

October 25, 2022

CITY OF GUNNISON COUNCIL  
REGULAR SESSION

5:30 P.M.

The Gunnison City Council Regular Session meeting was called to order on Tuesday, October 25, 2022, at 5:33 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, Finance Director Ben Cowan, City Clerk Erica Boucher, and Western Liaison KC Wenzel. Community Development Director Anton Sinkewich, Building Official Eric Jansen, Electric Superintendent Will Dowis, Public Works Director David Gardner, and Information Technology Director Mike Lee were present in Chambers. City Manager Russ Forrest attended the meeting remotely. Members of the public attended in-person and online. The press was present. A Council quorum was present.

Staff experienced technological difficulties at the beginning of the meeting which did not allow the participants in Council Chambers to hear City Manager Russ Forrest who was attending via Zoom.

**Public Input.** Mayor Plata called for comments from members of the audience in Chambers and from those attending remotely. TJ Taylor came forward and introduced himself as the new manager at the ICELab. He shared some of his academic and professional background with Council. He described his experience in Public Relations and Marketing. He stated that he is excited to bring those skills to the manager position at the ICELab. Council thanked Mr. Taylor.

**Council Action Items**

**Approval of the October 11, 2022, Regular Session Meeting minutes.** Mayor Pro Tem Logan moved and Councilor Miles seconded the motion to approve the October 11, 2022, Regular Session Meeting minutes.

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

Roll call, no: None.

**Appointment of Zoning Board of Adjustments and Appeals Member.** City Clerk Boucher asked Zoning Board of Adjustments and Appeals (ZBOAA) applicant Loren Ahonen to come before Council. City Clerk Boucher reminded Council that one seat was still available on the ZBOAA. Mr. Ahonen expressed his interest in the Board in writing just after the October 11, Regular Session meeting. At the podium, Mr. Ahonen shared his professional background with Council and stated his interest in serving on the Board. He is willing to learn for the appointment and does not have concerns about the Board's meeting schedule.

Councilor Miles moved and Councilor Freeburn seconded the motion to appoint Loren Ahonen to the Zoning Board of Adjustments and Appeals for a term ending May 26, 2024.

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

Roll call, no: None.

**Ordinance No. 9, Series 2022, First Reading:** *An Ordinance of the City Council of the City of Gunnison Repealing and Re-Enacting Chapter 14, Technical Codes, Articles 1 Through 5, of the City Code of the City of Gunnison, and Adopting by Reference the 2021 Editions of the International Building Code, International Residential Code, International Existing Building Code, International Energy Conservation Code, International Mechanical Code, International Fuel Gas Code, International Fire Code, International Property Maintenance Code And International Wildland-Urban Interface Code and Establishing the Penalty for the Violation Thereof.* Councilor Freeburn introduced Ordinance No. 9, Series 2022, and read it aloud by title only. Councilor Freeburn moved and Councilor Miles seconded the motion to pass and ordered to publish Ordinance No. 9, Series 2022, on first reading.

Mayor Pro Tem Logan acknowledged that Council received many comments on both sides of this topic. There was Council support for not mandating additional electrical requirements at this time in order to provide more time for the City's electrical grid to be built further out and the need to complete some of the City's in-progress capital infrastructure projects. The International Code Council (ICC) publishes new editions every three years. Adopting new editions every three years, rather than every six years as currently done, has possible benefits but is not necessary. Council suggested that staff provide them with a summary report of amendments and changes every three years to determine if action should be taken. This adoption includes the addition of the Wildland-Urban Interface Code. The Code currently requires units in multi-family structures to each have

their own electric meter so individual residents can monitor their own use and be responsible for their use and payments.

It was suggested that roofs on new units have enough open space so that if the resident or developer wanted to install solar panels in the future they would have the space to do so without having to redo piping or venting work. Discussion ensued regarding electrification requirements. Council stated that they are not requiring the inclusion of “electric-ready” appendices in this version of the Building Codes.

