City of Greeley, Colorado

CITY COUNCIL WORK SESSION

February 25, 2025

1. **Call to Order**
   Mayor Gates called the meeting to order at 6 p.m. in the City Council Chambers at 1001 11th Ave, Greeley, Colorado, with hybrid participation available via the City's Zoom platform.

2. **Pledge of Allegiance**
   Mayor Gates led the Pledge of Allegiance.

3. **Roll Call**
   Heid Leatherwood, City Clerk called the roll.
   The following were present:

   Councilmember Tommy Butler
   Councilmember Deb DeBoutez
   Mayor Pro Tem Dale Hall
   Councilmember Brett Payton
   Councilmember Johnny Olson
   Councilmember Melissa McDonald
   Mayor John Gates

4. **Reports from Mayor and Councilmembers**
   Councilmember McDonald attended the Youth Commission meeting and reported that the 2025 National Youth Day Service Award nominations were open. She noted that the Youth Commission was very excited and wants to start meeting twice a month. She attended the Northern Colorado Leadership meeting on behalf of Mayor Gates.

   Councilmember Butler attended a Habitat for Humanity house dedication and the Weld County Commission meeting discussing the downtown court buildings.

   Councilmember Olson asked if it were possible to receive a presentation from the County on the downtown court buildings. Mr. Lee confirmed that a presentation was forthcoming in March.

5. **Initiative 1 - 2025 - Build to Rent Housing Trend**
   Housing Director, Deb Callies, and Community Development Director, Brian McBroom, presented this item at 6:05 p.m.

   Mr. McBroom and Ms. Callies provided information on the Build-to-Rent (BTR) housing market in response to a Council initiative in January. BTR is a new housing development style where homes are built to be rented at market rates instead of sold. She discussed the affordability spectrum based on Area Median Income (AMI), noting that affordable housing is typically for households at 30-80% AMI. BTR developments fall into the 55%-90% AMI range, making them an affordable option for residents.

Ms. Callies highlighted the benefits of BTR, including long-term rental opportunities with community designs and amenities, and no need for down payments or interest rates. Mr. McBroom further discussed various housing styles and the hybrid nature of BTR developments, which combine elements of single-family and multi-family homes. He also shared examples of BTR projects in Colorado and noted that Greeley is considering more BTR projects, with another slated for discussion in March.

Councilmember Olson supported homeownership but preferred BTR developments over traditional apartment complexes, believing they were similar in nature. Mr. Lee explained that, unlike BTR developments, Journey Homes' rental properties are sold and then turned into rentals by the owners.

Mayor Pro Tem Hall raised the possibility of allowing smaller BTR developments in infill projects on vacant lots.

Councilmembers discussed ways to incentivize builders to make these BTR developments convertible to ownership, suggesting this could be a more affordable option for first-time homebuyers or rent-to-own opportunities. Concerns about construction defects and legislation to address such issues were also raised. Ms. Callies pointed out that BTR developers already have a clear understanding of their revenue over time.

Councilmember DeBoutez spoke about the lack of green space in these developments.

Councilmember Butler had reservations about the potential impact on the housing market but supported finding ways to transition these projects to homeownership.

Councilmember McDonald supported the concept, noting the appeal for younger families who may not be able to afford a down payment but still want to enjoy a community feel in smaller homes. She believed many younger people prefer renting over being tied down by homeownership due to financial constraints.

Mayor Gates expressed support for the BTR model but emphasized the need to ensure such developments don't dominate the community.

Mayor Gates thanked staff for the information.

6. **General Improvement District Overview**
Community Development Director, Brian McBroom, presented this item at 6:38 p.m.

Mr. McBroom provided an in-depth explanation of the General Improvement District (GID) as part of the financial model for the West Greeley Project, aiming to clarify its role in supporting the City's economic development goals. GID funds would support essential infrastructure like water, sewer, and other utilities for the project, which are also needed for future developments in the area.

A GID is a local taxing entity that funds specific public improvements within a district, with the City Council acting as the governing board. It can generate revenue through property taxes, special assessments, and other fees, and can finance improvements through various bonds.

Mr. McBroom explained that a GID functions similarly to a metro district, helping large infrastructure projects fund themselves without relying on the general fund. Future GIDs are anticipated for East Greeley and North along the river. Mr. McBroom concluded by noting that the GID would be part of negotiations with the Water Valley Company and would be incorporated into the financial model, with a petition and ordinance to come before the City Council after the pre-development services agreement was approved.

Councilmember DeBoutez asked about tax generation during the initial phases of the project. Mr. Lee said the key to the GID was the geographic size and negotiating the radius of it. It could encompass some properties that are already developed, and the infrastructure would be an incentive for other properties to join.

Councilmember Butler asked if they knew what the mill levy would be. Ms. Portis responded that the current model was aimed at 10 for debt and 2 for operations and maintenance for a total of 12.

