

MAY 11, 2021CITY OF GUNNISON COUNCIL
REGULAR SESSION

5:30 P.M.

The Gunnison City Council Regular Session meeting was called to order at 5:30 p.m. by Mayor Jim Gelwicks with Mayor Pro Tem Jim Miles, Councilor Boe Freeburn, Councilor Diego Plata present in Council Chambers located at 201 W. Virginia Avenue. City Manager Russ Forrest, City Clerk Erica Boucher, City Attorney Kathy Fogo, Finance Director Ben Cowan, Dr. Abel Chávez, and Chris Rourke were also in Chambers. Councilor Mallory Logan, Community Development Director Anton Sinkewich, Senior Planner Andie Ruggera, and Western Liaison Adam Engleman attended remotely. Also attending remotely were Willa Williford, the press, and presenters for the agenda items. There was a Council quorum.

Citizen Input. The Mayor called for Citizen Input twice from those in the audience and in person. No one came forward.

Council Action Items.

Consent Agenda. Mayor Gelwicks read the items on the Consent Agenda aloud. Council did not make a motion to separate any items out. Councilor Plata moved and Councilor Freeburn seconded the motion to approve the Consent Agenda as presented, with the following items: Approval of the April 20, 2021, Special Session meeting minutes; Approval of the April 27, 2021, Regular Session meeting minutes; Approval of the Multi-day Event Permit for the Farmers Market; and Approval of the Multi-day Event Permit for Sundays at Six.

Roll call, yes: Freeburn, Miles, Gelwicks, Logan, and Plata. So carried.

Roll call, no: None.

Update on Western Colorado University for Dr. Abel Chávez. Dr. Chávez, Vice President for Enrollment and Student Success, gave Council an update on Western's 2020-2021 academic year. He informed Council that the University held a successful outdoor graduation for 2020 and 2021 graduates. The University was data-driven regarding its response to COVID-19. Based on current, aggregated data applications 2021-2022, academic enrollments are up. The University is seeing an increased number of applications from first-generation and female students. Admissions, under Dr. Chávez's leadership, have used innovative and creative enrollment efforts. The Center of Environment and Sustainability was renamed the Clark School of Environment and Sustainability in recognition of Ralph "Butch" Clark. Dr. Chávez also worked with students on campus to improve safety and security. Lastly, he acknowledged the important partnership and integration between Western and the City of Gunnison. He will return to Council in the future with additional updates. Mayor Gelwicks encouraged Western students to apply for and participate on City of Gunnison Boards and Commissions, such as the Parks and Recreation Advisory Committee or the Planning and Zoning Commission. Council thanked him for the information.

Bears and Refuse Presentation. Recent MEM graduate student Cassandra Mendoza presented her thesis project to Council. For her project, she researched and developed a management plan for bear and human interaction and conflict. She shared data regarding property damage. She reported that the majority of conflicts have occurred on the west side of town near the river during the months of October and November. A conflict is defined as visible evidence that a bear was present. Ms. Mendoza shared that the majority of her research and recommendations focused on the City of Gunnison but acknowledged that bear-human conflicts occur throughout the Valley. Her recommendations included planning and policies to decrease human-bear conflicts as well as improving education. She created a dashboard at www.gunnisonconflict.squarespace.com/. The public can go to this website to report bear-human conflict and it will be updated immediately. This could be a powerful resource for the City and Colorado Parks and Wildlife to use to monitor interactions. She encouraged increased community engagement and involvement. One of her recommendations that could be successful in Gunnison was having more residents use bear-proof trashcans. Gunnison could develop a "use as you pay" program. This program would not require the bear-proof trashcan to be purchased at once, but the cost of the trashcan could be added to a customer's bill and the customer could make payments over time. This program has had success in Lake City, Colorado. The City Clerk will share Ms. Mendoza's presentation and drafted bear-human conflict management plan with Public Works, who can provide Council and Cassandra with feedback and comments up to June 15, 2021.

Resolution No. 7, Series 2021: *A Resolution of the City Council of the City of Gunnison, Colorado, Commending Adam Engleman for his Semester of Outstanding Service as the Student Liaison on the Gunnison City Council, Representing Western Colorado University from February 9, 2021 to May 11, 2021.* Councilor Freeburn introduced Resolution No. 7, Series 2021, and read it aloud in full. Councilor Freeburn moved and Councilor Miles seconded the motion to adopt Resolution No. 7, Series 2021.

