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**GRAND JUNCTION CITY COUNCIL
MONDAY, APRIL 2, 2018**

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

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

1. Discussion Topics

- a. Utility Undergrounding Requirements
- b. Cluster Developments

2. Next Workshop Topics - April 30, 2018

- a. Community Development Block Grant Application Review
- b. Lodging Tax

3. Other Business

What is the purpose of a Workshop?

The purpose of a Workshop is for the presenter to provide information to City Council about an item or topic that they may be discussing at a future meeting. The less formal setting of a Workshop is intended to facilitate an interactive discussion among Councilmembers.

How can I provide my input about a topic on tonight's Workshop agenda?

Individuals wishing to provide input about Workshop topics can:

- 1. Send an email (addresses found here www.gjcity.org/city-government/) or call one or more members of City Council (970-244-1504);
- 2. Provide information to the City Manager (citymanager@gjcity.org) for dissemination to the

City Council. If your information is submitted prior to 3 p.m. on the date of the Workshop, copies will be provided to Council that evening. Information provided after 3 p.m. will be disseminated the next business day.

3. Attend a Regular Council Meeting (generally held the 1st and 3rd Wednesdays of each month at 6 p.m. at City Hall) and provide comments during “Citizen Comments.”



Grand Junction City Council

Workshop Session

Item #1.a.

Meeting Date: April 2, 2018

Presented By: Tamra Allen, Community Development Director, Trent Prall, Public Works Director

Department: Community Development

Submitted By: Tamra Allen, Community Development Director
Trent Prall, Public Works Director

Information

SUBJECT:

Utility Undergrounding Requirements

EXECUTIVE SUMMARY:

The Zoning and Development Code requires that all new utility lines are undergrounded and that any existing overhead utilities be installed underground except when the development has less than 700 feet of frontage, in which case the Director can accept a payment of cash in lieu. The burden to underground an overhead utility line is borne fully by the property owner in which the power poles have been installed upon and it is generally perceived that the requirement to underground along frontages less than 700 feet puts an unfair burden on development that happens to have overhead utilities along the property frontage. In addition, the in lieu fee rate was established in 2005 at a rate of \$25.65 per lineal foot while the actual estimated cost for undergrounding utilities is \$175 to \$200 per lineal foot. Staff is seeking direction on potential modifications to the current utility undergrounding policy and related fee.

BACKGROUND OR DETAILED INFORMATION:

UTILITY UNDERGROUND CODE REQUIREMENT

The Zoning and Development Code requires that all new utility lines are undergrounded and that any existing overhead utilities be installed underground except when the development has less than 700 feet of frontage, in which case the Director can accept a payment of cash in lieu. More specifically the code provides,

Section 21.06.010(f) Utilities. Utilities, including, but not limited to, telephone, cable,

television, electric, and natural gas, shall be provided and paid for by the developer and shall be installed underground. All existing overhead utilities along streets contiguous with the development shall be installed underground prior to street construction. When the development has less than 700 feet of frontage along a street, the Director has discretion to accept a payment of cash in lieu of requiring the developer to underground the existing overhead utilities. The payment amount shall be determined as set forth in the adopted fee schedule.

The burden to underground an overhead utility line is borne fully by the property owner in which the power poles have been installed upon. It is generally perceived that the requirement to underground along frontages less than 700 feet puts an unfair burden on development that happens to have overhead utilities along the property frontage. For example, if a property has a large frontage with a significant voltage line overhead, they are required to cover the full cost of the undergrounding. Meanwhile, the property across the street or down the road is not required to participate in this oftentimes significant expense.

The requirement to underground as currently written applies only to streets and does not include alleys.

PAYMENT IN LIEU FEE

If a property has overhead power lines but has frontage less than 700 feet, the property owner is required to pay a fee in lieu of the actual undergrounding. The current payment in lieu of undergrounding fee is \$25.65. This fee was established in 2005 by Resolution 192-05 and was intended to pay for the cost for the City to underground utility lines in conjunction with major street projects. The current fee is inadequate to cover the cost of undergrounding and covers only ~15% of the actual cost. City public works estimates that cost for undergrounding lines are approximately \$175 to \$200 per lineal foot. Those cost can be variable dependent upon the size of the line and related voltage the lines carry.

