

**GRAND JUNCTION CITY COUNCIL
WORKSHOP SUMMARY**

SEPTEMBER 13, 2004

The City Council of the City of Grand Junction, Colorado met on Monday, September 13, 2004 at 7:00 p.m. in the City Hall Auditorium to discuss workshop items. Those present were Councilmembers Harry Butler, Cindy Enos-Martinez, Dennis Kirtland, Bill McCurry, Gregg Palmer, Jim Spehar and President of the Council Bruce Hill.

Summaries and action on the following topics:

1. **CITY MANAGER'S REPORT/1601 POLICY:** City Manager Arnold directed City Council to the staff report containing an outline of the issues the State Transportation Commission is considering for modifications to the CDOT 1601 policy for new interchanges. He asked for any feedback to take to the meeting. Councilmember Kirtland will also be attending the RTC meeting. CDOT Regional Director Ed Fink supports significant changes. Public Works Manager Tim Moore said the City is in the unique position of just having gone through the 1601 process under the old system and having potentially two more of the reviews to go through. Therefore, it is important to suggest some changes to "pave the way" for the next time. Flexibility certainly will be a plus for the City's future issues. Construction costs participation and ongoing maintenance of interchanges through CDOT may become a possibility again. The two connections off I-70 B and off 29 Road are of benefit to the State system so will hopefully get some participation from the State. Carter-Burgess will join with the City in commenting and will also have comments in general on the process. Councilmember Spehar supported changes especially in the flexibility in the process. Councilmember Kirtland agreed that the specificity will be important so that expectations are known up front. Council President Hill noted it is important that Grand Junction be at the table, especially in light of the fact that the City challenged the process in the beginning so the City's input is critical. City Manager Arnold said he will suggest that the EMT (Executive Management Team) and Intermodal Committee should have the stakeholders (municipalities) participate, rather than just have CDOT staff.

Action summary: Comments will be finalized by September 24 and they will be sent out to Council prior to submitting them to CDOT.

2. **YOUTH COUNCIL UPDATE:** The City Youth Council will be providing regular updates to the City Council. Drew Creasman, current CYC Chairman, addressed the Council. The CYC was created as a result of the Council's Strategic Plan. He reviewed their Mission Statement and reviewed their activities over the last year. Officers and members were

also introduced. The reorganization of officers was explained. They identified their subcommittees and their responsibilities. The goals of the CYC was presented and explained as well as how they intend to achieve their goals.

In conclusion, they thanked Council, expressed their optimism for the upcoming school year and asked for questions.

Action summary: Council encouraged the CYC to encourage participation of students from all schools. Councilmember Spehar added that next year's recruitment should take that into consideration. CYC Chair Creasman said the legislative committee will be working on getting youth involved in the political process. He said he will mention recruitment to that committee. All of Council commended the students for their work and encouraged their efforts. Council President Hill suggested CYC send a representative to the Chamber Leadership meeting.

3. **INCUBATOR REQUEST FOR REVOLVING LOAN FUNDS (RLF):** The Revolving Loan Fund Administrator Dean DiDario addressed City Council on the current demand for loans through the RLF and discussed their need to increase their base. First, he explained how the program works and the history of the program so far. The loan volume has tripled since 1990 and there is no let-up in sight. Without an increase in the capital base, they will not be able to fulfill the requests. Councilmember Kirtland asked how the loan ratios match up with what is in the community. Mr. DiDario said the percentage is more weighted toward manufacturing. Councilmember Palmer asked if the applicants are local businesses rather than new ones coming in. Mr. DiDario responded that all the applicants are homegrown businesses and local companies. Councilmember Palmer asked about the average loan life. Mr. DiDario replied that the loan documents are written up for 5 years but most loans are repaid within 2-3 years. Councilmember Spehar inquired if a loan requirement is the same as other Economic Development packages such as wage guidelines. Mr. DiDario advised that manufacturing companies are typically higher paying, the service jobs are professional companies and not necessarily low wage jobs. However, they are required by primary funding sources to retain jobs for persons of low or moderate income, providing them opportunities. Councilmember Spehar expressed he has difficulty justifying the expenditure of public funds for low paying jobs. In order for him to support this request he needs to find a way not to compromise those efforts.

