

**GRAND JUNCTION CITY COUNCIL
MINUTES OF THE REGULAR MEETING**

July 15, 2015

The City Council of the City of Grand Junction convened into regular session on the 15th day of July, 2015 at 7:00 p.m. Those present were Councilmembers Bennett Boeschstein, Martin Chazen, Chris Kennedy, Rick Taggart, and Council President Phyllis Norris. Absent were Councilmembers Duncan McArthur and Barbara Traylor Smith. Also present were Interim City Manager Tim Moore, City Attorney John Shaver, and City Clerk Stephanie Tuin.

Council President Norris called the meeting to order. The audience stood for the Pledge of Allegiance led by Patrick Dempsey, a representative from Emergency Medical Services (EMS) Staff, followed by an invocation from Pastor Paul Watson, Downtown Vineyard Church.

Presentations

June Yard of the Month

City Forester Randy Coleman introduced his son and noted that the Yard of the Month recipients Earl and Floy Young, 2303 N. 1st Street, could not be present. He described their yard and presented their plaque and gift card for the June Yard of the Month. Mr. Coleman recognized the contributor of the gift card and City Council for their support.

2015 Mission: Lifeline EMS Silver Recognition Award Presented by Fire Chief Ken Watkins

Ken Watkins, Fire Chief, and John Hall, EMS Chief, displayed the award received by the EMS Staff. Chief Watkins described the national mission lifeline silver award and then he read the announcement from the American Heart Association which specifically addressed responses to heart attacks and saving lives. Nine Fire Departments in Colorado won the award; two were in Mesa County. He thanked the City Council for their support. He then had the EMS Staff that were present introduce themselves and be presented to the City Council.

Councilmember Kennedy commented that recognitions such as this have become a regular accomplishment for EMS. The EMS Staff should be proud and he congratulated the EMS Staff.

Lisa Hemann, Chadwick, Steinkirchner, and Davis, Presenting the 2014 Auditor Report

Lisa Hemann, Chadwick, Steinkirchner, and Davis, presented the 2014 Auditor Report. She described the firm and their responsibility for the audit report. The management letter is included in the Comprehensive Annual Financial Report (CAFR) and this year the City received a clean report. There were no findings of concern in internal controls. During the audit, they reviewed the financial policies. The financial statements were put together by City Staff. The audit opinion clarified what they were providing an opinion on. They also looked at the retirement and benefit plans and reviewed their estimated liability. Those estimates were based on actuarial reports and they were reviewed. Any disagreements would have to be reported and there were no such difficulties this year. The financial statements were very clean and no adjusting journal entries were required. There were no additional findings. They also do single audits for the federal programs the City receives. There were no compliance issues. She commended Staff on their work, which made it a very efficient audit.

Council President Norris advised that the audit was reviewed and discussed during workshop, but opened it up for any Council comments.

Councilmember Chazen complimented Ms. Hemann and her firm and noted it was a good report and a good opinion. He also congratulated the City Finance Department on their work.

Councilmember Boeschstein also thanked Ms. Hemann and the City's Finance Staff. He noted the highlights that were included in the report, specifically on the cover of the report which was the Avalon Theatre. Sales tax and building permit revenues were increasing, foreclosure rates were down, and he believed the economy for the City is in an upswing. Ms. Hemann concurred.

Councilmember Kennedy echoed the comments made by Councilmembers Boeschstein and Chazen and stated that he appreciated the thoroughness of the report. He emphasized Council's appreciation to City Staff for all of their work that went into the report.

Council President Norris stated that all of Council feels the same way regarding the report.

Appointment

Councilmember Boeschstein moved to ratify the reappointment of Steve Peterson to the Mesa County Building Code Board of Appeals to a term ending July 2018. Councilmember Chazen seconded the motion. Motion carried by roll call vote.

Certificates of Appointments

To the Downtown Development Authority/Downtown Grand Junction Business Improvement District

Jason Farrington, Dan Meyer, and Duncan Rowley were present to receive their certificates of appointment to the Downtown Development Authority/Downtown Grand Junction Business Improvement District presented by Councilmember Chazen. Mr. Farrington thanked the City Council and said he appreciated the opportunity for continuing to work with the downtown community. Mr. Meyer thanked the Council for the opportunity and honor. Mr. Rowley thanked Council and said he too was honored.

To the Parks and Recreation Advisory Board

Kristy Emerson was present to receive her certificate of reappointment and Steven "Nick" Adams was present to receive his certificate of appointment to the Parks and Recreation Advisory Board presented by Councilmember Kennedy. Mr. Adams thanked City Council and said he looked forward to serving. Ms. Emerson thanked City Council and said she also looked forward to continue serving on the board.

Citizens Comments

Bruce Lohmiller, 337 Colorado Avenue, addressed the City Council and said the reason he has kept addressing Council is because of a certain lady's activities. He advised City Attorney Shaver that there were reports they need to talk about. He said District Attorney Hautzinger recently talked about stalking laws and then he mentioned night patrols at Whitman Park, due diligence, and the need for officer training because he felt officers have issued tickets they should not have.