The connection to Zoom was disconnected at 6:04 p.m. and Council went into recess. The Zoom connection was re-established and the meeting returned to Regular Session at 6:11 p.m. No topic discussion took place off line.

Building Official Jansen stated that he will put the Solar-Ready Provision Appendix back into Ordinance No. 9, Series 2022, and it will become enforceable. He clarified that the Solar-Ready Provision does not require people to have solar panels, but it provides the pathways for the installation of solar panels in the future. The main expense of adopting the Solar-Ready provision would come from the cost of additional conduit or piece of PVC to connect to the distribution system. There may be cost in the design phase to ensure that there is adequate roof space to install enough solar panels to supply the house with its needs.

Public Works Director David Gardner explained to Council that the North Substation, which will supply power to Gunnison Rising, was designed based on 50% gas and 50% electric. It would be difficult to convert the transformer to function all-electric. If all-electric was required for Gunnison Rising, the transformer would become overloaded to the point that if enough power could be generated then the transformer could not support a full build-out of the development over the next 30 years. Council is not seeking to mandate all-electric in Gunnison Rising. The Electric Department is working on distribution circuits to provide for more development in West Gunnison. Going all-electric is not a mandate for developments in Gunnison Rising or West Gunnison, but people could opt to do so if they choose. The City Manager suggested that staff ask the City’s electric engineering consultants what it would take to have full electrification in Gunnison Rising in the future regarding costs, equipment, and improvements. The Code currently includes Solar Access Standards. Council came to the agreement to include the Solar-Ready Provision Appendix in the Building Codes. Council directed staff to amend the ordinance to include the Solar-Ready Provision appendix. Council moved and seconded the motion as amended to include the Solar Ready Provision appendix.

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

Roll call, no: None.

**Speartip Cyber Counterintelligence Contract.** Information Technology Director Mike Lee came before Council. He explained that the City has been using cyber technology and the security operations of Speartip for the last year. Security-as-a-Service is the purchase of services where Speartip operates a Security Operations Center (SOC). The SOC monitors all activity on the endpoints that have the software installed and on traffic going through the firewall. They monitor for any suspicious activity that may be malicious. The SOC stores the data for 30 days to allow searching for activity that has affected other entities. Speartip has been a benefit to the City and has enhanced the City’s protection against cyber threats. Mr. Lee asked for approval from Council to authorize a three-year contract with Speartip. The agreement does include a clause that would allow the City to end the contract if no appropriation was granted in year two or three. The cost for service is \$2,550.00 per month with a 3-year agreement. He recommended that the City continue to use the service based on the services abilities and results over the previous year. Councilor Gelwicks moved and Councilor Freeburn seconded the motion to authorize the City Manager to execute a quote with Speartip for three years for SOC-as-a-Service for a term starting November 2022 and ending in November 2025.

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

Roll call, no: None.

**404 Rio Grande Restrictive Covenants Permission Letter.** Community Development Director Anton Sinkewich came before Council and stated that this request was similar to Council’s approval in 2019 for the same property owner and the same buyer. It is a request for a transfer of title on the property owner by Larry Sunderlin and the Sharon A. Sunderlin Grandchildren’s Trust.

The Restrictive Conveyance was created to protect portions of the vacated Spruce Street south of the Fairgrounds and the alleys that contain City utilities. It is required that the City provide written permission of the transfer of title for this portion of the mobile home park to be sold to Braden Burton (Purpose Backed Ventures, LLC). Mr. Sunderlin had no additional comments. Mr. Burton stated that the intention is to continue with the property in the same usage and that there are no planned changes to the vacated alleys. There are no utilities in the alleys, but there are a few in Spruce Street right-of-ways. The City will retain access to the easements.

Mayor Pro Tem moved and Councilor Miles seconded the motion authorizing the Mayor to sign the letter granting permission to Larry Sunderlin and Sharon A. Sunderlin Grandchildren's Trust to convey ownership of property within the Rio Grande Additional to Purpose Backed Ventures, LLC or Rio Grande Community, LLC.

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

Roll call, no: None.

