

GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY
September 14, 2015 – Noticed Agenda Attached

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

Meeting Adjourned: 7:30 p.m.

City Council Members present: All except Duncan McArthur; Chris Kennedy arrived at 5:12 p.m. and Barbara Traylor Smith arrived at 5:16 p.m.

Staff present: Moore, Shaver, Lanning, Schoeber, Romero, Tuin

Also: Jen Stoll, Tom Benton, Kristi Pollard, Bruce Lohmiller, Derek Wagner, Richard Swingle, Diane Schwenke, Jeff Franklin, Pat Tucker

Agenda Topic 1. Greater Grand Junction Sports Commission Request

Interim City Manager Tim Moore introduced Jen Stoll, Executive Director of the Greater Grand Junction Sports Commission (SC). Ms. Stoll reviewed the creation of the SC, its purpose, the initial funding request, and how the funds were used: marketing materials (created a logo, displays, and website), events and conferences (National Association of Sports Commissions (NASC)) and USA Cycling Collegiate Road National Championships (CRNC), and a comprehensive and ongoing venue and calendar audit (compilation of community assets including playing locations and hotels). She added they have submitted a proposal to host the CRNC event in 2017; the decision will be announced in December 2015.

Council President Norris asked how the awarded events would be funded. Ms. Stoll explained each event is different; some events require large cash fees, in kind services, or both.

Ms. Stoll also reviewed the SC's Strategic Plan and listed some specific goals: increase event proposals with the goal of doubling awarded events, develop private sector sponsorship, continue marketing at conferences and trade shows, and develop a more formal Board of Directors to better vet events. Ms. Stoll explained, in order to achieve their 2016 goals, they are requesting \$29,500 from the City which would supplement Colorado Mesa University's \$160,000 annual contribution of salary, expenses, marketing, and in kind services.

Councilmember Boeschstein asked if the SC intended to be an umbrella organization for all community sporting events. Ms. Stoll said some events currently held are private and have run smoothly; these would not be candidate events for the SC. If an event needed to change dates or required more resources, then it is hoped the SC could be a resource and/or calendar clearinghouse for the event.

Councilmember Chazen pointed out only one private organization was listed as a SC participant and was concerned they would need permanent subsidies from public sector organizations. He asked if there was a plan and time line to increase private sector funding. Ms. Stoll said private sector support is one of the SC's Strategic Plan goals to be implemented in 2016.

Council President Norris recalled North Star's advice that the community should focus on having "one face" and not spread itself too thin with many independent groups; she felt this effort is tourism related and should fall under an existing organization such as the Grand Junction Visitor and Convention Bureau (VCB). She also expressed concern that the City was originally approached to contribute only startup funds, not ongoing funding. Ms. Stoll said her goal is for the SC to become an integral and contributing part of the community's economic development (ED) plan and will work to help reach the North Star objectives. She added the SC and VCB should be distinct but collaborative partners because they have different missions.

Council President Norris thanked Ms. Stoll noting her request will be considered during budget review.

Agenda Topic 2. Vendor's Fee and Business Licenses

Interim City Manager Tim Moore said regarding ED, roles, goals, and costs still need to be defined, but with that in mind, Vendor's Fees and Business Licenses have been identified as possible dedicated funding sources for ED.

Council President Norris explained the goal of this discussion was to allow the ED Partners to give the City their thoughts on these options; it is critical to understand how much support each option would have.

Jodi Romero, Financial Operations Director, explained Vendor's Fees are the portion of sales tax a retailer is allowed to keep for reporting, collecting, and remitting sales tax to the City. She reviewed state and national studies on Vendor's Fee practices, compared the City's Fee to other State municipalities, and extrapolated what the City's costs would be for different cap levels.

Discussion ensued regarding how and when the City's 3.33% fee was established and how changes might affect small businesses more negatively than larger ones; however, it was thought most small businesses would fall under a Cap. The different Cap levels were reviewed to see how much money could be garnered for the ED fund if they were changed.