Roll call, yes: Miles, Gelwicks, Logan, Plata, and Freeburn. So carried.

Roll call, no: None.

Mr. Engleman thanked Council for the resolution. He also shared that Western's President Greg Salsbury will be retiring as of June 26. An interim president will be appointed in the next couple of weeks. Western will begin the search for a new university president.

Lazy K Development Agreement with High Mountain Concepts. Local housing expert Willa Williford joined Council. City Manager Russ Forrest reminded Council that the City has received grants to create a West Gunnison Park and for the infrastructure to build residential units on the property. The City has been working to finalize an agreement with High Mountain Concepts in addition to a pro forma. The pro forma will continue to evolve as pricing for materials adjust in the market.

City Attorney Fogo reviewed the key elements of the contract. She stated that Council approved the Lazy K subdivision on April 13, 2021, and the plat creating 44 deed-restricted units and 21 free-market units and park space. She informed Council that the development agreement was divided between the workforce units and the free-market units but have been combined into one contract with approval from DOLA. One part of the contract addresses the responsibilities of the developer and City regarding the deed-restricted units and the second part of the contract addresses the responsibilities surrounding the free-market units. The City has limited infrastructure responsibility regarding the free-market units. Once the free-market units are sold to the developer, he can proceed with them as he chooses. The developer can handle the free-market lots as he desires when deed-restriction triggers are met. He can choose to do nothing with them, which frees up the City's obligation to convey them, if desired. The contract included a batch concept, which means the developer will build six deed-restricted units and then a batch of free-market units which are available for title, if desired. The deed-restricted units must be built to Certificate of Occupancy as determined by the City. The developer has the right to wait until the units are sold to build additional units and then proceed. The batch concept was included to give the developer and the City time to analyze changes in the market or housing needs. This idea is to help the City and the developer manage risk. The deed-restricted housing will hopefully be held in perpetuity as workforce housing. They will be developed, recorded, and sold as deed-restricted housing. The Gunnison Valley Regional Housing Authority (GVRHA) will review and qualify the buyers for these units. Exhibit C was presented to Council and it outlined the City's obligations. Anything not listed in Exhibit C is the responsibility of the developer. The attorney explained that people must qualify by income, employment, and lack of ownership of other residential property for deed-restricted units. The purchase cost of the units exists between 80% and 120% AMI. Residents must live there as their primary residence. Rooms can be rented out, but the house may not be used as a rental property. There is a cap on the increased value of the homes and there is a limit on what can be done to the house in order to maintain quality housing, and not resell at a price outside of the AMI. GVRHA would be involved in the sale and resale of these homes. Councilor Logan noted that GVRHA is tightening up the oversight of the sold deed-restricted units. One small difference between the 80% and 120% AMI units is that the developer could rent out the 120% AMI units if they cannot be sold within 90 days of the Certificate of Occupancy being issued. City Manager Forrest mentioned that local employees are already interested in purchasing free-market units for their employers. The City will have the right to purchase a free-market unit or a 120% AMI unit before it is offered to the public.

Discussion occurred about holding the deed-restricted units in perpetuity. If a deed-restricted unit is foreclosed upon it can lose its deed-restriction. To avoid that, the City of Gunnison would have to buy the property, otherwise the bank could take the unit and remove all restrictions, making it a free-market unit. Willa Williford shared that the GVRHA established a fund during COVID to assist people with their mortgage struggles living in deed-restricted units, if needed. At this time, nothing has been drawn down on the account.

This contract with the developer does not include a completion date, but the date to close out the DOLA grant for infrastructure is April 2023, which staff was informed of on May 11, 2021. The

developer holds the right to receive the free-market units with no current expiration date. The outside subsidy costs per unit is at least \$38,000.

