

GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY
February 2, 2015 – Noticed Agenda Attached

Meeting Convened: 5:04 p.m. in the City Auditorium

Meeting Adjourned: 8:40 p.m.

City Council Members present: Boeschstein, Chazen, Doody, McArthur, Norris, and Traylor Smith. Councilmember Susuras was absent.

Staff present: Englehart, Shaver, Moore, Lanning, Tice, Kovalik, Valentine, Finlayson, Thornton, Ranguet, and Tuin.

Others: Dennis Simpson, Bill Voss, Diane Schwenke, Kelly Flenniken, Jon Maraschin, Amy Hamilton, Daily Sentinel, Travis Khachatoorian, KREX, Kim Kerk

City Manager Englehart opened the meeting and explained that for the first two items Staff is looking for direction to possibly add to Wednesday's agenda.

Agenda Topic 1. Senate Bill 05-152

Elizabeth Tice, Legislative and Management Liaison, began with a recap of information already talked about. This topic started as a result of concerns that the City has received from businesses. Staff has done a lot of research and outreach with the providers who spoke at a workshop and tonight ask for a possible ballot issue.

Ms. Tice talked about what broadband is, explained the new definition, why there are increased demands, and the applications the public is requiring (i.e. live streaming). Ms. Tice said by Nielsen's Law, the internet speeds will double every two years. The importance of this issue is that it is now considered a fourth utility. Citizens and businesses are indicating this is something they need and this is an expectation for businesses to relocate to the area.

Ms. Tice answered questions regarding the National Broadband Map; the data that is gathered is a joint effort from the National Telecommunication and Information Administration and the Federal Communications Commission. This was started in 2011. The data is gathered by the broadband providers. The Colorado Broadband Data and Development Program were developed under the Governor's office. The maps are updated every 6 months.

There was talk about speed comparison and/or data transfer rates. They have looked at several areas and been able to compare them to Grand Junction. Currently Grand Junction won't meet the new definition for speeds of 25 Mbps. The City goal should be for 100 Mbps and currently there aren't any providers. The upload speeds are also an issue for businesses.

Ms. Tice said, in the City, higher speeds currently have a high cost and there is limited access for prospective businesses.

SB 05-152 has limited the City of Grand Junction being involved directly or indirectly in providing services. Ms. Tice explained there is a lot of legal uncertainty as there is no case law. However, there are missed opportunities through partnerships and joint ventures; she spoke of the implications of no public Wi-Fi, missed grant opportunities, being a Google City, and other private partnerships.

Ms. Tice explained the SB 05-152 overrides that have taken place with other cities since 2011 and their high percentages of passage.

Ms. Tice also provided the ballot language prepared by City Attorney Shaver. Ms. Tice read the title as "Restoring Authority to the City to Provide Either Directly or Indirectly with Public or Private Sector Partnerships High-Speed Internet and Cable Television Service".

City Attorney Shaver said one of the questions is what can the City do right now. SB 05-152 would allow the City to install fiber for only governmental purposes, and it cannot be shared without asking the override question to the voters. It makes good economic sense if the investment is able to be shared with others who would benefit.

Councilmember Traylor Smith asked if during construction and putting in new conduit, if they can even put that fiber in. City Attorney Shaver answered that it would need to be only for governmental purposes. He explained that without asking this question of the voters, the City cannot legally share the capacity. A ballot question allows the City to investigate opportunities; the City does not want to create an expectation or a solution, but there could be variations to this proposal if this is overridden by the voters. City Attorney Shaver stated this will not be a solution but rather a first step.

Councilmember McArthur said with the issues the citizens have recently experienced, he is worried that people will think the City is getting into the cable tv business. City Attorney Shaver said that is one of the reasons for the Council to have these conversations.

Ms. Tice explained the amount of infrastructure in the community, and what is referred to as the "middle mile", which is the connection between the main fiber line and the businesses. Until it is deployed, it is not shown on the broadband map.

Council President Norris said competition could help bring costs down.

