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**GRAND JUNCTION CITY COUNCIL
MONDAY, SEPTEMBER 19, 2022
WORKSHOP, 5:30 PM
FIRE DEPARTMENT TRAINING ROOM AND [VIRTUAL](#)
625 UTE AVENUE**

1. Discussion Topics

- a. Discussion Regarding the Zoning & Development Code Update
- b. Community Recreation Center Planning (3rd and Final Session)
- c. Source of Sales Tax Study Presentation

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 <https://www.gjcity.org/313/City-Council>) or call one or more members of City Council (970-244-1504);

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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."
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Grand Junction City Council

Workshop Session

Item #1.a.

Meeting Date: September 19, 2022

Presented By: Elizabeth Garvin, Don Elliott, Felix Landry, Planning Supervisor

Department: Community Development

Submitted By: Felix Landry, Planning Supervisor

Information

SUBJECT:

Discussion Regarding the Zoning & Development Code Update

EXECUTIVE SUMMARY:

City hired Clarion Associates to work on updating the City's Zoning and Development Regulations, Title 21 in the Grand Junction Municipal Code. This effort will work toward three primary goals:

1. Update the City's development regulations to better implement the City's vision and goals as described in the 2020 One Grand Junction Comprehensive Plan
2. Achieve greater simplicity, efficiency, consistency, and legal effectiveness in the code language
3. Identify opportunities to facilitate the development of affordable and attainable housing

The first module of the revised Code has been drafted and is available for public review and comment. Module 1 includes sections: 21.01 General Provisions, 21.02 Administration and Procedures, 21.12 Nonconformities, 21.13 Violations and Enforcement, and 21.14 Measurements and Definitions. Clarion Associates will present for discussion key sections of Module 1 as well as present an adjusted timeline for the project.

BACKGROUND OR DETAILED INFORMATION:

The project team has posted Module 1 of the drafting process for review by the public on the Zoning and Development Code Update Website. Information pertaining the to the update can also be found on GJSpeaks.org as well as the project website. Module 1 includes sections: 21.01 General Provisions, 21.02 Administration and Procedures,

21.12 Nonconformities, 21.13 Violations and Enforcement, and 21.14 Measurements and Definitions.

The project team has also posted a Module 1 Overview Memo outlining the changes to these sections and providing some insight into the major topics up for discussion at the ZDC Update Committee. The Zoning & Development Code Committee discussed Module 1 at their September 6 meeting and the Planning Commission discussed Module 1 at their September 8 workshop. This memo is also available to download from the project website and has been attached for review.

FISCAL IMPACT:

There is no fiscal impact related to this item.

SUGGESTED ACTION:

Discussion Only.

Attachments

1. GJ Z&DC M1 Overview Memo August 2022

Grand Junction Zoning and Development Code

Module 1: Administrative Procedures | September 2022



This memo provides an overview of the Z&DC updates made in Module 1: Administration and Procedures. This memo is designed accompany distribution of the public review draft of Module 1.

1. Z&DC Update Project Summary

A. Project Goals

- Update the City's regulations to better reflect the goals and policies described in the 2020 One Grand Junction Comprehensive Plan, especially those Key Principles related to Responsible and Managed Growth and Strong Neighborhoods and Housing Choices.
- Achieve a higher level of efficiency, consistency, and simplicity.
- Identify constraints and opportunities for affordable and attainable housing, consistent with those identified in the City's recently adopted Housing Strategies.

A portion of the funding for the Z&DC update project is being provided through an Innovative Housing Strategies Planning Grant from the Colorado Department of Local Affairs (DOLA). The grant is intended to help communities understand their housing needs and adopt policy and regulatory strategies aimed at promoting the development of affordable housing.

B. Understanding and Implementing Relevant City Plans and Policies

This project is guided primarily by the One Grand Junction Comprehensive Plan (2020) and the Grand Junction Housing Strategy (2021).

C. Code Assessment and Annotated Outline

The updated Z&DC organization and key revisions are described in the [Code Assessment](#), available on the City's website.

2. Development Code Committee Input

The role of the Development Code Committee in the draft review phase of the Z&DC update is to:

- a. Assist with the technical review of the draft Code;
- b. Provide local knowledge and specialized expertise of specific development topics; and
- c. Identify policy-level issues for Project Team to discuss with elected and appointed officials.

To help focus the DCC on key issues in each draft module, questions have been provided following the Summary of Changes section. Members of the DCC are not expected to provide specific edits to the draft and, to help the group work as a whole, are also not encouraged to raise specific edits to the draft as part of DCC meetings.

If there are concepts or topics that DCC members would like to discuss at their meeting, in addition to the topics identified in the questions below, **please summarize them before the meeting** and email them to Felix Landry so they can be distributed to the rest of the DCC members prior to the meeting.

If members of the DCC wish to submit suggested edits, please do so separately from the DCC meeting. Feel free to submit suggested edits through the City website or to ZoningCodeUpdate@gjcity.org.

3. Summary of Changes in Module 1: Administration and Procedures

A. Contents

This module includes the following chapters:

- Chapter 21.01: General Provisions
- Chapter 21.02: Administration and Procedures
- Chapter 21.12: Nonconformities
- Chapter 21.14: Measurements and Definitions

B. General Code Reading Instructions

Z&DC content has been edited into more “plain” language, but regulatory drafting still has some legal quirks. If you are unsure of a phrase or term, check the definitions.

When the Z&DC refers to “Director” it also includes Community Development staff, the actual Director is not required to do all of the specific tasks identified in the Code.

The Z&DC is being drafted in four modules, each containing a number of chapters. Earlier chapters may be missing cross-references or information available in later chapters. The missing cross-references are marked as <<insert cite>> and will be filled-in as part of a later draft.

The summary tables have been populated with current, carried forward information that will be corrected following edits to the rest of Module 1.

There may be some text that is separate from a section header other formatting issues in this draft. While the drafting goal is to minimize these issues, they will all be addressed as the draft is revised.

