

MARCH 8, 2016

**CITY OF GUNNISON COUNCIL
REGULAR SESSION MEETING MINUTES**

7:00 P.M.

The City Council Regular Session meeting was called to order at 7:00 P.M., by Mayor Hagan, with Councilors Ferguson, Drexel, Morrison and Schwartz present along with City Attorney Fogo, Interim City Manager Achen, City Clerk Davidson, Public Works Director Bradford, Finance Director Cowan, Community Development Director Westbay, Police Chief Robinson, Parks & Recreation Director Ampietro, WSCU Liaison Alejandre, many citizens and the press. A Council quorum was present.

Consent Agenda:

The listing under “CONSENT AGENDA” is a group of items, which Council has already reviewed, to be acted on with a single motion or vote. This agenda is designed to expedite the handling of limited routine matters by Council. The Mayor will ask if any Councilor or Citizen wishes to have any specific item removed from the Consent Agenda and acted upon individually.

Minutes of February 23, 2016, Regular Session Meeting

Minutes of March 1, 2016, Special Session Meeting

Action on 2016 Farmers’ Market City Event Permit Application

Action on VanTuyl Ranch Lease with Parker Pastures

Action to Appoint Councilor Morrison to Gunnison Chamber Advisory Board

Action to Appoint Councilor Schwartz to Visitors Center Oversight Committee

Mayor Hagan requested the VanTuyl Ranch Lease be removed from the Consent Agenda and considered separately under New Business. There are some wording changes that have been requested.

Councilor Ferguson moved and Councilor Drexel seconded the motion to approve the consent agenda as amended.

Roll call vote, yes: Ferguson, Drexel, Hagan, Morrison, Schwartz. So carried.

Roll call vote, no: None.

Pre-Scheduled Citizens:

Introduction of Mike Tanner with Strategic Government Resources; City Manager Recruitment Services. Mayor Hagan introduced Mike Tanner, the City Manager Recruiter with Strategic Government Resources. Council welcomed Mr. Tanner and he stated he is excited for the opportunity to work with the City.

Introduction of Eric Freson – New Chamber of Commerce Executive Director. Mayor Hagan asked the new Gunnison Chamber of Commerce Executive Director to introduce himself. Eric Freson, the new Executive Director, stood and introduced himself. Council welcomed Mr. Freson and stated they look forward to working with him.

New Business:

Action on VanTuyl Ranch Lease with Parker Pastures. Public Works Director Tex Bradford and Bill Parker came forward and addressed Council. Director Bradford stated that when Mr. Parker read the lease he wanted to make sure that both sheep and goats were allowed livestock on the property. The addition of sheep was added to the references to goats in the lease document. Councilor Schwartz asked about the elimination of keeping bee hives on the property. Director Bradford stated that the request for removal of domestic bee colonies was from Dr. Ian Billick, Director of the Rocky Mountain Biological Lab at Gothic. A virus has been detected in some bee colonies in the Valley that then affect the colonies and subsequent pollination. Mr. Parker was in agreement with the removal of the colony. It is more of a hobby than a business on the property.

Councilor Morrison moved and Councilor Ferguson seconded the motion to approve the lease between the City and Parker Pastures, as amended, for the VanTuyl Ranch Property.

Roll call vote, yes: Drexel, Hagan, Morrison, Schwartz, Ferguson. So carried.

Roll call vote, no: None.

Presentation on Proposed Gunnison Rising Metropolitan District Formation By Gunnison Rising Applicant Representatives. Dick Bratton of Gunnison Valley Properties, Kristen Bear with White Bear Ankele Tanaka & Waldron Law Firm, and Mike Anderson of Anderson Analytics introduced themselves to Council. Mr. Bratton gave a historical overview of the Gunnison Rising Annexation. The project started with 1700 acres but is now at 622 acres being considered for inclusion in the 7 metropolitan districts. Property was sold to the Colorado

Department of Parks & Wildlife for fishing access along Tomichi Creek, 18 acres was donated to Western State Colorado University Foundation, property was donated to the Gunnison Pioneer

Museum for their expansion and to the City for a dog park. The current One Valley Prosperity Project has identified the need for expanded commercial development to provide jobs, increase sales and property tax and more shopping options to attract Western State students. The Gunnison Rising project needs approximately \$8 million to install the required infrastructure for the first phase with a total of \$19 million for the entire development. The project won't go without some funding mechanism for the infrastructure. The project will create an aesthetic entrance into Gunnison. The annexation process took a very long time and a consequence was the loss of the Colorado Division of Wildlife Discovery Center and the Division Headquarters that relocated to Durango. Mr. Bratton doesn't want to see any other missed opportunities with the project.

