

**CITY OF GRAND JUNCTION CITY COUNCIL
and
BOARD OF COUNTY COMMISSIONERS FOR MESA COUNTY**

**ANNUAL JOINT PERSIGO MEETING MINUTES
AUGUST 2, 2007**

Call to Order

The Grand Junction City Council and the Mesa County Commissioners joint meeting was called to order by President of the Council Jim Doody at 7:09 p.m. on August 2, 2007 in the City Auditorium, City Hall, 250 N. 5th Street for the Annual Joint Persigo Meeting. County Commissioner Janet Rowland gave the invocation and the pledge was led by County Commissioner Chairman Craig Meis.

Councilmembers present were Bonnie Beckstein, Teresa Coons, Bruce Hill, Linda Romer Todd, Doug Thomason, and President of the Council Jim Doody. Councilmember Gregg Palmer was absent.

From Mesa County, County Commissioner Chairman Craig Meis and Commissioners Janet Rowland and Steve Acquafresca were present.

Also present were City staffers City Manager Laurie Kadrich, City Attorney John Shaver, Utilities and Street Systems Director Greg Trainor, Principal Planner David Thornton, Wastewater Services Superintendent Dan Tonello, Utilities Engineer Bret Guillory, Environmental Coordinator Eileen List, and City Clerk Stephanie Tuin.

County staffers present were County Administrator Jon Peacock, Planning and Development Director Kurt Larsen, Development Planner Linda Dannenberger, Public Works Director Pete Baier, and Clerk to the Board Bert Raley.

Utilities and Street Systems Director Greg Trainor welcomed those present and reviewed the history of this annual meeting, including the requirement for an annual meeting and the notice that is required. Mr. Trainor advised that three requests were received past the deadline so there was no opportunity to notify the surrounding property owners. He indicated the City Attorney can advise the City Council on how they might proceed.

Northeast of H ½ Road and 21 Road Boundary Adjustment Request

Utilities and Street Systems Director Trainor reviewed the first request. The property is owned by Irma Kapushion and the request was submitted by Dale Beede.

Bret Guillory, Utility Engineer, explained how the sewer could be extended to this property. It is feasible; however the western portion of the property would require a pump station. The developer would pay \$250,000 to cover ten years of maintenance. To include this general area and rezone the area to R-4 would require a plant expansion that would cost \$31.2 million. If the zoning is left as Estate, the plant would have capacity to serve the area.

Commissioner Chair Meis asked if the extension cost would be borne by the developer. Mr. Guillory said yes, but the expansion required for the lower basin piping would cost an additional \$3.5 million.

Councilmember Hill clarified that the inclusion request is for three parcels, and there is capacity to take those three parcels in. Mr. Guillory concurred, but Staff has taken a bigger picture view rather than just taking it in little pieces.

Councilmember Coons asked about the impact on capacity if the parcels are zoned Industrial. Mr. Guillory said Industrial is about equivalent to an R-2 residential zone.

Council President Doody asked if the developer will pay for the lift station. Mr. Guillory said yes, but then the City takes on the maintenance, so the City tries to avoid lift stations.

Council President Doody opened the public hearing at 7:33 p.m.

Dale Beede, 2059 Baseline Road, a family friend representing the applicant, stated that the reason for the application is that the sewer is being extended to the southeast of this property, only 100 yards away. There is a need for large tract industrial sites; the request is not asking to go all the way to I Road. Residential is not the best use any longer, with commercial/industrial use pushing up against the property. The northern twenty acres is not the Kapushion property.

Kelly Bowen and Tom Bowen, 876 21 ½ Road, sent an email about their concerns. The property is currently zoned Rural, not Estate. They are in opposition to this property being sewerred, as it is currently compatible as Rural for agricultural uses.

Sanna and David Weaver, 876 ½ 21 ½ Road, agreed with the Bowens that it is rural.

Ted Munkres, 122 Chipeta Avenue, encouraged the governing bodies to look at the overall growth of the community; inclusion will benefit the community as a whole.

Scott Claussen, 856 21 ½ Road, said this same thing occurred to the south; first the property gets included into the Persigo boundary, then it goes Industrial. He suggested industrial uses should be kept along River Road.