C. Summary of Updates

The following updates were made in each chapter. **Note: This module is subject to additional revisions based on ongoing review by the Community Development Department and City Attorney's Office.*

1. All Chapters

- a. Added more detailed table of contents and page headers/footers to make information easier to find.
- b. Tables and flow charts added to summarize information where helpful as a quick reference.
- c. Content that is not relevant to the chapter has been moved to a different location where a Code user is more likely to find it.
- d. Cross-references have been added or updated unless the section being cross-referenced is in a later draft.

2. Chapter 21.01 General Provisions

- a. Created a process to retire the current Z&DC but maintain the regulations for future use as needed.

- b. Revised the purpose statements to better reflect One Grand Junction goals and policies.
- c. Clarified that the City does not enforce private agreements or private restrictions.
- d. Add transitional standards that address development applications in process when the updated Z&DC is adopted.

3. Chapter 21.02 Administration and Procedures

- a. Table 21.02-1: New summary of decision-making table added to provide quick information and improve Code navigation.
- b. Consolidated the commonly applicable procedures from two sets to one. The consolidated common procedures were updated to specify:
 - i. 21.02.030(d)(2)(ii): Instructions for fee payment for changes to complete applications
 - ii. 21.02.030(d)(4): Review criteria for a complete application
 - iii. 21.02.030(f): Instructions for addressing situations when an applicant wants to make a change to a complete application
 - iv. 21.02.030(j): Standards for permit and approval lapsing and extension have been specified.
- c. Updated the review and decision-making standards to be more objective and predictable. This included removing the General Approval Criteria for both administrative permits (current 21.02.070(a)(6)) and permits requiring a public hearing (current 21.02.080(d)) and replacing them with updated approval criteria in the specific application types.
- d. Reorganized specific procedures into four groups: Administrative Permits, Administrative Approvals, Major Development Applications, and Historic Preservation, and organized the procedures within each section alphabetically.
- e. Added summary tables of the steps required for each specific procedure.
- f. Revised the Administrative Adjustment procedure to allow staff to make specific adjustments to measurable standards for either proposed applications or to approved developments to account for changes identified through field work.
- g. Added complete procedures for Annexations and Boundary Adjustments.
- h. All of the current procedures have been carried forward, organized to follow the new format, and edited for clarity.
- i. 21.02.060, Historic Preservation Procedures, have been carried forward without change.
- j. 21.02.070, Development Fees, have been carried forward without change and relocated to the Administration and Procedures chapter. The Z&DC update project will not include changes to the current development fees.

4. Chapter 21.12 Nonconformities

The current nonconformity standards have been carried forward, edited for clarity, and slightly reorganized to group all of the abandonment provisions together.

5. Chapter 21.13 Violations and Enforcement

The current Violations and Enforcement provisions have been carried forward with minimal change.

6. Chapter 21.14 Measurements and Definitions

This module includes the first draft of the Measurement and Definitions chapter. The current definitions and measurement instructions have been carried forward and will be updated as needed with each module. Any definitions or measurements included in other sections of the Z&DC will be moved to this chapter during the drafting process. Definitions relevant to Module 1 have been highlighted in yellow for review.

4. DCC Questions for Discussion

A. Pre-Application Meetings

The updated draft changes Section 21.02.030(b)(2), Pre-Application Meetings, from “highly encouraged” to mandatory for three types of applications: major site plans, preliminary subdivision plans, and planned developments. The specific goal of this change is to have applicants for major development projects meet with the City prior to application submission to discuss application requirements and development review timing. The desired outcome is to ensure that the applicant is notified of issues that might become problems earlier in the process when they are easier to correct and to help set shared expectations about the review process. This recommendation is based on best practices in communities that are generally perceived by applicants as well-functioning.

1. Do you think that greater reliance on pre-application meetings can help resolve issues at the front-end of the review process?
2. Are these the correct application types to require or should this list include something else?

B. General Meetings

The updated draft also changes Section 21.02.030(b)(3), Neighborhood Meetings, to require neighborhood meetings for applications that require a public hearing and are decided by the City Council based on an interpretation of Z&DC requirements. The specific goal of this change is to, at a minimum, alert applicants of issues of concern to the surrounding neighborhood. The desired outcome is to encourage conversation between the applicant and the neighborhood, but an applicant is not required to change an application based on a neighborhood meeting. This recommendation is based on best practices in communities that seek to address potential application conflicts prior to the public hearing. The Director is allowed to waive the neighborhood meeting requirement for projects that will have minimal impacts on surrounding properties.

- a. Do you think the neighborhood meeting process can be effective for some development applications?
- b. Is this process structured properly for a useful outcome?

C. Administrative Adjustments

21.02.040(d), Administrative Adjustment, has been revised to allow targeted adjustments to specific standards in the Code, either in conjunction with a specific application or as part of an application amendment when issues are found during field work that require correction to the approved plans. The specific goal of this change is to allow the administrative adjustment process to be used more predictably to address small changes that will not impact the overall approval. The desired outcome is to give applicants a streamlined approach to adjust some measurable regulations without going through a variance or PD process. The recommendation is based on best practices experience in

communities that find reliance on administrative approvals is effective for shortening the overall length of the development review process and communities that rely on administrative adjustments for redevelopment and infill projects.

1. Do you think this is a useful change to the current administrative adjustment process?
2. The draft limits any application to 6 adjustments, do you think this is appropriate?
3. Are there other adjustments that should be added to this process? If so, can you provide examples?

D. Rezoning Review Criteria

21.02.050(d)(3)(iii), Review Criteria, have been revised to allow rezonings that are consistent with the adopted comprehensive plan. The current review criteria require an applicant to show that there has been a change in conditions or circumstances in the surrounding area. This approach to rezoning is outdated and unnecessarily strict and can be particularly challenging in a growing community that anticipates redevelopment. The specific goal of this change is to make it easier for property owners to rezone in a manner that is consistent with the comprehensive plan. The desired outcome is longer-term change that aligns the zoning map with the One Grand Junction Future Land Use Plan, better reflecting the community's future vision of itself. This recommendation is based on best practices experience with modern planning. Modern comprehensive plans are based on both extensive local data and expansive community input and provide detailed information about preferred future land uses and development goals. The current rezoning review criteria, reflective of a rezoning approach from the 1960s, are designed to have the City make individual policy determinations with each rezoning, so the current zoning would be locked into place until an applicant could prove that change would be beneficial. Those policy considerations are now reflected in the comprehensive plan, so the rezoning process can be simplified.

