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**GRAND JUNCTION CITY COUNCIL
MONDAY, JANUARY 31, 2022
WORKSHOP, 5:30 PM
FIRE DEPARTMENT TRAINING ROOM AND [VIRTUAL](#)
625 UTE AVENUE**

1. Discussion Topics

- a. Public Market Feasibility Study Discussion
- b. Audit Committee
- c. Internal Controls Audit
- d. Quarterly Financial Reports

2. City Council Communication

An unstructured time for Councilmembers to discuss current matters, share ideas for possible future consideration by Council, and provide information from board & commission participation.

3. Next Workshop Topics

4. Other Business

What is the purpose of a Workshop?

The purpose of the Workshop is to facilitate City Council discussion through analyzing information, studying issues, and clarifying problems. The less formal setting of the Workshop promotes conversation regarding items and topics that may be considered at a future City Council meeting.

How can I provide my input about a topic on tonight's Workshop agenda?

Individuals wishing to provide input about Workshop topics can:

-
1. Send an email (addresses found here www.gjcity.org/city-government/) or call one or more members of City Council (970-244-1504);
 2. Provide information to the City Manager (citymanager@gjcity.org) for dissemination to the City Council. If your information is submitted prior to 3 p.m. on the date of the Workshop, copies will be provided to Council that evening. Information provided after 3 p.m. will be disseminated the next business day.
 3. Attend a Regular Council Meeting (generally held the 1st and 3rd Wednesdays of each month at 6 p.m. at City Hall) and provide comments during "Citizen Comments."
-



Grand Junction City Council

Workshop Session

Item #1.a.

Meeting Date: January 31, 2022

Presented By: Kathryn Bedell

Department: City Manager's Office

Submitted By: Greg LeBlanc, Sr. Asst. to the City Manager

Information

SUBJECT:

Public Market Feasibility Study Discussion

EXECUTIVE SUMMARY:

Councilmember Taggart has had some conversations with community members regarding the development of a public market in Grand Junction. The proposal includes information that suggests public markets are strong economic drivers and community assets. The proposed site for a Grand Junction Public Market is at Las Colonias Park. The City Council is being asked to consider a feasibility study at a cost of \$38,000, plus travel expenses for the consultant, Aaron Zaretski & the architectural team.

BACKGROUND OR DETAILED INFORMATION:

Councilmember Taggart has had some conversations with community members regarding the development of a public market in Grand Junction. The consultant, Aaron Zaretski, has over 40 years of experience assisting in the planning, development, and management of public markets. Additionally, Mr. Zaretski served as the Director at Seattle's Pike Place Public Market for 15 years.

The proposal includes information that suggests public markets are strong economic drivers and community assets. Public Markets are successful because they are uniquely tuned to the culture, heritage, and needs of their community and the details of their specific site and region. The proposed site for the Grand Junction Public Market is at Las Colonias Park. Attached is the full proposal for the Public Market.

The City Council is being asked to consider a feasibility study at a cost of \$38,000, plus travel expenses for the consultant, Aaron Zaretski & the architectural team. The feasibility study will evaluate key stakeholders, existing conditions in Grand Junction, and other factors including comparative demographics, demand for food and

beverages, and a review of desired customer demographics. If the feasibility study indicates favorable conditions, then the consultant team will proceed with a site analysis, business plan, and planning study.

FISCAL IMPACT:

The cost of the feasibility study is \$38,000 plus travel expenses.

SUGGESTED ACTION:

This item is intended for discussion and possible direction by the City Council.

Attachments

1. Grand Junction Public Market proposal draft (1)



11/27/2021

Kathryn Bedell
(kathy@roancreekranch.com)

Dear Kathryn and Team Grand Junction Public Market,

Thank you for requesting this proposal from Public Market Development to assist in the development of a Public Market in Grand Junction. I have taken the liberty of reviewing your materials and spending a bit of time researching the project.

Recently, I have turned away several Public Market consulting projects, but I am excited about the possibility of working with you and your team. The opportunity to strengthen a regional producer's network on a site that can utilize the rich recreational opportunities that exist in Grand Junction is exciting.

The project seems full of both challenges and opportunities.

This proposal is a draft. Please make any suggested changes. As we agree on a final scope, I can make appropriate adjustments and present a draft contract for your consideration.

Warm regards

Aaron (Zaretsky)

Principal
Public Market Development

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Proposal for Planning Studies for a Grand Junction Public Market



For over 40 years, my professional life has focused exclusively on assisting Cities, Counties, private developers, public and business entities, nonprofits, community organizations, and Downtown Business Associations in planning, developing/redeveloping, and/or managing Public Markets.

I have helped to plan over 50 Public Markets worldwide and have evaluated and photographed roughly 450 Public Markets. I've been a featured speaker at numerous national conferences including a White House Conference on effective community and economic development. I was a convener of a Ford Foundation Task Force on utilizing Public Markets as a proven tool for community and economic development. Finally, for 15 years, I was a Director at Seattle's Pike Place Public Market during its \$65,000,000 renovation. I'm privileged to have helped to raise over \$140,000,000 in grant funds for numerous Public Market projects. My resume, references, and additional supporting information may be found at my professional website – www.publicmarketdevelopment.com Additional current references are available on request.

I believe that Public Markets are successful because they are uniquely tuned to the culture, heritage, and needs of their community and the details of their specific site and region.

The proposed planning documents, including a Feasibility Study, Site Analysis and Business Plan, will be informed by Zaretsky's past experience in focusing on using Public Markets to serve and improve a community's economic vitality by providing fresh foods, well-paying jobs, entrepreneurial opportunities, and a community gathering place while returning millions in new tax revenues to local government.

The proposed documents are sequential. They will build on each other. They should only be funded once feasibility is established and the prior document is accepted.

This proposal is written during a time when there is a great amount of potential grant funding for new Public Markets. However, this funding can only be accessed with significant local buy-in and funding, as well as sound planning documents that demonstrate the Market's feasibility, proper siting, and that provide a detailed roadmap for its realization.

PAST EXPERIENCE:

The following list represents a sampling of fifteen Public Markets where Public Market Development has focused its work in communities both larger and smaller than Grand Junction.

- Buffalo, NY – Business Plan and Marketing Plan for the revitalization of one of the largest Public Markets in the US. The Broadway Market is located in a primarily immigrant community on Buffalo's Eastside.
- Dickinson, TX – Gulf Coast Public Market. Feasibility Study, Site Analysis, and Business Plan for a new Public Market focused on anchoring a new downtown. Dickinson's customer base is roughly the same as Grand Junction's.
- NY, NY – Essex St. Market. Rehab of an existing Public Market in lower Manhattan.
- Riviera Beach FL – Palm Beach County Public Market. Feasibility Study, Site Analysis, and Business Plan for a new Public Market in a city adjacent to Palm Beach. The customer base of this community is roughly the same as Grand Junction.
- Oakland Park, FL – Feasibility study for a Public Market focused on enhancing grower opportunities. The customer base of this community is roughly the same as Grand Junction.

- Baltimore Md. – Hollins Market. Rehab plan for a Market in a mostly African American community.
- Asheville NC - Grove Arcade Public Market. Created, funded, designed, and managed a Public Market in a community with an equivalent population to Grand Junction.
- Columbia SC – Plan for transforming the SC Farmers Market into a regional Public Market. The Plan focused on strengthening grower opportunities.
- Atlanta GA – Atlanta Farmers Market. Redesign of an existing farmers market to add a Public Market and to strengthen and enhance grower opportunities.
- Minneapolis MN – Creation of the Global Marketplace with a coalition of immigrant groups.
- Los Angeles, CA - La Paloma. Ford Foundation-funded study for an existing Hispanic neighborhood Public Market.
- Cincinnati, OH – Findlay Market. Master Plan for a Public Market that increased farmer presence from four vendors to over one hundred.
- Baltimore, MD – Avenue Market. Feasibility Study for James Rouse of Rouse Development.
- Penn Center, SC – Established a Market at the first school for freed slaves (established 1862).
- NY, NY – La Marquette - Business Plan for NYC Department of Economic Development for an existing Hispanic Market.