Councilmember Butler said that would be in addition to a probably metro district and asked if there would be a PIP (Public Improvement Plan). Mr. Lee said they were doing sensitivity studies to see what the market would support.

Mayor Gates thanked staff for the information.

7. **Mobility Expansion for Regional Growth and Equity (MERGE) Project Update**
City Manager, Raymond C. Lee III, presented this item at 6:57 p.m.

Public Works Director Paul Trombino and Deputy Director of Public Works Bhooshan Karnik were also available for questions.

Mr. Lee reminded Council that the MERGE project, which has been a top priority for over a year, would consist of three main elements: interchanges at US Highway 34 and 47th and 35th Avenues, and a central mobility hub between these interchanges.

The interchanges were funded by the Federal Rural Innovation Stronger Economy (RISE) and Multimodal Project Discretionary Grant Opportunity (MPDG) grants, while the mobility hub would be funded by federal pass-through dollars from the North Front

Range Metropolitan Planning Organization (NFRMPO). Additional funding from the United States Department of Transportation (USDOT) allows the project to proceed under the Federal Highway Administration (FHWA), except for the mobility hub.

The project had history dating back to 2015. As of January 2025, the City secured $51.7 million in federal grants. The City was committed to being the direct recipient of all grants and certified ability to handle the technical, legal, and financial aspects of the project.

Mr. Lee said the key statutory obligation date for the project is September 30, 2028. The first construction package must be ready by early 2028 to meet this deadline. Financial projections were shared, with the total estimated project cost at $131 million and the potential for up to a 20% increase due to project complexities. A cost comparison from CDOT was also presented, showing an additional $13.2 million, if CDOT manages the project.

Three delivery options were discussed:

- **Option 1**: CDOT delivers the entire project.
- **Option 2**: The City of Greeley delivers the project under a local agency agreement with CDOT.
- **Option 3**: The City of Greeley delivers the project under a permit process with CDOT, which Mr. Lee recommended as the best option to manage costs, schedule, risk, and accountability.

Due to the grants involved, performance measures would need to be tracked and reported. A public-facing dashboard would monitor the project's progress according to the grant performance matrix.

Mr. Lee concluded the presentation by introducing Project Manager Roch Labossiere, Design Lead Hugo Lacerda, and Construction Lead Jacob Felix.

Mayor Gates asked why this project has taken so long. Mr. Lee replied that the environmental impacts, design, and right-of-way (ROW) have all been factors. Mr. Trombino added that while the project has been around for a long time, the funding was a key component. They were now working on the design elements, the environmental clearance, and the ROW acquisitions. Mr. Trombino noted that the projected completion date was 2029.

Mr. Karnik said the mobility hub would begin in the first quarter of 2027. Mayor Gates asked if that meant one intersection would open while the other was still under construction. Mr. Karnik said confirmed that was the plan.

Councilmember Olson reported that he was involved in project since 2015. The first contract for design had been halted in 2022, along with the contract with CDOT, resulting in delays. He felt the environmental and design aspects could have continued and asked why they had stopped. Mr. Trombino said the City asked the design contractor and CDOT to stop because there was no financial strategy after the 30% design was completed. Councilmember Olson said he did not think the environmental part required financing and this had left the project two years behind.

Councilmember DeBoutez said she remembered several community meetings in 2017 and 2018. She thought the project looked much different, much more intense, bigger, faster, and better.

Councilmember Butler stated that they could not change the past. He was concerned about the current timeline and would like to see it move faster. Mr. Trombino said they expect to have some creative processes to accelerate it.

Mayor Pro Tem Hall asked when dirt would start moving. Mr. Karnik said they were aiming to begin 4th of 2027.

Councilmember DeBoutez noted that not breaking ground for two years was concerning. Mr. Lee reminded them this will be a huge disruption, and it was important to talk with business owners, so they have time to plan.

Councilmember Butler asked if the environmental process moved quicker, could they break ground sooner. Mr. Karnik said they could once they have a contractor on board. Mr. Trombino said they would be working on community engagement soon.

Councilmember Olson asked if the agreements were signed. Mr. Karnik replied that agreements were in process but not signed. Councilmember Olson reported that CDOT had 4 projects on hold due to possible issues with grants. He thanked staff and other partners for putting together the financing. He went through each slide with several questions. He expressed disappointment that the relationship with CDOT wasn't better.

Further discussion ensued about the cost and timeline of the project, and Councilmember Olson said he felt the project would be more efficient, meet funding requirements, and reduce risk, if Option 2 were selected.

Several Councilmember mentioned that using CDOT for project management might be a good option for stability and longevity purposes.

Mayor Gates thought it was important to have CDOT involved and agreed the relationship was not great. He thanked Councilmember Olson for his expertise and said he trusted staff to handle the project. He felt he had much better answers and the timeline was the worst-case scenario.