1. What comments do you have about the revised rezoning criteria?
2. Do you have any concerns that are not addressed in the revised criteria?

E. Readability and Understanding

1. Did you find Module 1 readable and understandable?
2. Do you have suggestions for making the Z&DC more accessible to all Code users?



Grand Junction City Council

Workshop Session

Item #1.b.

Meeting Date: September 19, 2022

Presented By: Ken Sherbenou, Parks and Recreation Director

Department: Parks and Recreation

Submitted By: Ken Sherbenou

Information

SUBJECT:

Community Recreation Center Planning (3rd and Final Session)

EXECUTIVE SUMMARY:

The Community Recreation Center (CRC) planning is divided into three core work sessions or phases. Work session #1 occurred June 13 and 14 and focused on the site of a potential CRC. Parks & Recreation Advisory Board (PRAB) analyzed all public input received, along with numerous other data points, and made a unanimous recommendation to City Council to pursue Matchett Park as the location. City Council ratified and approved this recommendation on July 6 and Matchett is now the site of the evolving planning. Work session #2 occurred on July 18 and 19 and focused on the crux of the planning process: the funding and the building program. PRAB analyzed all public input received, along with numerous other data points, and made a unanimous recommendation to City Council to pursue a 0.15% sales tax increase to supplement the revenue from a tax on cannabis sales already devoted to parks and recreation to build an 83,000 square foot Community Recreation Center. City Council ratified and approved this recommendation on August 17 and this CRC size and funding method is now a core component of the plan.

The final work session on September 20 will focus on presenting the final component of the process: the operational plan and design. Using site information with the selected site of Matchett, and the building size and program from the last work session, an operational plan has been assembled. This includes defining fees and conservatively projecting utilization, which estimates operational revenue. The operational plan also involves operating hours and other operating requirements. This informs the staffing needs of the facility, both new full-time and part-time staff, and all supplies and costs that would be incurred for operating the CRC. Annual debt service is also factored in. Concept design has also evolved, including the building layout and the site plan.

In addition to another round of focus groups as well as a public forum, the PRAB will again continue to steer and vet the planning process. This includes a meeting on September 20. PRAB will then be presented with all public feedback for their consideration and then meet again on September 26 to compose another recommendation to City Council tentatively planned for their October 19 meeting. At that meeting, if so desired by City Council, a summary presentation on the operational plan and associated design of the Community Recreation Center will be given.

BACKGROUND OR DETAILED INFORMATION:

The Parks, Recreation and Open Space (PROS) Master Plan has a Community Recreation Center (CRC) as the highest priority. City Council gave direction to study the opportunity by working with professors from Colorado Mesa University (CMU) to conduct a statistically valid survey. Results from the survey indicated strong support for a CRC. Council then provided further direction to staff to assemble a potential proposal to bring a CRC to fruition, including engaging with a consultant to further refine the plan through public engagement. Barker Rinker Seacat Architecture (BRS) is mobilized to facilitate a Community Recreation Center (CRC) study building off of previous studies and reforming plans. City Staff and BRS created a work session schedule to gain additional guidance from the community, which is then provided to the Parks and Recreation Advisory Board (PRAB). City Council has tasked PRAB to then make recommendations at each critical juncture in the planning process for consideration by City Council.

This final CRC planning work session will layout the operational plan for the potential facility. Since the building size and funding mechanism was approved by City Council at the August 17 meeting, BRS has evolved the concept design for the building and site substantially. These near-complete plans will be presented to the community at the 3rd and final community work session on September 20. The total project cost of \$70M at approximately 83,000 square feet in size includes all the highest articulated needs according to the CMU professors' statistically valid survey. This includes a leisure pool, lap pool, therapy pool, fitness/weights/aerobic rooms, gymnasium for pickleball (9 courts), volleyball (3 courts) and basketball (3 for middle school, which allows one high school court), a walk/jog indoor track, multi-purpose meeting rooms, administrative space, climbing wall, family game area, senior space, locker rooms, family changing rooms, and an area for child watch. A potential dedicated therapy space is not included in the square footage or the budget. At which time a partnership with a therapy provider comes to fruition, this space can easily be incorporated into the building program and design.

As the facility concept design has progressed and the funding plan coalesced, comparison to other communities has been paramount. This includes understanding revenues from fees and operating expenses from other similar facilities. Likewise, it continues to be important to reference funding and facility size comparisons, which will also be described in the work session #3 content.

FISCAL IMPACT:

This item is for discussion purposes only.

SUGGESTED ACTION:

This update from Barker/Rinker/Seacat (BRS) architecture will be an opportunity to ask questions and for Council to discuss the presentation of the nearly-complete Community Recreation Center (CRC) plan to the community.

Attachments

None



Grand Junction City Council

Workshop Session

Item #1.c.

Meeting Date: September 19, 2022
Presented By: Jodi Welch, Finance Director
Department: Finance
Submitted By: Jodi Welch, Finance Director

Information

SUBJECT:

Source of Sales Tax Study Presentation

EXECUTIVE SUMMARY:

The City's sales tax revenue is the single largest revenue source that supports General Government operations. Periodically, the City engages consultants to analyze where the City's sales tax revenue comes from. It is important to understand where that revenue is coming from and who is paying it, especially when evaluating the value of services to our residents.

The most recent study was completed by BBC Research & Consulting (BBC). Based on the analysis, the portion of sales tax paid by City households is estimated as 30%, the portion paid by Mesa County households (outside of the City) is 23%, the portion paid by visitors (non-residents of Mesa County) is 25%, and the portion paid by businesses is 22%. For this analysis, BBC and staff applied additional assumptions for certain categories including motor vehicle purchases, motor vehicle parts, on-line sales, and building materials to ensure that the resulting portion paid by City households was not understated. The results of the study were reported to City Council in a memo on July 15, 2022 and this is now the opportunity for BBC to present to City Council.