Additionally, Zaretsky's decades of experience in managing successful Public Markets, including fifteen years as a Director at Seattle's Pike Place Market, the largest and most successful in the U.S., provides him with a unique lens to evaluate the best management and operational practices.

Resume and References are provided at Zaretsky's professional website:
www.publicmarketdevelopment.com

All Public Market projects uniquely reflect their particular community's strengths and opportunities. I have worked on roughly a dozen projects in communities similar to the proposed Grand Junction Public Market. I believe that for this project to succeed, it must appeal to the larger Western Slope population and particularly the 155,000 residents of the Mesa County/Metro area.



PROPOSED TEAM:

Kathryn, at your and the City Council's option, I would propose to team with Mark Ernst who is the President of Engberg Anderson Architects. Mark's portfolio runs deep with urban planning know-how, He is the most experienced designer of Public Markets in the US. His past projects have been well received, cost-efficient, and creative.

His Public Market projects include Milwaukee's Fondy Market, the Beerline "B" neighborhood redevelopment plan as well as portions of the adjacent Riverwalk. His prior work with Milwaukee's Historic Third Ward added value to the Milwaukee Public Market project. More recently, Ernst has been the lead project architect for the creation of several new Public Markets under development. These include the Gulf Coast Public Market in

Dickinson, Texas, the Mequon Public Market, and the La Crosse Public Market, both in Wisconsin, as well as the Connecticut Public Market near Hartford Connecticut in Windsor Locks and Buffalo's Broadway Market.

In addition, Ernst is a nationally recognized leader in the design of mixed-income housing and mixed-use urban projects. I would propose that Ernst be a part of the initial visit for the Feasibility Study. While his input would be invaluable for evaluating which sites to include in the downstream Site Analysis, his participation would not add a major amount to the cost of the Feasibility Study.

I would utilize the existing City Council members and other Public Market advocates as an important extension of our team. While together, Ernst and I have deep experience in developing successful Public Markets, we would rely on you, your team, and prior studies, for local knowledge.

APPROACH:

The specific approach of Public Market Development to the Grand Junction Public Market is informed by the following anecdote:

When Zaretsky was a Director at Seattle's Pike Place Market, a customer intercept survey was commissioned. In the 1980s, customers in the Public Market and a nearby mall were asked – "Why did you come down here today?" and "How much did you spend here today?".

At the mall, 94% of respondents said one form or another of "I came to shop" – "I needed to buy a vacuum cleaner bag, and this was the place to get it."

In contrast, at the Public Market, only 26% of respondents "came to shop".

Public Market customers came for fundamentally social reasons. They came to meet a friend, to people watch, to enjoy the street musicians, to mix with people who were different from themselves in a secure, friendly, exciting, and vital environment.

Even though Public Market customers did not "come to shop", *they actually spent roughly twice as much money per customer visit at the Public Market, then the shoppers at the mall.*

This is the secret to creating a successful Public Market.

As citizens have less time for shopping, they prefer to combine their shopping time with their social and experiential time. Following the COVID pandemic, one can expect the same public desire for vital and exciting social public spaces that followed the last 1918-19 pandemic which was followed by the "Roaring 20's".

The decrease in regional energy-related employment makes the jobs, entrepreneurial opportunities, and tax revenues that a Public Market will bring, especially relevant. Focusing on the fresh food and agricultural sector of the regional economy will solidify the gains provided by the Public Market and will ensure that they will be long-lasting.

I have proposed including several community kitchens in other Public Markets and while I was a Director at Pike Place Market, I helped to establish the "Bulk Commodities Exchange" a vehicle for bulk fresh food processing and sales to smaller institutional buyers to assist regional growers and strengthen the agricultural economy. I also helped to establish the "Indochinese Farm Project". This effort transformed Hmong refugees with essentially a digging stick technology, into modern successful farmers selling their bounty at Pike Place Market.

Part of the proposed study will, with your approval, look at the feasibility of expanding or combining the existing "Kitchen Door" community kitchen, consolidating or relocating some of Grand Junctions existing Farmers Markets, creating a "growers' school" and an agricultural commodities processing center alongside the Public Market.

Particularly with the national emphasis on infrastructure spending, this is exactly the right time for developing a new Public Market project in Grand Junction. Zaretsky has historically worked with various federal officials to assure that Public Markets were eligible for a variety of federal grants.

While all Public Markets are different, there are underlying principles that contribute to their success. The following principles inform the approach of Public Market Development to creating successful Public Markets:



- **THE PUBLIC MARKET SHOULD HAVE SEVERAL RETAIL SPACES WHERE PRODUCTS ARE PRODUCED ON-SITE AND ARE RELEVANT TO THE SURROUNDING COMMUNITY**



Fire Roasted Peppers

This “eye candy” can include baked goods, spit-roasted BBQ baby goat, chocolates, freshly roasted coffee, tortillas, freshly roasted nuts, fire-roasted peppers, etc. Visual appeal, as well as great smells, are important.

The tenant mix should be curated for local representation, the likelihood of success, diversity, and uniqueness, as well as sensory appeal.

- **FRESH FISH.**



The abundance of freshwater trout in nearby rivers and streams may create an opportunity to create an industry based on smoked trout. At Seattle’s Pike Place Market, the most successful businesses were the fish markets. Nearly 50% of the products sold in those markets were smoked fish. The Market team should work with Cooperative Extension to encourage vendors to develop a variety of year-round, value-added products.

- **A UNIQUE USER EXPERIENCE.**



A Public Market is not, and should not feel like a supermarket. Wherever possible, products should be in the face of customers or in bins, baskets, barrels, and boxes. Not, in slick display cases.

- **SUPPORTING LOCAL BUSINESS.**



In addition to owner-operated new and 'start-up' businesses, the Grand Junction Public Market should include 2nd locations of flavorful and successful locally owned and operated businesses such as the Home Style Bakery of Grand Junction.

- **SUMPTUOUS DISPLAYS ARE IMPORTANT.**



Proper display includes a sense of abundance, colors are balanced, good smells permeate the air, products are displayed on the diagonal, and fill the display space on horizontal & vertical planes. The offerings look scrumptious.

- **HANDCRAFTED GOODS.**



Although fresh foods should predominate, crafts, prepared foods, and other needed neighborhood businesses should be included. what's up with the horse?

- **UNDERSTANDING THE COMMUNITY.**



Each Market is unique — the expression of its diverse peoples, cultures, environment, and history.

