



Critical to our success is an engaged community and knowledgeable and experienced staff.

Town Council Values

- *Preserve our high quality of Life*
- *Resource Efficiency/ Environmental Stewardship*
- *Support a sustainable and healthy business climate*
- *Maintain a "real" community*
- *Fiscally Responsible*
- *Historic Core*

AGENDA
Town of Crested Butte
Regular Town Council Meeting
Monday, October 17, 2016
Council Chambers, Crested Butte Town Hall

6:00 WORK SESSION

Presentation and Discussion of the 2017 Budget.

7:00 REGULAR COUNCIL MEETING CALLED TO ORDER BY MAYOR OR MAYOR PRO-TEM

7:02 APPROVAL OF AGENDA

7:04 CONSENT AGENDA

1) October 3, 2016 Regular Town Council Meeting Minutes.

The listing under Consent Agenda is a group of items to be acted on with a single motion. The Consent Agenda is designed to expedite Council business. The Mayor will ask if any citizen or council member wishes to have any specific item discussed. You may request that an item be removed from Consent Agenda at that time, prior to the Council's vote. Items removed from the Consent Agenda will be considered under New Business.

7:06 PUBLIC COMMENT

Citizens may make comments on item not scheduled on the agenda. Those commenting should state their name and physical address for the record. Comments may be limited to five minutes.

7:15 STAFF UPDATES

7:30 PUBLIC HEARING

1) Resolution No. 34, Series 2016 - Resolutions of the Crested Butte Town Council Approving the Continued Operation of Snow Machines for Rubber-Tracked Snow Cat Machines, the Designated Route and the Restrictions of Operations.

2) Resolution No. 35, Series 2016 - Resolutions of the Crested Butte Town Council Approving the Designated Route, Restrictions of Operations and the Continued Operation of Nordic Center Snow Cats and Snowmobiles.

7:45 NEW BUSINESS

1) Presentation by Andrew Hadley on the 4-Way Transit Center and Bathrooms.

8:15 2) Presentation by Mundus Bishop on the Town Park Playground.

8:45 3) Resolution No. 36, Series 2016 - Resolutions of the Crested Butte Town Council Appropriating Matching Funds in an Amount Not to Exceed \$100,000.00 for the Local Park and Outdoor Recreation Grant Application with Great Outdoors Colorado (GOCO) and Authorizing the Town Manager to Execute a the Grant Application in Connection Therewith.

8:50 4) Council Discussion on Limiting the Number of Short-Term Rentals and Possible Direction to Staff.

9:20 5) Ordinance No. 12, Series 2016 - An Ordinance of the Crested Butte Town Council Adding a New Article 6 to Chapter 6 of the Crested Butte Municipal Code to Include Regulations for the Licensing of Short Term Rentals and Making Such Other Attendant Changes to the Code in Related Thereto.

9:35 6) Ordinance No. 13, Series 2016 - An Ordinance of the Crested Butte Town Council Amending Chapter 13, Article 1 of the Crested Butte Municipal Code to Allow Extraterritorial Connections to the Town System-water, as Defined in the Code, Following Approval by the Town Council.

9:45 LEGAL MATTERS

9:50 COUNCIL REPORTS AND COMMITTEE UPDATES

10:00 OTHER BUSINESS TO COME BEFORE THE COUNCIL

10:10 **DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE**

- Monday, November 7, 2016 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, November 21, 2016 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, December 5, 2016 - 6:00PM Work Session - 7:00PM Regular Council

10:15 **EXECUTIVE SESSION**

For a conference with the Town Attorney for the purpose of receiving legal advice on specific legal questions under C.R.S. Section 24-6-402(4)(b).

10:45 **ADJOURNMENT**



Staff Report

October 11, 2016

To: Mayor and Town Council
Thru: Dara MacDonald, Town Manager
From: Lois Rozman, Finance Director
Subject: 2017 Budget Work Session 10-17-2016

Summary: Attached is the 2nd draft of the 2017 Street & Alley budget and the 1st draft of the 2017 Sewer/Water budget. Included in the Sewer/Water budget is the narrative and an overall 10 year plan.

Previous Council Action: At the Oct 3, 2016 budget work session, the Council instructed staff to come back with the cost estimates for additional items in the 4-way parking lot paving project. Council also instructed staff to include the cost of paving the 3rd Street right-of-ways into the paving project for 2017.

