

**FRUITA CITY COUNCIL WORKSHOP
FEBRUARY 25, 2025
6:30 P.M.**

CALL TO ORDER AND ROLL CALL

The workshop of the Fruita City Council was called to order at 6:30 p.m. by Mayor Matthew Breman. City Council members present were Aaron Hancey, Jeannine Purser, James Williams, Rich Parrish, and Amy Miller. Councilor Andrea Downs was excused absent.

City Staff present were City Manager Shannon Vassen, Public Works Director Kimberly Bullen, Planning and Development Director Dan Caris, City Planner Henry Hemphill, Planning Specialist Kelli McLean, Engineering Project Manager Steve Martinez, Neighborhood Services Coordinator Matt Carson, City Clerk Deb Woods and Finance Director Joe Zaher.

AGENDA ITEMS

1. FACILITY MASTER PLAN (6:30 - 7:15 PM)

City Manager Shannon Vassen noted that Council had asked for an update on City facilities. Public Works Director Kimberly Bullen had previously reached out to consulting firm McKinstry to take a look at all City of Fruita facilities and help identify goals and strategic planning for the City's facilities which include the Fruita Civic Center, Fruita Community Center, City Shops (Public Works and Parks), Police Department and Wastewater Reclamation Facility in preparing for the future.

In attendance (some virtually) from McKinstry and presenting to the Council were Senior Account Executive Brian Firestone, Project Director Ty Miller, Director of Business Development Dan Gacnik and Regional Director DJ Hubler, who had previously taken tours of Fruita's municipal buildings prior to this presentation. McKinstry is a full-service, certified company specializing in asset management, Facility Condition Assessments, energy auditing and benchmarking, capital planning, design, engineering, tech services, cost estimating and construction managing. McKinstry also secures financing to pay for renewable energy projects and participates in a state purchasing policy.

Public Works Director Kimberly Bullen said she determined that there is a lot that can be done with a Facility Master Plan.

Account Executive Brian Firestone spoke about McKinstry's three-step strategic facility planning approach which includes:

1. Facility Master Plan (FMP)
2. Facility Condition Assessment (FAC)
3. Investment Grade Audit (IGA)

Firestone stated that McKinstry has seen a lot of waste in the construction industry and that they have an advantage because they put all services under one roof so six different firms do not have to be hired. For the City of Fruita, McKinstry recommends Facility Assessment Planning first, then a more detailed approach. He stressed that it would be a partnership between the City of Fruita and McKinstry and that several meetings would need to be held throughout the processes.

Bullen stated that one of Fruita's biggest goals is a Facility Master Plan. There are systems that can be upgraded and other work that needs to happen, but she pointed out that what is apparent is that the City is running out of space in some facilities due to growth.

Firestone explained how McKinstry, through the IGA process, looks at energy usage and waste of buildings and determines how to make them more efficient.

During the FAC process, McKinstry looks at the shape of the facilities and what the remaining useful life of each piece of equipment would be. They then get replacement costs, which are put into a database. Buildings are given a weight, much like being rated on a scale of 1 to 10 with 1 being a brand new building. A "Tree Map" is created to help the City make good Capital decisions. Firestone noted that the IGA and FAC would happen at the same time.

Firestone stated that McKinstry would partner with the City on funding programs, grants and rebates and has a dedicated team that will help make everything as affordable as possible. He gave an example of Huerfano County, who received grants to help them accomplish an awesome project. They needed an Emergency Operations Center, so McKinstry took the existing space and provided a design team, architects, mechanical engineers and construction team. Firestone stated that all of his firm's services are customizable and scalable.

The McKinstry representatives opened up the discussion for Q & A.

Bullen noted that the City has \$272,000 in budget for facility studies and said staff wants to make sure that Council knows what the City has and which facilities they want to focus on. She added that the Wastewater Reclamation Facility is one of the City's facilities that did not need to be included for any of McKinstry's services.

McKinstry estimated that the IGA for the City would be approximately \$64,000. Bullen stated that McKinstry has also provided staff with the cost estimates for all the City's facilities, but if the Council chooses not to include Fruita Middle School (not owned by the City), it would adjust the cost to the City. She added that the first step would be for the Council to decide where they want to focus the efforts and that they would need to make sure the City will still have those facilities in the future.

Bullen pointed out (as an example) that the Fruita Civic Center windows are not at all energy efficient and also that it has a ton of fluorescent lights, which are going to be phased out and replaced by LED technology.

Mayor Breman recalled how the Council began discussing a remodel of the Fruita Civic Center about four years ago and received a quote of \$3.5 million for it, which is not feasible at this point. City Manager Shannon Vassen noted that to date, the City spent \$500,000, including furniture, for the first floor of the Fruita Civic Center to meet immediate needs.