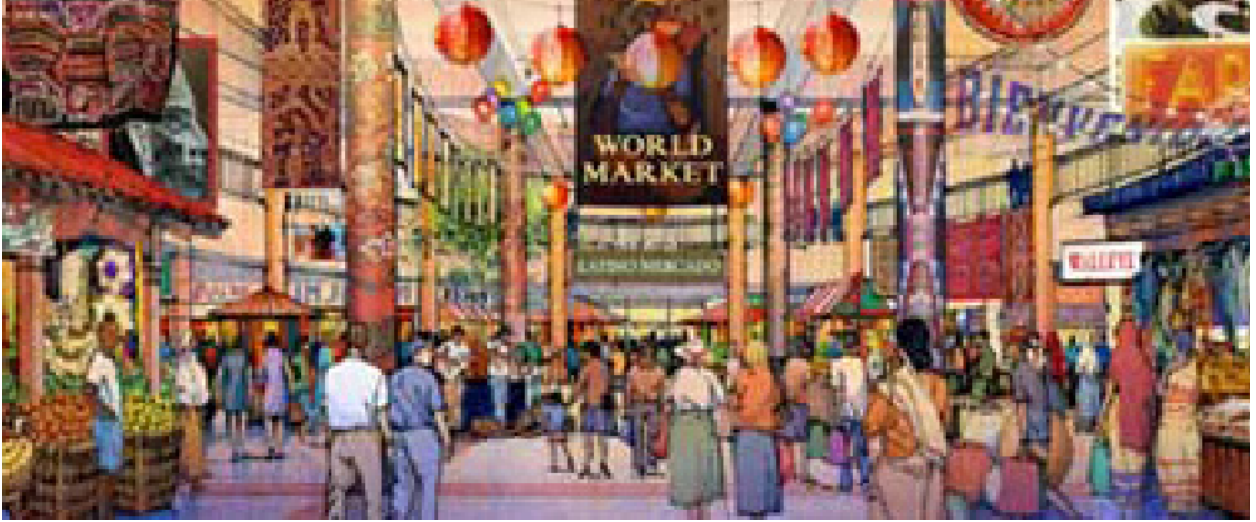
Because of the complexity of cities, there are inevitably cycles of decline and regeneration. A city's expression of itself is best personified at its core or center - The Public Market. The Market should make efforts to ensure that its vendors and offerings reflect the demographics of the Grand Junction community with a significant number of locally owned and operated women and minority businesses.

- **THE MARKET SHOULD NOT ALLOW FLEA MARKET-TYPE GOODS.**



Potentially great Markets, like the French Market in New Orleans, are failures because flea market goods predominate.

- **CREATING A MIXED-USE DESTINATION.**



The Grand Junction Public Market should be vibrant, colorful, fun, and exciting. It should incorporate the full range of fresh foods and diverse offerings of prepared foods.

- **CREATING PARTNERSHIPS.**



Make every effort to expand the local and fresh food/agricultural products sold at the Public Market by working closely with producers, local and statewide agricultural organizations, the Chamber of Commerce, Cooperative Extension, the Agricultural Advisory Panel, and other trade groups.

- **CREATE PUBLIC SPECIAL EVENT SPACES**



Consider locating an indoor and/or outdoor special events space in the Public Market. This space could accommodate ethnic festivals, public health education, music events, 'Taste of the Western Slope fairs, kid's activities, ethnic festivals, cooking demonstrations by celebrity chefs, films, etc. The success of the Market on Main is an indication of interest in these kinds of community events.

- **CREATE A MEETING ROOM**



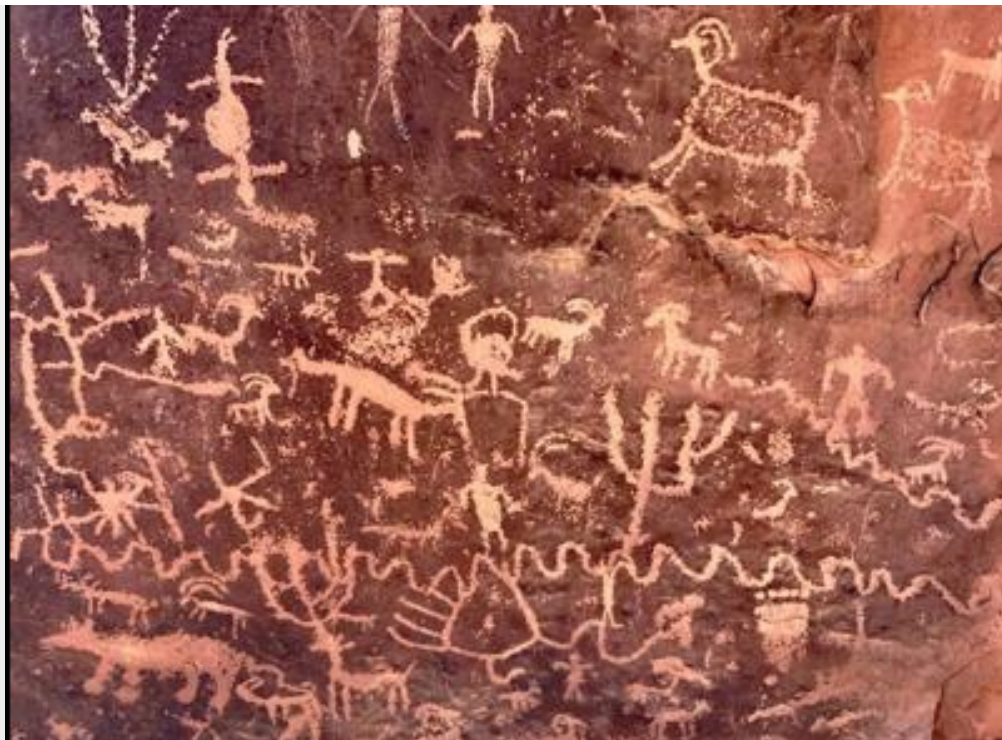
Consider a multi-purpose meeting room for public meetings, tenant meetings, non-profit board meetings, school classes, Market education, tenant meetings, management meetings, etc. This will both serve the Market and introduce new potential customers.

- **WELLNESS EDUCATION.**



Use the Market as a vehicle for delivering public health services such as nutritional education, blood pressure, and diabetes screening, aids education, etc.

- **REPRESENT THE HISTORY OF THE WESTERN SLOPE:**



Where high-ceilinged, the Public Market space should be broken up with suspended hanging tapestries capturing the historic role that food and culture have long played in the region.

- **ASSURE A RICH AND VARIED SELECTION OF UNUSUAL AND INTERNATIONAL FOODS.**



Both fresh and prepared foods should present a cornucopia of delicious foods and should go well beyond the fare offered in local supermarkets.

- **CONNECTING TO GREEN SPACE.**



Maximize the Market's public connection to available and new green space – program events and connect to the nearby Las Colonias Park.

- **EDUCATE THE YOUTH**



Develop a 4th-grade curriculum for all Mesa county students to “meet the producer” and learn that food does not grow in Styrofoam containers. The students will love it and will go home and drag their parents back to “their” Public Market.

*** CONSIDER THE CO-LOCATION OF AGRICULTURE-RELATED SERVICES AS WELL AS OTHER SERVICES SUCH AS A CHILDCARE CENTER, COMMUNITY HEALTH CLINIC, FOODBANK, AND SENIOR CENTER.**



The Feasibility Study:



What follows is a rough outline of what will be produced. The report will be submitted in draft form and one final corrected document will be produced so that a complete digital copy will be available.

- **What is a Public Market?**
- Are Public Markets Mostly Successful?
- Do Most Cities Have a Public Market?
- Do Public Markets Compete with Existing Businesses?
- Public Markets vs. a supermarket?

Meetings with Key Players: Summary of insights and recommendations from the existing design and development team.

Summary of Past Documents: Highlighting past relevant recommendations from various documents.

What are the existing conditions in Grand Junction? Strengths, weaknesses, mitigations?

Is Grand Junction Ready for a Public Market?

- Are there competitive businesses that would obviate the need for a Public Market?
- Is there a community with an interest in good fresh food?
- Is there good attendance at existing public events and farmers' markets?
- Is there an appreciation for "buying local"?
- Are existing businesses predominantly chain stores and franchises or owner-operated shops?
- Are people willing to come together and mix with people of different classes, races, ages, and sexual orientations in the common ground that typically characterizes Public Markets?
- Is there a saturated demand for fresh and prepared foods or is there a need for additional food venues?
- Are there areas in need of further development (such as the strengthening of downtown) that would benefit from the increase in customer visits and real estate values that a Public Market would likely bring?
- Are there interesting existing vendors or potential new vendors that would help to tenant a new Public Market?