Sam Campbell, 848 21 Road, south of the property, said his wife grew up on this property, and that development will change the look of the area and the rural feel of the area. He

stated that he realizes that progress is a part of life, but he would like to have the protection of a buffer zone between the residential and the industrial.

Bonnie Savage, 878 21 ½ Road, recently moved here to retire. She looked for a rural area and doesn't want the view to be ruined as it is lovely. She was not advised there was potential for more commercial growth.

Pam Fox, 2617 I Road, said although she doesn't live that close, she does feel that the City needs to develop areas that already have the infrastructure. It will cost more to develop other places; expansion of the sewer is necessary and it would be cheaper to put it there than put it out further. In addition, she does have property that she would like to develop.

Jan Murry, 889 21 ½ Road, Unit B, stated that the property is in her back yard and she has lived there ten years. She understands one can't stop growth, and she does not object to residential. She urged more study.

There were no more public comments.

Council President Doody closed the public hearing at 7:46 p.m.

Chairman Meis asked what was brought into the boundary previously in that area. Mr. Guillory stated that the area was studied in 2005 with the study brought back to the joint board in March 2006. Chairman Meis asked how much of the area brought in then has been annexed. Mr. Guillory indicated only two properties, Jobsite and one other.

Councilmember Hill asked if it is the Staff's recommendation to wait until after the Comprehensive Plan. Utilities and Street Systems Director Greg Trainor said the Comprehensive Plan would allow for a larger area to be looked at so that is a possibility in order to avoid a piecemeal approach. Mr. Trainor, however, said that each parcel owner has a sense of urgency. Expansion decisions are policy decisions but they do impact capacity at the plant.

Commissioner Chair Meis asked for comments from the County Commissioners.

Commissioner Acquafresca said that not including the west portion is a good idea to avoid lift station maintenance.

Commissioner Rowland disagreed stating that if the developer is willing to pay \$250,000 to pay for ten years of maintenance of the lift station then the west portion should be included.

Chairman Meis said they approved a large swath in March 2006 and he was concerned about the lack of buffering. He agreed they should wait for the City's Comprehensive Plan before moving forward, as he is hesitant to have patchwork inclusions. He has property at

21 ½ Road, which is where the agricultural area starts. He is opposed until the Comprehensive Plan is completed.

Commissioner Acquafresca moved to include only the east portion of Parcel A that can be served by gravity flow. Commission Chairman Meis seconded. The motion carried with Commission Chairman Meis voting NO.

Councilmember Todd was concerned about the time delay with the Comprehensive Plan being two years away. There is a shortage of land for commercial/industrial now. The question is where it should go. She prefers looking at the big picture rather than piece by piece. She supports inclusion of Parcel A.

Councilmember Coons said she also doesn't like the piecemeal approach and would like to look out twenty years. Therefore she supports allowing the Comprehensive Plan process to take place, i.e., the Staff's recommendation.

Councilmember Hill spoke about extending the boundary, the commercial zoning is not being considered, zoning is to be determined later. He agrees with looking at the big picture and deferring it but there are mechanisms in place that allow things to change, especially in an environment where things are changing rapidly. He can support this request, inclusive of the full acreage and he agrees with Commissioner Rowland to leave the zoning question for another day.

Councilmember Thomason agreed with looking at the boundaries overall. He is concerned with continually pushing out the boundary, although he agrees there is a shortage of industrial property. However, he won't support the request.

Councilmember Beckstein said she served on the study committee that looked at the entire north area so she is aware of the issues and need for land. She would like to see if it is realistic now to extend the boundary to I Road and see if the system can meet that need. She would like to know the availability of land already in the 201. She doesn't have all the information. She disagrees with waiting for the Comprehensive Plan two years down the road. There are needs now. She asked Staff to provide an inventory of available commercial/industrial land and put the request on hold until inventory can be reviewed.

Council President Doody said he believes the overall situation needs to be studied. He advised the City is going to have meetings to discuss the big picture with the County. He won't support inclusion.