Councilmember Traylor Smith said the confusion is that it is not available at every business, the costs are different at different locations, but without the override the City doesn't have the availability to have these conversations, so the City won't know.

Councilmember Chazen asked if SB 05-152 is binding on State government too, and is there anything going on at the State level. Ms. Tice said currently no bill to repeal SB 152 has been introduced. There has been some discussions of changes at the federal level.

Councilmember Boeschstein said he is in favor of a ballot question and asked why there were only two providers at the meeting. It was agreed competition is needed in the area.

IT Director Jim Finlayson said there are a few other providers in the area to provide wireless; a few have expressed interest, but without an override the City can't have these conversations.

A general discussion with Council indicated there are lots of ideas and opportunities that can happen with partnerships and focus groups and what the City can do to garner the partnerships and work on the Economic Development Plan. The Economic Development Partners in the meeting also agreed that for the benefit of the City, the businesses, and the citizens, this could leverage options, but until there is an override, nothing can be done. An override will give Council authority to explore possible solutions.

Council President Norris said that consideration of placing the override on the ballot will be brought forward on Wednesday's Council Agenda.

Agenda Topic 2. Westside Beltway

City Manager Rich Englehart introduced this item as a second possible ballot question and explained why it is being brought forward. He provided a history and described the basis for the request; currently TABOR funds are being collected and saved to pay off the Riverside Parkway debt in 2021. There are no new taxes being proposed with this proposal. City Council asked to tie this to Economic Development through creation of jobs, it being a commerce route, and it will bolster existing businesses along the corridors. The question is asking voters to use the funds accumulated for the early repayment and then finance the rest of the funds needed at 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. Mr. Englehart described the Westside Beltway and the traffic failures anticipated in that area with future traffic models. He detailed the timeline and the breakdown of costs for each section. The proposed debt will be paid off at the same time the Riverside Parkway debt is due, 2024. There was a general discussion on when legally the debt can be paid off and where those funds are currently.

Councilmember Chazen asked City Attorney Shaver what determines the value of defeasance. City Attorney Shaver said by virtue of the 2007 question to the voters, the use of the TABOR excess goes toward the re-payment. There is no formal agreement between the City and the bond holders but the expectation is that the bond holders would get their full benefit.

City Manager Englehart showed the traffic studies from 2010 versus 2020 and explained how 24 Road is becoming a trouble area. If the 29 Road interchange is done, 24 Road will fail

sooner. City Manager Englehart explained construction could begin in 2017. A traffic model based on two possible end dates of 2024 and in 2027 can be provided. These two options came out of the exercises from the Council retreat.

Option A's proposal of widening 24 Road is an \$8 – \$9 million project, the proposed F ½ Road is \$9-\$10 million, and the 25 Road widening is \$6.5 million, for a total projected cost of \$25.5 million. This is the full build-out.

Councilmember Traylor Smith asked how much contingency is built into these costs. Public Works Director Greg Lanning responded 20%.

Jay Valentine, Internal Services Manager, explained the two different options which are being described as Option A1 and A2. Mr. Valentine explained different scenarios including the annual payments, terms, the sensitivity analysis (which is the difference in interest rates and maximum debt service costs), and the credit rating. Mr. Valentine said these would be considered capital expenditures each year during the budget.

City Manager Englehart then presented Option B's scope of work. This scenario is not doing all of 24 Road, but just F ½ Road to Patterson which is \$2.5 to \$3 million, the proposed F ½ Road Parkway which is \$9-\$10 million, and then the widening of 25 Road which is \$6.5 million, for total project costs of \$19.5 million. Mr. Valentine explained the financing of Option B, the reduced scope of 24 Road with the debt issuance being \$8 million.

City Manager Englehart noted it would take about 2 years to begin construction.

Councilmember Chazen asked how Transportation Capacity Payments (TCP) are built into the analysis. Mr. Englehart said TCP was not included.

There was a general discussion on the development of G Road with the new hospital going in, TCP payments, and what is the possible build out rate and development for this area, the design of F ½ Road, and finishing the vision of the Beltway for the community.