Ms. Bear then gave an overview of Special Districts and Metropolitan Districts. Special District formation and operations are governed by Title 32 of the Colorado Revised Statutes. These districts are political subdivisions of the State, serve as a financing mechanism for public infrastructure for new or existing development, and have essential governmental powers. Districts are governed by a service plan that has to be approved by the hosting jurisdiction after a public hearing and is then voted upon by the taxpaying electors of the proposed district. Elections can be held in May of even numbered years. The Gunnison Rising Metropolitan District is looking for a May, 2016 election date. If the majority of the voters are in favor of the district, the District Judge issues an order and decree organizing the district. Metropolitan Districts can provide specific services and ongoing operation and maintenance of those services as outlined in Title 32. The District's financial powers are limited by State Statutes, the approved Service Plan and the included electors. Metropolitan Districts also are publically accountable to their members as required by Statute.

Mike Anderson of Anderson Analytics prepared the financial analysis and proposal for the Service Plan. Mr. Anderson informed Council that many municipalities have a "development pays its own way" code requirement, just as the City of Gunnison does. The financing mechanism being proposed for the Gunnison Rising Metropolitan Districts 1 – 7 is the purchase of general obligations bonds that are sold to investors after voter authorization for issuance of the bonds. The bonds are paid back via a mill levy on each property. A notice to property purchasers is required and is recorded on each property, so there are no surprises to someone purchasing a property in the district. The bond proceeds pay for the required public infrastructure. Commercial property has a higher mill levy than residential property. The proposed multiple district structure is meant to provide flexibility for the different development phasing of the property. Future district boundary adjustments are subject to City approval. The initial estimate for public infrastructure improvements in all of the districts is \$18,700,000. The initial phase infrastructure plan is estimated to cost at over \$8,000,000 for the years 2016 through 2019. The maximum mill levy in Statute is 35 mills for debt and 10 mills for operations/administration, with an aggregate limit of 45 mills. Mr. Anderson informed Council even with the issuance of the bonds, there will be a funding gap of approximately \$4,721,858. The proposed Service Plan is proposing a Development Fee of up to \$5,000 for residential and \$1.00 per square foot of non-residential property that is paid as a one-time fee. The other funding mechanism being proposed for exploration by the applicant is a PIF or Public Improvement Fee. There are several types of PIFs. It is not a governmental imposed fee but a private contract-type fee imposed on the property. The improvements must benefit the real property encumbered by the PIF. When a retail sale is made, the retailer collects the PIF like they do a sales tax. An add-on PIF is in addition to and on top of the City's current sales tax. This doesn't require the City's approval. Another type of PIF is a Credit PIF whereby the City can temporarily reduce its sales tax rate via a credit to lower the total impact on buyers in the designated district. Credit PIFs can only be imposed within a municipality and required municipal agreement with the City by the City Council. This can be viewed as an economic development tool. Retailers are required to collect and report the PIF. A recorded PIF Covenant establishes lien rights against the real property. Mr. Anderson then reviewed proposed economic impacts to Gunnison. Those benefits included: increased revenue from construction on the property; increased employment/jobs from construction; increased jobs at the new business establishments; increased sales tax to the City; increased property tax to the County and marginally to the City; increased employment opportunities for students at Western State; and increased retail availability to local citizens and to visitors to the area.

Council discussion ensued. Councilor Drexel asked about ancillary expenses to the City such as having to expand water or wastewater capacities. Dennis Minchow, with Gunnison Valley Regular

Properties, stated there should not be any impact to the City in the first 10 to 12 years of buildout. He has been working with the City Engineer on these proposed existing City infrastructure impacts.

Mayor Hagan suggested going into Executive Session to get legal advice from the City Attorney on legal matters associated with this discussion. Councilor Ferguson stated he felt there wasn't anything to discuss with the Attorney in Executive Session and Council should hold the discussion in public. City Attorney Fogo stated the first discussion is if the Service Plan is in substantial compliance with Title 32 and the Special District Section of the Municipal Code. The next discussion is Council's discussion on the proposed mill levy amounts and Public Improvement Fees – both add-on PIF and Credit PIF. Council agreed to hold the discussion in open meeting.

