

GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY
August 15, 2016 – Noticed Agenda Attached

Meeting Convened: 5:30 p.m. in the City Hall Auditorium

Meeting Adjourned: 7:44 p.m.

City Council Members present: All except Councilmember Boeschstein

Staff present: Caton, Moore, Shaver, Taylor, Bowman, Blevins, Kovalik, Roth, Brown, Camper, Rainguet, Schoeber, Romero, Carruth, and Tuin

Also: Britt Mathwich (Colorado Mesa University), Mike Anton, Dan Meyer, Kevin Reimer, Kirk Granum, Diane Schwenke, Jeff Franklin, Duncan Rowley, Julia Maguire (KREX), and Amy Hamilton (Daily Sentinel)

Council President Norris called the meeting to order.

Agenda Topic 1. Broadband Update

City Manager Caton said discussions and negotiations with two active proposers are moving forward and will be completed by late August. A comprehensive update will be provided to Council in September. City Manager Caton noted the options being pursued are public/private partnerships which was a survey recommendation. When the preferred option has been decided a market survey will be conducted.

Councilmember Taggart expressed concern that the market analysis and feasibility study may not be conducted at the same time. City Manager Caton said the interested companies have said they would like to conduct the market survey in order to tailor them to their specific facilities and the final direction of the project. He also noted they would like to avoid “survey fatigue” and a duplication of efforts.

There was more discussion regarding conducting the survey and analysis separately versus simultaneously, what questions to ask, and how to avoid company survey bias.

Councilmember Kennedy said Council already made the decision to move forward with Broadband because of the recognized need for this infrastructure and to leverage and progress with economic development.

It was decided City Manager Caton will clarify the scope of the project, move forward aggressively, work with the companies to ensure good data is obtained, and report back to Council in September.

Agenda Topic 2. Boise Event Center Site Visit Debrief

Councilmember Chazen said Mike Anton, Robin Brown, and Jeff Franklin also went to the site visit and invited them to be included in the discussion. Councilmember Chazen then described the City of Boise, its demographics, and the purpose of the trip which was to evaluate the Boise hockey team, the event center, the associated growth of their downtown area, and the roles of their visitor, convention, tourism, and business improvement district agencies. The trip host, Larry Leisure, owns CenturyLink Arena and the attached Grove Hotel (built as a 40-40-20 partnership), and the Idaho Steelheads hockey team. Councilmember Chazen explained the various events held at the arena, the minimum attendance needed, and the financial breakdown of each aspect of arena events (the specific events,

attendance, concessions, parking, hotels, hotel availability, naming rights, and sponsorships). He showed pictures on how the arena seating and flooring can be changed for different events.

Councilmember Traylor Smith reviewed the growth of Boise and its per capita income since 1996 when the arena was built by a private individual. She said it is important to locate an event center in an area where businesses and pedestrian traffic are established. Mr. Anton added, at the time the Boise arena was built, Boise businesses were in decline and the city was referred to as “little Beirut”. The arena helped spur the city’s growth and created a hub of their downtown. Councilmember Traylor Smith said during their visit, they went downtown on a Thursday and it was very busy.

Councilmember Traylor Smith said an event center is one way to encourage growth that doesn’t compete with online businesses; it would take time to put it in place, but the feasibility study said Grand Junction could handle it. Mr. Anton said Boise is very progressive and describes themselves as the “anchor tenant”; the tour hosts said Boise has had broadband so long they couldn’t remember when Boise got it.

Councilmember Kennedy noted Boise’s youth sports activity has increased by 500% since the inception of their hockey team.

Mr. Anton mentioned the draw area for Grand Junction is a 150-mile radius and felt having an arena would be a great way to help stabilize the local economy from the boom and bust cycle.

Councilmember Traylor Smith said Staff is working on a lot of big things that all require the right timing, but encouraged action steps to be put in place for an event center and to decide what details need to be considered in order to host different types of events.

Councilmember Chazen was encouraged that the Boise arena and hotel were built with private funds, but did not feel they were the sole drivers for growth there. He noted other areas have used special taxing districts to help cover costs.

Mr. Anton reminded Council the Plenary Group offered to build an arena keeping the City’s annual cost for it at \$3.2 million, half of which could be covered by a modest increase in the Lodging Tax. He stressed there are a lot of positives for this type of project.