Councilmember Payton asked if the permitting process was moving forward with CDOT. Mr. Trombino confirmed it was. Councilmember Payton agreed the project needed to be moved up.

Mayor Gates thanked staff for the information.

8. **Motion to go into Executive Session for the purpose of reviewing market data regarding the Council appointee compensation, to include City Manager Raymond Lee, City Attorney Stacey Aurzada and Municipal Judge Gonzales**

   A motion to go into an Executive Session to discuss the following matter as provided under C.R.S. Section 24-6-402(4)(f) and Greeley Municipal Code Section 2.151(a)(6): To discuss the compensation market data, recommendations by the Department of Human Resources, and related personnel matters.

   Councilmember Payton made the motion. Councilmember McDonald seconded the motion. The motion passed 7-0 at 8:01 p.m.

9. **Motion to go into an executive session for the purposes of obtaining legal advice and to determine positions relative to matters that may be subject to litigation or negotiations related to an intergovernmental agreement dispute with the Town of Windsor**

   A motion to go into an executive session for the purposes of receiving legal advice pursuant to C.R.S. § 24-6-402(4)(b) and Greeley Municipal Code § 2-151(a)(2), and to determine positions relative to matters that may be subject to litigation or negotiations, develop strategy for litigation or negotiations, and instruct negotiators pursuant to C.R.S. § 24-6-402(4)(e)(1) and Greeley Municipal Code § 2-151(a)(5).

   Councilmember Payton made the motion. Councilmember McDonald seconded the motion. The motion passed 7-0 at 8:02 p.m.

10. **Scheduling of Meetings, Other Events**
    None.

11. **Adjournment**
    With no further business to come before the Council, Mayor Gates adjourned the meeting at 8:03 p.m.

8. **Executive Session for Council Appointee Evaluations**

   Mayor John Gates called the Executive session to order at 8:15 p.m. The session was recorded as required by Open Meetings Law.

Present for participation in this executive session, which was convened in. person in the Colorado room of City Center South were all of City Council with the following persons:

• Human Resources Director Martha Lanaghen
• Chief Human Capital Officer Kimberly Southern-Weber

This executive session was to discuss personnel who report to Council as provided for under C.R.S. Section 24-6-402(4)(f) and Greeley Municipal Code Section 2-151 (6)(a).

This was the first discussion regarding the Annual Review of City Manager Raymond Lee, City Attorney Stacey Aurzada and Municipal Judge Mark Gonzales.

City Manager Lee, City Attorney Aurzada and Judge Gonzales were informed of the executive session and did not request that this discussion be held in open session.

Mayor Gates cautioned each participant in this executive session to confine discussion to these stated purposes and remind all present that no formal action may occur in executive session. He asked if at any point in the executive session any participant believed that the discussion was going outside the proper scope of the executive session, to please interrupt the discussion and raise an objection.

At 8:40 pm the executive session concluded.

The recording of this executive session will be retained as provided in the City's records retention policy and in conformity with Colorado Open Meetings Law for a period of 90 days.

9. Executive Session for Discussion of IGA with Windsor

Mayor Gates called this executive session to order at 8:43 p.m. The session was recorded as required by Open Meetings Law.

Present for participation in this executive session, which was convened in the Colorado Room in City Center South were all members of City Council plus with the following persons:

• City Attorney Stacey Aurzada
• City Manager Raymond Lee
• Daniel Biwer, Senior Assistant Environmental and Water Resources Attorney
• Sean Chambers, Water and Sewer Director
•Rachel Flynn, Deputy City Manager

This executive session was for the following purposes:

•conferral with City Attorney to receive legal advice and to determine positions, develop strategies, and provide instructions to negotiators regarding disputes arising under the 2008 IGA with Windsor.
• as provided in C.R.S. 24-6-402(4)(b) and 24-6-402(4)(e}(I}, and Greeley Municipal Code 2-151(a}(2} and 2-151(a)(S}.

Mayor Gates cautioned each participant in the executive session to confine discussion to these stated purposes, and reminded all participants that no formal action may occur in executive session. Mayor Gates asked if at any point in the executive session any participant believed that the discussion is going outside the proper scope of the executive session, to please interrupt the discussion and raise an objection.

The City Attorney made an announcement regarding privileged communication and asked the Mayor to turn off the tape at 8:58 p.m.

At 9:15 p.m. Mayor Gates turned the recorder on because the confidential attorney-client privileged conversation had ended.

Mayor Gates concluded the executive session at 9:16 p.m. The recording of this executive session will be retained as provided in the City's records retention policy and in conformity with Colorado Open Meetings Law for a period of 90 days.

Approved

X

John Gates
Mayor

Attest

X

Heidi Leatherwood
City Clerk