BACKGROUND OR DETAILED INFORMATION:

Over the last 30 years the City has engaged financial consultants six times to analyze where the City's sales tax revenue comes from on an annual basis. The analysis attributes sales tax revenues from four different sources; City households, County households, businesses, and visitors (mainly shoppers, travelers and tourists).

The most recent analysis was conducted by BBC Research & Consulting (BBC). The analysis builds on previous studies and allocates the revenues to the different sources

by applying a methodology that considers these factors; household income, proportion of household income used for taxable purchases, proportion of expenditures made by Grand Junction and non-Grand Junction Mesa County residents, and the proportion attributable to visitors and businesses.

Given the unique nature of business during the pandemic along with questions from Council and residents about methodology, BBC and City staff reviewed each aspect of the analysis using information from City business data, other Colorado city sales tax information, and data from the Consumer Expenditure Survey. Additionally, BBC and city staff calculated the share of residential contributions to sales tax for three years: 2018, 2019, and 2020.

Two key insights considered by BBC during this analysis were:

- Online sales provide a greater share of sales tax than in previous studies and City data and processes account for these revenues in a more robust manner than in past studies; and
- The study team and City staff reviewed the classification of businesses remitting sales tax to ensure they were appropriately classified for the sales tax analysis. The staff and study team paid particular attention to areas where residents and staff have had questions about past sales tax sources results (e.g., automobile sales, online sales, and building materials).

The analysis was completed for three years from 2018 through 2020. The two years prior to the pandemic showed a slightly higher percentage paid by visitors, which makes sense based on the impact of the pandemic on the tourism industry. BBC will provide a model that can be used by staff each year in order to update the analysis between formal studies.

FISCAL IMPACT:

This item is for discussion purposes only.

SUGGESTED ACTION:

This item is for presentation and discussion purposes only.

Attachments

1. Source of Sales Tax Study with attachment 071522 Memo To Council

Memorandum

TO: Members of City Council
FROM: Greg Caton, City Manager
Jodi Welch, Finance Director
DATE: July 15, 2022
SUBJECT: City of Grand Junction Sales Tax Sources 2022

The City's sales tax revenue is the single largest revenue source that supports General Government operations. It is important to understand where that revenue is coming from and who is paying it, especially when evaluating the value of services to our residents.

Over the last 30 years the City has engaged financial consultants six times to analyze where the City's sales tax revenue comes from on an annual basis. The analysis attributes sales tax revenues from four different sources; City households, County households, businesses, and visitors (mainly shoppers, travelers and tourists).

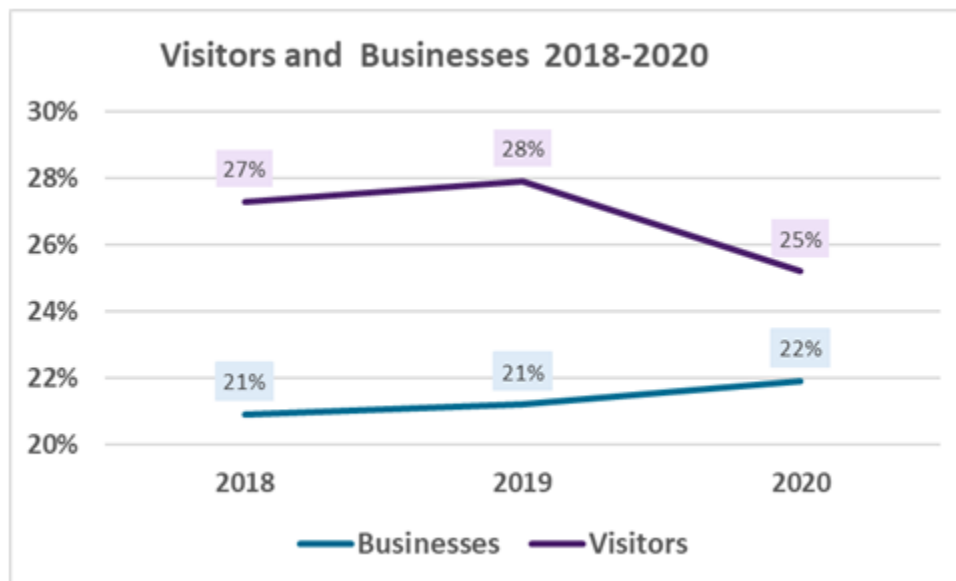
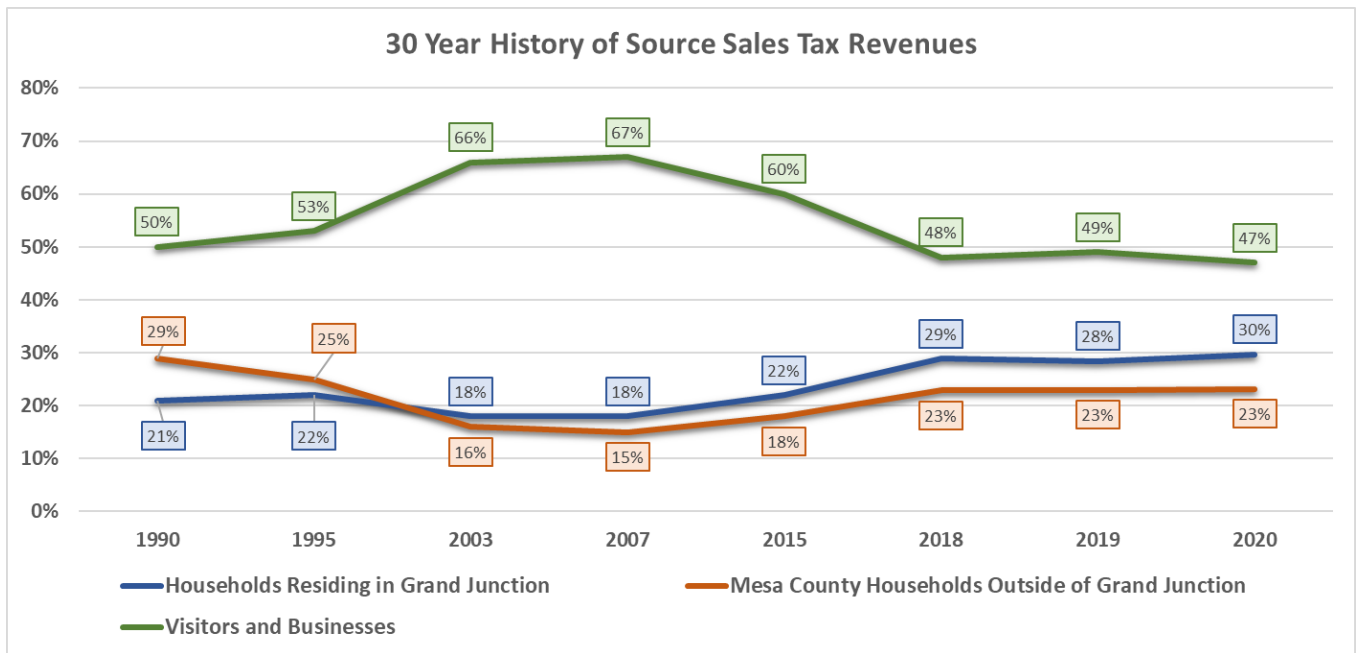
The most recent analysis was conducted by BBC Research & Consulting (BBC). The analysis builds on previous studies and allocates the revenues to the different sources by applying a methodology that considers these factors; household income, proportion of household income used for taxable purchases, proportion of expenditures made by Grand Junction and non-Grand Junction Mesa County residents, and the proportion attributable to visitors and businesses.