Discussion: Potential additions to the 4-way parking lot project:

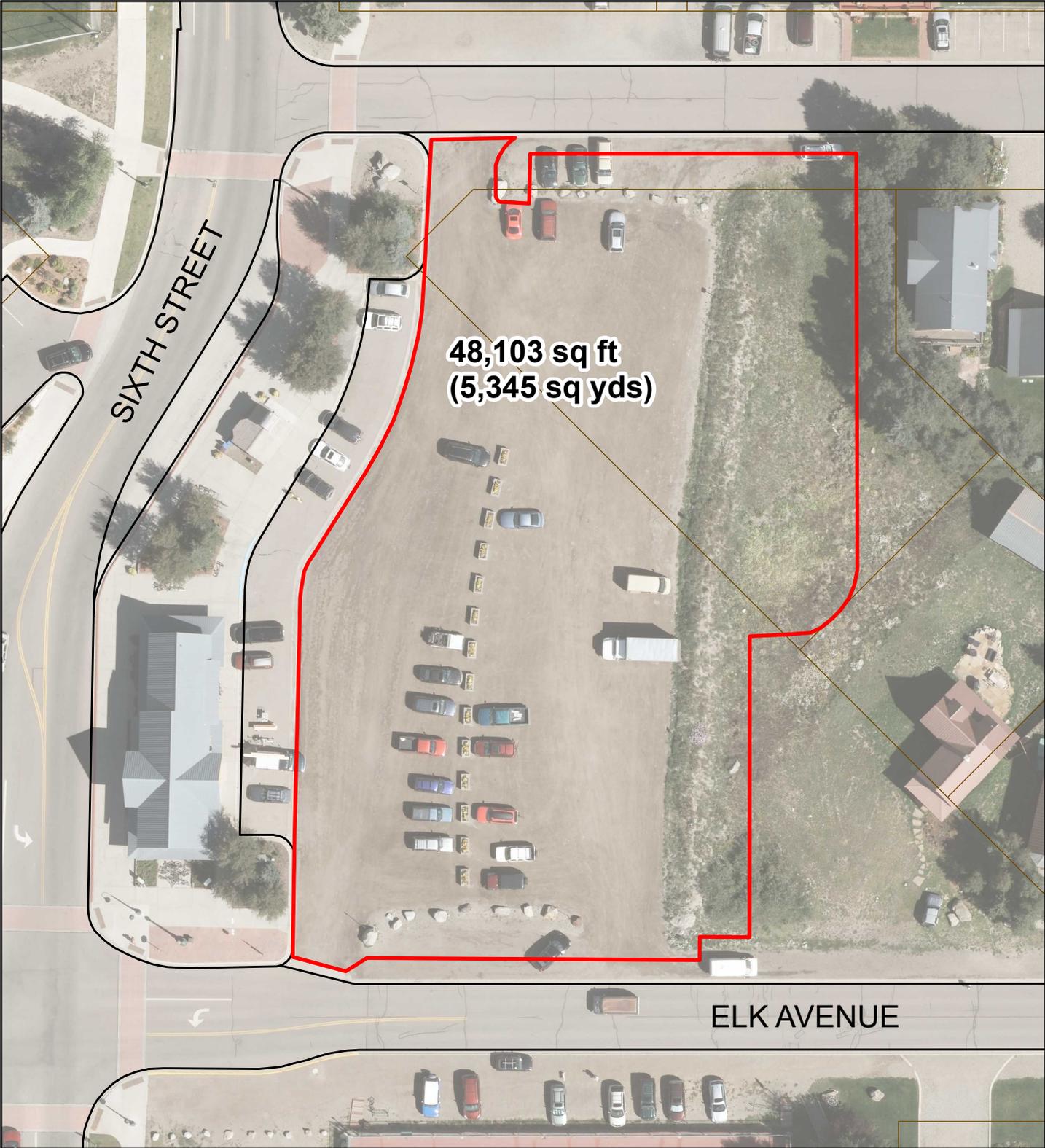
- 30' concrete fire ring -- \$15,000
- Landscaping on east side of 4-way lot in place of removed berm
 - Spruce trees (10-12') placed 15' apart with shrubs in between and irrigation - \$28,600
 - Same landscape project except using Aspen trees rather than spruce trees - \$17,200
 - 6' residential fence that blocks headlights - \$8,400 installed

Council needs to give direction to staff on which direction they would like to proceed with the 4-way parking lot project.