**Research on Urban Renewal Authority and Vacant Lot Tax.** At the August 9<sup>th</sup> Regular Session meeting, Council asked for more information about how to address abandoned and/or uninhabitable structures within the City limits to make them usable or to benefit the economy or housing issues. City Manager Russ Forrest presented information on Urban Renewal Authority (URA) which is used to create an Urban Renewal District (URD) to help Council determine if they were interested in learning more about them and could they be used in Gunnison. Staff is not making any recommendations, but only sharing information about URAs and the concept of a Vacant Lot Tax. The Urban Renewal Process is authorized under Colorado Law to enable municipalities to address "blighted" areas and has Tax Increment Financing (TIF), a tool to finance public improvements to redevelop or improve blighted areas. State Statute regulates the two types of Authorities. One is an Urban Renewal Authority (URA) and the second one is a Downtown Development Authority. This presentation primarily focused on URAs. Projects that are addressed through an URA include but are not limited to rehabilitating housing for affordable or market rate projects, improving public infrastructure, creating community and public amenities, revitalizing rundown or blighted areas, and to condemn areas of blight or to help address economic development goals. Through a URA, a municipality can take control of a condemned property. The definition of "blighted area" means: an area that, in its present condition and use, by reason of the presence of at least four factors out of 12 different criteria, if there is no property owner consent. Examples of criteria that need to be met are unsanitary or unsafe conditions, unusual topography, or inadequate public improvements or utilities.

Next, City Manager Forrest introduced and explained Tax Increment Financing (TIF) to Council, which is a tool that can be used with an URA. TIF can generate revenue without having to create a new tax. In using TIF, the base value of property is frozen once a plan for redevelopment is adopted by Council. Then the taxing entity would continue to receive the property tax revenue it historically received and the increased taxed value because of growth. The URA receives the monetary difference between the original tax assessment and the incremental growth of all of the taxing districts to be invested in the property for redevelopment. Sales tax can also be used through TIF, but must be used carefully so it doesn't impede other City services. A URA could be applicable to the whole community and an Urban Renewal District (URD) applies to a specific geographic area in the community. If using a TIF to generate revenue, the larger the area the better, and the inclusion of commercial areas is helpful to create significant funding with a TIF. Each URD must have its own redevelopment plan. It is often necessary to hire a consultant to develop a URA and UDA. A URA can be created by a City Council. The governing body of a URA includes 10 city representatives appointed by the Mayor, one representative from the County, one representative from the School District, and one from the special districts who would represent all of the special districts. Before making any decisions, Council needs to further evaluate if TIF is the right tool, then consider the costs to determine if a URA is the best course of action. If so, then the Authority needs to be created, followed by the creation of the District, a redevelopment plan approved for an identified area. After 25 years the amount of money collected using the TIF must be spent. Issuing bonds typically comes into play when using TIF. The City Manager highlighted a few cons and pros for using TIFs.

The discussion transitioned to the idea of a Vacant Lot Tax which was presented by Community Development Director Anton Sinkewich. Based on Mr. Sinkewich's research, he explained that for most of the communities the intent of the tax was to collect an additional tax on unoccupied homes to address local housing needs. Some communities also included an annual tax amount on

vacant commercial properties/storefront and abandoned properties to encourage owners to renovate and occupy the unit or sell the property to reduce blight in the area. Staff shared that this option would be best used to address uninhabited nuisance properties specifically. In the communities where a Vacant Lot Tax was in effect, it went to the ballot and was approved by the voters. Discussion occurred on what criteria would need to be met for the property to be taxed or tax exemptions allowed. Finance Director Cowan mentioned an Availability of Service fee that could be charged in a geographic location on properties that are not connected to utilities in order to encourage owners to utilize the property appropriately or sell the property. Owners would be paying for utility services that are/would be available for use. Using this option would not require a ballot initiative. Council directed staff to continue researching and learning about URAs, TIFs, and Vacant Lot Taxes.

