

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

**July 19, 2017**

The City Council of the City of Grand Junction convened into regular session on the 19<sup>th</sup> day of July, 2017 at 6:02 p.m. Those present were Councilmembers Bennett Boeschstein, Chris Kennedy, Phyllis Norris, Duncan McArthur, Barbara Traylor Smith, Duke Wortmann, and Council President Rick Taggart. Also present were City Manager Greg Caton, City Attorney John Shaver, and Interim City Clerk Debbie Kemp.

Council President Taggart called the meeting to order. Council Member Traylor Smith led the Pledge of Alliance which was followed by the invocation by pastor Kaila Armbruster, Shepherd of the Valley Lutheran Church.

**Appointment**

Councilmember Wortmann moved to appoint Catherine Ventling to the Riverfront Commission for a partial term ending July 2019. Councilmember McArthur seconded the motion. Motion carried by roll call vote.

**Certificate of Appointments to the Riverfront Commission**

Karen Jefferson was present to receive her certificate of re-appointment and Laura Tyre Hannam was present to receive her certificate of appointment, all for three year terms expiring July 2020.

**Certificate of Appointment to the Grand Junction Regional Airport Authority**

Erling Brabaek was present to receive his certificate of appointment for a partial term that expires May 2019.

**Citizens Comments**

There were none.

**Council Reports**

Councilmember McArthur stated that he was at a National Association of Realtors conference in West Palm Beach, FL and there was a great presentation about walkability and livability communities. He also attended a very informative Housing Colorado Outreach meeting that was hosted by the Grand Junction Housing Authority.

Councilmember Wortmann said he attended a Parks Improvement Advisory Board (PIAB) meeting and a Horizon Drive Association Business Improvement District meeting.

Councilmember Norris stated that on July 12<sup>th</sup> she and Councilmember Traylor Smith attended the Veterans One-Stop ceremony and on July 6<sup>th</sup> she attended the new amphitheater opening.

Councilmember Traylor Smith mentioned that the Patriot Guards were honored and recognized at Veterans One-Stop ceremony. She attended the tree planting and recognition of past Councilmember Martin Chazen and also attended the Parks and Recreation Advisory Board meeting.

Councilmember Kennedy attended a Grand Junction Economic Partnership Board meeting that morning.

Councilmember Boeschstein went to the celebration of the Las Colonias Amphitheater Grand Opening.

Council President Taggart attended the very moving firefighters' graduation where 16 recruits graduated. He also went to a Connectedness seminar and said many people in the community are actively working on concepts and ideas to better connect as a community. He updated Council on the Grand Junction Regional Airport Authority Board activities.

### **Consent Agenda**

Councilmember Kennedy moved to adopt the Consent Agenda items #1 - #3. Councilmember Traylor Smith seconded the motion. Motion carried by roll call vote.

1. Approval of Minutes
  - a. Summary of the June 19, 2017 Workshop
  - b. Minutes of the July 5, 2017 Special Session
  - c. Minutes of the July 5, 2017 Regular Meeting
2. Contract
  - a. Contract with Asphalt Specialist
3. Resolutions
  - a. Resolution Setting Fees and Charges
  - b. Resolution Authorizing the City Manager to Submit a Grant Request to the

Department of Local Affairs for the Development of the Las Colonias Business Park

- c. Resolution Authorizing the City Manager to Submit a Grant Request to Great Outdoors Colorado for the Inspire Initiative and the RIO Implementation Grant.
- d. Resolution Authorizing the Sale by the City of Grand Junction, Colorado, of Certain Real Property and Ratifying Actions Heretofore Taken in Connection Therewith

### **Public Hearing – 2017 Second Supplemental Appropriation**

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 2017 budget amendments. Supplemental appropriations are required to ensure adequate appropriations by fund and often are needed to carryforward capital projects that regularly span more than one year. This action re-appropriates the funds for projects approved and started in the prior budget year but not completed in that year. Because these capital projects have already been planned for and the expenditure approved by Council in the 2016 budget, they do not decrease the budgeted fund balances. Other items requiring a supplemental appropriation include the authorization to spend unexpected revenues during the year such as seized funds for public safety.