Councilor Ferguson stated that the Gunnison Municipal Code (GMC) allows Special Districts. Director Westbay has deemed the proposed Service Plan to be in substantial compliance. City Attorney Fogo also stated the Council-approved Gunnison Rising PUD Agreement allows for the formation of Metropolitan Districts. Section 10 of the GMC allows for up to 45 mills in a district. However what is proposed in the Service Plan is in addition to the mill levy already imposed on the property. Councilor Schwartz has concerns with the additional 45 mills on top of the existing mills. There is no room for any future property tax increase for needed items such as additional schools. He also has concerns about a Credit PIF and the cannibalization of existing sales tax from retail establishments. The data in the financial analysis seems too broad and not specific to Gunnison. Finance Director Cowan stated he has concerns as well about protection for the existing sales tax vendor's base. There needs to be more financial details regarding the PIFs. Mayor Hagan stated that Gunnison is essentially the only supply service center around. He is not sure about an increased retail center being beneficial because that retail property would just pull the business from existing sales tax revenues. There would be little economic gain. Councilor Morrison asked for more information of existing PIFs in communities that are of similar size and are stand-alone type communities. The PIF communities cited in discussion this evening are all suburban-type communities with larger retail draw areas.

Director Westbay informed Council there is a timing piece involved. Information on the Service Plan needs to be examined and acted upon by the end of March in order for the applicant to petition for a May election to the District Court.

Mr. Bratton stated they are not pushing Council on the PIF issue. That funding mechanism can be implemented later through a Service Plan Amendment Process.

Possible Action by Council Determining Gunnison Rising Metropolitan District Service Plan to be in Substantial Compliance with City's Special District Policy.

Councilor Ferguson moved and Councilor Drexel seconded the motion to determine the Gunnison Rising Metropolitan District Service Plan is in Substantial Compliance with the City's Special District Policy and to direct Staff to continue conversations with the applicants regarding the mill levy level and improvement fee funding mechanisms.

Roll call vote, yes: Hagan, Morrison, Schwartz, Ferguson, Drexel. So carried.

Roll call vote, no: None.

Action to Set Public Hearing for 7:00 P.M., March 30, 2016, on the Gunnison Rising Metropolitan District Service Plan Resolution.

Councilor Morrison moved and Councilor Schwartz seconded the motion to set a Public Hearing on the Gunnison Rising Metropolitan District Service Plan for March 30, 2016, at 7:00 P.M. in the Council Chambers of City Hall, 201 W. Virginia Avenue in Gunnison. City Attorney Fogo stated at the Special Session on March 30th, Council can then take action on a resolution approving the Service Plan, can deny the Service Plan or can remand the Plan back to the applicant for revision.

Roll call vote, yes: Morrison, Schwartz, Ferguson, Drexel, Hagan. So carried.

Roll call vote, no: None.

Discussion on Use of Downtown/CBD Sidewalks by Businesses. Mayor Hagan reminded Council he asked that this item be placed on the agenda. A downtown business has made a request to move café-type seating onto the sidewalk in front of his business this summer. Discussion ensued. Councilor Schwartz stated the City needs to look at an overall sidewalk plan. Currently, the sidewalks are hard to navigate and are cluttered. He would like to see the existing amenities currently on the sidewalk rearranged for easier clearance. Councilor Morrison stated

she spoke with a citizen who has mobility issues and the City needs to keep compliance with the American with Disabilities Act (ADA) in mind for the design. Council requested Staff to come up with some ideas and a plan for the downtown sidewalks. Councilor Schwartz challenged Council and Staff to develop a new downtown sidewalk plan no later than the 4th of July. Councilor Morrison and Mayor Hagan indicated they would help with the plan development.

Discussion and Possible Action on OC Sports Haute Route June 2016 Cycling Event. Parks & Recreation Director Dan Ampietro informed Council if the City wants to participate in the 2016 event a proposal has to be submitted on Friday, March 11. Staff is asking whether a lowball proposal be submitted instead of the funds being requested. The race isn't a true timed race like the USA Pro Challenge but rather more of a Grand Fondo event. There are some timed races if a participant wants to have that opportunity. Interim City Manager Achen stated there is no local interest group pushing this event. OC Sports hasn't done any outreach on the event, they just want the City to donate funds. Most of the participants are European racers. The event is not on a slower shoulder season but during the busiest time of the summer season. Council discussion ensued and consensus was to wait and monitor the event this year in other participating communities.