- Is there a history of food trucks, food fairs, etc., that would evidence an interest in food consumed outside the home and traditional restaurants?
- Is there evidence of public support for the creation of a Public Market? Is there a tradition of non-profits and other NGOs playing significant roles in addressing other public issues?
- Is there a “food desert” that would benefit from the creation of the shopping opportunities that a Public Market would create?
- Are there low-income communities that would benefit from the jobs and opportunities that the Public Market would bring or is there a danger of displacement and gentrification that the Public Market might cause? If the answer to the latter question is yes, are there ways to mitigate this impact?
- Are there elements of distinctive local culture – either related to ethnicities and/or food, that can be showcased? Could there be significant citywide and regional visitation to the Grand Junction community that can add to the existing residential customer base?

Other Factors Impacting Feasibility:

- Comparative demographics - Income Distribution, Race, Ancestry, and Origin, Educational Attainment. Weather, Access, Population by age and sex, Minority and Women-owned businesses, Crime, and Health would all be evaluated for their impacts on the feasibility of the Public Market.

Demand Analysis for Food and Beverages: ESRI statistics re demand and supply. Food and beverage national and local trends. How to address competitive and complementary businesses?

Review of Desired Customer Demographics: Idealized customer base. What is the potential customer base and how to use marketing to get there? Reference maps.

Existing Conditions: What are the general strengths and weaknesses of the existing sites? What are the things that there is no control over and what can be changed? How to maximize the site’s strengths and mitigate the weaknesses. Who is the Public Market’s potential customer base?

Conclusions and Recommendations for Proceeding.

The Site Analysis

Note, this document will only be produced if the Feasibility Study recommendation is positive.



During the visits to Grand Junction during the Feasibility Study phase, various potential sites will be visited. With the participation of the Public Market Team, 1-4 sites will be selected for analysis based on the communities Mission and Goals for the Public Market.

If it is clear during this phase that there is one site that is far superior, then no comparative analysis will be prepared. A report will be prepared that proposes the best orientation layout and use for the selected site and auxiliary outside uses, connections, and public amenities.

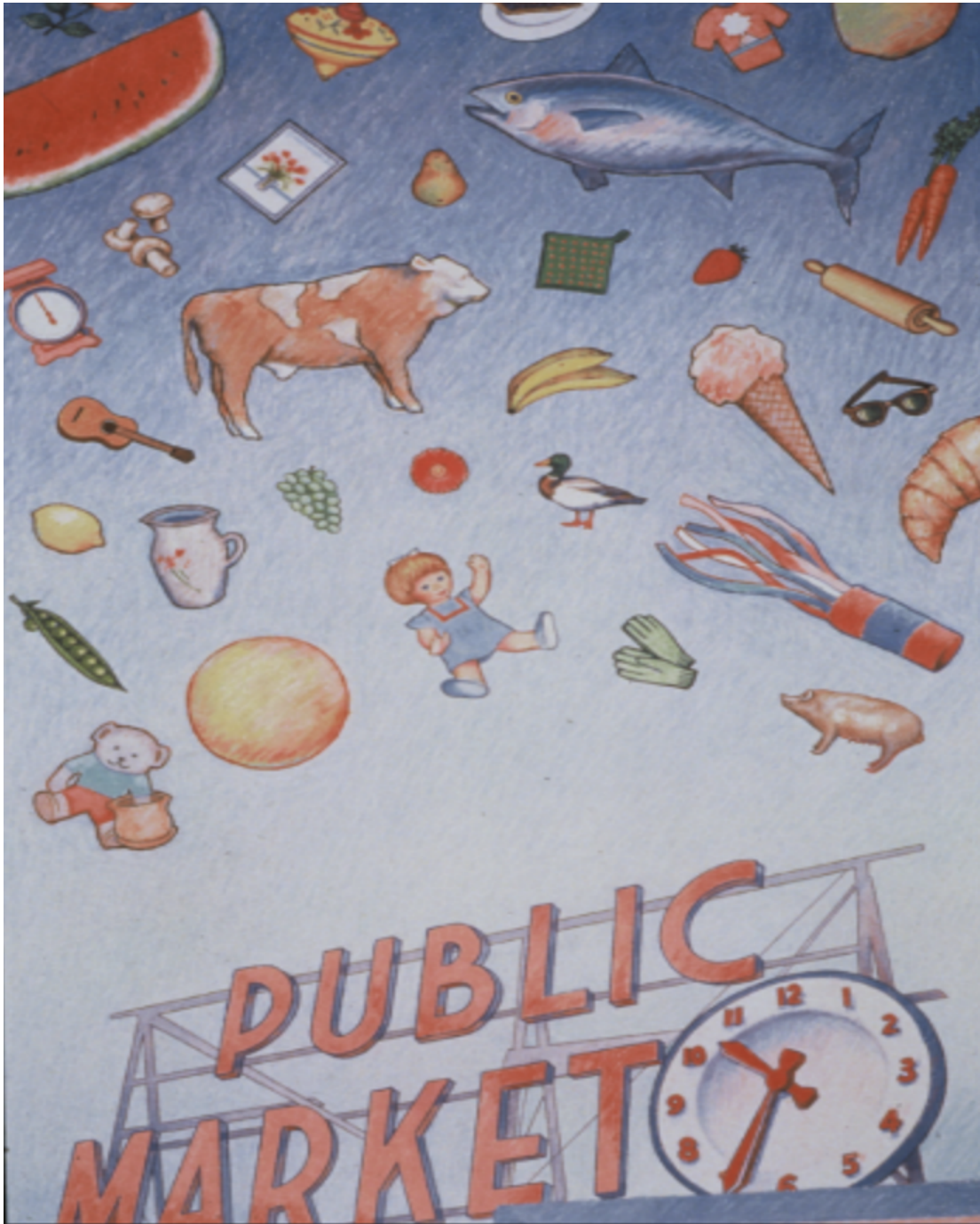
If there are multiple sites in need of analysis, then a comparative Site Analysis will be prepared that will have a Table of Contents similar to the one below.

Proposed Site Analysis – Draft Table of Contents:

- **Acknowledgements**
- **Summary of Feasibility Study Findings**

- **How Can A Public Market In Grand Junction Be Successful?**
- **Important Criteria for Siting A Public Market.**
- **Sites Considered and Not Selected.**
- **Sites Selected for Analysis.**
- **Matrix Analysis of Selected Sites – 50-70 separate criteria**
- **Strengths and Weaknesses of the Primary Possible Sites**
- **Recommended Site**
- **Suggested Mitigations for Weaknesses in the Recommended Site**
- * **Best orientation layout and use for the selected site and auxiliary outside uses, connections, and public amenities.**
- * **How to maximize the benefits from connecting to nearby existing amenities.**
- **Next Steps**
- **Conclusion**

The Business Plan



The Business Plan will be a comprehensive roadmap detailing how to move from a conceptual stage to the realization and Grand Opening of the Grand Junction Public Market.

I have included a draft Table of Contents to demonstrate the kind of subjects that will be covered. This outline does not include graphs, charts, maps, renderings and tables which would of course be included.

Of course, the final Business Plan for a Grand Junction Public Market will be more specifically tuned to local conditions and needs.

A draft Table of Contents might look like:

Acknowledgments

Introduction - Public Markets in the Age of COVID

Executive Summary

Historical considerations:

- Food Markets and agriculture in Grand Junction**

- Past Documents**

- What can be Learned from Other Public Market Models**

Existing Conditions

- Strengths and Weaknesses of the Existing Food System in Grand Junction?**

- How to Maximize the Market's Strengths and Mitigate its Weaknesses?**

- Who is the Market's potential Customer Base?**

Summary of Questionnaire Responses from Other Public Markets

Community input

- Sources of Input**

- Key Community Input Takeaways**

What's in a Name?