The public hearing was opened at 6:20 p.m.

Jodi Romero, Finance Director, presented this item. The supplemental appropriation is required to authorize spending for capital projects that were budgeted and started in 2016 but not completed until 2017. New revenues were also received in 2017 for specific projects which require being reappropriated in order to spend those funds and she named those projects. Two other items that require budget amendments and supplemental appropriation are the transfer of the Retiree Health Fund to the self-insurance fund and the payment of premiums out of that Fund.

Councilmember Kennedy asked about the Retiree Health Fund and the discussion of putting that in a Trust. City Manager Caton said they have continued to evaluate this fund and the operations within it and are still working to understand the financial solvency of this. Because a Trust has not been established the transfer needs to occur. Councilmember Kennedy asked if there is a firewall between the City accounting piece of that and the fund itself. City Manager Caton said that he has talked to a couple of Councilmembers regarding this transfer and there has been extensive staff work looking into the solvency of the retiree health fund. It is very clear that it needs to stand on its own and they believe that there are significant challenges to that.

City Attorney Shaver said that the sole purpose of the ordinance relative to the Retiree Health Fund is the appropriation to pay the premiums.

President of the Council Taggart asked if these are the funds that were an overpayment that was discussed previously. City Manager Caton said that it is included in the ordinance.

There were no public comments.

The public hearing closed at 6:28 p.m.

Councilmember Kennedy moved to adopt Ordinance No. 4760 – An Ordinance Making Supplemental Appropriations to the 2017 Budget of the City of Grand Junction, Colorado on final passage and ordered final publication in pamphlet form.

Councilmember Boeschstein seconded the motion. Motion carried by roll call vote.

### **Public Hearing – Annexation and Zoning Hill Complex Annexation**

A request to annex and zone 2.734 acres, located at 2905 Hill Avenue. The applicant has requested annexation and C-2 (General Commercial) zoning of this property as part of a development plan to build a State Farm Insurance office on the site.

The public hearing opened at 6:29 p.m.

Lori Bowers, Senior Planner, presented this item. She reviewed the location, site, and the current zoning. The request is consistent with goals and policies of the Comprehensive Plan and the applicable review criteria of the Grand Junction Municipal Code.

Councilmember Norris asked if the property is surrounded by County property. Ms. Bowers said that it is surrounded mostly on the East by County zoning.

Councilmember Boeschstein asked if the contiguity for the City is the highway. Ms. Bowers responded affirmatively.

City Manager Caton also pointed out that, per the Persigo Agreement, the City is required to annex these properties.

There were no public comments.

The public hearing was closed at 6:32 p.m.

Councilmember Boeschstein moved to adopt Resolution No. 40-17 – A Resolution Accepting a Petition for the Annexation of Lands to the City of Grand Junction, Colorado, Making Certain Findings, and Determining that Property Known as the Hill Business Park Annexation, Located at 2905 Hill Avenue, is Eligible for Annexation, Ordinance No. 4761 – An Ordinance Annexing Territory to the City of Grand Junction, Colorado, Hill Business Park Annexation, Located at 2905 Hill Avenue, Consisting of One Parcel of Land, and 1.63 acres of Teller Avenue, Hill Avenue and I-70 Business Loop Rights-of-Way, and Ordinance No. 4762 – An Ordinance Zoning the Hill Business Park Annexation to C-2 (General Commercial), Located at 2905 Hill Avenue on final passage and ordered final publication in pamphlet form. Councilmember Kennedy seconded the motion. Motion carried by roll call vote.

**Contract for Access Improvements on Riverside Parkway**

In anticipation of the development of the Las Colonias Business Park the construction of a right and left turn lane at Winters Avenue and Riverside Parkway is necessary to grant access to the property. The project also includes right and left turn lanes at the proposed west access of the business park, a right turn lane at the main entrance of the Las Colonias Amphitheater and a right turn lane at the entrance to the Jarvis Property. Work also includes the installation of 540 lineal feet of 12" water line.