Per Council's direction, staff has added \$26,000 to the Paving Project line to include paving the 3rd Street right-of-way areas. The 2017 draw down on the Street & Alleys Fund reserve is \$496,634 and will increase dependent upon the Council's direction for the 4-way parking lot project.

Please see the Sewer/Water Fund budget narrative for discussion and decisions points on the Sewer/Water Fund.

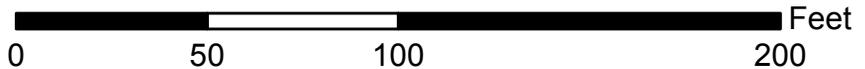
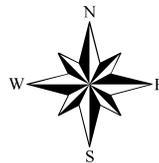
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| TOWN OF CRESTED BUTTE | | | | |
| 2017 BUDGET | | | | |
| STREET & ALLEY | 2015 | 2016 | 2016 | 2017 |
| | ACTUAL | BUDGET | PROJECTED | BUDGET |
| REVENUE: | | | | |
| TAX FROM MILL LEVY-Street | 670,329 | 655,060 | 655,060 | 606,198 |
| TAX FROM MILL LEVY-Transportation | | 43,671 | 43,671 | 86,600 |
| INTEREST & PENALTIES | 1,778 | 2,000 | 1,500 | 1,500 |
| OTHER REVENUE | 2,100 | 3,000 | 2,000 | 2,000 |
| PARKING IN LIEU | 320,819 | | 13,000 | |
| HIGHWAY USERS TAX | 50,270 | 47,829 | 50,552 | 52,865 |
| INTEREST INCOME | 860 | 1,200 | 2,000 | 2,500 |
| TOTAL REVENUE | 1,046,156 | 752,760 | 767,783 | 751,663 |
| EXPENSES: | | | | |
| SNOW REMOVAL-LABOR | 69,163 | 90,883 | 90,883 | 93,000 |
| R&M STREETS-LABOR | 83,969 | 58,922 | 58,922 | 60,333 |
| SNOW REMOVAL-SEASONAL LABOR | 9,438 | 20,000 | 20,000 | 20,000 |
| FICA | 12,302 | 12,990 | 12,990 | 13,260 |
| HEALTH INSURANCE | 40,383 | 30,851 | 30,851 | 32,039 |
| RETIREMENT | 13,177 | 13,275 | 13,275 | 14,197 |
| UNEMPLOYMENT INSURANCE | 16 | 509 | 509 | 520 |
| WORKMANS COMP INSURANCE | 7,816 | 9,680 | 7,000 | 7,700 |
| R&M STREETS-SUPPLIES | 19,579 | 35,000 | 32,000 | 35,000 |
| SIDEWALK REPAIR/MAINT | 1,297 | 20,000 | 20,000 | 20,000 |
| WEED SPRAY-RIGHT OF WAY | 1,800 | 2,800 | 2,800 | 3,000 |
| PARKING LOTS | 2,191 | 2,000 | 2,000 | 2,000 |
| ENGINEERING | 9,640 | 10,000 | 5,000 | 25,000 |
| PAVING PROJECT | 125,925 | 132,000 | 132,000 | 746,000 |
| STORM WATER PROJECT | 10,186 | 0 | 0 | 30,000 |
| SPILL RESPONSE | 0 | 1,500 | 1,500 | 1,500 |
| FUEL | 16,151 | 40,000 | 18,000 | 25,000 |
| R&M VEHICLES | 18,385 | 20,000 | 30,000 | 40,000 |
| SNOW REMOVAL-SUPPLIES/CONTRACT | 15,318 | 35,000 | 35,000 | 40,000 |
| STREET SIGNS | 2,989 | 3,000 | 3,000 | 4,000 |
| STREET LIGHTS | 690 | | 2,000 | 2,500 |
| DAMAGE LIABILITY | 0 | 5,000 | 5,000 | 5,000 |
| TREASURER FEES | 16,790 | 24,456 | 24,456 | 24,248 |
| CAPITAL EQUIPMENT | 24,998 | 22,000 | 24,202 | 0 |
| OTHER EXPENSES | 1,398 | 3,000 | 10,000 | 4,000 |
| TOTAL EXPENSES | 503,601 | 592,867 | 581,388 | 1,248,297 |
| EXCESS REVENUE OVER(UNDER) EXPENSES | 542,555 | 159,893 | 186,395 | (496,634) |
| FUND BALANCE | 1,734,761 | 1,896,654 | 1,910,156 | 1,328,922 |
| SNOW REMOVAL CONTINGENCY | 100,000 | 100,000 | 100,000 | 100,000 |
| PARKING IN LIEU FUND BALANCE | 1,338 | (662) | 12,338 | 10,338 |
| DESIGNATED FOR TRANSPORTATION | 236,681 | 278,637 | 280,326 | 366,926 |
| 2017 Project/Capital Detail: | | | | |
| Paving Projects: | | | | |
| Full Depth Recycle - streets marked in purple on map | \$455,000 | | | |
| Pave & increase size of 4-way lot | \$200,000 | | | |
| Pave parking lot - fire hall | \$45,000 | | | |
| Other Parking paving: | \$46,000 | | | |
| (412 3rd St & 3rd Street right of ways) | | | | |