Economic impacts of the Public Market.

- Past History**

- What's Possible?**

- Where are New Jobs Coming From?**

- Direct, Indirect, and Induced Jobs**

- Sales of Food and Drink as a Source of Economic Development**

- Why are Public Markets Labor Intensive?**

Job Creation at the Public Market

Based on SF of Retail Space
Based on Number of Businesses
Based on Projected Gross Sales
Other Job Creation Attributable to the Public Market Project
Total Job Creation

Predicted Market's Generation of New Local Tax Revenues

Customer-Based Demographics

Mapping the Market's Customer Bases
Who Should Shop at the Grand Junction Public Market?
Statistics of Concern

Design Issues

Public Markets and Architecture

Table of Quantities for the Preferred Scheme.

Conceptual Schematics

Details of how the Grand Junction Public Market can Relate to its Outside Surroundings.

Introducing Natural Light into the Center of the Market.

Design of Entryways to Emphasize a "Wow" Factor.

Creation of a Vestibule

Separate Businesses with Foul Smells in Store Spaces

Idealized Tenant Layout

Public Art

Parking and Parcel Pickup

Public Transportation and Other Non-automotive Access Other Second Floor Uses

Elevators and Escalators

Rooftop Spaces

Outdoor Spaces.

The Commercial Kitchen and Adjacent Classroom/Meeting Room

Institutional and individual signage

Spill out

Public Amenities

Display and Humor

Utilities

Garbage

Outdoor Uses:

Food Trucks and a Picnic Shelter

Design Conclusions

Tenant Leasing Plan

Why a Tenant Leasing Plan?

Introduction to Tenant Leasing

What do Americans Spend on Food?

Do Public Markets Compete with Existing Private Businesses?

Why do Customers Shop at Public Markets?

The Character of Public Market Tenants

Overall Vendor Mix

How to Choose Market Vendors

Recommended 2nd Locations and New Businesses for the Public Market

Types of Food Offerings

International Food-Based Groceries

Fresh Foods, Ethnic, and Organic Groceries

Restaurants and Prepared Foods

Food Production and Demonstrations

Criteria for Selecting Food Production Tenants

Tenant Recruitment and Selection Guidelines.

Types of Non-Food Offerings

Types of Sale Venues

Carts

Stalls

Stores

Daytables

Food Trucks

Spillout

Internal Tenant Competition

Tenant Merchandising

The Indoor Special Events Area

Tenant Uses

Don't Forget the Kids

Sizing the Market's Spaces

Specific Proposed Tenant Recommendations

How Closely Should this Tenant Leasing Plan be Followed?

Managing the Public Market

Best practices

Private nonprofit

Public Development Authority

Board Composition

Proposed Mission and Goals

Operational Issues:

Organization of "Back door" Uses —

**Garbage, Utilities, Recycling, Storage,
Refrigeration, Security, Maintenance,
Janitorial, Etc.**

Security

Management/merchant Communications

Hours and Days of Operation

Tenant Attendance

Skill-building Classes for Tenants

Customer Relations

Business Management

Recruitment of Employees

Relationship to other Farmers Markets

Recommendations Regarding a New Lease

Product Line Agreements

Parking Policies for Tenants

Staffing Chart Including Brief Job Descriptions and Salaries

Operating Budget

Public Market Economics: Sales, Rent, and the Cost of Occupancy

Translating Market Economics into Projected Rent:

- Differential Rents**
- Staffing Assumptions and Cost**
- Operating Budget Assumptions**
- Operating Revenue**
- Operating Expenses**
- Proposed Operating Budget**

What is a Start-up Lease Reserve?

Capital Budget

- Short and Long-term Capital Needs**
- Capital Budget Assumptions**
- A Proposed Capital Budget**

Identifying Potential Partners

Where Should the Capital Funding Come From?

Suggestions for Funding Future Capital Improvements

Needed Equipment and New Technology

Next Steps

- What Can be Done Immediately?**

Timeline

Conclusion

Appendix:

What is a Public Market?

Who is the Author of this Business Plan?



Planning Study Costs:

The prior outlines summarize how the planning documents for the Grand Junction Public Market will address critical issues.

Below, I spell out the specific steps and costs necessary to develop the Planning Studies.

The attached “Terms of Service” lays out the general economic and other overall policies in delivering these documents.

Over the course of developing the three documents, Zaretsky would visit Grand Junction four times for about 2-3 days for each visit (including travel). If desired, Ernst will visit the Market sites twice, for a period of 2 days for each visit.

The *first visit* will primarily be a reconnaissance trip. I will meet with the development team, Area principals including the political, business, agricultural and philanthropic leadership of Grand Junction. An early draft mission and goals will be presented to facilitate discussion.

The second visit would review a proposed draft mission statement and goals with key players, and hone in on key issues and directions. We would focus on the potential customer community. What are their issues, what is needed in the neighborhood and in the Market? A PowerPoint on what is a Public Market will be prepared and presented to various constituencies. If Ernst is part of the team, he will help assess the physical possibilities of the sites and narrow potential sites to be studied assuming a positive recommendation in the Feasibility Study. We would examine what’s missing from Grand Junction? What services should be added, who should support and run those services? Area churches, community centers, and nonprofit leaders will be consulted. A PowerPoint regarding what can a Public Market contribute to the community will be presented to various constituencies to facilitate discussion. A final Mission and Goals would be presented.

The third visit would occur during the Site Analysis phase. Detailed study of potential sites would occur,

The fourth visit would be during the Business Plan phase and would present draft findings to various constituencies whose input would be incorporated into the final report.

A virtual “town meeting” would present the findings on the Business Plan to the broader community.

COSTS:

1. Ongoing telephone conversation – This will be available on an ongoing basis at mutually agreeable times - \$0 during the course of this Agreement.

2. Feasibility Study – graphically rich. Approximately 100 – 200 pages. Fixed cost of \$38,000
3. Site Analysis – graphically rich. Base Analysis = \$20,000. Each site compared = +\$6,000. (For example, if three sites were selected, the comparative analysis and best use of the recommended site would cost \$38,000 (\$20,000 + \$18,000 {\$6,000 X 3}).
4. Business Plan – graphically rich. – Approximately 250 – 300 pages - \$165,000
5. On-site consulting fee – Assuming 4 trips at 12 days (including travel) - \$14,400 (see Terms of Service attached). (Maximum charge per day capped at 8 hours.)
6. Expenses – Actual expenses X 1.1 to cover contact administration, incidentals, travel arrangements, etc. = (Assuming 4 trips for Zaretsky and 2 trips for Ernst), capped at \$6,000 for Zaretsky and \$2,800 for Ernst (optional).
7. Two optional trips by Mark Ernst to help choose sites to study and make recommendations regarding ancillary and adjacent uses. – Not to exceed \$6,000.
8. Additional services: As mutually agreed - @\$150 hour, max \$1,200/day.

Together, these three documents will allow the Grand Junction Public Market effort to approach a full range of government, national foundation, corporate, and other philanthropic funders. The planning documents will help attract funding as well as provide the necessary roadmap to successfully realize the vision of a Grand Junction Public Market.

XXX



Grand Junction City Council

Workshop Session

Item #1.b.