Although many on Council still had unanswered questions and concerns about logistics and financing, the majority supported the concept and asked City Manager Caton if Staff has time to research options for this project. He said Staff does have time, but the next questions are to determine if the public has an appetite for an arena and if so, are they willing to fund it publicly. City Manager Caton said Staff would return in six months with an update.

Agenda Topic 3. Two Rivers Convention Center (TRCC) Operations

City Manager Caton said TRCC does not have a dedicated revenue stream and has been funded through the Operating Fund and a subsidy from the Visitor and Convention Bureau (VCB). Debbie Kovalik, VCB Director, reviewed the history of TRCC and noted many costs have risen due to the economy and age of the building. She proposed and described four options: Public Ownership; Publicly Owned/Out Sourced Management and Operations; Publicly Owned/Private Operated; and Privately Owned and Operated.

Councilmember Kennedy said this conversation and that of the event center are intertwined and asked why they are being discussed separately. City Manager Caton said even though they are linked, TRCC is a smaller dollar project and should not drive the higher dollar event center. Pursuing option 3 or 4

will allow the City more flexibility to pursue an event center which could be a standalone facility and provide another downtown anchor.

Councilmember Kennedy asked what option Staff's preference is. City Manager Caton said they want to provide flexibility to companies responding to an RFP (request for proposal) in order to maximize proposals.

Councilmember Chazen commended Stuart Taylor, TRCC Convention Services Manager, and the TRCC Staff and said this situation is not a reflection of their performance. He then asked if a contract could be structured to ensure all the needed capital improvements are made. City Attorney Shaver said a contract can include a variety of options: the sale price could reflect the expectation that investments need to be made by the purchaser; a covenant stating improvements are to be made could be included; the title could not vest until specific improvements are made; or the City could hold an interest in the property until improvements are made. However, including any of these stipulations may make a sale more difficult.

There was discussion regarding the proposed options with the majority preferring option 3 and/or 4. Ms. Kovalik said TRCC would like to protect and honor commitments made through 2018. City Manager Caton said those commitments will be a selling feature and it will be key to put a proper model in place for TRCC to be a true asset to downtown and the RFP should reflect that. City Attorney Shaver said subsequent RFP's can be refined.

Councilmember Taggart felt option 2 should be kept on the table until a decision is made regarding an event center. Councilmember McArthur cautioned that options 1 and 2 will cost the City a lot of money and encouraged sending out the RFP for options 3 and 4 in order to determine interest and gain additional information.

City Manager Caton said, properly proposed, TRCC could be a profitable investment for a private company, but an event center would require a significant public subsidy and could add to TRCC's viability.

Councilmember Chazen asked how the Avalon Theatre fits into this discussion. City Manager Caton said, at this point, the Avalon management will be scaled back and kept separate. Councilmember Chazen mentioned the Avalon uses TRCC for food service and asked if food service would be able to be continued if TRCC is no longer the City's. City Manager Caton said a RFP could be issued annually or monthly for food service to the Avalon.

Kevin Reimer suggested increasing the Lodging Tax rate in order to create a dedicated funding source for TRCC.

It was decided to send out a RFP with options 3 and 4.

Agenda Topic 4. Next Workshop Topics

Suggested topics were Foreign Trade Zone (FTZ), Municipal Court, and Homelessness and Vagrancy.

It was decided, due to the need for a decision soon, a special workshop would be scheduled soon (August 29th) to discuss a FTZ and the Economic Development Partners would be asked to make the presentation.

Municipal Court and Homelessness and Vagrancy will be discussed at future regularly scheduled workshop.

Agenda Topic 5. Board Reports

Homeless and Vagrancy Committee – Councilmember Chazen will be absent at the next meeting.

Parks and Recreation Board – Councilmember Kennedy said they worked on their budget.

With no further business the meeting was adjourned.

**GRAND JUNCTION CITY COUNCIL
MONDAY, AUGUST 15, 2016**

**PRE-MEETING (DINNER) 5:00 P.M. ADMINISTRATION CONFERENCE ROOM
WORKSHOP, 5:30 P.M. *(please note new start time)*
CITY HALL AUDITORIUM
250 N. 5TH STREET**

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

1. **Boise Event Center Site Visit Debrief**
2. **[Two Rivers Convention Center Operations: The purpose of the discussion is to consider options for operating Two Rivers Convention Center.](#)**
3. **Next Workshop Topics**
4. **Committee and Board Reports**
5. **Other Business**