Ed Kowalski, 2871 Orchard Avenue, addressed the City Council regarding excessive noise. He asked that Ordinance No. 3203 which was adopted in 1999 be enforced. He said he talked to quite a few people including Police Chief Camper and City Attorney Shaver who said it is not enforced. He also talked to patrol officers who said it will not be enforced until it is rectified and made to be enforced. He said, "responsibility demands responsibility; by example, we will teach. The moral arc of the universe bends slowly but it bends towards justice."

Council Comments

Councilmember Taggart went to the Las Colonias groundbreaking on July 7th and said it was a terrific event. He also attended a C-SPAN event which C-SPAN filmed in Grand Junction and he is looking forward to that presentation. He went to a Visitor and Convention Bureau (VCB) Board meeting and it was reported in May that Grand Junction

had the best number of “heads in beds” since 2008, and June looked even stronger, which is a good sign that tourism is picking up. The Airport Authority Board interviewed the final two candidates for the Airport Manager; on Tuesday, July 21st a selection will be made. The search committee brought two very different people with different skills sets and he is looking forward to that decision.

Councilmember Kennedy also attended the C-SPAN presentation and is looking forward to the program on September 5th. It will be a good history of the City with anecdotal information from citizens. It should help promote who Grand Junction is. He met with Charter Communications regarding broadband; they worked with City Staff to put an outline together. He also attended a Parks and Recreation Board meeting and the Las Colonias Park grand opening. He said the park will be a pearl on the river and a jewel in the City’s parks inventory. He has also attended ongoing citizens meetings regarding concerns that citizens have.

Councilmember Chazen said at the July 9th Downtown Development Authority (DDA) meeting Jason Farrington was elected as new chair and Kirk Granum was elected as vice chair for both the DDA and the Downtown Grand Junction Business Improvement District (GJBID) Boards. Robin Brown and Allison Blevins were appointed as co-directors for the Downtown GJBID, which should allow better organization to the GJBID. He noted that White Hall was almost gone. He attended the VCB meeting on July 14th and there was a follow up presentation by Epic Rides for their event. He attended an Associated Governments of Northwest Colorado (AGNC) meeting where there was a presentation by an Economic Development Representative from Rio Blanco County which has experienced issues similar to the City’s past issues, and it validated what the City is doing regarding Economic Development.

Councilmember Boeschstein said that on July 14th the Urban Trails Committee met talked about the successful Bike to Work Day. They are working on a Complete Streets Program for Grand Junction. He met with the Horizon Drive Association Business Improvement District (HDABID) and they said construction on the entry for the roundabout is close to starting which is what North Star Destination Strategies said the City needs.

Councilmember Norris said she attended most of the meetings that the other Councilmembers reported on. She went to the Airport candidate breakfast to meet all of the candidates and thought it was a good idea for the business people in the community to meet them. She commented that there are two dynamic candidates for the Airport Manager position. She attended a Police Officers pinning ceremony where three new officers were pinned and some of the officers were recognized for their Years of Service.

That concluded Council Comments.

Consent Agenda

Councilmember Kennedy read Consent Calendar items #1 through #5 and then moved to adopt the Consent Calendar. Councilmember Boeschstein seconded the motion. Motion carried by roll call vote.

1. **Minutes of Previous Meetings**

Action: Approve the Summaries of the June 15, 2015 and June 29, 2015 Workshops, the Minutes of the July 1, 2015 Regular Meeting, and the June 24, 2015 Special Meeting

2. **Setting a Hearing on Colorado Mesa University (CMU) Rights-of-Way Vacation, Located within the CMU Area**

Colorado Mesa University (CMU) requests approval to vacate portions of Cannell, Bunting, Kennedy, Elm, Texas, Hall Avenues, and parts of alleys adjacent to CMU owned properties.

Proposed Ordinance Vacating Portions of the Cannell, Bunting, Kennedy, Elm, Texas, Hall Avenues, and associated Alley Rights-of-Way and Retaining a Utility Easement, Located in the Colorado Mesa University Area

Action: Introduce a Proposed Ordinance and Set a Public Hearing for August 5, 2015

3. **Bypass Pumping Contract for the Persigo Wastewater Treatment Plant (WWTP) Aeration Basin Slide Gate and Trough Replacement Project**

This request is for the required bypass pumping of the wastewater flows at the Persigo WWTP for the Aeration Basin Slide Gate and Trough Replacement Project. This project includes removing two existing 32 year old aluminum slide gates that are corroded and one large overflow trough that is corroded and leaking, and installing two new stainless steel slide gates and a new stainless steel overflow trough. Bypass pumping of the plant's wastewater is required in order to complete this work.

Action: Authorize the Purchasing Division to Execute a Bypass Pumping Contract with Sunbelt Rentals, Inc. for the Aeration Basin Slide Gate and Trough Replacement Project at the Persigo WWTP for an Estimated Amount of \$71,650

4. **Setting a Hearing on the 2015 Second Supplemental Appropriation Ordinance**

This request is to appropriate certain sums of money to defray the necessary expenses and liabilities of the accounting funds of the City of Grand Junction based on the 2015 budget amendments for establishment of an Employee Retiree Health Trust Fund and implementation of wage adjustments in accordance with the City's Class and Compensation Market Study.