Meeting Date: January 31, 2022

Presented By: Greg Caton, City Manager, Jodi Welch, Finance Director

Department: Finance

Submitted By: Jodi Welch, Finance Director

Information

SUBJECT:

Audit Committee

EXECUTIVE SUMMARY:

An audit committee is typically comprised of City Council members appointed by fellow Council members. Per the Government Finance Officers Association (GFOA) guidance, an audit committee is a practical means for a governing body to provide independent review and oversight of the government's financial reporting process, internal controls, and independent auditors. For the City of Grand Junction, previous City Council's have appointed council members to select the independent audit firm, and most recently, that occurred in 2015 with the selection of Haynie & Company.

BACKGROUND OR DETAILED INFORMATION:

Staff researched the following comparable cities within the state and out of the 15 cities, two have an audit committee: the City of Boulder and the Town of Castle Rock. Based on discussions, the audit committees are primarily focused on interaction with external independent auditors. This includes a meeting with the auditors at the beginning of the audit and again at the completion to discuss any findings and financial results. The committee also selects the independent auditor through a formal procurement process. The committee is comprised of 2-3 council members and, for the City of Boulder, a professor from the University of Colorado Business School. The committees meet two to three times per year.

Arvada	Castle Rock	Fort Collins	Littleton	Pueblo
Boulder	Commerce City	Greeley	Longmont	Thornton
Broomfield	Englewood	Lakewood	Loveland	Westminster

FISCAL IMPACT:

This item is for Council discussion.

SUGGESTED ACTION:

This item is for Council discussion.

Attachments

None



Grand Junction City Council

Workshop Session

Item #1.c.

Meeting Date: January 31, 2022

Presented By: Greg Caton, City Manager, Jodi Welch, Finance Director

Department: Finance

Submitted By: Jodi Welch

Information

SUBJECT:

Internal Controls Audit

EXECUTIVE SUMMARY:

An internal controls audit evaluates a company's internal controls, including governance and accounting processes. An internal control audit could be performed by an independent auditor or an internal auditor.

As part of the City's independent audit conducted by Haynie & Company, the internal control structure is reviewed as it relates to determining audit procedures and expressing an opinion on the financial statements. With that, they would identify a deficiency, significant deficiency, or a material weakness in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. The internal control letter from Haynie & Company in the December 31, 2020 Comprehensive Annual Financial Report states that they did not identify any deficiencies in internal control that they consider to be a material weakness.

BACKGROUND OR DETAILED INFORMATION:

The internal control environment for the City is a coordinated set of policies and procedures that reflect the comprehensive strategy of achieving fiscal stewardship and accountability: *Stewardship and Accountability, Fiscal Oversight, Policies, Principles, and Practices*, and *Control System & Procedures*.

In preparation for this discussion item, staff obtained the following information from Eide Bailly CPA firm regarding components of an internal control audit.

1) What does a report on internal control include?

Reports include the Objective, Scope, Procedures Performed, Findings and Recommendations. Below are example objectives and deliverables for an internal control review:

- Assess Internal Control Environment (who owns controls, frequency of updates, # of controls by area, any testing performed)
 - Provide GAP Analysis, Findings and Recommendations
- Map Existing Controls to COSO Principles and Objectives
 - Provide Mapping, GAP Analysis, Findings and Recommendations
- Review and Evaluate Control Matrix
 - Provide GAP Analysis, Findings and Recommendations
- Evaluate Financial Reporting and Month-End Close Controls, through Walk-throughs and Review of Existing Documentation
 - Provide GAP Analysis, Findings and Recommendations

2) What does the process of an internal control review consist of?

As a component of an entity's risk assessment, performing an evaluation of the internal control environment and assessing the existing controls mitigates risk by ensuring controls are designed appropriately. With that said, it consists of data gathering; interviews of senior management, board, and governance structure; inquiry, observation, walkthroughs, and testing, where needed.

3) How does having a third party do this review compare to an in-house review?

An internal control review is more effective if objectively performed, specifically outside of Financial Reporting. This allows for an independent & objective assessment of controls and evaluation of segregation of duties. These reviews can be effectively performed by Internal Audit or a third party.

FISCAL IMPACT:

The costs have not been determined at this time.

SUGGESTED ACTION:

This item is for discussion and possible direction.

Attachments

1. Haynie & Company Internal Control Letter 123120

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

To the City Council
City of Grand Junction, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Grand Junction, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise City of Grand Junction's basic financial statements, and have issued our report thereon dated August 2, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Grand Junction's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Grand Junction's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Grand Junction's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

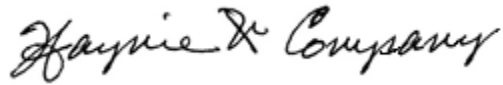
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Grand Junction's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Haynie & Company".

Littleton, Colorado

August 2, 2021



Grand Junction City Council

Workshop Session

Item #1.d.

Meeting Date: January 31, 2022

Presented By: Greg Caton, City Manager, Jodi Welch, Finance Director

Department: Finance

Submitted By: Jodi Welch, Finance Director

Information

SUBJECT:

Quarterly Financial Reports

EXECUTIVE SUMMARY:

A member of City Council requested that the whole Council discuss the quarterly financial reports. Currently, quarterly reports are provided to City Council which provide a high-level review of how actual results compare to the budget.

BACKGROUND OR DETAILED INFORMATION:

Currently, quarterly reports are provided to City Council which provide a high-level review of how actual results compare to the budget. There are two main sections of the report. The first section combines all the funds of the City. The second section highlights the City's General Fund, which also includes the First Responder Fund as well as a budget to actual for major departments.

FISCAL IMPACT:

This item is for discussion purposes.

SUGGESTED ACTION:

This item is for discussion purposes.

Attachments

1. 2021 Q4 Quarterly Financial Reports with Attachment

Memorandum

TO: Members of City Council
FROM: Greg Caton, City Manager
Jodi Welch, Finance Director
DATE: January 20, 2021
SUBJECT: Quarterly Financial Reports – Q4 2021

Attached is the 4th Quarter 2021 Financial Report. This report is intended to provide City Council with a high-level preliminary overview of how the quarter's financials compared to budget. Please note that the term *preliminary* is used throughout the report because the books are not yet closed and financial transactions relating to 2021 are still being posted. Furthermore, the figures provided are unaudited.

The amended budget includes any supplemental appropriations approved by City Council during 2021. The 2021 budget anticipated a planned use of fund balance for capital projects, however due to timing of capital projects and the expected carry forward of many of those capital projects, the actual fund balances increased.

The first section combines all the funds of the City. As a reminder, the City uses *fund accounting* which emphasizes accountability, ensuring that resources are used for what they are specifically intended for or legally restricted to. All funds include general government funds such as the General Fund and major capital funds, as well as enterprise funds. *Government funds* budget and account for all the general government operations and capital projects that are predominantly funded by taxes. This includes police, fire, emergency medical services, parks, recreation, transportation system, and administration. *Enterprise funds* budget and account for the operations and capital projects that are funded by fees and services charged to the direct user of the services. For example, this includes the water and sewer enterprise operations.

The second section highlights the City's General Fund which also includes the First Responder Fund. The General Fund is the largest operating fund of the City and supports the major government operations of the City. The First Responder Fund was established as a result of voter authorization of the 0.5% First Responder Tax. While the two are separate funds for accounting purposes, they are combined for budget presentation and the quarterly report because they both support the Police and Fire Departments.

Each section shows how revenues and expenses are tracking against budget, with additional information regarding variances from budget.

Finally, a budget to actual chart by major departments in the General Fund is shown.