Councilmember Todd moved to accept the application to include Parcel A into the 201 boundary. Councilmember Hill seconded the motion. Motion failed with Councilmembers Beckstein, Coons, Thomason and Council President Doody voting NO.

City Attorney John Shaver advised that joint action is required for any changes to the boundary. Since the motion failed with the City, the action did not pass and the property will not be included.

Northeast of H Road and 22 Road Boundary Adjustment Request

Utilities and Street System Director Mr. Trainor reviewed the next request. He described Parcel B. The owners have been in contact with the City Council and the County regarding their inability to continue to live in that area with the encroaching commercial/industrial uses.

Council President Doody opened the public hearing at 8:15 p.m.

Marie Reigan, 2204 H Road, has lived there 16 years and now they have Northwestern Air, several trucking companies, and other companies right around them. She stated that the constant jake brakes shake her house and she has to wear ear plugs. She said the compression plant is so loud, their two young boys, both with neurological damage and on medication, cannot play outside. They won't eat due to the disturbance. The area is not conducive for children or cars. They asked for their property to be in the 201 so they can market their property. Robert Reigan added that the interest in their property is overwhelmingly for commercial use.

Leah Morario, owns 14 acres at 824 22 Road, agreed with the Reigans that the area needs to be part of the 201.

Ray Trujillo, 2218 H Road, said he wanted to point out that there is a natural boundary at 22 Road from commercial to industrial. Regarding the concerns of truck traffic, he pointed out there is not a light at the bottom of Highway 6 & 50 and H Road, so trucks have to go down H Road to 23 Road to access the highway. This brings more traffic to H Road that is zoned Estate. He doesn't think the zoning should change, and with the sewer coming in, it would change. He believes there is still a lot of available commercial land from the 2006 inclusion so he disagrees with the inclusion.

Glen Marson, owns the property at 2202 ½ H Road, said he is in favor.

Jim Patterson, 2202 H Road, said he is closer to Northwestern Air than the Reigans. Northwestern Air's operations shake his building, and with the diesel fuel smell it is almost unbearable living there. He put his house behind the shop to try and minimize the noise but it is still very loud. He is in favor of inclusion.

Mr. Trainor stated there is one additional lot in the subdivision to the north, 2207 Lyn Street that has requested inclusion. However, it is not recommended for inclusion, as it is an isolated parcel in a subdivision.

There were no additional public comments.

Council President Doody closed the public hearing at 8:37 p.m.

Councilmember Beckstein asked if the whole subdivision was invited to participate in this consideration.

Mr. Trainor replied that applications were from individuals. This particular property owner was contacted because their name was in the file from previous hearings.

Councilmember Coons asked about the noise issue and whether or not the City has noise ordinances. City Attorney Shaver stated that the City does, but they speak to unnecessary and unreasonable noise so the call is situational. Hours of operation could be an issue, as that is a different noise ordinance standard.

Councilmember Coons asked if septic is inadequate for these commercial properties. Mr. Guillory stated that there are commercial properties on septic that are too far from the sewer so that is not necessarily the case.

Principal Planner David Thornton said that the Northwest Plan was adopted by the City and County Planning Commissions jointly back in March of this year, as well as City Council in April. That area included the large portion of the area that was included in the 201 back in March 2006. He looked at the area west of 22 Road, including all of the 201 boundary north of H Road, as well as the southeast corner of H and 22 Roads, where Northwestern Air and other businesses are located. There was a lot of public input and concern raised by residents regarding changing of the zoning designations; therefore some performance standards were developed. It was clear that the residents wanted the implementation of the performance standards. H ½ Road corridor would be the line between commercial and residential. Lyn Street residents were concerned about the 22 Road corridor impact regarding architectural standards and landscaping for buffering.

Councilmember Coons asked if the architectural and landscaping standards included sound buffering standards.

Mr. Thornton said that noise was recognized as being an issue in the area. The Plan encourages truck traffic to be internal and use a future 21¾ Road. Site planning was used as the mechanism that was sought to minimize the noise for future business, but won't be of much assistance to the existing businesses mentioned as they were grandfathered in prior to the Plan adoption.

Chairman Meis asked County Planning Director Kurt Larsen what was the progress and outcome of the matter that had been brought before them by the Reigans for Code Enforcement action.