Council President Norris asked if the Grand Junction Economic Partnership (GJEP) and the Business Incubator used the local sales tax rate and the City's tax practices as marketing tools. GJEP Executive Director Kristi Pollard said they do not; changes would mainly affect existing local businesses.

Councilmember Chazen asked how seasonal fluctuations might affect businesses. Ms. Romero explained currently, no matter what pay schedule a business uses, their monthly cap is applied to each month being paid. Concerns were raised that a monthly cap might be a burden on small businesses; an annual cap or a lower tax rate was suggested.

City Attorney Shaver cautioned tax policy changes are governed by TABOR (Taxpayer Bill of Rights) and the City would need to look carefully at what a tax rate change would yield. He explained the tax rate was established by ordinance and according to TABOR, if the ordinance is

changed it would be considered a tax policy change. City Attorney Shaver suggested keeping the fee the same, but increasing the amount paid to the City.

Council President Norris noted most of the City's sales tax comes from small businesses which are already hurting; the City does not want to hurt them anymore.

Councilmember Chazen felt they should look for these funds in the budget and only if the funds cannot be found in the current budget should other sources be considered.

Diane Schwenke, Grand Junction Chamber of Commerce (COC) President, and Kristi Pollard, GJEP Executive Director said their organizations have not taken a policy stance on either of the options, nor have they taken this to their boards. However, they voiced concerns about funding ED through the City's budget because there would not be a guarantee the funds would be budgeted in successive years. Ms. Schwenke suggested changing the Vendor's Fee for some of the largest stores only.

It was noted Mesa County also has a 3.33% Vendor's Fee, but they do not have caps at this time.

GJEP Board Member Tom Benton stressed the importance of heeding North Star's advice to find a sustainable funding source for ED and named other successful communities they consulted for.

Councilmember Boeschstein and Council President Norris asked the ED Partners to poll their members to see which option they would prefer. All agreed, whatever the final decision, the businesses must be in full support.

Incubator Board Member Pat Tucker reiterated the necessity of creating a fund, but to keep in mind that small businesses are hurting and any changes must take this into consideration. She asked what the sales tax that was implemented in the 1980's went to. Ms. Romero explained the ¾% tax was designated for capital improvement projects; a portion of it goes into the General Fund with a portion of that going towards the ED budget.

Councilmember Chazen asked how much the ED fund would need. North Star recommended funding the same amount as is allocated to the VCB which ranges from \$640,000 to \$775,000. It was felt this would be enough to begin creating a strong foundation for ED and its future growth, but not enough to include marketing.

Councilmember Traylor Smith asked if any other options had been discussed. Ms. Schwenke said they had but only the Vendor's Fee and Business Licenses had been put in the report.

Councilmember Boeschstein said other communities should be looked at and mentioned Pueblo added 1% to their sales tax to dedicate to ED. Council President Norris noted adding to the sales tax would require a vote, which is an option but, if approved, it would not take effect until 2017.

They discussed how best to disseminate this information to the ED Partners' boards and businesses and by what date.

The subject moved to the second option, Business Licenses which would encompass all other types of businesses, not just retail sales. Interim City Manager Moore said Palisade and Fruita require Business Licenses; the City could collect \$172,500, but that amount does not account for any administration costs; those have not been calculated. This is a common type of license but some felt, due to the recent decision made by the Grand Valley Drainage District (GVDD), which was to implement a new fee structure; this would not be a good time to charge a new fee. The conversation included the cost to businesses, how the fees would be collected, and the consequences if payments are not made (the District can sue for nonpayment, but not place a lien on the property).

Additional benefits of instituting Business Licenses would be the creation of a comprehensive inventory of businesses and ownership information which would be helpful to service providers like the Fire Department.

It was decided more information would be needed on both options.

Agenda Topic 3. Other Business

City Manager Search

Interim City Manager Moore said a committee is being finalized to help with the City Manager search. He asked for input regarding a list of potential committee members to be comprised of three ED Partners and three other business members. He suggested three business members: Jeff Franklin of Bank of Colorado, Jason Farington of the Downtown Development Authority, and Steve Schultz of Mesa County School District 51. Councilmember Traylor Smith noted none of those previously mentioned are currently from a business; she suggested Jamie Hamilton, Clay Tufly, and Mike Anton. Others suggested were: Jamie or Doug Simons and P.J. McGovern. Councilmember Kennedy suggested both public and private entities be represented on this Committee along with members of Staff. Some strengths Council will look for in the new City Manager will be economic development, strategic planning, and operations.