Attachment: 4th Quarter 2021 Financial Report

C: Department Directors

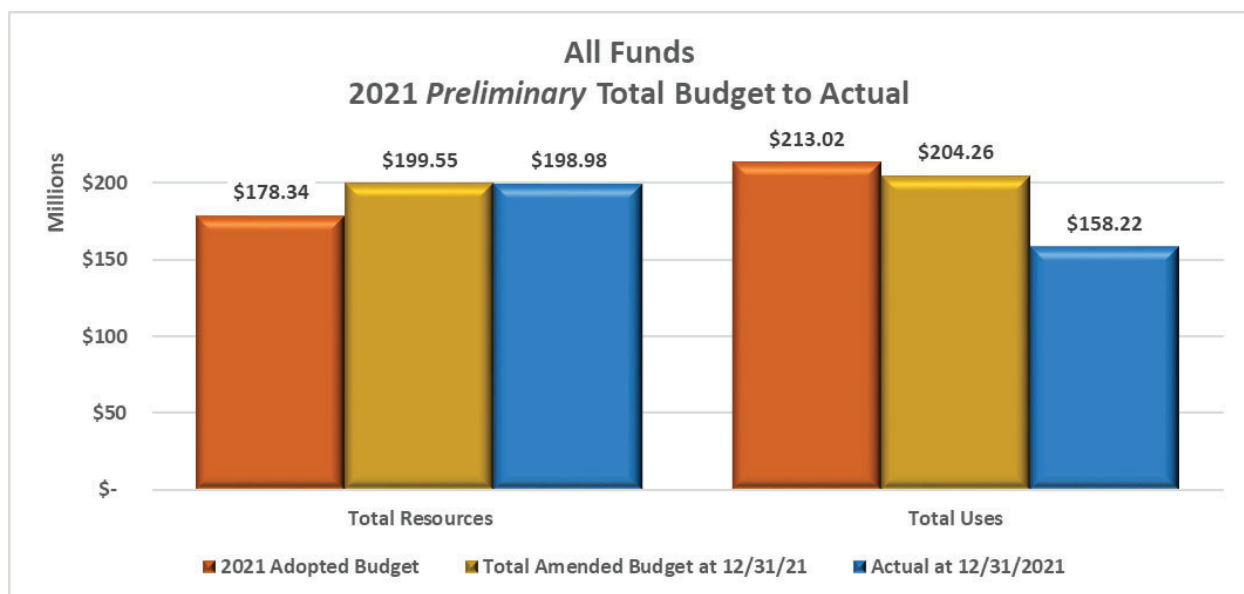


Quarterly Financial Report 4th Quarter 2021

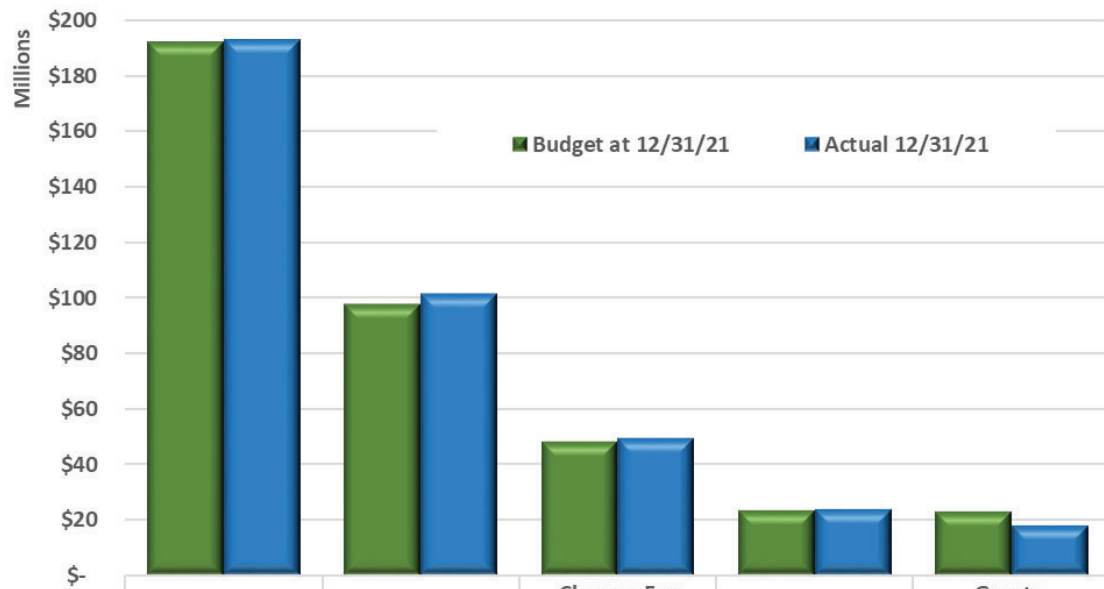
All Funds

The 4th quarter report is based on *preliminary, unaudited* actual figures. 2021 Financial transactions are still being posted and the year is not yet closed.

- Total revenues have exceeded budget primarily due to tax revenues and development fees coming in higher than projections. Grant revenues that coordinate with capital projects will be recorded once the capital projects expenses are finalized for 2021.
- Total expenses are below budget due to timing of capital projects and labor savings (filling vacancies and new positions). After capital projects are finalized for 2021, the uncompleted portion of projects will be carried forward to 2022 with a supplemental appropriation. Associated grant revenues will also be moved to 2022. Internal service charges exceeded budget due to increases in the cost of fuel, but are offset by other operating savings.
- Total resources shown the chart below include funds (transfers-in) from the Dos Rios bond proceeds and the E911 surcharge fund for Communication Center.

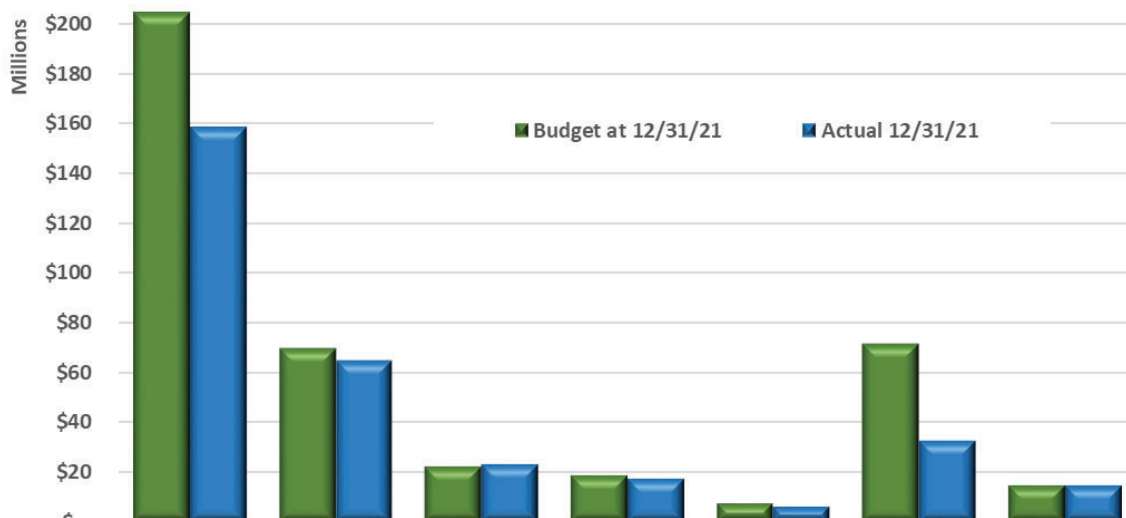


All Funds Revenues
4th Quarter *Preliminary* Budget to Actual



Budget at 12/31/21	\$192,063,922	\$97,535,030	\$48,130,632	\$23,454,928	\$22,943,332
Actual 12/31/21	\$192,741,686	\$101,518,141	\$49,353,583	\$23,838,020	\$18,031,942