Kurt Larsen, Planning Director, said the County has made site visits. The noise issue is situational and difficult to enforce. Regarding the compressors, Code Enforcement served a notice of voluntary compliance. County Planning Director Larsen was asked to get more information on the situation to the County Commissioners.

Commissioner Rowland stated the joint board shouldn't look at the boundary as set in stone. There have been inventories on what land is available. GJEP has said there is no land available. She too would rather not do inclusions in a piecemeal manner but since the Board has not addressed the issue in a timely manner, the applicants have to come forward individually. She feels the Board can't make them keep waiting.

Commissioner Acquafresca said he looked at the area, partially enclosed by commercial/ industrial. He recognized the noise pollution. He thought a more natural boundary would be on the east site of Parcel B, the Persigo Wash. He noted truck traffic from 22 Road travels west on H Road to 21 ½ Road and then south to the highway. He has been told in the foreseeable future there will be a signal light at 21 ½ Road and the old highway, which will serve Parcel B for industrial purposes. He said it appears with the exception of that small lot, Parcel B is a natural and progressive addition to the 201.

Chairman Meis stated that he can support inclusion of Parcel B with the exception of the small north parcel. He felt the City can do a good job with the zoning and handle the code enforcement matters once annexed.

Commissioner Acquafresca moved to include Parcel B with the exception of the small lot. Commissioner Rowland seconded the motion. Motion carried unanimously.

Councilmember Todd said, once included, development doesn't automatically spring up; it may be a few years out. She agrees with Commissioner Rowland to look forward at the big picture but agreed they can't wait the two years for the Comprehensive Plan. She supports inclusion.

Councilmember Coons said she didn't think they would have to wait for the Comprehensive Plan but rather look at the big picture separately. She noted inclusion does not solve the whole problem, zoning has to take place and that is not guaranteed. She said this piece makes sense except for the small lot.

Councilmember Hill said he would support bringing in Parcel B. He agreed with the planning that Chairman Meis suggested, and that Commissioner Acquafresca had an excellent point regarding the natural barrier. Answering the questions as to where does the commercial start and where does it end, as well as addressing the buffering and zoning, all need to be addressed.

Councilmember Thomason stated that he wasn't suggesting never changing the boundary. He agreed this parcel makes sense.

Councilmember Beckstein said she is not asking for a 2½ year delay, agreeing it needs to be looked at now. Inclusion of this piece makes sense so she will support inclusion.

Council President Doody said he has compassion toward the residents and supports inclusion of Parcel B.

Councilmember Hill moved to include Parcel B with the exception of 2207 Lyn Street. Councilmember Coons seconded the motion. Motion carried unanimously.

Council President Doody called a recess at 8:53 p.m.

The meeting resumed at 9:06 p.m.

Northeast of H Road and 23 Road Boundary Adjustment Request

Utilities and Street Systems Director Greg Trainor reviewed the next request identified as Parcel C.

Principal Planner David Thornton stated that the current County zoning is AFT with areas of RSF-R with the Bookcliff Ranches Subdivision and another subdivision just to the north. Looking at the Future Land Use Map the area is shown as Estate. To the north is designated as Rural. All of the area is in the North Central Grand Valley Plan, adopted in the 1990's, so the area in question is surrounded by large lot residential.

Mark Harris, 863 23 Road, just north of the subject property, farms in that area. The subject property is the farm at 840 23 Road; which is property the School District just purchased. On behalf of Alan Ferris and the neighbors, he is not present opposing inclusion, but wanted to know the process to determine the future of sewer in the area north of H Road. He stated although the land is mostly agriculture now, it is being divided into five acre parcels as a result of the lack of long term planning. There are several hundred acres of property that could have something special done with it.

There were no other comments.

Council President Doody closed the hearing at 9:15 p.m.

Councilmember Coons asked what the soils are like in that area in respect to septic versus sewer.

Utilities Engineer Bret Guillory stated the reason the Appleton trunk line to the school was installed was due to the septic failure at the school. At that time the City formed the Appleton Sewer Improvement District. The water table is very high, especially in irrigation season and is not conducive to standard septic systems; they would have to be a mounded system. Councilmember Coons asked if the School District is planning on building there. Mr. Guillory said that is the rumor.