Proposed Ordinance Making Supplemental Appropriations to the 2015 Budget of the City of Grand Junction

Action: Introduce a Proposed Ordinance and Set a Public Hearing for August 5, 2015

5. **Setting a Hearing on the 2015 Third Supplemental Appropriation Ordinance - Colorado Mesa University**

This request is to appropriate certain sums of money to defray the necessary expenses and liabilities of the accounting funds of the City of Grand Junction based on the 2015 amended budget for contribution to the Colorado Mesa University Campus (CMU) Expansion Project.

Proposed Ordinance Making Supplemental Appropriations to the 2015 Budget of the City of Grand Junction

Action: Introduce a Proposed Ordinance and Set a Public Hearing for August 5, 2015

ITEMS FOR INDIVIDUAL CONSIDERATION

Public Hearing – Zoning the Rodgers Annexation, Located at 2075 South Broadway

A request to zone 1.924 acres from County RSF-4 (Residential Single-Family 4 du/ac) to a City R-4 (Residential 4 du/ac) zone district.

The public hearing was opened at 7:44 p.m.

Greg Moberg, Development Services Manager, presented this item and described the proposed zoning request. He advised that the property is presently accessible from South Broadway for one single-family residence. A neighborhood meeting was held on November 20, 2014. Access to Seasons Drive is precluded by the presence of a strip of land owned by The Master Subdivision of the Seasons at Tiara Rado Homeowners Association (The Seasons HOA or HOA). The Applicants have assured Staff that they

are negotiating with the HOA for mutually agreeable terms that would allow access to Seasons Drive by incorporating the strip into the future subdivision of the property. There is an email in the packet to substantiate that. The property is designated as Estate which allows the requested zoning as well as R-1, R-2, and R-5. There is a Blended Residential Map which allows for similar zoning to the surrounding and nearby areas. The request meets the goals of the Zoning and Development Code and the Comprehensive Plan. The Planning Commission recommended approval at their June 9, 2015 meeting.

Councilmember Boeschstein asked about the access. Mr. Moberg said there currently is no access to Seasons Drive.

Councilmember Taggart said he is not inclined to grant zoning until the two parties have agreed. He didn't understand why it hasn't been brought to a conclusion. He is concerned that if the zoning is approved, it may give leverage to one party over the other. Mr. Moberg said there has been a lot of discussion regarding the situation and it is the Planning Department's opinion that it met most of the criteria and R-4 is an appropriate zone for that location. If the parties cannot reach an agreement, the ordinance would only allow one unit because only one unit has access off of South Broadway. The property could also be zoned to a lower zone district which would only allow one unit.

Tom Logue, 537 Fruitwood Drive, representing Richard and Melinda Tope, the applicants, who were present, as well as their legal counsel Tom Volkmann, said that Mr. Volkmann, the attorney for the HOA, was working to gain access to the property. Mr. and Mrs. Tope have spoken on numerous occasions to the HOA. They are in the preparation phase of the final plat and it is common to have technical issues. The only major challenge is crafting an agreement between this development and the Seasons HOA. Progress has been made toward the agreement. They anticipate that when the final plat is completed, the HOA agreement will be one of the documents on the checklist. There were six HOA's in the filings of the Seasons and they have blended those into a Master HOA. They hope to blend this development as the 7th filing into the Master HOA. The draft of the final plat will include the signature of the Seasons HOA and it should be ready in about a month. Mr. Logue said he, Mr. Volkmann, and Mr. and Mrs. Tope would address any questions Council may have.

Tom Volkmann, 225 N. 5th Street, attorney for the applicants, expressed some logistical matters. In order to work out the remainder of the compatibility issues relative to the Seasons, they need to know what density will be allowed. They anticipated the R-4 zoning which would allow six units, but if they are unable to get that zoning, it would change their situation and proposal. The logistics will depend on whether the HOA grants the easement or deeds the property to the applicant; they want to make sure the

property development is compatible with the situation. The requested zoning and proposed plat provides the springboard for negotiations.

Councilmember Taggart asked if zoning is the only issue the HOA has. Mr. Volkmann said he didn't want to characterize their concerns as being the zoning. The HOA owns the strip of property that separates the property requesting the zoning from Seasons Drive. There are also some architectural concerns but those have mostly been worked out.

Councilmember Chazen asked if they are currently negotiating with the HOA to incorporate the requested property into the existing HOA. Mr. Volkmann said that this is the HOA's desire and the applicants are not opposed to that.

Councilmember Kennedy requested clarification that the request is for R-4 but without the agreement with the HOA, only one unit would be allowed regardless. The zoning change has to be done under the Persigo Agreement and is really about being able to complete the development. Mr. Moberg confirmed that to be correct. Councilmember Kennedy said, in his perspective, the zoning should happen.