Given the unique nature of business during the pandemic along with questions from Council and residents about methodology, BBC and City staff reviewed each aspect of the analysis using information from City business data, other Colorado city sales tax information, and data from the Consumer Expenditure Survey. Additionally, BBC and city staff calculated the share of residential contributions to sales tax for three years: 2018, 2019, and 2020.

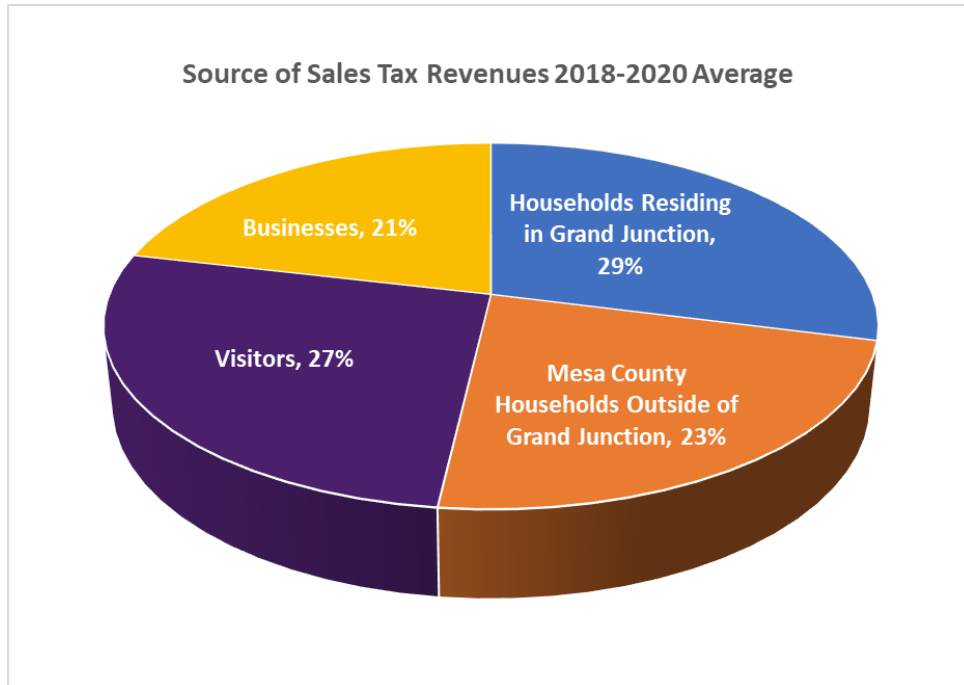
Two key insights considered by BBC during this analysis were:

- Online sales provide a greater share of sales tax than in previous studies and City data and processes account for these revenues in a more robust manner than in past studies; and
- The study team and City staff reviewed the classification of businesses remitting sales tax to ensure they were appropriately classified for the sales tax analysis. The staff and study team paid particular attention to areas where residents and staff have had questions about past sales tax sources results (e.g., automobile sales, online sales taxes, and building supplies).

The line chart below shows the history of the source of revenues. Prior to the most recent study, City households were paying 22% of sales taxes and visitors and businesses were paying the majority of sales taxes. Additionally, the break down between visitors and businesses from 2018-2020 is provided which clearly indicates the impact of the pandemic on visitors from 2019 to 2020.



In the most recent survey, as demonstrated in the pie chart below, the analysis shows a shift in sales taxes paid by City households to an average of 29%, County households paying an average of 23% of sales taxes, visitors paying an average of 27%, and businesses paying an average of 21%.



The conclusion is that loss of regional retail positioning over the years, the growth in online sales, and the impact on consumer behavior as a result of the pandemic influenced the shift. However, given the bounce back in retail activity in 2021 and the current economic environment in 2022, we believe the proportions will be impacted again. To that end, staff is working with BBC on a model resulting from this recent analysis to be able to evaluate source of sales tax revenues annually in-house.

