

GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY
April 13, 2015 – Noticed Agenda Attached

Meeting Convened: 5:00 p.m. in the City Auditorium

Meeting Adjourned: 9:00 p.m.

City Council Members present: All (Councilmember Doody left at 6:52 p.m.)

Staff present: Englehart, Shaver, Moore, Rainguet, Tice, Romero, Portner, Schoeber, Lanning, Watkins, Kovalik, Bowman, and Tuin

Others: Rick Taggart, Chris Kennedy, Les Miller, Scott Beilfus, Tom Aker, Travis Khachatorian, Steve Reimer, Stephen Schweissing, and Harry Weiss

International Coliseums Company (ICC) team: Rick Kozuback (President/Chief Executive Officer (CEO) for ICC), Don Dethlefs (CEO of Sink, Combs, Dethlefs), Marv Hounjet (Vice President of Plenary Group), and Elizabeth Morgan (Principal of The Morgan Firm, LLC)

Agenda Topic 1. International Coliseums Company Presentation

Rick Kozuback, President/CEO for ICC, introduced the ICC team that was present and presented City Council with a concept for an event center in Grand Junction. The concept for an event center was started approximately ten years ago when the Budweiser Event Center was opened in Loveland, CO. Originally they were looking at a site at the Mesa Mall area. Since then, the emphasis has been switched to the downtown area where an option would be to connect to Two Rivers Convention Center which may be the best option for the future. The idea is to vitalize that section of the City creating an entertainment district. Mr. Kozuback used Allentown, PA, Winnipeg, Manitoba, Canada, and Cedar Rapids, IA as examples stating that creating entertainment districts rejuvenated their cities. He advised that for large projects such as those, it requires a major tenant and they believe that hockey would be a very saleable commodity as it is a growing sport and very popular in Colorado.

Don Dethlefs, CEO of Sink, Combs, Dethlefs, displayed a site plan for the event center concept. It would utilize the existing Two Rivers Convention Center which already has the meeting rooms and the banquet room. The downtown hotel and distributed parking downtown make the concept viable. With the existing grid of streets downtown, that is the ideal way to get traffic in and out of the events center. There is a lot more economic impact with event centers downtown. One concept would be to renovate Two Rivers Convention Center so that its back is not toward Main Street. He reviewed the layout of the concept, a ground level concourse where multiple events could be held at the same time. They design the buildings to have a lot of windows so that it doesn't look like a dark box. He described the event bowl which would be ice to accommodate a variety of ice events and could be covered for a variety of other events

such as basketball, concerts, family shows, large high school events, local tournaments, indoor football, lacrosse, soccer, rodeos, trade shows, etc. The seating would be very flexible. The 2nd level would be suites that could give people a mix of premium seats. He reviewed the concept for the rest of the event center including the exhibition area and the banquet room. Mr. Dethlefs reviewed the potential costs for the project which included a stand-alone event center, \$46 million; a stand-alone event center with banquet room, \$49 million; remodeling Two Rivers Convention Center with event center, \$51 million; and remodeling and upgrading Two Rivers Convention Center with event center, \$57 million.

Rick Kozuback stated that there are challenges of managing event centers. He reviewed several event centers that are managed by VenuWorks. They are responsible for programming, finance, human resources, administration, operations, catering and concessions, marketing and sales, sales of naming rights, seating, sponsorships, and advertising. In addition to the events center, he stated that they would look at managing Two Rivers Convention Center and the Avalon Theatre, putting it all under one umbrella.

Marv Hounjet, Vice President of Plenary Group, explained a P3 model which is a Public/Private Partnership. For a facility such as what Grand Junction would have, it would be considered as "availability based model". It would be guaranteed to perform, it transfers the risk to the private sector, and the City owns the land and the building. The City would have some involvement with the management but most of it would be the management company. Under the P3 model, there would be cost predictability. Mr. Hounjet explained what the structure for the partnership would look like and explained facts about financing the project. The City would make availability payments subject to performance. There would be no payment required during the construction, only once the facility is up and running.

City Manager Englehart said that a 20 year facility assessment was conducted for Two Rivers Convention Center and it would cost approximated \$12 million over the 20 years to maintain the existing facility.

City Manager Englehart stated that a group was formed when this idea was first brought forward which consisted of Mayor Norris, Councilmember Doody, Tim Foster, Harry Weiss, P. J. McGovern, the Reimers, City Attorney Shaver, Jamie Hamilton, and himself. Ideas and locations were looked at. Recently a meeting was held and Tim Foster had Derek Wagner sit in on it and Colorado Mesa University does endorse an event center. The Downtown Development Authority also endorses having an event center.

There was discussion regarding demographics, financial obligation concerns, winter sports draws, market analysis, university population, due diligence process to find out what the public wants, a feasibility study, parking, event centers being busiest in the fall, winter, and spring, event center staffing, management fees, using local promoters for programming events, lifestyle concept of the building, long term agreement potential with sports teams or activities, and an event center fitting in with the downtown reconfiguration.

City Council discussed the process of moving forward with the idea of an events center which included citizen involvement and getting a neutral third party to research the project to see if it would be a benefit for the community. They also discussed whether the timing is right to look at a project like this when a lot of resources are being utilized for the Economic Development Plan.

City Council agreed to start moving forward with studying the project and present some ideas at an upcoming retreat.