Council President Norris agreed with Councilmember Kennedy.

Councilmember Boeschstein said that they can make the decision subject to having access to Seasons Drive under the Colorado Subdivision Law which requires that the subdivision have access. City Attorney Shaver advised that is already reflected in the proposed ordinance and adopting the ordinance would be of record as well as the other development restrictions.

There were no other public comments.

The public hearing was closed at 8:02 p.m.

Councilmember Chazen asked City Attorney Shaver if there are actually two issues, the zoning issue, for which approval has been recommended by the Planning Commission and the dispute between two private parties; he felt the issues need to be separated. He asked if the City has any role in the private party dispute. City Attorney Shaver said the City does not play a role in resolving the dispute. As long as the dispute is resolved, the applicant could move forward with the development in accordance with the zoning, however, if the dispute does not get resolved, only one unit would be allowed regardless of the zoning.

Councilmember Chazen felt that the applicant was well advised and saw no reason to deny the request.

Ordinance No. 4669 – An Ordinance Zoning the Rodgers Annexation to R-4 (Residential 4 duac), Located at 2075 South Broadway

Councilmember Chazen moved to adopt Ordinance No. 4669 on final passage and ordered it published in pamphlet form. Councilmember Kennedy seconded the motion. Motion carried by roll call vote.

Public Hearing – Zoning the Hutto-Panorama Annexation, Located at Approximately 676 Peony Drive

A request to zone approximately 7.921 acres from County RSF-4 (Residential Single-Family) to a City CSR (Community Services and Recreation) zone district.

The public hearing was opened at 8:05 p.m.

Brian Rusche, Senior Planner, presented this item. He described the site, the location, and the request. He stated that this property was originally developed as the location of a sewer lagoon for the Panorama Improvement District. The City, for the benefit of the Persigo 201 Sewer System, took over the District in 2002, including ownership of this property. The requested zone is consistent with the goals and policies of the Comprehensive Plan and the review criteria in Section 21.02.140 of the Grand Junction Municipal Code have all been met. The Planning Commission forwarded a recommendation of approval of the requested zoning at their regular meeting of June 9, 2015.

There were no public comments.

The public hearing was closed at 8:08 p.m.

Ordinance No. 4670 – An Ordinance Zoning the Hutto-Panorama Annexation to CSR (Community Services and Recreation), Located at Approximately 676 Peony Drive

Councilmember Chazen moved to adopt Ordinance No. 4670 on final passage and ordered it published in pamphlet form. Councilmember Boeschenstein seconded the motion. Motion carried by roll call vote.

Public Hearing – 2015 First Supplemental Appropriation Ordinance

This request is to appropriate certain sums of money to defray the necessary expenses and liabilities of the accounting funds of the City of Grand Junction based on the 2015 amended budget for major capital projects and the subjects stated in the ordinance.

The public hearing was opened at 8:09 p.m.

Jodi Romero, Financial Operations Director, presented this item. She explained the reasons for the first supplemental appropriation is to provide the legal authority to spend

the funds. She described the purpose of supplemental appropriation. She highlighted a few of the projects including the carryforward of funds for projects.

Councilmember Kennedy noted the items have been discussed at length at workshops.

There were no public comments.

The public hearing was closed at 8:10 p.m.

Ordinance No. 4671 – An Ordinance Making Supplemental Appropriations to the 2015 Budget of the City of Grand Junction

Councilmember Kennedy moved to adopt Ordinance No. 4671 on final passage and ordered it published in pamphlet form. Councilmember Boeschenstein seconded the motion. Motion carried by roll call vote.

Public Hearing – Amending the Zoning and Development Code Section 21.03.070(d), (e), (f), (g), (h) and 21.03.080 (a), (b) Concerning Side and Rear-Yard Setbacks and Eliminating Maximum Building Sizes in Certain Zone Districts

Amendments to the Zoning and Development Code changing side and rear-yard setbacks in the CSR, MU, BP, I-O, and I-1 zone districts and eliminating building size restrictions (and correspondingly the requirement of a conditional use permit for buildings larger than the maximum) in the C-1, C-2, CSR, MU, BP, I-O, and I-1 zone districts.

The public hearing was opened at 8:12 p.m.

David Thornton, Principal Planner, presented this item. He described the request. The proposed amendments are consistent with the goals and policies of the Comprehensive Plan. They have worked with the Code Update Committee as well as the Council Committee consisting of Councilmembers McArthur and Boeschenstein.

Mr. Thornton presented the background on the consideration of this amendment and noted that currently, in order to increase the size of buildings in certain zone districts, it requires an additional process: a conditional use permit process which is not even allowed in some zone districts. The amendment will streamline the process and remove barriers to development. By doing that, it fulfills the vision of the Economic Development Plan. The amendment will eliminate the maximum building size in some zone districts. There are other site requirements that prevent the "sky is the limit" in the community including requirements for landscaping, parking, buffering, drainage facilities, easements, and for retail there are big box standards (architectural articulation). It is Staff's opinion the Zoning and Development Code is sufficient to ensure the right size building fits on the requested property.