Councilmember Hill noted the Council can't look at the plans, they are only looking at the boundary change. The School District could decide to sell the property. He asked if there was a way to stipulate for a "school only". City Attorney Shaver stated that they can't do that but could remove property from the boundary in the future.

Councilmember Todd said that the big picture review needs to happen now. She urged making a decision on a time and place to meet to move forward on discussing the 201 boundary. She is in support of this inclusion.

Councilmember Coons agreed with the gentleman that spoke concerning sewerage one piece of property in isolation. She won't support the request as she feels it needs to be considered with surrounding properties.

Councilmember Hill agreed with Mr. Harris. He is not interested in waiting for the Comprehensive Plan. They need to move forward now. He will support this, a school could be built there without the sewer and then the septic could fail. This may be a wise site and he trusts the School District's intent. He wants to move forward expeditiously.

Councilmember Thomason said, although isolated and expensive to extend the sewer, he is in favor of inclusion.

Commissioner Rowland asked that the two bodies set the schedule to review this at their next joint workshop.

Commissioner Acquafresca stated the problem is statewide that School Districts and other public entities, and departments of the State are exempt from the planning process. The result is they are driving the planning and development process. These entities purchase based on the price of real estate. The system needs to be changed statutorily. In this case he feels they must approve this boundary extension.

Councilmember Beckstein said when the study happened 1½ years ago, the committee talked about continuing to plan proactively. She will support the request.

Commissioner Chair Meis agreed with Councilmember Hill.

Council President Doody agreed with Commissioner Acquafresca and will support the inclusion.

Councilmember Thomason moved to include Parcel C. Councilmember Beckstein seconded the motion. Motion carried by roll call vote.

Commissioner Rowland moved to approve the inclusion of Parcel C into the 201 boundary. Commissioner Acquafresca seconded. Motion carried 3 to 0.

Northwest of 30 ½ Road and B Road Northeast of 30 ½ Road and B Road Boundary Adjustment Requests

Utilities and Street Systems Director Greg Trainor then reviewed the next group of requests which includes a School District property purchased from the Mizushima's and the property still owned by Mrs. Mizushima. Directly south is the sewer line that serves Valle Vista Subdivision.

David Thornton, Principal Planner, stated that the zoning is Mesa County's zone AFT; there is urban zoning a half mile to the west. The Land Use Designation is Residential Medium Low, which is around 4 units per acre.

Council President Doody opened the public hearing at 9:31 p.m.

There were no public comments.

The public hearing was closed at 9:32 p.m.

Chairman Meis asked if the School District bought the entire area. Mr. Trainor identified the area purchased by the School District. Chairman Meis asked if the farm is to the east. Mr. Trainor replied yes. Chairman Meis asked if the Mizushima's sold to the school. Mr. Trainor stated that they did not.

Mr. Trainor advised that the recommendation is to postpone a decision until the Comprehensive Plan is complete thus allowing the change needed to the Persigo Agreement. Another option is to allow this property to connect to the Valle Vista line and then amend the Persigo Agreement.

Councilmember Coons asked if 30 Road was a firm line for the 201 boundary extension. Mr. Trainor said yes, except for Valle Vista Subdivision. When that was allowed, the City Council and the County were very restrictive to that extension.

Commissioner Rowland asked if the joint board can amend the Persigo Agreement and amend the boundaries.

City Attorney John Shaver said that is possible, but how it should be amended may need to be discussed. He read the excerpt in question from the Persigo Agreement but noted approving inclusion would amend the agreement de facto. Commissioner Rowland asked if by making a motion to extend the boundary, would it make that de facto change. City Attorney Shaver replied yes, but Staff would recommend other provisions be made for the rest of the area east of 30 Road.

Chairman Meis said the Assessor's records do not show the purchase has taken place and asked if that contract is contingent on the inclusion. Mr. Trainor stated he did not know; his contact with the School District indicated this is the property they purchased. Mr. Guillory stated that it takes up to a month for the GIS system to show new property owners.