C: Department Directors

Attachment: BBC City of Grand Junction Sales Tax Sources 2022

MEMORANDUM

To: Jodi Welch, Finance Director, City of Grand Junction
From: Kevin Williams, Managing Director, BBC Research & Consulting
Re: FINAL - City of Grand Junction Sales Tax Sources 2022
Date: July 8, 2022

The City of Grand Junction (the City), relies heavily on the sales tax revenues to fund government operations. The City collects sales tax from more than 7,000 vendors in the City on retail tangible personal property as defined by City Ordinance #2551. As such, 60 percent of City General Fund revenues come from sales, use and lodging taxes. The current sales tax rate in Grand Junction is 3.25 percent, increased by 0.50 percent in 2019 by a vote of Grand Junction citizens for the purpose of supporting fire and police services in the City. The City has retained BBC Research & Consulting to provide an analysis of the primary sources of the economic activity that results in sales tax revenues, following a past study done in 2015. BBC has worked with the City staff to update the past study, with the most recent information available, across a longer time period to capture additional nuances in the post-pandemic economy.

Methodology

The sales taxes collected by the City can be attributable to four sources:

- Purchases by City of Grand Junction households;
- Purchases by non-Grand Junction households in Mesa County;
- Sales to businesses; and
- Spending by visitors from outside of Mesa County.

The study team has used various tools of economic and financial analysis to estimate the share of sales tax revenues attributable to each of these sources, outlined in the following steps:

Step 1: Number of households. The Colorado Department of Local Affairs State Demography Office provides estimates of the number of households in each county throughout the state and certain communities within the County. BBC took the estimated number of households in Mesa County and Grand Junction for 2019 from the State Demography Office, as shown in Figure 1.

Figure 1.
Number of Households

	2017	2018	2019
Number of households			
Mesa County	66,520	67,293	68,186
Grand Junction	28,620	29,150	29,574
Household size			
Mesa County	2.29	2.29	2.29
Grand Junction	2.46	2.46	2.46
Share of Grand Junction households in Mesa County	43.0%	43.3%	43.4%

Source: State Demography Office, Colorado Department of Local Affairs.

Step 2: Household income. BBC used data from the American Community Survey (ACS) from the United States Census Bureau for 2015-2019 to determine the median household income for Mesa County households and Grand Junction households. Multiplying the median household income, with the number of households in the previous step, the study team calculated the total household income for Mesa County households and Grand Junction households. BBC then estimated the median household income for households in Mesa County that are not in Grand Junction, as shown in Figure 2.

Figure 2.
Total Households income in Grand Junction, Mesa County, and Mesa County Households Outside of Grand Junction

	Median Household Income	Number of Households	Total Household Income (Millions)	Share of Household Income
Grand Junction households	\$52,504	29,574	\$1,553	41%
Mesa County households outside Grand Junction	\$57,699	38,612	\$2,223	59%
Mesa County households	\$55,379	68,186	\$3,776	100%

Source: ACS 2015-2019 estimates, US Census Bureau.

Step 3: Consumer Expenditure estimates. Using data from the Bureau of Labor Statistics' 2019 Consumer Expenditure Survey (CES), BBC estimated the proportion of household income for Mesa County residents (both residents from Grand Junction and those from the remainder of the County) devoted to taxable purchases. To do so, BBC collected data from CES on share of income by expenditure category, for the 3rd income quintile, as associated with the Mesa county and Grand Junction household income estimations. Using this methodology, BBC estimated that

taxable retail expenditures account for slightly more than one-third of spending by households in Mesa County and Grand Junction, as shown in Figure 3.

Figure 3.
Consumer expenditures estimates

Source:

Bureau of Labor Statistics 2019 Consumer Expenditure Survey.

Expenditure Class	3rd Quintile Share (U.S.)
Non-Retail Expenditures	44.0%
Exempt Retail Expenditures	17.7%
Taxable Retail Expenditures	31.7%
Non-Spending	6.6%

The spending categories in each of these expenditure classes is further detailed in Figure 4. Each spending category from the CES data and its corresponding proportion of income is categorized into taxable and non-taxable expenditures. BBC then estimated the total expenditures for Grand Junction households, Mesa County households, and households in Mesa County that are outside of Grand Junction by multiplying share of income for each category by total household income.

Figure 4.
Detailed consumer expenditures

Expenditure Class	Expenditure Category	Share (U.S., 3rd Income quintile)	Grand Junction Households	Remainder Households	Mesa County Households
Non-Retail Expenditures (44%)	Shelter	18.6%	\$289	\$414	\$702
	Household Operation	2.1%	\$33	\$47	\$79
	Other Fuels, Water, Sewer	1.2%	\$19	\$27	\$45
	Health Insurance	5.7%	\$89	\$127	\$215
	Medical Services	1.4%	\$22	\$31	\$53
	Education	1.2%	\$19	\$27	\$45
	Life & Personal Insurance	0.6%	\$9	\$13	\$23
	Cash Contributions	2.3%	\$36	\$51	\$87
	Pensions & Social Security	7.5%	\$116	\$167	\$283
	Vehicle Finance Charges	3.2%	\$50	\$71	\$121
Exempt Retail Expenditures (17.7%)	Groceries	7.8%	\$121	\$174	\$295
	Prescription Drugs	0.8%	\$12	\$18	\$30
	Tobacco Products & Smoking Supplies	0.6%	\$9	\$13	\$23
	Fees and Admissions	0.7%	\$11	\$16	\$26
	Gasoline and Motor Oil	3.7%	\$57	\$82	\$140
	Utilities: Electric, Natural Gas	3.2%	\$50	\$71	\$121
	Public Transportation	0.9%	\$14	\$20	\$33
Taxable Retail Expenditures - Consumer Goods (31.7%)	Housekeeping Supplies	1.2%	\$18	\$26	\$44
	House Furnishings & Equipment	3.1%	\$48	\$69	\$117
	Entertainment Equipment	1.6%	\$25	\$36	\$60
	Apparel & Accessories	2.7%	\$42	\$60	\$102
	Personal Care Products and Services	1.2%	\$19	\$27	\$45
	Non-Prescription Drugs & Medical Supplies	0.3%	\$5	\$7	\$11
	Books	0.2%	\$3	\$4	\$7
	Pets, Toys, Entertainment, Misc. Retail	3.1%	\$48	\$69	\$117
	Motor Vehicle Purchases	7.1%	\$110	\$158	\$268
	Motor Vehicle Maintenance (Parts)	1.4%	\$22	\$31	\$53
	Eating & Drinking	6.5%	\$101	\$145	\$245
	Utilities: Telephone	2.5%	\$39	\$56	\$94
	Vehicle Rentals and Leases	1.1%	\$17	\$25	\$42
Non-Spending (6.6%)	Taxes & Other (savings)	6.6%	\$102	\$147	\$249
Total Product		100.0%	\$1,553	\$2,228	\$3,777

Source: Bureau of Labor Statistics 2019 Consumer Expenditure Survey.