Another element of the proposed amendment are setback changes: a reduced setback except when abutting residential uses. As examples, Mr. Thornton used Community Hospital and the Medical Office Building which needed a variance for a zero setback to connect the two buildings. The variance criteria and process is strict but because the buildings were within the 24 Road Overlay, the setback was allowed without a variance. Requests like this probably won't happen a lot but the proposed changes provide for the flexibility. In total, there were 21 changes to setbacks and building size being proposed.

Mr. Thornton entered his staff report into the record noting the Planning Commission forwarded a recommendation for approval of the requested amendments at their regular meeting on June 9, 2015.

Councilmember Kennedy asked Mr. Thornton if it is a common occurrence for projects to require a variance because of the setbacks. Mr. Thornton said it is not common for setbacks; it is more common that a Conditional Use Permit (CUP) is requested for the building size. Mr. Thornton said he could not find any requests that were turned down. Councilmember Kennedy said it is important to guard against potential industrial blight; there should be an aesthetic value. He asked Mr. Thornton if he and Staff felt the residential requirement of vetting a building for the property, which included the landscape requirements, takes care of the building size in all instances. Mr. Thornton said yes, at least everything they could think of.

Councilmember Boeschstein said the purpose of setbacks is to allow for access for fire and emergency vehicles to get to the sides and back of buildings. He asked if this had been vetted through the Fire Department. Mr. Thornton stated that any building will have to meet fire standards and regulations, the Fire Department would have to sign off on the building permit, which could be another limiting factor. This process will handle those situations.

Councilmember Chazen said he noticed that there is a maximum of four story buildings and wondered if, in a situation where an external tank or tower is required, would there be a CUP process for that or is that under some other part of the Code. Mr. Thornton advised that there is a special permit process in the Code where City Council can approve increases in height and the number of stories on a case-by-case basis.

Diane Schwenke, 528 Greenbelt Court, representing the Grand Junction Chamber of Commerce and Industrial Developments, Inc., urged the Council to approve the amendments. She stated that for industrial parks, in addition to the City's planning process, Industrial Developments, Inc. has an approval process with protective covenants and architectural review committees that protects the development process.

There were no other public comments.

The public hearing was closed at 8:35 p.m.

Ordinance No. 4672 – An Ordinance Amending Sections 21.03.070(d), (e), (f), (g), (h) and 21.03.080(a), (b) of the Zoning and Development Code (Title 21 of the Grand Junction Municipal Code) Regarding Maximum Building Size and Setbacks

Councilmember Boeschstein moved to adopt Ordinance No. 4672 on final passage and ordered it published in pamphlet form. Councilmember Kennedy seconded the motion. Motion carried by roll call vote.

Small Community Air Service Development (SCASD) Grant

The Grand Junction Chamber of Commerce, the Grand Junction Economic Partnership, the Grand Junction Visitor & Convention Bureau, and the Grand Junction Regional Airport are seeking a letter of commitment of \$25,000 from the City of Grand Junction toward the local match for a potential Small Community Air Service Development (SCASD) Grant. The application deadline for this grant is July 22, 2015.

Tim Moore, Interim City Manager, introduced this item. He introduced Diane Schwenke, President and Chief Executive Officer for the Grand Junction Chamber of Commerce, to make the presentation.

Ms. Schwenke explained the Air Service Development Grant is due July 22nd. The grant would provide the ability to negotiate for direct non-stop flights to the west coast, specifically to Los Angeles International Airport (LAX). If successful, the intention would be to enter into negotiations with current or new carriers to develop a one-year plan with a revenue guarantee based on profitability. The airline industry has changed; before, airlines were willing to take a risk. Now the airlines contract routes. The North Star study pointed out the need for affordable and accessible air service. An LAX flight would give international access to Pacific Rim markets. It is an Economic Development issue and a potential for tourism impacts and could have a growth impact on CMU as they already are recruiting students from California. They have firm commitments from Mesa County and CMU for \$25,000 each, a private investor in Mesa County for \$25,000, Palisade for \$1,000, and Grand Junction Economic Partnership (GJEP) for \$2,500; she is requesting the Chamber of Commerce Board approve \$5,000, another private company wants to contribute, and there is a request to Fruita for \$5,000. They are seeing some broad support for the concept. They have received nearly \$40,000 of in-kind marketing assurances and are expecting around \$15,000 to \$20,000 more. The airport will provide in-kind contributions in terms of reduced fees for about \$100,000 and West Star Aviation will put a proposal together for discounted fuel. All of the commitments make up a revenue guarantee and they are at a point where they can negotiate a good contract and get people in seats. They are looking to ask for approximately \$700,000 to \$750,000 for the grant and their goal was a \$250,000 match which may be possible with assistance from City Council.

Councilmember Chazen told Ms. Schwenke that she made a very thorough presentation at the workshop. He asked who will do the negotiating for this. Ms. Schwenke said GJEP and the Chamber of Commerce put together an Air Service Task Force; they are thinking they will probably use some of the matching funds to engage a third party who understands the industry to negotiate with the airlines and then subsequently audit the result. She said that the revenue guarantee will be different because they think it will be a standalone, profitable venture that won't require an annual subsidy.