4-Way Parking Lot - Paving Project

 Parcel Boundaries

Area to be paved = 48,103 square feet



WATER & WASTEWATER FUND 2017 BUDGET HIGHLIGHTS

2016 Changes:

The Wastewater system is projected to be over budget for 2016 due to increased costs in the areas of utilities, solids handling and repair and maintenance of the aging facility. Administration and Water system operations are projected to come in slightly under budget for 2016.

Revenue:

The 2017 budget anticipates fee increases to the monthly sewer service fee and to the monthly grease pretreatment fee.

- The increase to the monthly sewer service fee is \$2.00 per EQR, raising the fee from \$33.50/EQR per month to \$35.50/EQR per month. This is a 6% increase.
- The increase to the grease pretreatment fee is \$3.20 per EQR, raising the fee from \$10.55/EQR per month to \$13.75/EQR per month. This fee is charged to restaurants that have not put in an approved grease handling device or interceptor. Staff is proposing the fee be set to \$13.75/EQR per month for a 3 year certificate period, allowing the restaurant 3 years to put in an approved new technology interceptor. After the 3 year period, the fees will increase 3 fold. That increase will be higher than the cost of pumping an interceptor, as an incentive to purchase the new technology interceptor.

The segment information worksheet shows the necessity for the rate increases. With the rate increases, the operating loss for the wastewater system is \$34,517. Without the rate increases, wastewater operations would show an operating loss of \$73,037. There is no rate increase proposed for the Availability of Service or Tap-In fees.

The sanitation fee will increase by CPI in accordance with the contract with Waste Management.

Expenditures:

- One new staff position is requested for the wastewater treatment facility. The additional staff is needed in the wastewater treatment plant due to the increased work load caused by implementing the pretreatment program, composting program, and the expansion of the Wastewater Treatment Facility in 2017. The last staffing increase to the water/sewer departments was in 2009.
- Wage increases are projected at 4%.
- The overall decrease in the wastewater department is due to debt service. 2016 was the final year for payment on the 1996 ATAD loan. 2017 anticipates a new \$2,300,000 low interest loan for the plant upgrade.
- The main capital expenditure is the \$3.3 million wastewater plant upgrade. The engineering work for this upgrade is being completed in 2016. The major components to the upgrade are: replacing the mechanical bar screen and grit collection system (that are at the end of their useable life), construction of a new biological treatment process (currently no redundancy, and unable to take off line for maintenance or cleaning), and replace the existing UV disinfection system (no longer serviced by the manufacturer, and has no redundancy as required by CDPHE Policy WPC-DR-1).

- Water plant capital includes upgrading the chlorination system because the old system is at the end of its useable life, and engineering for the chemical treatment of the water system to meet the expected new lead and copper rules in 2017.

Decision Points:

- Raise Sewer Service Fee – proposed increase from \$33.50 to \$35.50
- Raise the Pretreatment Fee—proposed increase from \$10.55 to \$13.75
- Additional wastewater operations staff person