Step 4: Spending in Grand Junction by Grand Junction residents. A portion of household spending by Grand Junction residents were made outside of the City. Based on information from past studies and knowledge of the way sales taxes are attributed from discussions with the City staff, BBC estimated that approximately \$418 million of the more than \$490 million of Grand Junction household expenditures were made in the City, as shown in Figure 5.

Figure 5.
Spending in Grand Junction by Grand Junction Residents

Taxable category	% Spent in Grand Junction	Contribution to tax base	Sales tax receipts
Apparel & Accessories	70%	\$29.4	\$1.0
Books	70%	\$2.1	\$0.1
Eating & Drinking	80%	\$80.8	\$2.6
Entertainment Equipment	75%	\$18.8	\$0.6
House Furnishings & Equipment	75%	\$36.0	\$1.2
Housekeeping Supplies	90%	\$16.2	\$0.5
Non-Prescription Drugs & Medical Supplies	90%	\$4.5	\$0.1
Personal Care Products	90%	\$17.1	\$0.6
Utilities: Telephone	100%	\$39.0	\$1.3
Pets, Toys, Entertainment, Misc. Retail	100%	\$40.8	\$1.3
Motor Vehicle Purchases	100%	\$110.0	\$3.6
Motor Vehicle Maintenance (Parts)	90%	\$19.8	\$0.6
Vehicle Rentals and Leases	20%	\$3.4	\$0.1
Total		\$417.9	\$13.6

Source: Past reports of Grand Junction sales tax analysis.

For each taxable expenditure category in the CES data, the proportions of estimated spending in Grand Junction by Grand Junction residents are multiplied by the total estimated spending for each category to determine the contribution to the tax base. Using the current sales tax rate of 3.25 percent, BBC then estimated the sales tax receipts generated by spending in Grand Junction by Grand Junction residents.

Step 5: Spending in Grand Junction by Mesa County households outside of Grand Junction.

Mesa County residents who live outside of Grand Junction likely make a substantial portion of their retail purchases within the City. Certain taxable expenditures, however, are attributed to the location of the resident making the purchase (such as motor vehicles). As a result, the taxes for those purchases would be collected outside of Grand Junction even if the purchase was made in Grand Junction. Excluding those types of purchases, Mesa County households that are not located in Grand Junction spend approximately \$706 million on taxable retail purchases annually. Based on information from the last study and information about sales tax attribution, BBC estimates that approximately 53 percent of those expenditures occur in Grand Junction, as shown in Figure 6.

Figure 6.
Spending in Grand Junction by Residents in Mesa County

Taxable category	% Spent in Grand Junction	Contribution to Tax base
Apparel & Accessories	60%	\$36.0
Books	60%	\$2.4
Eating & Drinking	50%	\$72.5
Entertainment Equipment	65%	\$23.4
House Furnishings & Equipment	70%	\$17.5
Housekeeping Supplies	90%	\$62.1
Non-Prescription Drugs & Medical Supplies	90%	\$23.4
Personal Care Products	90%	\$6.3
Utilities: Telephone	70%	\$39.2
Pets, Toys, Entertainment, Misc. Retail	75%	\$20.3
Motor Vehicle Maintenance (Parts)	85%	\$47.6
Vehicle Rentals and Leases	90%	\$22.5
Total		\$373.2

Note: Excludes expenditures related to motor vehicle purchases and utilities, as these are tied to the residence and not subject leakage.

Source: Past studies of sales tax sources for the City of Grand Junction.

Step 6: Categorization of sales tax receipts. The City provided sales tax receipts data by vendor establishments for the years 2018, 2019 and 2020. BBC classified the sales tax receipts data from the City into categories based on their NAICS code and their breakdown is shown in Figure 7. Less than one percent of the data has remained unclassified.

Figure 7.
Spending in Grand Junction by Residents in Mesa County

Sales tax receipts category	2018	2019	2020
Unclassified	\$ 123,086	\$167,183	\$206,140
Finance & Insurance	\$ 210,125	\$214,844	\$232,465
Construction	\$ 803,377	\$777,568	\$873,421
Communications & Utilities	\$ 3,284,753	\$2,833,987	\$2,731,639
Services: Business	\$ 1,607,109	\$1,761,267	\$1,764,125
Services: Lodging	\$ 1,561,566	\$1,613,764	\$1,232,367
Manufacturing And Wholesale Trade	\$ 13,654	\$14,951	\$21,437
Online retail	\$ 1,461,979	\$1,614,828	\$2,498,526
Retail Trade: Restaurants & Bars	\$ 6,072,349	\$6,369,003	\$6,719,791
Retail Trade: Building Materials	\$ 6,838,435	\$7,196,985	\$9,543,801
Retail Trade: Motor Vehicles & Parts	\$ 7,724,553	\$8,260,476	\$9,331,056
Retail Trade: Consumer Goods & Personal Services	\$ 17,690,033	\$17,869,553	\$21,119,285
Total	\$ 47,391,018	\$48,694,408	\$56,274,052

Source: Sales tax data from the City of Grand Junction.

BBC then mapped each of these categories from the sales tax receipts data to taxable expenditure categories in the CES data, as shown in Figure 8.