Public Works revisited the 700-foot threshold with both Xcel and Grand Valley Power. The input received from both entities advised that 700 feet, or roughly one city block, is an appropriate threshold as the intent is to avoid unsightly piecemeal segments of underground and overhead lines that increases costs for converting short segments of overhead to underground later. Termination points from the overhead to the new underground (called terminal poles) are costly and unsightly due to all the termination equipment, switching and guying. It can be very difficult to find suitable locations for these poles that allow enough room for guying while providing accessibility for crews and do not adversely impact the property owner where these poles need to be placed. In general, longer distances also allow for increased cost savings on a per foot basis.

RELATIONSHIP TO FRANCHISE AGREEMENTS

The current franchise agreement, passed by voters in April 2011 as People's Ordinance 37, requires that all newly constructed electrical distribution lines in newly developed areas of the City underground their utilities. The franchise agreement also allows for the City to require Xcel or Grand Valley Power to underground above ground facilities at the City's expense. The 700-foot requirement is specified to the developer through the Zoning and Development Code. The current franchise agreement is silent as to length of frontage.

In addition, the franchise agreement requires Xcel and Grand Valley Power to budget and allocate an annual amount, equivalent to one percent (1%) of the preceding year's electric gross revenues for the purpose of undergrounding existing overhead distribution facility in the City as requested by the City. These entities collect fees earmarked for the undergrounding of overhead power lines. GVP who's service area covers about 10% of the City area and collects approximately \$90,000 per year while Xcel, who's service covers the remaining areas of the City, collects approximately \$850,000 per year.

In the case where the City is interested in completing underground for a significant project, the City through the Franchise agreements can draw on future revenues up to 3 years in advance to complete a project. Recent projects that the City has drawn on these funds include Orchard Avenue between Cannell and 12th Street, and 1st Street from North Ave to Ouray. Older projects that utilized these funds include I-70B from 24 Road to Rimrock and the Riverside Parkway.

RELATIONSHIP TO TRANSPORTATION CAPACITY PAYMENT PROGRAM

The undergrounding policy was developed prior to the Transportation Capacity Program (TCP) ordinance, when developers were responsible for half street improvements adjacent to the property being developed. The TCP ordinance now requires the developer to pay only those improvements necessary for minimal access and the safe ingress and/or egress of traffic to the development and does not require the developer to redevelop their half of the street.

POLICY CHANGES TO CONSIDER

Staff believes it would be prudent for the City to consider multiple changes to the undergrounding code requirements. The following are policy changes to consider.

1. Increase the in-lieu fee to cover close to 100% of the cost per lineal foot. Review the fee annually and adjust to be consistent with actual cost for undergrounding the utility lines.
2. Modify the requirement for only properties with the lines either on their property or

within the right of way adjacent to their lot. Expand the required in lieu payment to all properties that front the right of way that contains the overhead lines.

3. If a property owner/developer is required to bury a line, consider executing some form of a reimbursement agreement to help the property owner/developer recoup some of their cost from the directly adjacent properties that will benefit from the undergrounding.

4. Include development along alleys to also pay for undergrounding fees.

Staff met with board members of the Grand Junction Home Builders Association to discuss potential changes to this policy and, in general, found support for the four changes included above.

FISCAL IMPACT:

The fiscal impact to developers varies significantly.

A 70-acre development at 23 and H Road has over 3600 feet of frontage. Current policy would require the developer to underground the power lines for a cost of \$635,000 (at \$175 per foot) to \$726,000 (at \$200 per foot).

An adjacent property with only 320 feet of frontage would be allowed to pay the in-lieu rate of \$25.65 per foot for a total of \$8,200. The actual cost to underground the line is estimated at \$60,000. The in-lieu fee in this case would only cover 13-15% of the actual cost.

Larger capacity power lines are even more expensive. Recent undergrounding of 1,680 feet of higher voltage lines on Orchard between Cannell and 12th Street had a cost of over \$559,000 or \$333 per linear foot. If adjacent properties had been allowed to pay just the in-lieu fee of \$25.65 per foot, only \$43,000 (or roughly 8%) of the cost would have been collected.

For the period of 2014-2017, the City has averaged \$60,000 per year for "in-lieu" fees.