| | | | | |
|----------------------------|-----------|-----------|-----------|-----------|
| TOWN OF CRESTED BUTTE | | | | |
| 2017 BUDGET | | | | |
| WATER & WASTEWATER | | | | |
| | | | | |
| | 2015 | 2016 | 2016 | 2017 |
| | ACTUAL | BUDGET | PROJECTED | BUDGET |
| INTEREST & PENALTIES | 5,320 | 5,000 | 5,000 | 5,000 |
| WATER METERS | 1,431 | 1,000 | 1,000 | 1,000 |
| INTEREST INCOME | 3,667 | 3,500 | 8,000 | 8,000 |
| OTHER | 460 | 2,000 | 2,000 | 2,000 |
| ATAD CONTRIBUTION-MT CBW&S | 75,729 | 58,000 | 63,000 | 58,000 |
| SEPTIC STATION FEE | 3,216 | 3,100 | 3,100 | 5,000 |
| COMPOST FEES | | 5,000 | 2,500 | 5,000 |
| WATER TAP FEE | 479,701 | 80,000 | 84,000 | 120,000 |
| SEWER TAP FEE | 558,334 | 95,000 | 98,000 | 142,500 |
| SEWER CHARGES | 619,494 | 634,959 | 636,000 | 686,250 |
| SEWER AVAILABILITY CHG | 11,624 | 12,852 | 12,451 | 11,772 |
| PRE-TREATMENT CHARGES | 9,356 | 9,400 | 9,400 | 12,000 |
| WATER CHARGES | 557,199 | 579,255 | 585,000 | 589,650 |
| WATER AVAILABILITY CHG | 12,776 | 14,148 | 13,747 | 12,960 |
| SANITATION CHARGES | 246,739 | 251,887 | 250,000 | 255,853 |
| GRANT REVENUE | | | | 1,000,000 |
| DEBT PROCEEDS | | | | 2,300,000 |
| | | | | |
| TOTAL REVENUE | 2,585,046 | 1,755,101 | 1,773,198 | 5,214,985 |
| | | | | |
| EXPENSES (SUMMARY): | | | | |
| ADMINISTRATION | 460,945 | 468,670 | 456,572 | 482,389 |
| WATER | 296,746 | 337,461 | 325,675 | 340,461 |
| SEWER | 638,269 | 700,314 | 714,893 | 661,479 |
| CAPITAL | 138,611 | 567,500 | 530,500 | 3,421,000 |
| | | | | |
| TOTAL EXPENSES | 1,534,571 | 2,073,946 | 2,027,640 | 4,905,329 |
| | | | | |
| AVAILABLE RESOURCES: | | | | |
| GENERAL | 4,214,789 | 3,970,944 | 4,013,347 | 4,323,004 |
| FILTER MODULE REPLACEMENT | 234,000 | 159,000 | 181,000 | 181,000 |
| DEBT SERVICE | 160,736 | 160,736 | 160,736 | 160,736 |

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| TOWN OF CRESTED BUTTE | | | | |
| 2017 BUDGET | | | | |
| WATER & WASTEWATER | | | | |
| | | | | |
| | 2015 | 2016 | 2016 | 2017 |
| | ACTUAL | BUDGET | PROJECTED | BUDGET |
| Water Sewer Administration | | | | |
| SALARIES & WAGES | 69,068 | 46,725 | 46,275 | 48,594 |
| FICA | 5,307 | 3,551 | 3,540 | 3,693 |
| HEALTH INSURANCE | 13,024 | 9,439 | 13,015 | 16,754 |
| RETIREMENT | 4,401 | 6,970 | 4,673 | 7,249 |
| TELEPHONE | 1,468 | 1,400 | 1,400 | 1,400 |
| OFFICE SUPPLIES | 384 | 2,500 | 400 | 2,500 |
| POSTAGE | 3,800 | 4,000 | 4,000 | 4,000 |
| WATERSHED STANDARDS | 3,889 | 4,000 | 4,000 | 4,000 |
| WATER LEVEL STUDIES | 2,697 | 3,000 | 3,000 | 5,500 |
| DAMAGE LIABILITY | 0 | 2,500 | 2,500 | 2,500 |
| LEGAL SERVICES | 0 | 1,500 | 1,500 | 1,500 |
| AUDITING | 3,700 | 4,000 | 3,700 | 4,000 |
| MANAGEMENT FEES | 59,583 | 65,000 | 65,000 | 65,000 |
| COAL CREEK STUDY | 1,500 | 5,000 | 3,500 | 5,000 |
| TRAVEL AND EDUCATION | 889 | 1,500 | 1,500 | 1,500 |
| INSURANCE | 31,719 | 33,000 | 31,719 | 33,000 |
| UNEMPLOYMENT INSURANCE | 275 | 140 | 140 | 146 |
| WORKERS COMP INSURANCE | 816 | 987 | 922 | 1,116 |
| DUES AND SUBSCRIPTIONS | 976 | 976 | 838 | 900 |
| REPAIR & MAINT VEHICLES | 12 | 500 | 100 | 250 |
| UNIFORM ALLOWANCE | 225 | 250 | 250 | 250 |
| MEDICAL | 110 | 200 | 200 | 200 |
| GAS & OIL | 85 | 1,200 | 400 | 1,000 |
| MECHANIC/GIS SVCS | 16,500 | 18,000 | 18,000 | 18,000 |
| SANITATION CONTRACT PYMT | 240,353 | 250,132 | 245,000 | 252,138 |
| OTHER EXPENSES | 164 | 2,200 | 1,000 | 2,200 |
| | | | | |
| TOTAL EXPENSES | 460,945 | 468,670 | 456,572 | 482,389 |