Mayor Breman wondered if the City could scale the scope of work by headcount to determine what the City needs.

Bullen pointed out that the City currently has two full-time custodial employees to take care of all of the City's facilities, which means they can only be reactive, not proactive, in doing their jobs. She advocated for developing and establishing a maintenance plan for each of the City's facilities.

Mayor Pro Tem Hancey stated that although the Fruita Middle School is not a done deal; the City needs to take it into consideration. He pointed out that discussions are still being had concerning whether the City wants to purchase it or not, especially knowing that there are likely a couple of millions of dollars in needs for the school building.

Vassen stated that he had an upcoming meeting with School District #51 later in the week and that he could ask if there is any additional information the District has about the facility. Mesa County had McKinstry complete an FAC on the Middle School and it was rated at a 58.5 out of 100.

Firestone stated that if the City were to bundle items together such as windows and lights, it results in more costs savings.

Mayor Pro Tem Hancey asked McKinstry how successful they are in getting the funds to help with the cost of their services. Bullen noted that the Department of Local Affairs (DOLA) typically supports these types of programs.

Firestone stated that the City can fund 25% to 50% of projects through various funding sources. He said McKinstry has actually been very successful. He added that they look at energy funding and rebates and would try to find as much savings as possible. He said McKinstry understands how to fill out the grant applications with the correct language that is used now to put together projects. He noted that for every DOLA application they go after, they and the City would present to DOLA together with a PowerPoint. Firestone said he didn't think there's been one time when DOLA had not awarded the funding.

Mayor Breman noted that the City Council needed to provide staff with direction on where to begin and what the next step should be. He said the City basically has two priorities: 1) what needs to be replaced, and 2) what will the City need for facilities coming up in the near future? He estimated that if the City currently has 83 employees, with anticipated growth, the City would have 110 FTEs in five years. Breman commented that there were so many options that it was overwhelming and that he was struggling to understand what the City needs for physical space by Department.

Mayor Pro Tem Hancey suggested a slow approach of taking a few steps, then pausing to figure out the next step.

A McKinstry's representative argued that they could provide high-level facility space analysis to produce clarity and eliminate questions. He said the information from IGA and FAC would help to steer the City toward which routes to take.

Councilor Downs asked if the City of Fruita would be obligated to continue working with McKinstry if the City agrees to having them complete an IGA. McKinstry explained that at that point, there is an "offramp" where the City could stop the process, but said that the IGA serves as a guarantee that McKinstry will perform and complete the work they recommend. There is a Performance Guarantee for the life of equipment and a minimum three-year warranty period after construction is complete.

There was some discussion about not including the Fruita Middle School building with all the existing City facilities and McKinstry quoted a price of \$42,044 for taking the school building out (as opposed to \$67,000 to include it).

A decision was made to not include the following facilities:

- Fruita Community Center
- Wastewater Reclamation Facility
- City Shops

The Council requested a new quote after the elimination of the above facilities and decided they still need more information and a deeper conversation with staff before making any decisions and/or spending any money.

McKinstry noted that the cost of the IGA gets built into the project and would be collected down the road; the City would not have to cut a check up front for it.

2. ANNUAL SHORT-TERM RENTAL UPDATE (7:15 – 8:00 PM)

Neighborhood Services Coordinator Matt Carson pointed out that the first year of renewals for short-term rental (STR) permits took about four months to complete and was very frustrating for staff. However, when the Planning and Development Department switched their processes to the Cloud Permit platform, the City of Fruita was granted both the STR and special events modules for free.

Carson noted that at the end of 2024, the City of Fruita had a total of 101 STRs including those in the “triangle” (bordered by Highway 6 & 50, Ottley Avenue and Pine Street) area in Fruita’s downtown. Currently, the City has 98 STR permits with 60 of them being in the triangle, which has a limit of 65 STRs. Therefore, there are five vacancies with three on a waiting list that are either in the process of remodeling STR site or haven’t yet closed on the property.

Carson explained how he has been working with Fruita businesses like Bestslope Coffee Co. to partner with STR owners on providing their guests with complimentary or discounted products as well as the organizers of Fruita’s special events to promote Fruita to STR guests with details about the events.

Mayor Pro Tem Hancey wanted to know how much time Carson is spending with the owners of the STRs and whether it was a good thing for staff to do when the City might not take that time with owners of other types of businesses. Carson responded that his STR inspections take only three minutes and that working with STR owners increases City sales tax revenues. He also pointed out that slowly, the STR industry is in decline across the country.