SUGGESTED ACTION:

Discussion and direction to Staff.

Attachments

None

Grand Junction City Council
Workshop Session

Item #1.b.

Meeting Date: April 2, 2018
Presented By: Tamra Allen, Community Development Director
Department: Community Development
Submitted By: Tamra Allen

Information

SUBJECT:

Cluster Development Regulations.

EXECUTIVE SUMMARY:

The Planning Commission has been actively discussing the cluster development regulations of the City's land use code since concerns were expressed about the regulations in hearings before the City Council in November. The Planning Commission met with the City Council in a joint workshop on November 9th to discuss the Cluster Development regulations, amongst other topics. The Planning Commission has since met in and discussed these code provisions in seven workshops since November 2017, and provides the attached memorandum as summary of their discussion and recommendations regarding modifications to the Cluster Development section of the City's Zoning and Development Code.

BACKGROUND OR DETAILED INFORMATION:

The Planning Commission has been actively discussing the cluster development regulations of the City's land use code since concerns were expressed about the regulations in hearings before the City Council in November. The Planning Commission met with the City Council in a joint workshop on November 9th to discuss the Cluster Development regulations, amongst other topics. The Planning Commission has since met in a workshop setting on December 7th, December 21st, January 4th, January 18th, February 8th, February 22nd, and March 22nd to discuss these regulations. The City has maintained a Cluster Development provision in its Zoning and Development Code since at least 2000 and multiple developments have utilized this provision with little to no issue in the past.

The Zoning and Development Code ("Code") allows residential subdivision development to maintain an overall density of an entire developing area by "clustering" lots more densely in subareas while preserving open space in other subareas. The result is smaller lots and closer setbacks in the development than the zone might otherwise allow, but more open space than would otherwise be preserved. Clustering can be allowed/encouraged by the Director under certain criteria and implemented at the time of subdivision design (e.g., at the "preliminary plan" stage). The purpose of Cluster Development is to allow for and encourage the preservation of environmentally sensitive areas, open space and agricultural lands, while allowing development at the same overall density allowed by the underlying zone district. For development to utilize the Cluster Development provision, the Code requires a minimum of 20% of the land area in a

proposed subdivision to be dedicated open space while the benefit to the developer becomes the ability to be more flexible in the minimum lot sizes and bulk standards of each lot within a development.

Currently, clustering is allowed in all lower density residential zone districts including R-R, R-E, R-1, R-2, R-4 and R-5. When applied, the maximum overall density of the zone district still applies (eg. R-2 still would be developed at a 2-dwelling unit per acre density), but the lot sizes can be reduced and the corresponding bulk standards (setbacks, width, frontage, setbacks, lot coverage, and height) applied. The minimum lot size that is applied is determined based on a prescribed formula in the land use code that gives proportional decrease in lot size benefit based upon the amount of open space that a development preserves. The relevant bulk standards are then derived by using the bulk standards of the zone district that has the closest corresponding minimum lot size.

PLANNING COMMISSION DISCUSSION

When discussing the issues surrounding Cluster Development, the Planning Commission narrowed their concerns to four main issues:

- Appropriateness of buffering
- Appropriateness of lot sizes allowed
- Appropriateness of level of review (Administrative)
- Clarification of purpose

The information below discusses the concerns of the Planning Commission and their recommended direction.

Buffering. Concern was expressed that if a development proposed utilization of the buffer regulations that adjacent properties with an equal or lesser zoned density would be detrimentally impacted. Section 21.03.060(i)(1) provides

“The perimeter of a cluster development which abuts a right-of-way shall be buffered. If the cluster development has the same zoning as the adjacent property, a perimeter enclosure in accordance with GJMC 21.06.040 may be required and/or some other form of buffering to be determined to be necessary to buffer the developed portion of the cluster from adjoining development. All, or a portion of, the open space shall be located between the clustered development and adjoining development.”

