	* TEMPORARY MILL LEVY REDUCTION	* TEMPORARY CREDIT AMOUNT	LEGAL TAVOR MAXIMUM LEVY	LEGAL TAVOR MAXIMUM ALLOWED
2000	\$382,132,990	8.000	\$3,057,064	-1.570	-\$599,949	6.430	\$2,457,115
2001	\$440,947,146	8.000	\$3,527,577	-0.556	-\$245,167	7.444	\$3,282,410
2002	\$468,909,060	8.000	\$3,751,272	-0.331	-\$155,209	7.669	\$3,596,063
2003	\$507,715,470	8.000	\$4,061,724	-0.631	-\$320,368	7.369	\$3,741,356
2004	\$529,459,570	8.000	\$4,235,677	-0.640	-\$338,854	7.360	\$3,896,823
2005	\$637,918,800	8.000	\$5,103,350	-0.706	-\$451,647	7.294	\$4,651,703
2006	\$659,810,420	8.000	\$5,278,483	-0.696	-\$459,228	7.304	\$4,819,255
					-\$2,570,422		
2007	\$903,464,430	8.000	\$7,227,715	0.000	\$0	8.000	\$7,227,715
2008	\$939,281,030	8.000	\$7,514,248	0.000	\$0	8.000	\$7,514,248
2009	\$1,139,985,540	8.000	\$9,119,884	0.000	\$0	8.000	\$9,119,884
2010	\$1,182,180,290	8.000	\$9,457,442	0.000	\$0	8.000	\$9,457,442
2011	\$1,002,046,980	8.000	\$8,016,376	0.000	\$0	8.000	\$8,016,376
2012	\$1,009,395,420	8.000	\$8,075,163	0.000	\$0	8.000	\$8,075,163
2013	\$953,214,670	8.000	\$7,625,717	0.000	\$0	8.000	\$7,625,717

* As long as the base levy is maintained at the artificially high 8 mills, the temporary reduction becomes, in essence, permanent. All data taken directly from "Summary of Levies" published by the Mesa County Assessor.