All Funds Expenses
4th Quarter *Preliminary* Budget to Actual

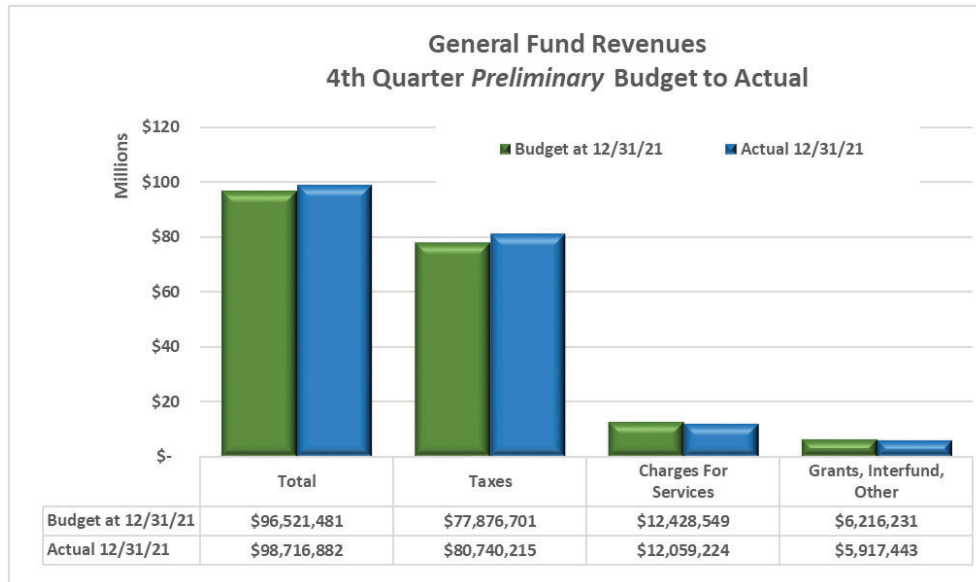


Budget at 12/31/21	\$204,256,046	\$69,564,266	\$22,258,972	\$18,786,142	7,549,788	71,367,783	14,729,095
Actual 12/31/21	\$158,220,288	\$64,835,936	\$22,864,190	\$17,281,510	6,216,242	32,293,527	14,728,883

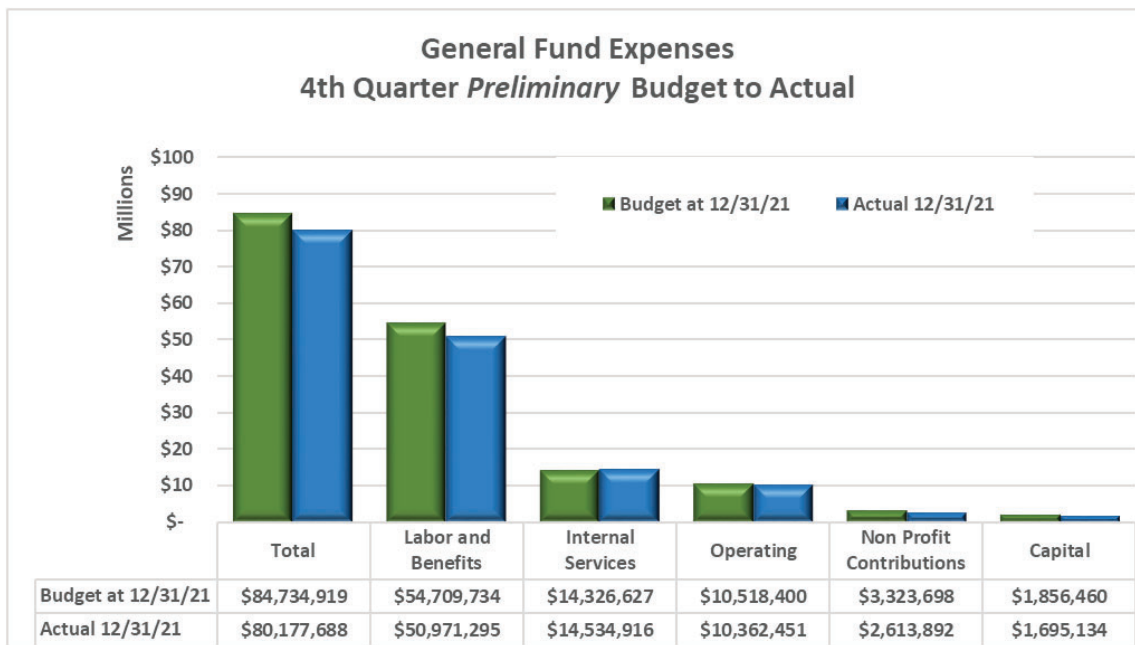
General Fund (includes First Responder)

The 4th quarter report is based on *preliminary, unaudited* actual figures. 2021 Financial transactions are still being posted and the year is not yet closed.

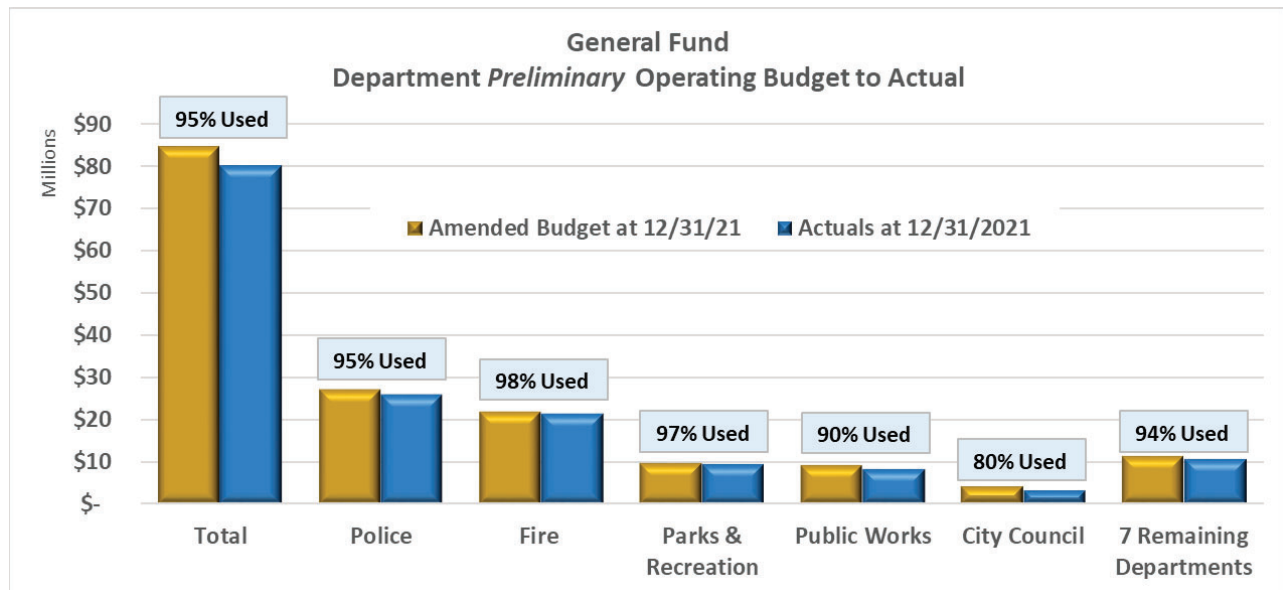
- Revenues have exceeded budget due to sales tax revenues coming in higher than projections.



- Total expenses are less than budget due to labor savings and timing of capital projects. Internal service charges exceeded budget due to increases in the cost of fuel, but are offset by other operating savings.



- Police, Fire, Parks & Recreation, and Public Works are the four largest departments in the City supported out of these funds.



- Overall 95% of the budget has been expended. Operating budgets include labor, operating, and internal service (fleet, technology, dispatch) costs. The largest portion of the City Council Budget is the Economic Development and Non-Profit contributions.