Greg Lanning, Public Works Director, presented this item. He described the location for the improvements. The turn lanes are required for the additional improvements in the business park. The project will improve the flow in and out of the parking lot of the amphitheater and Winters Avenue. The water main will also be extended to serve the business park. The property to the east will include one deceleration lane into the property. The work is slated to begin mid-August and finish by the end of September.

Councilmember McArthur asked if Riverside Park Drive is going to be abandoned. Mr. Lanning said no, it will be used for access for future tenants.

Councilmember Kennedy asked about the funding for the project and if these are budgeted items. Mr. Lanning said the access improvement will come from the Transportation Capacity Payments (TCP) Fund and the waterline from the Water Fund.

Councilmember Norris asked if this project was budgeted to come out of TCP Fund this year. City Manager Caton explained that there was significant appropriation for the project on 1<sup>st</sup> Street and that the project finished under budget. The appropriation and savings will provide the funding for this project; this is the authorization to use those funds.

Councilmember Boeschstein said the Jarvis family no longer owns the property that bears their name. City Manager Caton said that it is platted as Jarvis property.

Council President Taggart asked if someone could explain the Request for Proposal (RFP) process when there is an addition such as this request. Mr. Lanning explained the process for an RFP.

Councilmember Traylor Smith moved to authorize the City Purchasing Division to enter into a contract with Sorter Construction, Inc. of Grand Junction, CO, for the Riverside Parkway Access Improvements Project for the estimated amount of \$531,659.50. Councilmember Kennedy seconded the motion. Motion carried by roll call vote.

### **Bonsai Design Incentive Agreement**

This item is to discuss whether to authorize the City Manager to execute an incentive package for the retention and expansion of an existing business. The company would locate the facility on City owned land that would be improved for the purposes of establishing a business park on the riverfront at the east end of Las Colonias Park. As the anchor tenant, the company would actively participate with Grand Junction Economic Partnership in the recruitment of businesses to the park. If the incentive agreement is consummated, the business park will be considered under separate action at a future City Council meeting. Conceptual design of the business park includes the development of approximately 10% of the entire Las Colonias Park for the location of several businesses in a campus setting combined with public park amenities consistent with the Las Colonias Master Plan. Approximately one-half of the project is for related park amenities which include irrigation systems, a shelter, bathroom facilities, a dog park, a boat ramp and an athletic turf area. The cost to develop the business park includes street infrastructure for both access on and off Riverside Parkway as well as internal street structure within the park development.

President of the Council Taggart informed the audience that this item will be opened for public comment.

Greg Caton, City Manager, presented this item. This would be a cooperative agreement with Bonsai Design. He reviewed the history of this item and explained the intent is to retain and expand an existing business. City Manager Caton learned that Bonsai Design sold their building and he reached out to Kristi Pollard with Grand Junction Economic Partnership (GJEP) to talk to the business owner. This would be a public/private partnership between the Downtown Development Authority (DDA), GJEP, Bonsai Design, and the Chamber of Commerce. He reviewed the goals and the vision of the project. He spoke about the history of the area and how it has evolved. The Business Park would be 10-15 acres of City owned land which would be leased to private businesses. With these improvements to the park in mind, the Master Plan was changed but still included all of the elements that were in the original Master Plan. Existing businesses were talked to and the concept was explained with the hope that it would spur redevelopment in that area. The project would have a pro forma of about 15 years and bonds would be issued through the DDA. The project would include 9 to 10 additional businesses with the City contributing \$1 million of an approximately \$2 million facility. The City would also waive \$78,844 in fees and provide a 10-year rebate of the City's real property tax, an approximate \$42,000 value. Bonsai Designs would be the anchor tenant and they would contribute an estimated \$600,000 zip line for public use and would execute a land lease of City owned land for \$20,000 per year for 25 years, totaling \$500,000. They would also actively participate with GJEP to recruit other businesses.