**Resolution No. 23, Series 2022:** *A Resolution of the City Council of the City of Gunnison, Colorado, Rescheduling the November 22, 2022, Regular Session Meeting to November 15, 2022.* Mayor Pro Tem Logan introduced Resolution No. 23, Series 2022, and read it aloud by title only. Mayor Pro Tem Logan moved and Councilor Gelwicks seconded the motion to adopt Resolution No. 23, Series 2022.

Mayor Pro Tem Logan stated that she will be out of town on Tuesday, November 15.  
 Roll call, yes: Freeburn, Miles, Plata, Logan, and Gelwicks. So carried.  
 Roll call, no: None.

**Resolution No. 24, Series 2022:** *A Resolution of the City Council of the City of Gunnison, Colorado, Taking a Position of Advocacy Regarding State Proposition 123 in the November 8, 2022, General Election.* Mayor Pro Tem Logan introduced Resolution No. 24, Series 2022, and read it aloud by title only. Mayor Pro Tem Logan moved and Councilor Freeburn seconded the motion to adopt Resolution No. 24, Series 2022.

Roll call, yes: Miles, Plata, Logan, Gelwicks, and Freeburn. So carried.  
 Roll call, no: None.

**Resolution No. 25, Series 2022:** *A Resolution of the City Council of the City of Gunnison, Colorado, Commending Russell Forrest for His Service to the City of Gunnison From August 29, 2016, through October 31, 2022.* Mayor Pro Tem Logan introduced Resolution No. 25, Series 2022. Mayor Plata read Resolution No. 25, Series 2022, in full. Mayor Pro Tem Logan moved and Councilor Miles seconded the motion to adopt Resolution No. 25, Series 2022.

Roll call, yes: Plata, Logan, Gelwicks, Freeburn, and Miles. So carried.  
 Roll call, no: None.

City Manager Russ Forrest thanked Council and staff. He stated it was an honor to serve City Manager for the City of Gunnison.

**Council went into recess at 7:30 p.m. and returned to the Regular Session at 7:35 p.m.**

**Public Works Semi-Annual Report.** Public Works Director David Gardner came before Council to present Public Works' semi-annual report. The report focused on the previous six months. Highlights from the department included: work on the streets ballot initiative, completion of utility construction at Lazy K, completion of street reconstruction in the Palisades, redesign of Georgia Avenue, and the involvement with multiple agencies throughout the valley on diverse projects. The Enterprise Departments have also been busy. The City's new sewer and water SCADA systems are state-of-the art. Well #7 went through rehabilitation. The Wastewater Treatment Plant is meeting all state certifications. The Department with assistance from the City's water attorney legally changed the priority date of the Town Pipeline from 1941 to 1882 (pre-compact). Public Works continues to actively pursue grants as appropriate. The Electric Department has about 85% of the new expansion for the North Substation completed and the joint airport solar project is nearing completion. Installation of switches in the Distribution System will help balance electric load and help prepare the City for EV charging stations. Streets and alleys have completed slurry sealing and asphalt patching among other maintenance work and maintaining daily operations. Electric Recycling is now being done by Sustainable CB. A brief discussion occurred about the next Hazardous Waste Removal and the City Clean-Up days, streets lights in the City, and a hard surface path near Tomichi and Gunnison on 3<sup>rd</sup> Street for residents of the Assisted Living Center. Council thanked Director Gardner for his and his team's work throughout the year.

**Firemen's Pension Board Semi-Annual Report.** Finance Director Cowan stated that the inclusion of the Firemen's Pension Fund Report in Council's packet meets the organization's by-

law requirements. There are no real changes, but he noted that declining interest rates have led to the value of the Pension Fund declining as well. The intention is to maintain status quo at this time. Since the beginning of the Fund there has been just under 6% growth. The current decline is a result of the market and not additional expenditures.

**Staff and Council gave brief reports.** City Manager Russ Forrest thanked Council again for their support of him in the position of City Manager. The three easements with Western will be completed soon. Gunnison Rising continues trouble-shooting utility issues.

**With no additional business before Council, Mayor Plata adjourned the meeting at 8:07 p.m.**

Attest:

E. Boucher

City Clerk



[Signature]

Mayor