Discussion on this issue ranged from requiring a buffer of a specific depth from a property line to wanting to maintain flexibility in design as each site maintains different characteristics such as topography or type of adjacent development that would be important to consider. Ultimately, the Commission agreed that maintaining the existing code language that requires buffering in a non-prescriptive fashion was important as they did not want to impose a one-size-fits-all approach to how a development may appropriately buffer. The Commission recommended that the buffering section be reworded to reflect these intentions and also suggested that additional language be added that further outlines the intent of buffering to work to enhance the compatibility

between properties. To address this intent, staff recommends language as follows (red text),

21.06.040(i)(1) A perimeter enclosure in accordance with GJMC 21.06.040 may be required to create a visual barrier between the cluster development and adjoining development.

21.06.040(i)(2) The perimeter of a cluster development that abuts a right of way shall provide a buffer. The type of buffer should take in to account the future road classification, right of way width, and type of current and future development on adjacent properties.

Minimum Lot Size. Planning Commissioners expressed concern regarding the size of lots in which a cluster development may be able to achieve relative to the minimum lot standards of the property’s zone district. The most significant concern was the perception that property owners may assume that those adjacent properties with the same zoning would be developed having lot sizes that were the same or similar to their own. As a matter of example, there was concern expressed that a property such as an R-1 zoned property with a minimum lot size of 30,000 square feet could reduce the lot size using cluster development to 3,000 square feet.

Zone District	Minimum Lot Size	20% Open Space	30% Open Space	50% Open Space	66% Open Space
R-R	5 acres	3.5 acres	2.75 acres	1.25 acres	3,000 sq. ft.
R-E	1 acre	30,492 sq. ft.	23,958 sq. ft.	16,890 sq. ft.	3,000 sq. ft.
R-1	30,000 sq. ft.	21,000 sq. ft.	16,500 sq. ft.	7,500 sq. ft.	3,000 sq. ft.
R-2	15,000 sq. ft.	10,500 sq. ft.	8,250 sq. ft.	3,750 sq. ft.	3,000 sq. ft.
R-4	7,000 sq. ft.	4,900 sq. ft.	3,850 sq. ft.	3,000 sq. ft.	3,000 sq. ft.
R-5	4,000 sq. ft.	3,000 sq. ft.	3,000 sq. ft.	3,000 sq. ft.	3,000 sq. ft.

Table 21.03.060: Sample of Lot Sizes based on percentage open space dedication

When the existing developments that have used the clustering provisions were reviewed, it was found that though some could have maximized the minimum lot size, none did. In addition, the developments always included a significant range of lots size with only a portion of the lots being on the small end of the clustering allowance for minimum lot size. For example, the provision of open space in the Spyglass subdivision allowed the R-2 zoned property to utilize R-8 lot sizes of 3,000 square feet instead of 15,000 square feet. The resulting subdivision provided lots ranging in size from 4,900 to 15,158 square feet where over 80% of the lot sizes are greater than 10,000 square feet.

Lot Size	3,000+	4,000+	5,000+	6,000+	7,000+	8,000+	9,000+	10,000+	11,000+	12,000+	13,000+	14,000+	15,000+
Filing 1								43	3	2		3	
Filing 2								68	23	5		2	1
Filing 3		3	10	14	12	2	1	13	6	1			
Total Lots		3	10	14	12	2	1	124	32	8		5	1
% of Lots		1.40%	4.67%	6.54%	5.61%	0.93%	0.47%	57.94%	14.95%	3.74%		2.34%	0.93%

Table: Lot Size within Spyglass Subdivision

In addition, those developments that have created smaller lots than what the base zone district would have allowed, are some of the more successful and desirable subdivision developments in the area and include Spyglass, Summer Hill, the Ridges and Redlands Mesa.

After reviewing how cluster development had been implemented over time the Planning Commission found that there was not significant issue with how these sites had developed and largely found that they were developed in a context sensitive and appropriate manner. However, there remained concern on how a development might inappropriately group or place small lots on a property that may detrimentally impact an adjacent landowner. To address this outstanding concern, staff recommends adding additional code language as follows (red text):

21.03.060(c)(6) Where clustering is used in areas that are not otherwise limited by topography or other natural features, lots should generally be organized where lots are located near adjacent developments with similarly sized lots or should be planned where open space, buffering and/or other tools such as building envelopes and setbacks can help minimize impacts on existing adjacent development.