Figure 8.
Crosswalk between CES Data and City Sales Tax Data

CES categories	City sales tax data categories
Apparel & Accessories	Retail Trade: Consumer Goods & Personal Services
Books	Retail Trade: Consumer Goods & Personal Services
Eating & Drinking	Retail Trade: Restaurants & Bars
Entertainment Equipment	Retail Trade: Consumer Goods & Personal Services
Vehicle Rentals and Leases	Retail Trade: Consumer Goods & Personal Services
House Furnishings & Equipment	Retail Trade: Building Materials
Housekeeping Supplies	Retail Trade: Consumer Goods & Personal Services
Non-Prescription Drugs & Medical Supplies	Retail Trade: Consumer Goods & Personal Services
Personal Care Products	Retail Trade: Consumer Goods & Personal Services
Utilities: Telephone	Communications & Utilities
Pets, Toys, Entertainment, Misc. Retail	Retail Trade: Consumer Goods & Personal Services
Motor Vehicle Purchases	Retail Trade: Motor Vehicles & Parts
Motor Vehicle Maintenance (Parts)	Retail Trade: Motor Vehicles & Parts

Source: BBC Research & Consulting.

Step 8: Calculating the share of sales tax expenditures attributable to Grand Junction Residents. Using the crosswalk between CES expenditure categories and the city sales tax receipts data, BBC calculated the share of tax receipts attributable to Grand Junction residents, as shown in Figure 9.

Figure 9.
Share of Tax Receipts Attributable to Grand Junction Residents

Taxable category	City sales tax data	CES estimations for GJ residents	Reallocation	Proportion
Retail Trade: Consumer Goods & Personal Services	\$ 21,069,209	\$ 4,298,125	\$ 3,562,710	17%
Retail Trade: Motor Vehicles & Parts	\$ 9,331,056	\$ 4,218,500	\$ 3,861,000	41%
Retail Trade: Building Materials	\$ 9,543,801	\$ 1,170,000	\$ 2,957,505	31%
Retail Trade: Restaurants & Bars	\$ 6,719,791	\$ 2,626,000	\$ 2,297,750	34%
Communications & Utilities	\$ 2,731,639	\$ 1,267,500	\$ 190,139	46%
Online retail	\$ 2,548,601		\$ 2,548,601	100%

Source: BBC Research & Consulting.

For each category shown in Figure 9, the CES estimations of spending by Grand Junction residents within the City shown in step 4, and the corresponding sales tax receipts make up the proportion of total City sales tax receipts that is attributable to Grand Junction residents. For retail trade in consumer goods and personal services, the estimation is adjusted to exclude

online retail sales. In retail trade in motor vehicle and parts, the estimation is adjusted down by approximately 4 percent to account for some of the transactions in this category to take place at general retail stores for common maintenance parts, oil, etc. This adjustment amount is determined from the corresponding difference amount of reducing the CES estimate of proportion of spending by Grand Junction residents from 100 percent to 90 percent. This remaining adjustment amount is then reallocated to the retail trade in consumer goods and personal services category. Similarly, the CES estimate for retail trade in restaurant and bars is adjusted down to incorporate spending in grocery stores, and the corresponding amount is reallocated to retail trade in consumer goods and personal services. CES estimations for spending in communication and utilities is directly accounted for the proportion attributable to Grand Junction residents, and the remaining is reallocated to retail trade in consumer goods to account for spending in telecommunications equipment, related services, etc.

Step 9. Remaining calculations. After determining the share of sales tax receipts attributable to Grand Junction residents using the assumptions outlined in step 8, the same process is carried out for Mesa County residents.

For visitors, based on past studies and discussions between BBC and the City staff, the remaining of the sales tax receipts after subtracting what is attributable to Grand Junction and Mesa County residents is distributed as shown in Figure 10. Remaining receipts in retail trade in consumer goods, motor vehicles and parts, restaurants and bars are attributable to businesses. Following that, all of manufacturing wholesale and trade, business services, construction, finance, and insurance, are attributable to businesses.

Figure 10.
Share of Remaining
Receipts Attributable to
Visitors.

Source:
BBC Research & Consulting.

Category	% of remainder imputed to visitors
Construction	0%
Manufacturing and Wholesale Trade	0%
Transportation, Communications, Utilities	0%
Retail Trade, Building Materials	0%
Retail Trade: Consumer Goods & Personal Services	90%
Retail Trade: Business Goods	0%
Retail Trade, Motor Vehicles & Parts	25%
Retail Trade, Restaurants & Bars	90%
Finance & Insurance	0%
Services: Lodging	100%
Services: Business	0%
Services: Visitors	100%

Less than one percent of all expenditures were unclassified by the City or BBC. These expenditures were distributed between the four sources according to the distribution of the classified sales tax expenditures.

Results

BBC estimated sales tax revenue for the City from households in Grand Junction, Mesa County, visitors and businesses. Figure 11 shows the breakdown for 2018, 2019, and 2020. Proportion of sales tax receipts attributable to households in Grand Junction are 28.9%, 28.4% and 29.7% in 2018, 2019 and 2020, respectively.

Figure 11.
Share of Tax Receipts Attributable to Grand Junction Residents

Consumer Type	2018		2019		2020	
	<i>Dollar Amount</i>	<i>Percentage of Total</i>	<i>Dollar Amount</i>	<i>Percentage of Total</i>	<i>Dollar Amount</i>	<i>Percentage of Total</i>
Households in:						
Grand Junction	\$ 13,705,092	28.9%	\$ 13,845,129	28.4%	\$ 16,696,972	29.7%
Remainder of Mesa County	\$ 10,842,946	22.9%	\$ 10,915,877	22.4%	\$ 13,068,540	23.2%
Visitors	\$ 12,941,396	27.3%	\$ 13,300,353	27.9%	\$ 14,181,558	25.2%
Businesses	\$ 9,901,585	20.9%	\$ 10,633,049	21.2%	\$ 12,326,982	21.9%
Total	\$ 47,391,018	100%	\$ 48,694,408	100%	\$ 56,274,052	100%

Source: BBC Research & Consulting.