Carson also spoke about the City’s use of Granicus, which is STR compliance software. Staff sends Granicus a list of those STRs that have received a permit through the City and they search all online advertising for STRs and subsequently send staff a list of those for which the City has not issued an STR permit.

Overall, Carson asserted that he has had great face-to-face interactions with STR owners and that it has been a great experience to build those relationships in the community. Councilor Williams said he felt that the City’s focus on local businesses is outstanding.

Councilor Purser stated that she continues to wonder when staff and the Council are going to discuss lowering the maximum number of STRs in the downtown triangle to some degree. She recalled discussing the idea of removing the STR permits who decide not to renew from the list of the City’s

STRs permanently. She asked the Council to consider the expense of STRs to people who grew up in Fruita but cannot afford to live here or have less housing in Fruita to choose from.

The City Council directed staff to place the discussion on the March 2025 Workshop Agenda to discuss the cap on the number of allowed STRs and whether the City should make any changes.

At 7:50 p.m., Mayor Breman called for a five-minute recess. The Workshop meeting reconvened at 7:55 p.m.

3. 924 BOUTIQUE TINY HOME COMMUNITY – PLANNED UNIT DEVELOPMENT (8:00 – 9:00 PM)

City Planner Henry Hemphill presented the Planned Unit Development (PUD) Concept Plan for a tiny home project proposed for Highway 6 & 50 and 19 Road. He noted that the applicant's representative James Deegan was present. Hemphill explained that a PUD is customized to create innovation and the purpose of this agenda item was to receive feedback from City Council. He added that the discussions at this meeting were non-binding, but that a Preliminary Plan will go before Council at a later date if the feedback received is positive.

Furthermore, with the recent amendments to the Land Use Code, the process for reviewing a Concept Plan was modified to include discussing the project in a workshop setting instead of a public hearing. This allows for open dialog and non-binding, general feedback on the proposal.

Mr. Hemphill explained the Concept Plan review process as follows:

- *17.19.030 PUD REVIEW PROCESSES. All PUDs shall be processed in accordance with the Procedures outlined in Section 17.07.040, Common Development Review Procedures. Additionally, the following process steps are applicable to all PUDs.*
- *Concept Plan. An application for Concept Plan is optional and approval shall be reviewed for compliance with this Title, other requirements of the city, and requirements of other agencies, as applicable. Applications for Concept Plan approval shall be reviewed in a work session process (not a public hearing) with the Planning Commission and City Council. All comments and feedback in the work session are non-binding and are intended to provide overall direction to an applicant.*

The subject property is approximately 20 acres located at 924 19 Road. Proposed are 92 tiny modular-style homes (five dwelling units/acre) with an emphasis on natural and onsite amenities. The applicant hopes to utilize the Red Barn as a community facility, but those details have not yet been determined. Amenities proposed also include common outdoor gathering spaces, pocket parks, pool, BBQ pits, trails, furnished exercise room, and dog parks. The applicant is requesting that the lot area matches the developable size of the unit with the rest of the lot consisting of largely open space and recreational opportunities for the enjoyment of the community.

The PUD Guide proposes an underlying zone of Community Residential (CR). This is important to note because where the PUD Guide is silent, the underlying zone will take over (if a regulation is not mentioned in the PUD Guide, staff will use the Community Residential standards to make decisions). This is also the applicant's basis for deviation when it comes to bulk standards (setbacks, lot area minimums, building heights, and parking).

Hemphill reviewed the Land Use Code requirements as well as the next steps, which include:

- Preliminary PUD Plan submission within 180 days
- Pre-application meeting with Community Development staff
- Outside agency review and legal notice
- Planning Commission (recommending body)
- City Council (decision)
- Zoning Ordinance

Developer James Deighan with 924 19 Road, LLC, property owner Nick Swanepoel and Engineer Scott Sorensen with Austin Civil Group were present as the applicants' representatives.

Deighan stated that he and Swanepoel contracted with Austin Civic Group and they have been working on the PUD proposal for well over a year. When he finally decided to move forward, it was not necessarily for workforce or affordable housing, but rather for individual young professionals who otherwise would not be able to purchase a home. Deighan noted that these dwelling units have the following benefits:

1. Substantially less purchase price
2. Mortgage insurance, taxes, HOA fees added together less than most rentals in Fruita

He added that the proposal is for a housing option that doesn't currently exist in Mesa County and that most units will be constructed with wood and metal and a modern but warm motif as opposed to vinyl siding. He also stated that City Planner Henry Hemphill mentioned that he wanted to see some comparisons, but they don't exist. Deighan said they would like to perfect the development here and take it across the country.