Council President Hill noted that the loan volume has tripled so how can the City help with other funding like grants especially since CDBG was a primary funding source and now that Grand Junction is an entitlement city, that situation has changed. Mr. DiDario said he is currently working on a

CDBG application and trying to find other sources of additional capital. This is the first time the RLF has asked the City directly for funds and even with this request their funding will still be short. However, they have a couple of strategies in place; for example, one applicant will be in the CDBG application. The gap is a short term gap to be filled by the City.

Council President Hill asked if the 2% is a net loss or gross loss. Mr. DiDario answered the 2% is off the capital base. Interest paid by the borrower goes to pay administrative expenses of the program.

Councilmember Kirtland asked if the RLF loan process is a positive for the applicant when applying to a bank. Mr. DiDario said banks love to see the RLF involved as it reduces their risk, the RLF is last in line for collateral. Council President Hill asked for confirmation that the RLF is not providing funding if the bank won't. Mr. DiDario advised that the RLF can but it is a rarity. Councilmember Palmer noted the approval board is comprised of business leaders including bankers who are adept at judging loan risks. Councilmember Butler asked how many failed businesses have borrowed from the RLF. Mr. DiDario answered 6 to 7%. Rick Taggart, a RLF board member, advised against applying the wage criteria to this program as it would be a hardship for a new business owner, who typically can't afford all the benefits at the beginning. He was not opposed to the criteria being applied three or four years out, after the business gets established. Mr. Taggart also warned that this may not be the last such request to the City. Councilmember Spehar advised that the Economic Incentive Fund is a finite source of funds and all partners need to realize that a request like this will deplete a finite resource which means less for the other partners. There is also the justification to the taxpayers. It was pointed out that these funds are loans not incentive funds. Councilmember Spehar countered that they are still public funds. Thea Chase, Executive Director for WCBDC and the Incubator, advised that the RLF looks at development different than the Economic Development Partners and explained the differences. However, companies are given preference points for wages above the living wage standard when their application is considered.

Administrative Services Director Ron Lappi responded to Council's question about the Economic Development Fund balance. It is projected to have \$675,000+ at the end of the year. Another \$300,000 will be added in 2005. The City will pay out to Mesa State College the last payment of \$250,000 in 2005. Councilmember Spehar noted with current obligations that will leave \$575,000. The City Council concluded that it looks like funding is available.

Council President Hill summed up that the program loans money, it is not an incentive program, it works with banks, and the money will fund an existing program. He would not want to add strings attached as the RLF

needs to use those funds in several arenas. It is a solid program and a valuable resource for the community. Councilmember Palmer added that if Grand Junction wants to compete in the labor pool, it needs to be able to attract employees and grow some jobs. Councilmember Kirtland appreciated the discussion as an opportunity to let the RLF know that it is Council's desire to encourage higher paying jobs. Councilmember Butler said part of having a small town feel is having some homegrown businesses and it keeps the community vital. Councilmembers McCurry and Enos-Martinez voiced their support. Councilmember Spehar said he will support it too but doesn't want to cause problems with public perception. Council President Hill said this is one way to bring the working wage up. He suggested this request be placed on a formal agenda.

Action summary: Staff was directed to place the item on a regular meeting agenda for formal consideration. Regarding regular reporting, both Councilmember Palmer and Administrative Services Director Lappi sit on the board and will keep the rest of Council apprised on a regular basis.

4. **UPCOMING APPOINTMENTS TO BOARDS & COMMISSIONS:** In anticipation of upcoming vacancies to the Planning Commission, the Forestry Board and the Housing Authority, City Council discussed specific issues relating to these boards. Stephanie Tuin, City Clerk, reviewed the issues each of the boards are facing and described the current situation in filling vacancies. The situation with the Planning Commission and Board of Appeals was discussed in detail. Then Forestry Board and the Housing Authority were discussed and it was noted that applications are still being accepted.

Action summary: City Clerk Tuin was directed to schedule the Planning Commission reappointment of Dr. Dibble and the renewal of the term for recently appointed Tom Lowrey, follow normal procedures for advancing alternates into regular positions and work with Council on scheduling interviews for the resulting vacancy for 2nd Alternate to the Planning Commission/Board of Appeals member. City Clerk Tuin will be in touch with Council once the recruitment for the other boards has closed and set an interview schedule.

The meeting adjourned at 9:08 p.m.