Ms. Pollard highlighted economic impact numbers that this project will bring to the City. Bonsai Design currently has 21 full time employees that live and work in the community and project to increase that by 15 more full time employees. There will be a \$17.5 million economic impact annually from the employees. She covered some intangible items that Bonsai Design would also be bringing to Mesa County which included business owners already assisting in recruitment for potential businesses; the owners Thaddeus and Sarah Shrader are very active in the community. Ms. Pollard asked for Council's full support for this project.

Councilmember Norris asked if the waived fees would come from the General Fund. City Manager Caton said the fees are related to Enterprise Funds, and they would be kept whole. Some of the fees would be processing fees, not impact fees.

Councilmember Boeschstein said he is delighted to see this project and thanked the City staff and Bonsai Design. He asked if this could still be called a park. City Manager Caton said that the entire park is 147 acres and the Business Park would only be about 15 acres or just a little over 10%. Part of infrastructure, i.e. parking, could be used in the evenings for the amphitheater, which is valuable to the park. The Business Park would blend with the Park.

Councilmember Boeschstein asked if there will be design standards and guidelines. City Manager Caton said that is correct.

Councilmember Boeschstein said the location of this park had uranium mill tailings and asked if the Department of Energy and Colorado Department of Health reviewed this and are comfortable with it. City Manager Caton said they have an excellent working relationship with all the colleagues and they are pleased with the plan and wants the location to be utilized. This is an excellent opportunity to bring the location back to the community of Grand Junction.

Councilmember Wortmann said he is thrilled with the project concept and would love to jump in and offer leadership and help where he can. He is glad that the Shraders have never failed to jump in and put money and efforts into the community.

Councilmember Traylor Smith asked what the next step is from here. City Manager Caton said that, if this project is approved, Council would see a lot of items related to this project coming to them for approval. There would be a lot of things that need to be put in order. He talked about the businesses they envision on the property. Bonsai Designs would have a better lease rate because they are the anchor business and because of the cooperative agreement. Infrastructure would be complete in approximately 15 months. On this meeting's consent agenda, Council approved applying for a Department of Local Affairs (DOLA) grant and are hoping for back to back \$1 million grants. Great Outdoors Colorado (GOCO) grants will also be applied for to

do park improvements such as a boat ramp. They will start working on the finance piece. After working with DDA, they will come back to Council to authorize the dollars.

City Attorney Shaver said a significant piece will be Council approving a debt by bond issue. This approval would be contingent on financing. The City would enter into a master lease for the entire Business Park property with a development corporation to facilitate the next phase of the development. This is to take the City out of the regulatory role and to possibly have access to other financing. Along with the master lease, there would be some sub-leases and covenants.

Councilmember Traylor Smith noted that in the contract it mentions going to the voters to sale the property; she asked how would sale of properties affect lease payments. City Attorney Shaver said that in the agreement, there would be an agreed upon value relative to the acquisition and could potentially reduce the amount relative to the lease and could also reduce some complications.

City Manager Caton said they have worked through the finer points with Bonsai Design and if it were to be taken to the voters, it would be the entire piece. Councilmember Traylor Smith expressed concern about DDA having the bond and the City not having the lease revenue. City Manager Caton said there will be a fair amount of grant opportunities and some restricted fund opportunities that could help in the long run to pay that debt service down. He said they were very conservative with a seven-year absorption rate and a very conservative lease rate.

City Attorney Shaver said that depending on the interest rate, term, and other moving pieces, they won't fail to recognize that there may be a sale. Councilmember Traylor Smith asked about other items relating to this project coming back to Council. City Attorney Shaver said at least two more times, maybe three, items will be brought back before Council: the money piece and then the master lease, covenants, and the development corporation within 50 to 75 days.

Councilmember Norris expressed concern with the possible sale of property because businesses may not be encouraged to be brought in. City Manager Caton said Council may consider a variety of options like selling individual parcels. City Attorney Shaver said Council would have great flexibility and could structure any sale. Councilmember Norris said the businesses around this property feel that this will help their businesses.

Councilmember McArthur said a constituent of his asked how this property was acquired by the City. City Attorney Shaver said the property was deeded to the City by the Colorado Department of Public Health and Environment after it was cleaned up from the mill tailings.