Council President Norris said five Councilmembers are in agreement to bring Option A1 to Wednesday night's City Council meeting to consider asking the voters on the April 7, 2015 ballot.

City Attorney Shaver recapped the discussion: \$14.5 million in debt financing assuming 1.5% interest rate, and the term would be until 2024. This is for projects proposed in this draft question, and nothing else. If this question is not successful, this does not undo the 2007 authorization to retain excess for early repayment of the Riverside Parkway debt.

Agenda Topic 3. Drainage

Council President Norris explained she wanted some clarification on this issue.

Councilmember McArthur said what was discussed before has already changed. The Grand Valley Drainage District (GVDD) wants to meet with County Commissioner Scott McInnis, 521

Chairman Dave Edwards, and Councilmember McArthur on February 24th. Commissioner McInnis and Chair Edwards both favor change to the District.

Council President Norris asked what support change means? Councilmember McArthur said once the meeting takes place all that will be discussed.

Councilmember McArthur had questions for City Attorney Shaver: if the District agrees with a legislative solution, will the Council need to approve it? City Attorney Shaver said he thinks they would want the policy changes discussed. Councilmember McArthur asked Attorney Shaver to draft three possible changes which are first to change the boundaries to be more in line with the 521; second to change the mission and purpose, to change some of the definitions incorporating the discharge of storm water runoff, the definitions of torrential flows and storms, and the authority to manage the discharge permits; and the third for the District to collect fees.

Councilmember Boeschstein asked if the local legislators are involved. Councilmember McArthur said yes.

Councilmember McArthur said the goal is to combine the 521 and GVDD into one district.

Councilmember Doody asked what is going on in the immediate future with the drainage issues relative to the current development projects. City Attorney Shaver said the District has submitted their review comments on all of the proposals and stated their opposition; City Attorney Shaver understands that the District is willing to allow those projects to move forward if conversations continue for some kind of a solution. If that does not occur, the District has asserted that there is not capacity in the Buthorn Drain; their position is that the development should not occur. City Attorney Shaver said the practical portion is much more challenging than the legal and agreement part.

Councilmember Boeschstein said he is glad that this may be resolved by passing a new State Statute and glad to know it is on track. He asked is there adequate drainage for the two current projects (Bookcliff Avenue and City Market)?

Deputy City Manager Moore said City Market has designed retention ponds to retain more stormwater than historic flows.

Attorney Dan Wilson, representing GVDD, said he agrees with everything City Attorney Shaver has said to this point. The big picture items will be discussed on the 24th. Short term, if there is regulated water going into an area of concern then if the City would indemnify GVDD, that would cover their interim concerns. They are going to figure out a way to not stop projects.

Councilmember Norris said that the City has taken responsibility in the past but there are a lot of issues to work through.

Kevin Williams, Manager of the District, said they are not going to hold development up but there is a gamble with a 12 inch pipe handling a storm event, but that would go back on the City.

That concluded the discussion.

Agenda Topic 4. Update on Zoning Code Amendments

City Manager Englehart introduced this item and asked Deputy Manager Moore to review a list of clean-up Code amendments that Council will be seeing in the near future.

Deputy City Manager Moore described the current Code in regards to Outdoor Storage and Display. He provided examples of the C-1, B-1, and C-2 Zone Districts that have been identified by either the business community or Staff that need to be looked at in order to help businesses as laid out in the City's Economic Development Plan. Both Councilmembers McArthur and Boeschstein are aware of these proposals and have reviewed the proposed changes. Current zoning in the C-1 District requires a Conditional Use Permit (CUP) for these businesses to have permanent display areas in the front of their buildings. Mr. Moore showed several businesses around town and explained the outdoor storage. On February 18th Council will have a Public Hearing on the proposed amendment to the Code to allow display areas in the front yard in the C-1 zone district; clarify the C-2 regulations regarding outdoor display and storage; and exempting specially regulated outdoor display areas under eaves, canopies, or other storefront features adjacent to buildings.

