

GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY
August 3, 2015 – Noticed Agenda Attached

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

Meeting Adjourned: 8:13 p.m.

City Council Members present: All

Staff present: Moore, Shaver, Lanning, Moberg, Prall, Thornton, Portner, Romero, and Tuin

Also: Poppy Woody, Richard Swingle

Agenda Topic 1. Development Improvement Agreements

Interim City Manager (ICM) Moore said Staff is seeking direction from the Council on the required security and warranty period for Development Improvement Agreements (DIA). ICM Moore reviewed the background on the two parts of a DIA and the history of what happened in the past. During the bust in the 1980's, subdivisions were left partially constructed which resulted in issues for lot owners. With the recent economic downturn, the bar has been raised as to what the bank requires. Council asked if there is an application in the works which is why this coming forward at this time. ICM Moore said that it has been heard indirectly from the developers that security is difficult for them and the City continues to look for options of streamlining processes.

City Attorney Shaver provided some background on the process. Councilmembers Boeschstein and McArthur provided input on the experience they have had with DIA's and development. City Attorney Shaver also talked about phased projects and how this makes it difficult for the developer.

There was a general discussion on what would happen if the City reduced the security requirement from 120% of the value of improvements to 100%. ICM Moore offered to do more research, get additional information, and bring it back to Council. The overall consensus was development isn't happening right now, but it is wise to be thinking about this before it happens.

Agenda Topic 2. Development Fees Policy Discussion

ICM Moore reviewed the current method for considering the City paying development fees for non-profits as well as economic development projects. ICM Moore listed examples of the development fees requests that previously have come before Council and been paid. He also gave examples of the last several non-profits that have asked Council to have fees waived and what amounts they were.

There was a general discussion on whether this should be a line item in the budget, should be looked at on a case by case basis, or if a formal process and criteria for development should be created to consider all requests. After options were discussed, the consensus was to develop a process where requests could be considered during budgeting but not preclude additional requests that come up during the year.

Agenda Topic 3. Transportation Capacity Payments (TCP) Policy:

ICM Moore and Public Works Director Greg Lanning reviewed the impact of growth for infrastructure replacement and expansion, the requirements of the developer for transportation improvements, and the current Transportation Capacity Payments (TCP) program. ICM Moore gave a history on current policy and what had been done on several recent projects.

City Attorney Shaver provided the legal background on the current method but explained the fee has not kept up with costs; the fees were set low and have never kept up.

ICM Moore said after the last study in 2004, the City decided to accept the TCP and build the improvements. How the TCP is calculated was explained by Engineering Manager Trent Prall. The most the TCP collections pay for an improvement is 56% of the costs however the recoup for the 22 Road Improvements Project was only 3%.

Financial Operations Director Romero advised about how much is in this account currently and how much is anticipated for next year.

Councilmember Taggart asked Staff to provide a graph of the different areas that are assessed differently for TCP's.

It was decided that the policy should be left as is but should be reviewed annually.

Agenda Item 4. Budget Process Update

ICM Moore outlined the budget process proposed; July and August is when Staff begins working on the budget with instructions and there will be workshops with Council in September and October. It will then be another month before it comes back to Council for consideration. The review begins with revenue and what the departments think they will collect next year. There is a 2% estimated growth rate for the projected sales and use tax. Then the departments add in their labor costs. There will not be any labor increases unless they can be absorbed internally within the departments. Operating costs will be kept flat; however, product costs and Xcel Energy rates are going up, so to keep the budget flat actually means cuts. In the Information Technology (IT) arena, software maintenance will go up between 2-3% next year. The Capital piece of the budget is a 3 year plan. The final adoption of the budget would be in November or December.

Councilmember Boeschstein asked about the parking study. ICM Moore said the cost is \$55,000 and he will be asking Downtown Development Authority (DDA) to pay half.

On August 20th the Site Selection Committee will meet with all the partners when they come together to discuss who will be doing what for the recently completed plan from the North Star report. Council will discuss the Economic Development (ED) budget for 2016 sometime in September.

Councilmember Taggart said he would like to see a different approach to looking at the budget regarding the planning assumptions being made as part of the budget process. ICM Moore explained how the budget process has worked before; it is brought to Council. Councilmember Chazen agreed with Councilmember Taggart; he would like to break the pattern of how the budget is currently done.

City Attorney Shaver explained that the Charter talks about how it is the City Manager's budget as defined by Council policy. The City Manager implements the policy through the budget.

Councilmembers Taggart and Chazen wanted the Council to have a discussion on a set of budget planning assumptions to include growth rate, revenues, capital, etc. The rest of Council did not object. Councilmember Kennedy said he would like to hear from the departments on their priorities.

Agenda Item 5. Other Business

ICM Moore said there have been many discussions regarding University Boulevard and asked if Council wanted to revisit this. ICM Moore previously sent out cost estimates and the background to Council. Council expressed concerns on the impact on the City as a whole, how such a change would affect the marketing plan, and how the other ED partners feel about the change.

Agenda Item 6. Board Reports

Councilmember Traylor Smith said the Housing Authority was successful in their tax credit tax application. She noted she will be absent from the Wednesday City Council meeting as she is attending a Logistics Conference in Park City.

Councilmember Bennett Boeschstein attended the groundbreaking of the Pathway Village project on 29 Road and the ribbon cutting for Las Colonias Park.

Councilmember Taggart conveyed to the Council that the Airport Board is working very hard to try to bring resolution on the building. The issue is that the federal investigation does not allow the Airport Board to speak publicly on anything. Councilmember Taggart said information had not been conveyed in the past to Council but he will continue to bring information forward as

available. Also discussed was the \$1.5 million offer from the City to help secure the building, the finalists for the director at the airport, and what is going on with Transportation Security Administration (TSA) on the gates. Councilmember Taggart suggested a workshop with the Airport Board in the near future with Council.

Councilmember Kennedy asked about the letter to the EPA on the methane effect on the ozone layer. ICM Moore said there were five members willing to sign.

Adjourn

With no other business, the meeting was adjourned.

**GRAND JUNCTION CITY COUNCIL
MONDAY, AUGUST 3, 2015**

**WORKSHOP, 5:00 P.M.
CITY HALL AUDITORIUM
250 N. 5TH STREET**

To become the most livable community west of the Rockies by 2025

1. **Development Improvements Agreements:** Staff is seeking direction from the City Council on the required security and warranty period for Development Improvement Agreements.

2. **Development Fees Policy Discussion:** Staff is seeking direction from the City Council on the City's participation in development fees for nonprofit development and economic development projects.

3. **Transportation Capacity Payments (TCP) Policy:** Staff is seeking direction from the City Council on the City's TCP policy on developer required improvements.

4. **Budget Process Update**

5. **Other Business**

6. **Board Reports**