Councilmember Kennedy asked, regarding management of the property, if this will be a pilot or model on how successful it is and consider this as a way to approach future park



properties. City Manager Caton said yes, but specifically for undeveloped parks since long term leases fit in well. Councilmember Kennedy asked if the City has the ability to look at land swaps as well. City Attorney Shaver said yes, depending on what the Supreme Court decides. As long as there is acre for acre equivalency, swaps are expected to be allowed.

President of the Council Taggart opened the meeting to public comments.

Thaddeus Shrader, 2134 Buffalo Drive, said his company started in the family basement with a handful of people building tree based adventures. Nationally, the employees rose to 60 and 80 employees and are spread out all over. The train station was sold where their business was located and the City approached with an offer. Other cities had also tried to recruit their business. Ms. Pollard with GJEP and City Manager Caton helped them develop a vision and a Master Plan for business park at Las Colonias Park. Mr. Shrader believes an outdoor park will increase the value of the City and other new, young companies will find the community which they need to grow. Having zip lines, art walks, etc. will attract valley residents. He thanked Council for their time.

Tim Fry, 684 Independence Valley Drive, owner of Mountain Racing Products (MRP), and Chair of the GJEP board, thanked Council and Staff for all the hard work in getting to this point. Two years ago, GJEP saw this community as an outdoor recreation area and begin to target that industry. Outdoor businesses need to come here and retention of businesses is critical. The Business Park is a vision to give GJEP a tool to seek out outdoor recreation companies.

Diane Schwenke, Executive Director of Grand Junction Chamber of Commerce, said it is a strong economic development partnership that brought this to Council and has called on a lot of other economic business partners. This is a great opportunity for Bonsai Design and sends a great message to the outdoor recreation industry and existing businesses here. Economic Development partners and policy makers want to help Council with this project.

Andy Daily, Managing Partner of Powderhorn, said he has gotten to know Mr. and Ms. Shrader and noted how they have increased the visibility of Grand Junction on a statewide and nationwide basis. Leitner-Poma of America, Inc. and Prenoth are major industries in Grand Junction and their leadership and presence is great. Mr. Daily lauded Council for what Las Colonias Park is providing for the community. Timing is everything and this valley has great potential and it is a great opportunity to have a solid outdoor recreation base; he encouraged Council to support this request.

There were no more public comments.

Councilmember Kennedy said this request is a no risk, no reward situation with the vision of this business park. Knowing the anchor tenant, who is a civic minded tenant,

and their imbedded genuine love of the community and wanting to see it move forward is why he is supportive of this project and wants to move forward with it. Council and the community need to do everything they can to make it the “pearl” of the City that is opened for business in outdoor recreation. He sees many things happening in this community. The leadership in the community is heading in the right direction. He is pleased with City staff, Ms. Pollard and her team at GJEP, the Chamber of Commerce, but mostly Mr. and Ms. Shrader.

Councilmember Norris acknowledged that the City could not do this without the support of the DDA. She feels it is a great project.

Councilmember Traylor Smith said she is pleased to see how all of the partners are working together.

Councilmember McArthur stated that he thinks it is a great project and agrees with the incentives but does not feel it is a proper role of government to subsidize businesses. There is a risk. The \$1 million dollars will be paid back by property tax dollars. He hopes the project will be successful but he can't support it.

President of the Council Taggart said that the project has 100% to 120% of his support. He is thrilled that a growing and contributing business and one that puts Grand Junction on the map is part of this project. He wishes that this opportunity could have come up many years sooner.

Councilmember Boeschenstein moved to authorize the City Manager to execute an Economic Incentive Agreement with the terms presented with Bonsai Design. Councilmember Traylor Smith seconded the motion. Motion carried by roll call vote with Councilmember McArthur voting NO.

### **Non-Scheduled Citizens & Visitors**

There were none.

### **Other Business**

There was none.

**Adjournment**

With no further business, the meeting adjourned at 7:52 p.m.

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Debra M. Kemp, MMC  
Interim City Clerk