Level of Review. Section 21.03.060(b) provides that “In any residential zone district where clustering is permitted, the Director may approve lots that are smaller and arranged differently than otherwise allowed under this code.” The Planning Commission discussed whether it was appropriate for the Director to be able to make this determination or if this decision should be preserved for either the Planning Commission or the City Council. It was discussed that it may be beneficial for there to be a more formal public hearing process for neighbors concerned with a development proposing utilization of the cluster development while other Commissioners indicated that since project density wasn’t changing, that the zoning wasn’t changing, and that the Director had guidelines and standards to follow, the Director was the appropriate level of review. The Planning Commission ultimately agreed that the Director should continue to maintain purview of this approval process.

Subdivision	Zone District	Bulk Standards Zone District	Open Space	Zoning Min. Lot size (sq.ft)	Clustering Allowed Min. Lot size (sq.ft.)	Developed Lot Size (sq.ft)	Density
Park Mesa	PD/R-1	R-2	34%	30,000	21,780	22,036 to 100,188	.67 du/acre 8 lots/12 acres
Pinnacle Ridge	R-2	R-4	33%	15,000	7,125	7,125 to 31,162	1.6 du/acre 72 lots/45 acres
Ridgewood Heights	R-5	R-8	30%	6,500	4,000	4,000 to 6,700	4.8 du/acre 76 lots/16 acres
Summer Hill	PD/R-5	R-4	35%	7,000	4,500	4,500 to 14,000	2.8 du/acre 201 lots/72 acres
Spyglass	R-2	R-8	56%	17,000	4,250	4,900 to 15,158	1.4 du/acre 226 lots/160 acre

Table: Sample of developments using the Cluster Development regulations

Purpose. At the February 8th Planning Commission meeting, the Planning Commission discussed the need to ensure that the purpose and intent of the Cluster Development regulations were articulated appropriately. Of concern was the need to both ensure and reinforce that development utilizing clustering were to be developed at the same density

as allowed by any other subdivision of the property and is based off of the zoning of the property; And as a benefit to the City, clustering helped some development achieve the density of development that the City's adopted Comprehensive Plan envisioned. As such, the Planning Commission recommended including the following text in the purpose statement of the Cluster Development Regulations (revisions to existing code are in red text):

21.03.060(a) **The purpose of Cluster Developments is to encourage the preservation of environmentally sensitive areas, open space and agricultural lands, while encouraging and providing the ability to develop at a density range supported by the Comprehensive Plan and those densities that are consistent with the property's zoning designation.**

SUMMARY

In summary, the Planning Commission found that there was a need to fully understand the Cluster Development regulations and how they were or could be applied. It was found that it had been valuable for them to understand the purpose of the Cluster Development regulations and how they regulations are implemented. As a result, the Planning Commission felt that with a few modifications to the Zoning and Development Code, the cluster development regulations can continue to promote appropriately designed development, provided for needed flexibility in site and lot design, and promote housing options for City residents through allowing for a variety of lot sizes within subdivisions. The continued implementation of the cluster development provision will help housing growth meet the intended densities of the Comprehensive Plan thereby reducing growth pressures from happening further away from the city center; and will also provide the City and surrounding neighborhoods the ability to realize significant long-term benefit from the dedication of open space preservation, an important objective of the City's adopted Comprehensive Plan.

In order to codify changes to the Cluster Development provisions of the Code, the Director of Community Development, the Planning Commission or City Council may initiate an amendment to Section 21.03.060 of the Zoning and Development Code.

FISCAL IMPACT:

N/A

SUGGESTED ACTION:

Discussion and direction to staff

Attachments

1. Cluster Development Code

ZONING AND DEVELOPMENT CODE

The following is the section of the Zoning and Development code regarding Cluster Development.

21.03.060 Cluster developments.

(a) To preserve environmentally sensitive areas, open space and agricultural lands, cluster development is encouraged.

(b) In any residential zone district where clustering is permitted, the Director may approve lots that are smaller and arranged differently than otherwise allowed under this code.

(c) Unless provided otherwise by the subdivision approval, cluster subdivisions must meet the following standards:

(1) Twenty percent of the gross acreage must be open space.