Councilmember Taggart stated that he is in favor of the request. As an international businessman, he always dreaded the last leg of travel back to Grand Junction because of delays.

Councilmember Kennedy asked Ms. Schwenke if they plan to keep the Air Service Task Force going. He said this is important to the diverse economic development for Grand Junction and Mesa County; other locations should be looked at, not just LAX. Ms. Schwenke stated that it is their intention to keep the Task Force together and expand it. The Task Force was formed even before the grant opportunity came up. The intention was always to look for opportunities that might be out there. They haven't yet worked out how to manage the various aspects of the program such as a miles reward program, providing business incentives, ongoing management of this process, and looking at other opportunities.

Councilmember Kennedy congratulated the Chamber of Commerce and GJEP for moving forward quickly on this and hoped they would continue in an aggressive manner.

Councilmember Boeschstein said it is a good opportunity. He asked if there is already direct air service to LAX on Allegiant and wondered if the proposal would compete with that or be an additional service. Ms. Schwenke said Allegiant has direct air service to LAX twice a week for only two months of the year. She said it would be an additional service and stated that Allegiant accommodates tourists and leisure travelers, not business travelers. Councilmember Boeschstein asked if Montrose subsidizes Allegiant flights to LAX. Ms. Schwenke said they do not.

Council President Norris said that it is great that they have gotten all of those partners to financially support this and work together to make it happen.

Councilmember Chazen asked Interim City Manager Tim Moore where the \$25,000 being requested would come from. Interim City Manager Moore said it would come from City Council's Economic Development budget.

Council President Norris asked if that would be a 2016 expense. Interim City Manager Moore replied affirmatively.

Councilmember Chazen moved to authorize the City Manager to issue a letter of commitment from the City for \$25,000 towards the funds required for a local match to receive a SCASD grant. Councilmember Kennedy seconded the motion. Motion carried by roll call vote.

Non-Scheduled Citizens & Visitors

There were none.

Other Business

Councilmember Chazen stated that at pre-meeting, Council briefly discussed the letter received regarding the interchange improvements for the I-70 ramp, Exit 31, at Horizon Drive which he had read and asked if the rest of Council had read it. Council replied that they had not.

City Attorney Shaver advised that he had read it and would answer questions.

Councilmember Chazen commented that originally the project was \$4 million; then it went to \$5.2 million. In May, the Colorado Department of Transportation (CDOT) said it went up to \$6.1 million, but the bids came in at \$6.6 million. They just received this letter today. The City is being asked to come up with more money and he asked when it is due.

Public Works Director Greg Lanning said the bids were opened last week and then there were discussions with CDOT. Through conversations with CDOT's Regional Manager for the district, Dave Ehlers, he would like an answer for the City's commitment tomorrow morning (June 16th) to take back to the transportation committee.

Councilmember Boeschstein said he went to the Horizon Drive Association Business Improvement District's meeting that morning and they are very much into the improvements and have invested their own money into them. The North Star Study recommended improvements to the entryways. He outlined what all of the improvements would be. The contractors are local contractors. It is an economic development project and if the City does not go through with the project, the Front Range communities will grab the State's money. He will vote in favor of this.

Councilmember Chazen asked if the City knew on May 20th that the price was going to go up again. Mr. Lanning said that the exercise on May 20th was an independent cost estimate (ICE) which was sent to CDOT headquarters; the cost estimate is supposed to be done so they don't have wild variances in the bids. At that time they knew the number was \$6,129,310.00. CDOT came back to the City and said some elements of

the project would need to be cut. Despite the ICE review, the estimate still came in at \$550,000 over total budget costs.

Councilmember Chazen said that the letter states the City will guarantee \$496,300 extra for the project. He asked if the City was splitting the 20% match with the HDABID. Mr. Lanning said that is correct.

Councilmember Chazen asked if the City has an agreement in place with the HDABID regarding splitting of the original amount. City Attorney Shaver said he did not know, he had not been asked to review or draft an agreement. He believed the HDABID has paid a portion of their obligation.

Councilmember Chazen said that if they sign the letter, they are agreeing to pay 100% of the additional amount. He asked again if there is an agreement to split the additional amount. City Attorney Shaver replied that he has not seen an agreement but said he understands that there was a resolution passed by the HDABID.

Council President Norris asked Mr. Lanning if there was a letter from HDABID regarding the money. Mr. Lanning said they met with the HDABID executive committee and Vara Kusal, Manager of the HDABID, and they did adopt a resolution to participate in the additional amount that was the difference between the bid and the actual construction cost.

Councilmember Boeschenstein asked Mr. Lanning if he had a copy of the resolution. Mr. Lanning said he did.

Councilmember Taggart asked Mr. Lanning if he had a copy of the original resolution for the project. Mr. Lanning said that predated his employment with the City but in looking at a spreadsheet that Engineering Manager Trent Prall provided, there was an Intergovernmental Agreement (IGA) for a total project cost of \$5,250,000 which was broken down to 80% CDOT and 10% each for the City and the HDABID.