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| TOWN OF CRESTED BUTTE | | | | |
| 2017 BUDGET | | | | |
| WATER & WASTEWATER | | | | |
| | | | | |
| | 2015 | 2016 | 2016 | 2017 |
| | ACTUAL | BUDGET | PROJECTED | BUDGET |
| Water | | | | |
| SALARIES & WAGES | 135,477 | 141,743 | 141,743 | 147,345 |
| OVERTIME | 188 | 1,500 | 500 | 1,000 |
| FICA | 10,063 | 10,958 | 10,882 | 11,348 |
| HEALTH INSURANCE | 28,444 | 33,026 | 33,026 | 37,058 |
| RETIREMENT | 9,290 | 11,119 | 11,119 | 11,388 |
| TELEPHONE | 2,323 | 2,200 | 2,200 | 2,200 |
| UTILITIES-FILTER PLANT | 25,150 | 30,371 | 30,371 | 30,371 |
| OPERATING SUPPLIES-WATER | 27,954 | 30,000 | 20,000 | 25,000 |
| STATE DRINKING H2O PERMIT | 726 | 1,000 | 465 | 500 |
| ENGINEERING AND SURVEYS | 0 | 500 | 0 | 0 |
| ADVERTISING AND LEGAL | 634 | 1,500 | 1,275 | 1,500 |
| TRAVEL AND EDUCATION | 1,753 | 2,500 | 2,000 | 2,500 |
| UNEMPLOYMENT INSURANCE | 404 | 430 | 430 | 445 |
| WORKERS COMP INSURANCE | 3,521 | 4,950 | 3,900 | 4,290 |
| INTEREST EXPENSE-WATER | 7,144 | 6,849 | 6,849 | 6,489 |
| SOFTWARE LICENSE/MAINT | 1,140 | 2,900 | 1,500 | 1,500 |
| LAB TEST FEES - WATER | 3,102 | 5,000 | 3,000 | 3,500 |
| REPAIR & MAINT - DISTRIBUTION | 3,849 | 5,000 | 15,000 | 5,000 |
| REPAIR & MAINT - WATER | 12,724 | 17,500 | 15,000 | 20,000 |
| METERS & HYDRANTS | 0 | 1,500 | 0 | 500 |
| TRASH PICKUP | | | 0 | 250 |
| UNIFORM ALLOWANCE | 560 | 625 | 625 | 625 |
| MEDICAL | 346 | 350 | 350 | 350 |
| EQUIPMENT & TOOLS | 427 | 1,500 | 2,000 | 1,500 |
| SAFETY EQUIPMENT | 0 | 500 | 500 | 500 |
| GAS & OIL | 2,452 | 4,000 | 2,500 | 4,000 |
| R&M VEHICLE | 1,049 | 1,500 | 2,000 | 2,500 |
| TIRES | 440 | 500 | 500 | 500 |
| BOND PRINCIPAL - WATER | 17,586 | 17,940 | 17,940 | 18,301 |
| | | | | |
| TOTAL EXPENSES | 296,746 | 337,461 | 325,675 | 340,461 |