Councilmember Beckstein stated the same process suggested before; take time to study this area.

Councilmember Todd agreed to postpone until the discussion can be made on the 14th between the two governing bodies.

Councilmember Coons said it comes down to capacity when saying no to one owner when others have been allowed in.

Council President Doody asked about the diameter of the Valle Vista line. Mr. Guillory replied it is an 8 inch line. It serves 133 homes in Valle Vista, and 33 homes along the way.

Councilmember Todd stated she was not in favor of inclusion as it is the beginning of a patchwork. They need to look at the overall picture.

Councilmember Coons agreed. The ownership is not clear, and she is against starting a patchwork.

Councilmember Hill said he feels similarly. The request will drive a change to the agreement. He pointed out that schools will attract housing so they need to sit down with the School Board and have these conversations about what an inclusion decision would mean.

Councilmember Thomason agreed; he was not in support.

Commissioner Rowland stated they already have patchwork, and sewer service is better than having septic serve a school. If they want it, they should have it. She felt there is a lack of land with infrastructure so she will support the inclusion.

Commissioner Acquafresca stated he preferred to defer and look at all the issues.

Councilmember Beckstein said she will not support the inclusion. Everyone wants to see housing availability, but they must develop responsibly and meet infrastructure needs. It takes time to do that.

Chairman Meis said he is opposed, agreeing there needs to be additional study. He suggested they form a subcommittee. He wants to ensure the Comprehensive Plan moves forward but this study needs to go forward sooner. He agreed the two boards should expedite the process on the 14th.

Council President Doody agreed with Commissioner Rowland that the issue needs to be worked on and they need to include the School District but he won't support it at this time.

Councilmember Hill moved to include the Mizushima property and the School District property. Councilmember Beckstein seconded the motion. Motion failed unanimously.

Commissioner Acquafresca moved not to include the Mizushima and School District properties. Chairman Meis seconded the motion. Motion carried with Commissioner Rowland voting NO.

Late Requests Received

Utilities and Street Systems Director Greg Trainor advised that as a result of the second notice, the Riverview Technology Corporation (RTC) contacted the City. Exclusion of the DOE property was discussed in March 2006 and at that time they withdrew their request. RTC representatives are in attendance to address the joint board. No decision can be made at this meeting as there was no published notice. If a decision to decide is made, then the notice can be done and the decision can be made at another meeting separately.

Councilmember Coons asked if to avoid redundancy, can they accept the application, do the notice and set a date. City Attorney Shaver said that is an option. The RTC would like to know if there is a possible favorable resolution.

Utilities and Street Systems Director Trainor said the site is served by sewer but is outside the City limits.

On Council President Doody's request, City Attorney Shaver explained what the City's and County's relationship is to the RTC.

City Attorney Shaver explained that RTC (Riverview Technology Corporation) is a separately credited corporation for the purposes of operation and management of the old DOC Atomic Energy Commission site located on the Gunnison River and below the bluff in Orchard Mesa. The City and County are the sponsoring agencies for purposes of the ownership and operation of that, aside from the RTC who manages it. There is no direct responsibility or relationship back to the City but they were formed and created for the ultimate reuse of that site.

Council President Doody allowed the RTC representatives to address the joint board.

Bonnie Peterson, an RTC board member, stated that it was their intention to get an application in and missed the notice. Just this week, the RTC was awarded the DOE lease, so those jobs will be here for at least five years. The RTC would like to move forward in developing the property, and if that property is annexed, it impedes the Incubator's ability to provide funding in the Revolving Loan Fund. Since they don't want to impact the Incubator, they want to go out of the 201 boundary, even though they are currently served by the sewer and City water. Many of the grant opportunities will be limited if the site is in the City limits. She would like to move forward with an application for exclusion.

Councilmember Todd asked if they want to disconnect from the sewer. Ms. Peterson stated no, they want to keep the sewer. Councilmember Todd asked if it is annexation or inclusion that limits grant ability. Ms. Peterson understood if they are in the 201 then they must be annexed when development occurs. Councilmember Todd asked if they are building new assets. Ms. Peterson replied that the charge of RTC is to use the site,

retain existing jobs, and grow more jobs. There are several acres not being used which could provide commercial/industrial sites which will serve the community.

