

GUNNISON CITY COUNCIL

January 24, 2023

REGULAR SESSION

5:30 P.M.

The Gunnison City Council Regular Session meeting was called to order on Tuesday, January 24, 2023, at 5:30 p.m. by Mayor Diego Plata in Council Chambers, located at 201 W. Virginia Avenue in Gunnison, Colorado. Present in Council Chambers were Mayor Plata, Mayor Pro Tem Logan, Councilor Freeburn, Councilor Miles, Councilor Gelwicks, City Attorney Kathy Fogo, Acting City Manager/Finance Director Ben Cowan, City Clerk Erica Boucher, and Western Liaison KC Wenzel. The City's GIS Technician Lisa Starkebaum was present in Chambers. Members of the public attended in-person and online. The press was present. A Council quorum was present.

Public Input. Mayor Plata called for comments from members of the audience in Chambers and from those attending remotely. No one came forward.

Council Action Items. Consent Agenda. Councilor Miles moved and Mayor Pro Tem Logan seconded the motion to approve the Consent Agenda with the following two items: Approval of the January 10, 2023, Regular Session Meeting minutes and approval of the January 10, 2023, Special Session Meeting minutes.

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

Roll call, no: None.

Ordinance No. 1, Series 2023, Second Reading: *An Ordinance of the City Council of the City of Gunnison, Colorado, Amending Title 3 Finance, Chapter 3.10 to Establish an Exemption for Charitable and Certain Small Sales.* Mayor Pro Tem Logan introduced Ordinance No. 1, Series 2023, and read it aloud by title only. Mayor Pro Tem Logan moved and Councilor Miles seconded the motion to pass and adopt Ordinance No. 1, Series 2023, on second reading.

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

Roll call, no: None.

Resolution No. 3, Series 2023: *A Resolution of the City Council of the City of Gunnison, Colorado, Authorizing Staff to Submit a Grant Application to the Division of Transportation for a RAISE Grant to Fund the Design and Construction of Phase 2 of the Ohio Avenue Multimodal Project, From Wisconsin Street To 11th Street.* Mayor Pro Tem Logan introduced Resolution No. 3, Series 2023, and read it aloud by title only. Mayor Pro Tem Logan moved and Councilor Gelwicks seconded the motion to adopt Resolution No. 3, Series 2023.

Gunnison's GIS technician Lisa Starkebaum approached Council and explained that this grant would go towards funding phase 2 of the Ohio Avenue Multimodal Project. Funding for Phase 1 has already been secured and the intention is for the project to complete construction to Wisconsin Street, depending on material costs. This grant proposal asks for funding for an additional four to six blocks, which would take the project to 11th Street. This phase of the project would go out for bid in 2024. Construction costs per block could be near \$430,000. The City will be rebidding the first phase of the project with add alternates in February 2023 to get the work completed to Wisconsin or Spruce Street. The City is optimistic about its chances to receive the RAISE grant because the project scores high when measured against the grant rubric.

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

Roll call, no: None.

Contract Amendment for Lazy K Development. Lazy K developer, John Stock of Lazy K Development LLC, entered Council Chambers at 5:37 p.m. Acting City Manager Cowan started the agenda item by displaying an image of the proposed properties under discussion. At the time of this meeting, all of the 80% AMIs have been sold or are under contract. There are no 80% AMIs available at this time. There are four 120% AMI units available for sale, but high interest rates have made them difficult to sell. There is more buyer interest in the 80% AMIs units. Mr. Stock proposed switching the 140% AMI units to 80% AMI in order to align with the current real estate market and demand. The number of deed-restricted units as required by the DOLA infrastructure grant will remain unchanged. The proposed changes are as follows: Lot 15A and 15E switch from 140% AMI to 80% AMI, since there are more 80% AMI buyers than 140% AMI buyers. The "freed up" 120% AMI units move to units A and B in the restaurant, which will be ready by fall. There are still two units available at 120% AMI, in case a buyer comes along at that income level.

Lots 21 and 22 - the "A" - front units - become free market, and the "freed up" 140% AMI units go to lot 26. John Stock of Lazy K Development, LLC came before Council. He explained that more people are interested in and may be able to purchase the 80% AMI units. The two 140% AMI units are available for occupancy now; therefore, the switch would result in the 140% AMI units becoming available now as 80% AMI units. The other two units on Gunnison Avenue could be available for master leases with Western Colorado University in a fairly short timeframe. The developer received consensus from employers that it would be more favorable to purchase an entire duplex rather than two separate halves of a duplex. This proposed trade of units would help the City and developer get closer to fulfilling the DOLA grant requirements, which must be completed by October 31, 2023. This would also help blend income levels together. The size of the units under discussion are very comparable. The overall number of 140% AMIs and 80% AMI units do not change, but just redefines what units they are. There will still be 44 deed-restricted units.

Discussion occurred about whether the units ready for sale would have to go through another lottery. Staff is asking DOLA if a lottery is required. After this, the next round of units, the four duplexes/six units, would be subject to a lottery. If a lottery is needed for the 80% AMIs, it needs to happen immediately. The intention is for phase 2 of the build-out to be completed by the end of the summer. Mr. Stock shared some of the material struggles they have had over the last eight months. The unit exchange between 15A and 15E is an administrative change. The exchange between Lots 21, 22, and 26 requires a contract change because they were identified as free market in the original contracts.

Council expressed appreciation for the developer's willingness to be flexible and creative to meet the needs of the market. Mr. Stock shared that this private-public partnership has overall gone quite well. Mayor Pro Tem Logan moved and Councilor Miles seconded the motion to authorize an amendment to the contract to change the designated restricted lots, Lots 21, 22, and 26, between the City of Gunnison and Lazy K Development, LLC.

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

Roll call, no: None.

Mayor Pro Tem Logan moved and Councilor Miles seconded the motion to authorize the City Manager to sign the amended contract once drafted and reviewed by the City Attorney.

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



Roll call, no: None.

Staff and Council gave brief reports. Acting City Manager shared some ideas on how the City can best move forward with financing and funding of the water treatment plant and the storage tanks. Bids for the performance contract will go out February 3, 2023. It was mentioned that the RTA is discussing a transit station in Gunnison and may want to discuss having a partnership with the City.

With no further business, Mayor Plata adjourned the Regular Session meeting at 6:15 p.m.



Mayor

ATTEST:

SEAL:


Clerk