| TOWN OF CRESTED BUTTE | | | | |
|--------------------------------|---------|---------|-----------|---------|
| 2017 BUDGET | 2015 | 2016 | 2016 | 2017 |
| WATER & WASTEWATER | ACTUAL | BUDGET | PROJECTED | BUDGET |
| Sewer | | | | |
| SALARIES & WAGES | 118,797 | 127,517 | 118,850 | 164,085 |
| OVERTIME | 0 | 2,000 | 600 | 2,000 |
| FICA | 9,455 | 9,908 | 9,138 | 12,706 |
| HEALTH INSURANCE | 20,536 | 25,176 | 25,176 | 38,666 |
| RETIREMENT | 7,195 | 7,531 | 7,531 | 8,064 |
| TELEPHONE | 2,282 | 2,500 | 2,500 | 2,500 |
| UTILITIES-LIFT STATIONS | 2,836 | 2,500 | 3,000 | 3,200 |
| UTILITIES- WWT PLANT | 39,796 | 45,000 | 53,000 | 55,000 |
| UTILITIES-ATAD SOLIDS HANDLING | 36,272 | 33,000 | 32,000 | 34,000 |
| OPERATING SUPPLIES-WW PLANT | 4,001 | 5,000 | 5,000 | 5,000 |
| OPERATING SUPPLIES-ATAD | 12,160 | 15,000 | 15,000 | 17,500 |
| ATAD-SOLIDS HANDLING | 15,951 | 18,000 | 23,000 | 26,000 |
| STATE DISCHARGE PERMIT | 4,725 | 4,000 | 4,000 | 4,000 |
| ENGINEERING AND SURVEYS | 1,680 | 2,000 | 2,000 | 2,000 |
| ADVERTISING AND LEGAL | 368 | 1,000 | 300 | 1,000 |
| TRAVEL AND EDUCATION | 2,664 | 2,500 | 2,500 | 2,500 |
| UNEMPLOYMENT INSURANCE | 394 | 389 | 360 | 498 |
| WORKERS COMP INSURANCE | 5,915 | 3,605 | 4,000 | 4,120 |
| INTEREST EXPENSE - SEWER | 42,696 | 33,084 | 33,084 | 33,228 |
| SOFTWARE LICENSE/MAINT | 99 | 200 | 200 | 3,000 |
| LAB TEST FEES - WW PLANT | 4,352 | 7,000 | 7,250 | 7,500 |
| LAB TEST FEES - ATAD | 380 | 1,400 | 1,500 | 1,500 |
| COMPOSTING | 21,843 | 24,000 | 32,000 | 34,000 |
| GREASE HANDLING | 7,214 | 9,000 | 9,000 | 12,000 |
| REPAIR & MAINT - COLLECTIONS | 7,493 | 10,000 | 10,000 | 10,000 |
| REPAIR & MAINT - ATAD | 4,743 | 7,000 | 5,000 | 7,000 |
| REPAIR & MAINT - WW PLANT | 14,869 | 16,000 | 27,000 | 16,000 |
| TRASH PICKUP | 1,539 | 1,600 | 1,600 | 1,600 |
| UNIFORM ALLOWANCE | 690 | 625 | 625 | 875 |
| MEDICAL | 878 | 450 | 450 | 600 |
| EQUIPMENT & TOOLS | 206 | 3,500 | 3,500 | 3,500 |
| EQUIPMENT-ATAD | 346 | 4,000 | 4,000 | 4,000 |
| SAFETY EQUIPMENT | 458 | 1,500 | 1,500 | 2,500 |
| GAS & OIL | 3,081 | 4,000 | 3,000 | 4,000 |
| R&M VEHICLE | 3,777 | 15,000 | 12,000 | 9,000 |
| TIRES | 1,353 | 750 | 650 | 750 |
| BOND PRINCIPAL - SEWER | 237,225 | 254,579 | 254,579 | 127,587 |
| TOTAL EXPENSES | 638,269 | 700,314 | 714,893 | 661,479 |

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| TOWN OF CRESTED BUTTE | | | | |
| 2017 BUDGET | | | | |
| WATER & WASTEWATER | | | | |
| | 2015 | 2016 | 2016 | 2017 |
| | ACTUAL | BUDGET | PROJECTED | BUDGET |
| CAPITAL | | | | |
| CAPITAL EQUIPMENT | 82,626 | | | 40,000 |
| ATAD/SOLIDS HANDLING CAPITAL | 44,794 | 25,000 | 50,000 | 17,500 |
| WASTEWATER PLANT CAPITAL | 11,191 | 427,500 | 427,500 | 3,328,500 |
| WATERLINE REPLACEMENT | | | | |
| SEWER MAIN REPLACEMENT | | | | |
| WATER PLANT CAPITAL | | 115,000 | 53,000 | 35,000 |
| | | | | |
| TOTAL CAPITAL EXPENSES | 138,611 | 567,500 | 530,500 | 3,421,000 |
| | | | | |
| 2017 CAPITAL BREAKDOWN | | | | |
| Capital Equipment: | | | | |
| Pickup - Wastewater | 40,000 | | | |
| Total Capital Equipment | | 40,000 | | |
| | | | | |
| Water Plant: | | | | |
| Design/Engineering of Chemical Treatment of Water System | 15,000 | | | |
| Upgrade Chlorination System | 20,000 | | | |
| Total Water | | 35,000 | | |
| | | | | |
| Wastewater Plant: | | | | |
| Surge Supression System (Lift station) | 7,500 | | | |
| Man Hole Rehab | 8,000 | | | |
| WWTP Upgrade - Construction | 3,306,000 | | | |
| RAS VFD Replacement | 7,000 | | | |
| Subtotal: | | 3,328,500 | | |
| | | | | |
| ATAD - Solids Handling | | | | |
| Solids Handling - Engineering | 10,000 | | | |
| Biofilter Replacement | 7,500 | | | |
| Subtotal: | | 17,500 | | |
| | | | | |
| Total Wastewater | | 3,346,000 | | |

