

GRAND JUNCTION CITY COUNCIL
ADDITIONAL WORKSHOP SUMMARY

September 19, 2005

The City Council of the City of Grand Junction, Colorado met on Monday, September 19, 2005 at 11:40 a.m. at Two Rivers Convention Center, 159 Main Street, to discuss workshop items. Those present were Councilmembers Bonnie Beckstein, Teresa Coons, Jim Doody, Gregg Palmer, Jim Spehar, Doug Thomason and President of the Council Bruce Hill. City Staff present were City Manager Kelly Arnold, City Attorney John Shaver, Assistant to the City Manager Sheryl Trent, Community Development Director Bob Blanchard, Management Intern Mario Ramos, Communications and Community Relations Coordinator Sam Ranguet and City Clerk Stephanie Tuin. Also present were GJEP Director Ann Driggers, GJEP Chair Bob Reece, GJEP Board Member Chris Launer and WCBDC Director Thea Chase. Chamber of Commerce Director Diane Schwenke came later in the meeting at 1:30 p.m.

Summary and action on the following topics:

1. **ECONOMIC DEVELOPMENT ISSUES:** Regarding economic development strategies and priorities with recommended funding for Fiscal Year 2006, Assistant to the City Manager Sheryl Trent reviewed discussion topics: a recap of recent events, recent activities, the status of the current year Economic Development Fund, staff's recommendation for next year's plan for economic development and a direction for 2006 spending.

Ms. Trent noted that in 2005, the current fund balance is \$316,278. The proposed amount budgeted for 2006 is \$450,000. Her recommendation for appropriation of that amount was directed to six areas:

- \$250,000 for the infill/redevelopment program - possible programs coming forward include workforce housing in the downtown and a North Avenue upgrade.
- \$40,000 for the Business Incubator Center (BIC) to expand marketing tools and business assistance programs; a contract of specific performance would be required. This is \$8,000 more than the City Council normally contributes.
- \$40,000 for the Grand Junction Economic Partnership (GJEP), also requiring a contract of specific performance. These monies would be used for new business attraction and marketing.
- \$15,000 for the continuation of the Listening to Business survey process; this is the same level of participation approved in 2005.
- \$5,000 for continuation of the Consumer Price Index (CPI) data compilation by Mesa State College.
- \$37,500 to continue funding the Assistant to the City Manager position.

- \$62,050 to GJEP to be a pool from which GJEP can draw from at their discretion for new business incentive/attraction instead of approaching City Council each time. The terms and conditions on the use of the money will still need to meet the criteria.

Several items were not included in the Staff recommendation. These included: Mesa State College which has two projects with which they would like City assistance related to the construction of a new dormitory: reimbursement of sewer tap fees and a combined stormwater and sewer improvement; jet service; existing business expansion and/or retention and the business needs identified in the Listening to Business report; an incentive pool for existing businesses; an economic development study for long range strategy; and a joint website to offer information on land, buildings, and zoning issues for potential needs as there is no current single source of that information.

The 2005 balance does not take into account the incentive for the CBI relocation of \$200,000, the planned housing at 8th and Rood or the Industrial Development, Inc. (IDI) request. If those items are funded, the 2005 balance will be \$86,278 which could be allocated toward some of the items not addressed in the Staff recommendation.

Councilmember Spehar noted that there is a request from the Downtown Business Improvement District for \$25,000 in funding that has not been addressed.

An in-depth discussion followed. Council President Hill made several points; that there should be flexible funding so that Council can react and adjust to needs that come up on short notice; that education be addressed as it is an important element; and that jet service continue to be important although no funding is being directed toward a specific need in that area. He then made the suggestion that the unanticipated severance tax revenue be used to increase the Economic Development incentive pool to \$100,000 and not limit its use to GJEP and allocate \$500,000 of the severance tax to Mesa State College. City Manager Arnold cautioned that the severance tax monies cannot be relied upon from year to year and the additional should be looked at as one-time revenue. The monies could be set aside for housing and placed in fund balance to repay fund balance transfers that were done when the economy slowed. Councilmember Spehar agreed that the funds should be directed at capital or other one-time expenditures. Council President Pro Tem Palmer stated he would rather see any funding for Mesa State College be program specific. He also questioned the funding proposed for the BIC and GJEP as some may be for operations, which Council has typically not funded in the past.

Each Councilmember weighed in their preferences for each focus area outlined by Ms. Trent.

Action summary: The majority approved of the recommendations made by Staff except that the two GJEP items would total \$100,000.

Regarding the \$500,000 contribution to Mesa State College, an informal poll of the Council indicated four in favor and three against (Palmer, Coons and Spehar). A specific request from the College was considered essential by Councilmember Coons, as the other agencies submitted such requests. The final decision will be during budget adoption.

2. **INCENTIVE REQUEST FOR THE COLORADO BUREAU OF INVESTIGATION:**
The Grand Junction Economic Partnership is requesting consideration of an incentive in the amount of \$200,000 for the Colorado Bureau of Investigation (CBI) to relocate to the City of Grand Junction. Assistant to the City Manager Trent detailed the request. GJEP is requesting a \$200,000 incentive for CBI, a State agency, to relocate to Grand Junction from Montrose. IDI is donating the land on which CBI will build a building and make a capital investment of \$14 million. The incentive will be paid toward actual costs incurred for relocating 16 employees although there may be as many as 37 jobs at the facility eventually. CBI is not a primary employer and the incentive will not be tied to job creation or salaries as previous incentives have been. If the incentive is granted, the State Legislature will then consider the relocation. The 16 employees will have to live in Mesa County.

Action summary: Staff was directed to place the item on the September 21, 2005 agenda for consideration.

Adjourn

The meeting adjourned at 1:55 p.m.