Councilmember Taggart commented that it is really important to have good documentation and perhaps that breakdown should be in the letter. He referred to the last sentence in the first paragraph of the letter that stated the City agrees to cover 100% of the extra costs to complete the project. He stated that it is a very broad statement, especially if the cost of the project were to go up even further. City Attorney Shaver recommended to Council a modification to that sentence to say the City agrees to cover 100% of the extra costs to complete the project not to exceed \$500,000.

Councilmember Chazen referred to the next sentence in the letter and commented that CDOT is not picking up any of the additional costs. Mr. Lanning said that is correct; he explained that CDOT's Regional Manager stated that additional participation from CDOT should not be expected.

Councilmember Chazen asked if there is any chance this project will go over the \$6.6 million. Mr. Lanning said there is always a chance and there are no guarantees this is the final cost for the project. Councilmember Chazen asked if the HDABID had the cash to split the additional request of \$496,300 with the City. Mr. Lanning advised that the resolution that was passed stated that the HDABID will participate with payments over a seven year period back to the City. The City will have to front the money and it would not be considered a loan.

Council President Norris asked if elements of the project could be removed to reduce the costs. Mr. Lanning said he wondered the same, but when he asked CDOT, they explained that their rules do not allow taking line items out after it has been bid. They could take portions out that are value engineered, rebid the project, and try to meet the budgeted amount. However, the drawbacks would be that the contractors have already bid the project and the budget was disclosed so there probably would not be any discount, the delay might have inflationary cost increases, and the construction schedule would be delayed. It is hoped to have construction done by May of 2016, prior to next year's season. If delayed, it could take the entire summer. Another risk could be that the City could lose a grant to another project that CDOT sees as a higher priority.

Councilmember Kennedy asked how, prior to May 20th, did the City account for the increase of \$5.2 million to \$6.1 million? Mr. Lanning stated that looking at the spreadsheet, nearly \$500,000 is paid for entirely by Ute Water Conservancy District, CDOT's contribution increased from \$4.2 million to \$4.5 million, and the City's and HDABID's contributions increased from roughly \$525,000 to \$565,000.

Councilmember Kennedy said it is an essential project with safety issues and economic development potential; he would hate to lose the funding. It is important to find the additional funding to move forward with the project. He hoped that in the future, the City Council could be notified sooner of situations such as this.

Councilmember Chazen asked how much money and when would the City be required to pay it. Also, how much of that will be paid back over time by HDABID. Mr. Lanning said that the City's total cost would be \$857,151 which is also the HDABID's identical cost. The HDABID would pay back \$455,000 over time as mentioned in the resolution.

Councilmember Chazen clarified that the City needs \$857,000 for the City's portion and \$455,000 for the HDABID's portion for a total of \$1.3 million. Mr. Lanning said that is correct.

Councilmember Kennedy asked if the City had already committed \$565,000. Mr. Lanning said that is correct.

Councilmember Taggart asked what time the letter must be received on July 16th. Mr. Lanning said that CDOT asked for it by 8:00 a.m. Councilmember Taggart asked if the HDABID could provide a letter to the City by the end of the day on July 16th that spells out how much money they would contribute to the project now and how much they need from the City to pay back over the seven years. Mr. Lanning said the letter would mirror the resolution that the HDABID approved and the discussion that took place.

Councilmember Chazen said he agrees with Councilmembers Boeschstein and Kennedy in that he doesn't want to lose the \$4.1 million for the project, but he is concerned about the timeliness and completeness of the information and not having the written agreements in place with financial partners. He's concerned that the City could end up being responsible for the whole amount. It's not a good way to do business.

Council President Norris said, in the future, projects need to have value areas that could be taken out. Mr. Lanning said bids can be done like that on a local level, but he is not sure about CDOT's rules.

Council President Norris asked if the HDABID could borrow the money to pay the City back instead of the City carrying that amount. City Attorney Shaver said that borrowing with a favorable interest rate with the kind of cash flow that the HDABID has would be difficult and very unlikely.

Councilmember Taggart reiterated he would really like to see a letter from the HDABID that spells the two financial components. He would also like the letter for CDOT to spell out the contributions required from both the City and the HDABID and to copy the letter to the appropriate person at the HDABID. City Attorney Shaver said that he can do that however, an earlier comment to get the HDABID to commit beyond the resolution would be a good idea.

Councilmember Kennedy asked if the resolution could be added into the record. City Attorney Shaver advised that the resolution could put it into the record (attached) and also distributed to Council.

Councilmember Chazen asked if a vote is required for this. Mr. Lanning said they would expect to see an amendment to the IGA with CDOT to come before Council in August.

Councilmember Taggart asked if the letter is enough for CDOT. Mr. Lanning said that they can only assume this is what they need. Mr. Prall has been talking to the CDOT Manager.

Councilmember Boeschstein felt that the City should go ahead with the letter and include the conditions that Councilmember Taggart mentioned. The project is an economic development project and there is about \$400,000 in this year's Economic Development fund that could be used for next year's economic development budget.