Councilmember Todd asked if they are self supporting. Ms. Peterson replied yes, however some grants do have match requirements.

Councilmember Coons inquired what the notice requirements were. City Attorney Shaver replied the notice must be published twice with ten days in between.

Councilmember Beckstein asked what action the joint board should take at this time. City Attorney Shaver replied nothing; the applicant must file an application.

Council President Doody inquired if the two bodies can meet separately on this matter. City Attorney Shaver replied that is an option.

Mr. Trainor said another late request was the Pam Fox property that was in the previous study area and was recommended not to be included. The hearing was on March 6th, and the decision was made not to include the property. This request also was not noticed and the recommendation is not to consider it. However, the applicant is present. The applicant was told no factors have changed that would affect the previous decision, but she says she is now working with an engineer.

Council President Doody stated that she can go through the same procedure by filing an application.

Chairman Meis stated that the board could afford her time to speak as she has been waiting.

Pam Fox, 2517 I Road, said she will submit a request. She is currently working with an engineer to develop her property without a lift station. The sewer is close to another subdivision going in to the northeast section of her property and she would like the board to reconsider her property. She will submit an application for next year's meeting.

Prepayment of Plant Investment Fees Policy

Utilities and Street Systems Director Greg Trainor then presented the next discussion item. He listed a number of reasons not to change the policy on prepayment of fees. The owners that requested this want to avoid paying the going rate at the time. However, when expansion is needed, the City and County will need to issue bonds and bond holders expect the calculation of Plant Investment Fees (PIFs) to be in a responsible manner. Mr. Trainor demonstrated the loss of revenue when prepayment is allowed.

Chairman Meis stated that a rate of return would be higher if the amount were to be invested in capital construction, so prepayment may be a benefit, that is, if there are infrastructure projects that are ready to go. He agreed it would be a loss if the funds were just put into a bank.

Mr. Trainor said that was correct. If borrowing the money, prepayments may not generate enough funds to pay the debt service so they would need to analyze it closely.

Councilmember Todd stated that it would have to be economically feasible for the developers to prepay for an entire subdivision.

Mr. Trainor agreed. Not knowing the future of development and the cost of construction they would have to analyze the issue.

Councilmember Todd noted that a similar situation happened in the early 80's.

Mr. Trainor said it happened in the Ridges and it was very hard to track administratively when the City took over in the 90's.

Chairman Meis suggested they do additional analysis.

City Manager Laurie Kadrach advised that the notice was such to allow formal action, but Commissioner Chairman Meis has an excellent point; even if everyone pre-pays, there would not be any benefit without a construction project.

Mr. Trainor agreed there needs to be more analysis. A bond broker would require sufficient tap fees to pay off any debt.

Mr. Trainor said the tap fees are specifically set aside for capital improvement projects and growth related capital construction. The monthly fees pay for replacement and repair projects.

Councilmember Coons said it was not wise to ask the citizens to provide a discount to the developers and others which is what prepayment is in essence doing.

Council President Doody said he doesn't support a change in policy. Last report indicated the fees should be at \$3,200.

Councilmember Hill concurred pointing out that the fees are already a discount because they were never increased to the recommended amount.

Chairman Meis said they are being asked to make a decision with very little information. He recommended looking at net present value versus construction costs. More data is needed.

Commissioner Rowland was in agreement with a postponement.

City Manager Kadrach summarized that there doesn't seem to be an agreement that prepayment for the sake of prepayment would be wise, but that it might make sense if there is a construction project. She suggested the policy change be brought forward when there is such a project.

County Administrator Jon Peacock suggested developing a framework whereby the policy might be changed under certain conditions such as a pending project.

Chairman Meis agreed that makes sense.

County Administrator Peacock suggested the joint board direct Staff to develop that framework.

Councilmember Hill agreed; those projects may come forward when the two bodies start those conversations for expansion.

Other business

There was none.

Adjournment

There being no further business, City Council President Doody adjourned the meeting at 10:55 p.m.

Stephanie Tuin, MMC
City Clerk