Resolutions and Ordinances: None.

Reports:

Council recessed at 9:16 P.M. for a short 5 minute break and reconvened at 9:22 P.M.

City Attorney Kathleen Fogo: Nothing further to report.

Interim City Manager Mark Achen: Interim City Manager Achen reported on the following: Council is invited to the annual employee taco lunch that will be held starting at 11:30 A.M. at the Gunnison Community Center. Manager Achen informed Council that IT Director Mike Lee had prepared a memo updating the process on the new City website and a copy was placed on their desk this evening. If Council is interested, the memo contains several websites to look at and then give their input back to Mike. The bid award should be decided at the end of the week.

City Clerk Gail Davidson: asked Council which of them will be attending the CML Annual Conference in June and did they want her to make reservations for them? Discussion ensued and the Clerk will make lodging reservations for Councilors Schwartz, Morrison and Mayor Hagan.

Parks & Recreation Director Report: Dan Ampietro – Parks Restroom Order Update. Director Ampietro informed Council he made an order in April, 2015, for five concrete restrooms from Park & Restroom Structures. In July, the City thought they had an agreement for design and delivery, so in August a \$20,000 deposit was sent. Subsequent delays occurred and delivery dates were changed by the company. The company said a January, 2016 delivery was possible but weather in Gunnison is not conducive for winter delivery of concrete restroom structures. When no contact was received from the company, Director Ampietro worked with City Attorney Fogo and a letter requesting the deposit be returned was sent to the company. City Attorney Fogo informed Council that the company isn't disputing returning the deposit but there is no action on when that will take place. Director Ampietro is asking Council for their consensus to place the order with the second lowest bidder for all of the restroom units except the large one for Legion Park and to proceed with getting them ordered and placed hopefully late summer 2016. The Legion Park restroom is still functional for this year and once the City gets the deposit returned, he would then order the Legion Park restroom for next year's placement. Discussion ensued. Council Schwartz suggested utilizing Parks & Recreation reserve funds and proceeding with the order of all of the restrooms. Once the deposit is returned, that money can be deposited back into the Park & Recreation Reserve Funds. Council consensus was to proceed with this order plan.

Western State Colorado University Student Liaison Alex Alejandre. Alex informed Council Councilor Schwartz attended a SGA meeting and discussed student involvement ideas on how to get the students more involved downtown. The students suggested more bike racks be placed.

Non-Scheduled Citizens: None.

City Council Discussion, Meeting Reports, Items for Work Session:

Councilor Schwartz: reported he attended the Student Government Association meeting as Alex noted. He also attended the Community Builders Task Force meeting. The sub-committees are

into the action planning phase. They are developing measurements for progress and are setting the expectations on each plan.

Councilor Morrison: reported she had no meetings last week but has many this week.

Mayor Hagan: reported he attended the Mayors'/Managers' meeting but there was lite attendance. He reminded Council he will not be at next week's Council Work Session meeting.

Councilor Drexel: reported he had no City-related meetings as he was out of town.

Councilor Ferguson: informed Council he too attended the Community Builders Task Force meeting and it was a very informative meeting.

Additional City Staff Reports not included on the agenda:

Community Development Director Steve Westbay reported the City purchased the "GunnisonSafeStreets" internet domain name today and web pages are being developed on the project for posting on that website.

Parks & Recreation Director Dan Ampietro informed Council the Rail Jam event has been cancelled by the applicants. The warm weather has turned the snow to slush at Jorgensen Park. He is working with the applicant to hold the event on an earlier date at Cranor next year. More permanent features can be installed for the event.

Police Chief Robinson reported there have been some noise complaints regarding semi-trucks along College Avenue north of McDonalds. The Streets Crew is going to install no parking in excess of ¾ tons along College Avenue and portions of northern Adams Street. The City is encouraging truck parking along Tomichi Avenue by Jorgensen Park. He and the City Attorney are working on addressing noise from auxiliary truck engines in the revised Nuisance Code.

Adjournment: Mayor Hagan called for any further discussion from Council, Staff or the public, and hearing none, adjourned the Regular Session meeting at 9:58 P.M.

Mayor

City Clerk