When asked about the price per unit, Deighan stated that they are estimated to run between \$225,000 and \$300,000 plus a land lease of \$450 per month. When asked about how people would finance the units, Deighan said he has talked with Alpine Bank and there has been a precedent with them for this type of financing. He added that the land lease will help keep the properties nice and that the land leases would stay with him as the developer and with Swanepoel as the property owner, but the HOA would have to be separate by law.

There were also discussions about the following:

- Putting deed restrictions on the units so that they cannot be short-term rentals (would be land use restrictions recorded separately)
- Access: staff needs to have conversations with CDOT to see if there might be an acceptable access on Highway 6 & 50 (developers stated they would do what the Traffic Study said they had to).
- Developers hope that employers will have assistance programs to help their employees have housing (they said they would sell them to individuals only; employers would not purchase the homes).
- Size of the units would be 450 to 650 square feet.
- Developer is looking at energy efficient options for the units themselves and potentially electric charging stations.

- \$1,807.63 per month is the number Deighan came up with including everything and Alpine Bank is currently looking at various financing options

The Mayor, City Council members and Planning Commission members expressed concerns including:

- Large corporations or entities buying several units and turning them into rentals
- Having only one access point
- What may happen to the “red barn”
- People’s ability to finance \$1807/month
- Whether \$450/month is sustainable with all the amenities proposed (Deighan stated that they want an appealing, inviting community; not apartments.
- Land would be leased and not owned.

Deighan said he appreciated everyone’s candor and that hopefully, they will get closer to settling on things and working together with the City of Fruita.

OTHER ITEMS (8:45 PM)

Mayor Breman began conversations on the following:

- The Fruita Chamber’s Women in Business wants to do a Proclamation recognizing women’s leadership, entrepreneurship and history, but the provided less than 30 days’ notice. The Council members agreed to direct staff to move forward with the Proclamation.
- There is currently a push for the Mesa County Commissioners to go from three board members to five. The Council agreed to have a conversation about it and Breman said he would work with the City Manager on the timing.
- Breman reminded all about the Fruita Middle School walk through on the March 18th. He asked about inviting partners such as Bray Real Estate, the Fruita Chamber, Gavin Brooke with 2 Forks Ventures but the Council decided that they would go without them at first and bring them in later.
- The Model Traffic Code is on the agenda for the next Council meeting on March 4, 2025. Breman asked whether Council members wanted to remove car washing from provision that prohibits it on residential property. The Council decided they wanted to remove car washing. Concerning pedestrians in the street, the Council decided to remove the text before “if it creates a hazard.”

Councilor Purser asked if staff had watched the video of the woman at the Fruita Community Center who was claiming she fell near the water slide and that it resulted in nerve damage. City Manager Shannon Vassen said he and other staff members had watched it, but couldn’t really see anything. He added that it did appear as though she was not in pain and that the person standing right next to her didn’t even look in her direction when she reportedly fell.

Councilor Williams thanked Communications and Engagement Manager Ciara Amann for going above and beyond in the music lineup for the Mike the Headless Chicken Festival.

Councilor Amy Miller reported that the Mesa County Assessor's website shows joint ownership of the new parking lot on Mulberry and that the City's realtor is working on it. She asked about when the Council would discuss drainage stormwater and Vassen said it would be sometime in March. She also asked about the Block Party trailer and Vassen explained that he didn't recall receiving direction from Council to move forward on it and that it wasn't included in the 2025 Budget. After all Council members agreed they wanted to move forward with it, Vassen stated that staff would put a Budget Amendment before Council at an upcoming Council meeting.

City Manager Shannon Vassen reported that there would be a neighborhood meeting in the Council Room held by Astera Recycling on Thursday, March 6th at 5:30 p.m. and that he had sent the flyer about it to everyone via email. He added that staff would create a Zoom link for the public to join the meeting if they wish.

Vassen asked the Council if they had any concerns about the Community Survey, which will be on the agenda for the March 4th Council meeting. Councilor Purser said she didn't get a chance to look at it. Mayor Breman asked the Council members to email all concerns to Shannon ahead of time.

Shannon noted that Senate Bill 25-001 (Colorado Voting Rights Act) passed on amendment and that the City will have an additional opportunity to provide feedback. The Colorado Municipal League (CML) is currently working on it. Matthew said he would prefer to respond as soon as possible. Shannon assured him that staff would work on it.

Aaron asked if the City's application for affordable housing financing had been approved and Planning and Development Director Dan Caris responded that it is still in process.

ADJOURN

With no further business before the Council, the meeting was adjourned at 10:05 p.m.

Respectfully submitted,

Deb Woods
City Clerk