The majority of costs listed in Exhibit C came from the hard bids and included pricing for general conditions for parking, roadways, the drainage, water, sewer, additional utilities, Bacon-Davis requirements, the water line in Phase 3 to make it a developable lot, and the sidewalk on Tomichi Avenue. Those costs add up to about \$1.4 million dollars. The majority of these expenses will be paid for by the forthcoming DOLA infrastructure grant. The City has become aware of some additional expenses related to the project, such as survey work, construction management fees from SGM, and soft cost contributions from the developer to ensure fairness between High Mountain Concepts and the City. To save on some additional expenses, the City has negotiated a share of the bonding and letter of credit costs with the developer. The City would set up a secure, restricted account for the project, with the developer's money, for financial security to complete the project. This would also save the developer about \$150,000 in carrying costs. Mrs. Williford shared a more detailed spreadsheet with Council showing them when funding comes in and at what time. The Finance Director and City Manager also reviewed the City's enterprise funds related to the project. As of today, the City requires about \$235,000 to keep the project moving forward. The City is recommending that Council allocate \$300,000 from its Strategic Priorities Fund for this project to keep it going because likely additional expenses will occur prior to completion. If anything changes substantially, staff would return to Council with an update. The large sources of funding for this project are the DOLA grant, Valley Housing Fund, tap fees, and the City of Gunnison.

A discussion occurred about the DOLA possibly not coming through as expected. Two weeks ago, everything looked to be on track, but on April 27, 2021, different representatives than the one staff member who had been working with the City on the project said the contract would not be ready to execute until mid-July. Staff immediately addressed this change in the contract readiness date and is currently reviewing a draft of the contract that DOLA sent over. To have flexibility to sign the DOLA as soon as it is ready, the City Manager wanted to get written communication from DOLA that everything is in order and then he can sign the contract in order for DOLA to release the funds. If the DOLA grant is not awarded then the housing portion of this project would need to be completely reworked. The federal requirements connected to DOLA make this a more challenging process. Kathy Fogo, Andie Ruggera, and Willa Williford are reviewing and returning comments to DOLA on the contract as soon as possible. One other point of concern was for the developer to be able to hold his pricing for materials and lumber.

Councilor Plata moved and Councilor Freeburn seconded the motion to authorize the City Manager to negotiate the Lazy K Development Contract that will be sustainably consistent with the attached contract and execute that contract upon written confirmation from DOLA that the contract for the Lazy K grant will be approved.

Roll call, yes: Gelwicks, Logan, Plata, Freeburn, and Miles. So carried.

Roll call, no: None.

Councilor Plata clarified with the City Manager that the \$300,000 from the Strategic Fund is not to exceed this amount, as the current amount needed at this time is \$235,000. Mr. Forrest confirmed that \$300,000 should not exceed this amount since the likelihood of the City needing a little more than \$235,000 for unknown expenses is possible based on his experience with previous housing projects. Finance Director Cowan confirmed that Council has this money available in their Strategic Reserves and more funding remains in the fund. It is good to have a little additional money available to keep the project moving forward and on track.

Councilor Plata moved and Councilor Freeburn seconded the motion to allocate \$300,000 from the City Council Strategic Fund to support the costs identified in Exhibit C of the Lazy K contract with the Lazy K Development.

Roll call, yes: Logan, Plata, Freeburn, Miles, and Gelwicks. So carried.

Roll call, no: None.

The approximate value of waiving the building permit fee for the deed-restricted units is \$144,000. Councilor Plata moved and Councilor Freeburn seconded the motion to waive the building permit fee for the deed-restricted units at the Lazy K project.

Roll call, yes: Plata, Freeburn, Miles, Gelwicks, and Logan. So carried.

Roll call, no: None.

Council went into recess at 7:08 p.m. and returned to the Regular Session at 7:16 p.m.