Mr. Moore then passed out a list of seven additional proposed Zoning and Development Code amendments which will to come before Council in the future. The plan is to bring them two at a time, in a workshop first before they go before Planning Commission and then to Council for formal approval.

Agenda Topic 5. Legislative Update

Ms. Elizabeth Tice, Legislative and Management Liaison, passed out the Government Affairs Videoconference Agenda for February 3, 2015 and explained the corresponding bills. She talked about remote testimony and how Council President Norris testified remotely for the Tamarisk and Russian Olive removal and that it was a good process. Next week is Representative Thurlow's sponsorship of HB-15-1040 regarding Homeowner Association (HOA) Management Licensing Requirements.

Councilmember McArthur said that bill would really hurt a lot small of associations in this area. He asked if there is an opportunity for remote testimony, and if the City interested in testifying. Councilmember McArthur said he is going on behalf of the realtors that he represents. Councilmember McArthur said Lois Dunn will also be able to chime in.

There was a general discussion on the State Statute for delinquent foreclosed association dues. Ms. Tice said another benefit is to get additional people to testify remotely to prove the demand is there and that it is a benefit to be able to testify from the Western Slope.

City Manager Englehart asked if Council if they wanted Councilmember McArthur to testify on behalf of the City since he will be there for the realtors? City Attorney Shaver said he would recommend keeping them separate and this way there would be two people testifying.

Ms. Tice referenced the report on the legislative updates and noted there have been some additional bills on transportation, legal, water, and under judicial. Ms. Tice made mention of an Economic Development Bill sponsored by Representative Willett to help highly distressed rural and urban regions, and the possibility of creating Tax-Free Zones or other Economic Development tools for those regions. Ms. Tice also mentioned a couple of new grant programs sponsored by Representative Willett for the purpose of growing the economies of highly distressed rural counties with populations of less than 175,000. This funding can be used for infrastructure or facility investments, and may help rural communities such as this one. There is a rural economic development Emergency Assistance Grant Bill that Ms. Tice believes has less merit and may die. Ms. Tice explained the bills on taxation and how AGNC and CML have different views regarding taxation on retail marijuana. Being tried again is the Sales and Use Tax exemption on Data Centers which failed last year. There is a tax incentive for agritourism related activities that could allow for a State income tax deduction. Councilmember McArthur asked what types of businesses that includes. Ms. Tice gave examples such as wineries, lavender farm productions, and craft breweries. The last one was an income tax credit for property taxes paid, sponsored by Representative Thurlow.

Councilmember Chazen asked about SB-15-089 on page 16 regarding what County Commissioners can do regarding being fiscally responsible for providing and maintaining buildings for courts. Councilmember McArthur said this was in the kill committee.

That concluded the Legislative Update.

Agenda Topic. 6. Other Business

City Manager Englehart met with the Executive Director and Board of the Horizon Drive Business Improvement District; discussions are ongoing and he will be bringing back alternatives to Council relative to the recent pedestrian fatality. Council President Norris added they are looking at grant dollars for possible funding for improvements.

Councilmember Doody asked if the hotels could provide their guests with information on the hazards of crossing Horizon Drive.

There was no other business.

Agenda Topic 7. Board Reports

Councilmember Chazen said the Downtown Development Authority (DDA) meeting went into another Executive Session.

Councilmember Boeschenstein said the Riverfront Commission should have the ground breaking for Las Colonias coming up, and the Land Trust keeps clicking along. He mentioned the Incubator board meeting. Councilmember Doody noted the restrooms at Las Colonias are up for bid now.

City Manager Englehart has asked for an update on the North Avenue project and will get it out to Council once received.

With no other business, the meeting adjourned.

**GRAND JUNCTION CITY COUNCIL
MONDAY, FEBRUARY 2, 2015**

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

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

- 1. Senate Bill 05-152**
- 2. Westside Beltway**
- 3. Drainage**
- 4. Update on Zoning Code Amendments**
- 5. Legislative Update**
- 6. Other Business**
- 7. Board Reports**