Agenda Topic 2. Fourth Quarter Financial Report and Update

Financial Operations Director Jodi Romero distributed handouts to Council and provided highlights of the pre-audited 4th quarter 2014 financial report. The Amended Budget Revenues came in at 100% and there were 96% of the Amended Budgeted expenses used. There were some carry forward funds that were not spent in 2014 for Economic Development, partnerships, and memberships. There was more revenue earned than projected in the General Fund amended budget. Sales and Use Tax was up. Expenditures were 99.7% of the amended budget. The subsidy for Two Rivers Convention Center was less than budgeted for. The remaining contingency for Council was rolled forward for Economic Development. The estimated ending fund balance was \$21.2 million dollars.

There was discussion held regarding some of the savings in the budget including 19 sworn officer positions that were not filled, the Avalon marquee sign and projector for the multi-purpose room were cut, and the anticipated payment from the Avalon Theatre Foundation.

Ms. Romero reviewed the contingency that was budgeted, used, and the ending fund balance; the Avalon Theatre Project report that Internal Services Manager Jay Valentine put together; the utility funds revenue and expenses which included water, irrigation, solid waste, and sewer; the other Enterprise Funds revenue and expenses which included Two Rivers Convention Center, Golf, Parking, and Visitor and Convention Bureau; and the Internal Service Funds revenue and expenses which included Information Technology, Fleet and Equipment, Insurance, and the Communication Center.

There was discussion regarding the good experience return from Rocky Mountain Health Plans and insurance in general including comparison with the County and City's insurance structure, actuary studies done to determine how much needs to be kept in the fund balance for insurance claims, and workers compensation insurance.

They also discussed the operations of the Communications Center and how the revenues are determined and ideas of what can be looked at in the future to determine revenues to maintain the operations. A committee has been formed to study options for fees and revenues.

Ms. Romero explained the transfers-in category for the Communications Center which is the 101 (Enhanced 911) fund surcharges and the primary use of those funds is capital.

Ms. Romero reviewed the fund balance sheet and stated that the ending fund balance for 2015 is \$20,035,725 less restricted funds and internal loans. She also reviewed the calculation of the capital funds available prior to finalization of 2014 carry forwards in the capital side. Ms. Romero stated that the pending items that are listed are the \$500,000 for the CMU campus expansion, the Avalon Theatre marquee, the 2nd half of the salary market implementation, and the Avalon Theatre Foundation additional funds expected. She advised that there is \$462,000 left in Council's contingency.

City Council was very appreciative for the update.

Agenda Topic 3. Legislative Update

Legislative and Management Liaison Elizabeth Tice provided Council a legislative update. She stated that the \$20 million severance tax diversion passed. There are concerns regarding some of the comments and justifications that were used and the inaccuracies and false assumptions about taking severance tax revenues. She would like to get Council's input on Staff taking a proactive approach to do some research and communication regarding directing the revenue to local jurisdictions and having it constitutionally protected from the Taxpayers Bill of Rights (TABOR).

There was discussion regarding options and strategies of being proactive on the issue. City Council was in favor of Staff doing some research and being proactive on the issue.

Ms. Tice said she is still watching the business affairs and economic development bills. She still hasn't seen the Tax Free Colorado Bill yet but should see it real soon. Ms. Tice advised that at the Chamber Legislative Video Conference on Tuesday, April 14th, two bills that will be reviewed that can have a direct impact on the City are House Bill 15-1331, Colorado Overtime Fairness for Employees Act, and HB 15-1348, Urban Renewal Authority Revisions. Ms. Tice then reviewed four Public Safety bills that the Chamber is seeking more information on; HB 15-1286, Police Misconduct Requiring Prosecution; HB 15-1287, Police Officer Training Improvements; HB 15-1288, Updates to Profiling Prohibition; and HB 15-1290, Stop Police Interference Incident Recordings. The bills are being opposed by the Sheriffs of Colorado, Colorado Municipal League (CML), and Associated Governments of Northwest Colorado (AGNC).

Ms. Tice also informed City Council that the bill for Safe Routes to Schools is still pending and there is a water measure being monitored but it shouldn't have too much impact on the Western Slope.

That concluded the Legislative Update.

Agenda Topic 4. Other Business

City Council discussed the letter that will be going out to the Airport Authority regarding providing the Airport Authority \$1.5 Million towards completing the building at the airport. The letter is an offer and does not have any contractual details.

Agenda Topic 5. Board Reports

Councilmember Chazen said that Harry Weiss resigned from the Downtown Development Authority (DDA) and on April 23rd, the Board will talk about the attributes they want for a new DDA Director, the Marketing Director, and the two vacancies coming up on the board which are P. J. McGovern, whose tenure is up on the board and Kevin Reimer, who has submitted a letter resigning from the board. Les Miller, DDA Board Chair, will step in as Interim Director when Mr. Weiss leaves. Robin Brown will still be with DDA to produce events. A Request for Proposal (RFP) is going out for what can be done with the White Hall property and concurrently, a RFP for the demolition of the White Hall building. There is an AGNC meeting Tuesday, April 14th and Delta County has agreed to join AGNC as an associate (non-voting) member. If Montrose would also become a member, there would be 85% of the AGNC population on the Western Slope.

Councilmember Susuras advised that Kristi Pollard was offered the new executive director position for Grand Junction Economic Partnership (GJEP) and a contract is being negotiated.

Councilmember McArthur advised that he hasn't heard a word regarding drainage.

With no other business, the meeting was adjourned.

**GRAND JUNCTION CITY COUNCIL
MONDAY, APRIL 13, 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. International Coliseums Company Presentation**
- 2. Fourth Quarter Financial Report and Update**
- 3. Legislative Update**
- 4. Other Business**
- 5. Board Reports**