Award Contract to J-U-B Engineers for Ohio Avenue Safe Routes to School. Public Works Director David Gardner noted that this project has come a long way and is ready for a final design that meets CDOT's standards. The City put out an RFP and received eight engineer bids in return. The department was unable to successfully come to terms on price with the top ranked firm but was able to do so with the second ranked firm, J-U-B Engineers. J-U-B was also ranked highly and did previous good work for the City on the Safe Routes to School project. The contract for J-U-B to perform engineering services is \$245,042. The City has received two grants for this project. The Multimodal Options Fund Grant awarded by the Gunnison Valley Transportation Planning Region was for \$393,750. This grant is a 50/50 match from the State of Colorado. It will be matched with funds from the Recreation Improvement Fund. Additionally, staff applied for and received a Safe Routes to School grant in the amount of \$733,500. This federal grant requires a 20% match. Funding for that match will come from the state MMOF funds. The total project will cost about \$1.5 million. Director Gardner suggested paying for \$122,500 from the Multi-modal Options Fund grant and \$122,500 from the Recreation Improvement Fund for the total J-U-B contract of \$245,042. City Manager Forrest informed Council that staff did speak with PRAC on this project, which was a result of the Gunnison Vibrancy Initiative. An outcome of COVID-19 has been a motivation to create roads, which have multi-modal transportation features. This work on Ohio Avenue will also help continue to develop a safer crossing across HWY 135 at Ohio Avenue to the west side of town. This work would also include a flashing beacon for pedestrians to use when crossing the highway. The City would like to continue progress on this project to reach Spruce Street from Colorado Street and connect to the recently completed Safe Routes to School. Staff would also like to apply for a grant to install a sidewalk down to 11th Street and reach the community schools. City Manager Forrest stated that two of the PRAC members were apprehensive about using this fund for this type of trail. Those individuals would prefer to use the money for a dirt or soft trail. A few other members asked why this design work was occurring now when this project has been dormant for a while. Mr. Forrest explained that the available grant funds on this project moved it up the priority list. PRAC gave no specific recommendation or objection on the use of funds. The speed limit to still be 25 mph on this street, but there will be a lane protecting pedestrians from vehicles.

Councilor Freeburn moved and Councilor Plata seconded the motion to authorize the award and to enter into a contract with J-U-B to perform engineering services for the Ohio Avenue project in the amount not to exceed \$245,042 with \$122,500 from the MMOF and \$122,500 coming from the City of Gunnison Recreation Improvements Fund.

Roll call, yes: Freeburn, Miles, Gelwicks, Logan, and Plata. So carried.

Roll call, no: None.

Public Works Director Gardner explained to Council that staff has the opportunity to apply for a large construction grant through CDOT, up to \$2 million. The grant does not require a financial match, even though a match would make an application more competitive. Director Gardner requested direction from Council to proceed with applying for the grant with no matching funds. The City does not have funds available to put in for a match. The application is due May 14, 2021. Council directed staff to proceed with the CDOT grant application without a match.

Palisades Sidewalk Discussion. Public Works Director Gardner reminded Council that there was an error in the bid for the Palisades Streets Improvement project resulting in \$467,167 being available for the add-alternate, which would be ADA sidewalks and curbs throughout the Palisades neighborhood. Staff sent out a very short survey to residents and property owners with email addresses on file in the neighborhood who would be directly impacted by the installation of sidewalks. Staff received 37 responses, in addition to a few who responded as "don't know" or "neutral." Of the others who responded, it was a nearly 50/50 split between those in support of sidewalks and those opposed to sidewalks. A few residents responded that they would prefer an irrigation ditch to a sidewalk. Director Gardner recommended not doing the sidewalks because the project would nearly exhaust the streets improvements budget. Council expressed support of sidewalks in general but acknowledged the cost to do them and the possible impact that it would have on other improvement projects in the near future. Council members summarized conversations they had with residents in the neighborhood and reported that they heard similar feedback to the survey results and comments. Director Gardner shared other ways that funding could be used for project across the City. Council engaged in a thoughtful discussion about sidewalks and suggested other options, such as only having a sidewalk on one side of the street. Many of the suggestions were not feasible. Council, recognizing limited resources in the streets

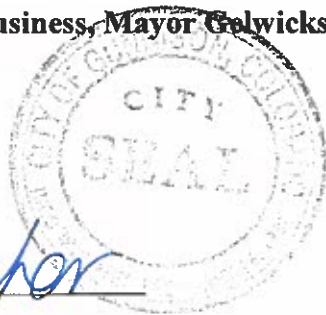
improvement budget, opted not to install sidewalks in the Palisades neighborhood as part of the street improvement project to be conducted in 2022.

COVID-19 Update and Recovery. Gunnison County continues to be focused on reaching the goal of getting 10,000 residents vaccinated. Over 8,800 people have been fully vaccinated in Gunnison County. The State vaccination bus will be coming to Gunnison soon to give first shots and return three weeks later to give a second Moderna or Pfizer shot. COVID-19 restrictions may be relaxed around Memorial Day. The City could lift the Emergency Declaration at the first Council meeting in July once the current Public Health Orders sunset.

Council and staff gave brief reports.

With no further business, Mayor Gelwicks adjourned the Regular Session at 8:08 p.m.


City Clerk




Jim Gelwicks, Mayor