He said that he has seen CDOT do this before, but it is an important project and part of the North Star goals to improve the entryways. He is in favor of City Attorney Shaver drafting the letter to CDOT.

Councilmember Kennedy suggested having a meeting around 7:00 a.m. or 7:30 a.m. on July 16th to approve the letter and alleviate any concerns.

Councilmember Norris said that the amendment would not be approved until August and if they don't receive a letter of commitment from the HDABID, they can always look at not approving the amendment.

City Attorney Shaver responded to Councilmember Kennedy that Council can postpone the further consideration or delegate it to Staff. He said he took notes, particularly for the last sentence and proposed the following language to Council: "In order to maintain scope of the schedule, the City agrees to pay an amount not to exceed \$550,000 (the contribution of ___ dollars from the HDBID, Horizon Drive Business Improvement District, in terms determined by the City and the HDBID) and that the payment is subject to amendment of the IGA". He said the letter would include the amount from the HDABID to be expected and be subject to the amendment of the IGA.

Councilmember Kennedy asked if they would get verification from CDOT to make sure the language in the letter is sufficient. City Attorney Shaver said that Mr. Lanning or Mr. Prall would contact Mr. Ehlers with CDOT and give the City the opportunity to modify the letter.

Councilmember Chazen asked if it was necessary to include the language about the HDABID in the letter.

Councilmember Taggart said he wouldn't suggest it for the purposes of CDOT, he suggested it to put the HDABID on notice that the City is expecting from them.

City Attorney Shaver said that he will also include in the letter that a copy was sent to the HDABID.

That concluded the discussion.

Adjournment

The meeting was adjourned at 9:31 p.m.

Stephanie Tuin, MMC
City Clerk

**RESOLUTION
OF THE BOARD OF DIRECTORS
OF
HORIZON DRIVE BUSINESS IMPROVEMENT DISTRICT
TO APPROVE PARTICIPATION IN THE
RESPONSIBLE ACCELERATION OF
MAINTENANCE AND PARTNERSHIPS PROJECT**

WHEREAS, the Colorado Department of Transportation (CDOT) has committed Four Million, Six Hundred Fifty-Seven Thousand, Two Hundred and Seven Dollars (\$4,657,207) for a grant known as the Responsible Acceleration of Maintenance and Partnerships (RAMP), which involves the redesign and construction of the intersection of Horizon Drive and Interstate 70 in Grand Junction, Mesa County, Colorado, and which is referenced in this Resolution as the RAMP Project.

WHEREAS, the CDOT grant is contingent upon commitment of an additional One Million, Six Hundred Sixty Thousand, Six Hundred and Two Dollars (\$1,660,602) for the RAMP Project by local government entities.

WHEREAS, the Board understands that the City of Grand Junction shall commit Eight Hundred Thirty Thousand, Three Hundred and One Dollars (\$830,301) to the RAMP Project.

WHEREAS, the Board believes it is in the best interests of Horizon Drive Business Improvement District (the District) and its members that the RAMP Project proceed.

WHEREAS, the District presently has financial resources that it can commit to the RAMP Project with payment back to the City of Grand Junction over seven (7) years.

WHEREAS, the Board believes that the RAMP Project is an appropriate use of resources that advances the purposes of the District.

WHEREAS, it is anticipated that the City of Grand Junction will enter into a revised Intergovernmental Agreement with CDOT for the Project by August 5, 2015.

WHEREAS, the City requests a reaffirmation of the District's commitment to the Project.

BE IT RESOLVED that:-


1. The Board expresses its support for the RAMP Project.

2. The Board commits Eight Hundred Thirty Thousand, Three Hundred and One Dollars (\$830,301) to the RAMP Project, with Thirty Thousand, Six Hundred and Eight Dollars (\$30,608) paid as of this date and Seven Hundred Ninty-Nine Thousand, Six Hundred Ninety-Three Dollars (\$799,693) payable in 2015. The District intends to fund this amount by entering into an IGA with the City to borrow \$455,000 without interest, to be repaid over a period of seven (7) years, subject to City approval.

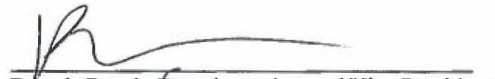
3. The President, Secretary, and any other necessary officer, identified below, are authorized to act on behalf of the Board and enter into appropriate agreements with CDOT to memorialize the District's participation in the RAMP Project.

4. The Board's decision to financially participate in the RAMP Project at a level equal to that of the City of Grand Junction applies exclusively to the RAMP Project and not to any future design or construction projects on Horizon Drive, nor to any other District project.

THIS RESOLUTION is unanimously adopted by the Board, effective July 15, 2015, as indicated by the Board member's signatures, below.


Charles E. Keller, Board member and President



Jan Rohr, Board member and Secretary


Brenda Brock, Board member and Vice President

Clark Atkinson, Board member


Jay Moss, Board member and Treasurer


Bill Milius, Board member


Darshann Ruckman, Board member