(2) The minimum lot size is the percentage of open space of total acres of the entire development multiplied by 1.5. The minimum lot size requirement of the underlying zoning district may then be reduced by the resulting percentage. Minimum lot size shall also be subject to other provisions, such as GJMC 21.07.020(f), Hillside Development, which might further restrict lot size. The following table provides example lot sizes based on various open space reservations.

(3) In no event shall any lot be less than 3,000 square feet.

(4) Bulk requirements for clustered lots are those of the district which has the closest lot sizes. For example, if an R-2 district is developed with 30 percent open space then the bulk requirements of the R-4 district apply.

(5) The bulk standards of the R-8 district apply to every lot of less than 4,500 square feet.

	Min. Req. Lot Size	20 Percent Open Space	30 Percent Open Space	50 Percent Open Space	66 Percent Open Space
R-R	5 acres	3.5 acres	2.75 acres	1.25 acres	3,000 sq. ft.
R-E	1 acre	30,492 sq. ft.	23,958 sq. ft.	16,890 sq. ft.	3,000 sq. ft.
R-1	30,000 sq. ft.	21,000 sq. ft.	16,500 sq. ft.	7,500 sq. ft.	3,000 sq. ft.
R-2	15,000 sq. ft.	10,500 sq. ft.	8,250 sq. ft.	3,750 sq. ft.	3,000 sq. ft.
R-4	7,000 sq. ft.	4,900 sq. ft.	3850 sq. ft.	3,000 sq. ft.	3,000 sq. ft.
R-5	4,000 sq. ft.	3,000 sq. ft.	3,000 sq. ft.	3,000 sq. ft.	3,000 sq. ft.

(d) At least 20 percent of a cluster development shall be open space. Unless the Director approves otherwise, public open space shall abut or provide easy access to or protect other public land, especially federal land. The applicant for cluster development shall:

(1) Offer the open space to dedicate to a local government or other entity approved by the Director. Open space in a cluster shall be offered as a dedication to the City or, at the election of the City, to a nonprofit trust or conservancy approved by the City;

(2) Convey open space to an entity to hold it in perpetuity for the owners of lots and/or the public; or

(3) Establish a conservation easement for agricultural land to be preserved in the form approved by the City Attorney.

(e) All open space shall be conveyed to, owned and maintained by an entity approved by the City. The covenants and restrictions regarding perpetual preservation and maintenance of the open space shall include provisions addressing:

- (1) Maintenance duties of the grantee;
- (2) A mechanism so that each lot owner may be assessed by the grantee; and
- (3) The power but not any duty of the City to enforce any covenant or restriction.

(f) Open space shall be provided for each phase of a development or all may be provided at the first phase. If common open space will not be provided proportionally by phase, the developer shall on the first plat identify all areas of all phases which are intended to be open space and deliver to the City Clerk a warranty deed to all such areas which will be recorded if the development is not completed.

(g) Unless the Director approves otherwise, public open space shall abut or provide easy access to or protect other public land, especially federal land. Open space design and developer constructed improvements shall:

- (1) Be linked to existing and planned public open spaces, constructed areas and trails as the Director deems possible;
- (2) Maximize access and use by residents of the cluster development; and
- (3) Provide trails, paths and walkways to recreation areas, schools, commercial areas and other public facilities.

(h) The Director may require:

- (1) Paved pedestrian paths, located in rights-of-way or easements;
- (2) Paved bicycle ways; and
- (3) Equestrian trails surfaced with softer materials such as wood chips or gravel.

(i) **Landscaping.**

(1) The perimeter of a cluster development which abuts a right-of-way shall be buffered. If the cluster development has the same zoning as the adjacent property, a perimeter enclosure in accordance with GJMC 21.06.040 may be required and/or some other form of buffering to be determined to be necessary to buffer the developed portion of the cluster from adjoining development. All, or a portion of, the open space shall be located between the clustered development and adjoining development.

(2) The project landscaping and buffer design shall be established as part of any preliminary subdivision plan approval.

(j) A cluster development project may be developed in phases. The Director may require the applicant to divide the project into phases in order to meet requirements and standards contained in these regulations. Each phase must be self-sufficient with adequate facilities and

services and contain a mix of residential uses and densities and open space, while meeting the requirements, standards and conditions applicable to the project as a whole.

(Ord. 4428, 6-14-10; Ord. 4419, 4-5-10)