Colorado Beautiful Initiative

Interim City Manager Moore said a component of this Initiative is to identify 16 important State trails that have gaps. The Colorado Riverfront Commission and the Urban Trails Committee would like to have the Riverfront Trail completed, but especially from Las Colonias to Palisade. A resolution has been drafted and these organizations would like Council to consider it at their next meeting on September 16th. The Resolution asks for Council's endorsement, not funds.

Councilmember Taggart cautioned other groups have come to the City for an endorsement of the Palisade Plunge Trail; if Council endorses this request the Palisade Plunge Trail might not have enough support.

Council President Norris said they need to find out if there are any others groups that would like to be considered for this Initiative; it is too soon to consider this one.

Downtown Event Center

Interim City Manager Moore said there have been two previous proposals for an event center; the City decided it would not contribute unless it was located Downtown. International Coliseums Company submitted a proposal; it has been reviewed, but questions need to be answered, specifically regarding cost and parking. In response, the City sent out an RFP (request for proposal) for an Event Center Feasibility Update and received five submissions; the second lowest proposal by Hunden Strategic Partners was selected for Council to review. Money has also been allocated for a new Parking Study as parking is a critical factor regarding the location of an event center; the 2003 and 2008 Parking Studies will be made available to Walker Parking Consultants; this company has a very good track record and did the study for the Pepsi Center.

Downtown Development Authority (DDA)

Background checks are being conducted on the final candidate for the Director position; an offer will be made soon. Also, the DDA has allocated funds for a pilot broadband project. NEOfiber, the broadband consultant, will meet with the DDA to review the project's scope. The importance of communication was stressed so efforts aren't duplicated and money is not wasted. City Attorney Shaver said all three local providers have been contacted in order to avoid alienation and duplication. Richard Swingle commented it is very important for Council to work off of a good definition and foundation so knowledgeable discussions can be held. Councilmember Boeschstein asked that "downtown" be defined so the scope of the project could be understood. He also suggested installing broadband conduit along North Avenue while the area is under construction for the Complete Streets Project. Council President Norris agreed and said anytime conduit can be laid in conjunction with another project, it should.

Epic Rides Award

Councilmember Chazen asked for clarification regarding the award Council approved for Epic Rides at the September 2nd meeting. He understood the request would be for \$40,000 less that the total of other contributors, not for \$40,000. Interim City Manager Moore explained the request to the City was for \$40,000 and \$10,000 of in kind services; the City is to collect monies promised from the DDA, GJEP, and VCB.

Miscellaneous

Councilmember Kennedy took Anthony Graves, Regional Affairs Director for the City and County of Denver, on a tour of Grand Junction following a Club 20 Meeting.

Councilmember Boeschstein mentioned the City has an option on property that would go with the Event Center; he mentioned the DDA is waiting to see what the City will do. City

Attorney Shaver said this item will be discussed at the October 5th Workshop; the option expires on October 10th.

Grand Junction Fire Chief Ken Watkins was interviewed by KMGH of Denver regarding a shortage of Volunteer Fire Fighters.

The home of a City Police Officer and his family was destroyed by fire; they lost everything including two pets.

Adjourn

With no other business, the meeting was adjourned.

**GRAND JUNCTION CITY COUNCIL
MONDAY, SEPTEMBER 14, 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. Greater Grand Junction Sports Commission Request:** This presentation will include a status update on the Commission, as well as an action plan for the coming year and a request for continued financial support from the City of Grand Junction as Council prepares to set FY 16 budgets. [Attachment](#)

- 2. Vendor's Fees and Business Licenses:** Staff will present several options for Council's consideration that could be used to provide a sustainable funding source for ongoing economic development efforts. [Attachment](#)

- 3. Other Business**

- 4. Board Reports**