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|--|---------|-----------------|---------|-----------|
| TOWN OF CRESTED BUTTE | | | | |
| 2017 BUDGET | | | | |
| WATER & WASTEWATER SEGMENT INFORMATION | | | | |
| | | | | |
| | WATER | WASTE- WATER | TRASH | TOTAL |
| Operating Revenues | 607,110 | 781,522 | 255,853 | 1,644,485 |
| Operating Expenses | 462,836 | 608,539 | 252,138 | 1,323,514 |
| Depreciation Expense | 140,500 | 207,500 | | 348,000 |
| Total Operating Expenses | 603,336 | 816,039 | 252,138 | 1,671,514 |
| Net Operating Income(loss) | 3,774 | -34,517 | 3,715 | -27,028 |
| Non-Operating income(expenses) | | | | |
| Interest income | 4,000 | 4,000 | | 8,000 |
| Interest expense | -6,489 | -33,228 | | -39,717 |
| Sale of Equipment | | | | 0 |
| Total non-operating income(expense) | -2,489 | -29,228 | | -31,717 |
| Income(loss)before capital contrib. | 1,285 | -63,745 | 3,715 | -58,745 |
| Capital Contribution tap fees | 120,000 | 142,500 | | 262,500 |
| Debt Service Principal | 18,301 | 127,587 | | 145,888 |
| Capital Outlay | 35,000 | 3,386,000 | | 3,421,000 |

| 10 Year Capital Plan | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|----------------|------------------|----------------|----------------|------------------|----------------|----------------|----------------|----------------|------------------|----------------|
| Capital Equipment: | | | | | | | | | | | |
| Vehicle - Water | | | | | 30,000 | | | | | 30,000 | |
| Vehicle - Wastewater | | 40,000 | | 28,000 | | | | | | | |
| Loader | | | 200,000 | | | | | | | | |
| Skid Steer | | | | 65,000 | | | | | | | |
| Jet Truck | | | | | | | | | | | 300,000 |
| Equipment Total | - | 40,000 | 200,000 | 93,000 | 30,000 | - | - | - | - | 30,000 | 300,000 |
| Wastewater Plant Capital: | | | | | | | | | | | |
| Clarifier #1 rebuild | 100,000 | | | | | | | | | | |
| Clarifier #1 rebuild (Engineering) | | | | | | | | | | | |
| Main building renovations | | | 20,000 | | | | | | | | |
| SCADA - lift stations | | | 75,000 | | | | | | | | |
| SCADA CPU Upgrade | 20,000 | | | | | | | | | | |
| Clarifier #1 roof repair | | | | | 25,000 | | | | | | |
| Man Hole Rehab | 7,500 | 8,000 | 8,000 | | | | | | | | |
| UV Upgrade | 25,000 | | | | | | | | | | |
| RAS pump rebuild | | | | | 15,000 | | | | | | |
| Lab upgrades | 25,000 | | | | | | | | | | |
| WWTP upgrades engineering | 250,000 | | | | | | | | | | |
| WWTP upgrades construction | | 3,306,000 | | | | | | | | | |
| Clarifier #1 engineering | | | | | | | | | 200,000 | | |
| Replace Clarifier #1 | | | | | | | | | | 2,000,000 | |
| Teocalli Lift Station Rehab | | | | | | | | | | | |
| Bellevue Lift Station Rehab | | | | | | | | | 75,000 | | |
| HVAC-diamond plate in headworks | | | | | 100,000 | | | | | | |
| Office-Lab Facility Upgrades | | | | | | 150,000 | | | | | |
| RAS-WAS Pump Replacement | | | | | | | | 75,000 | | | |
| Sewer Main Rehab | | | | | | | 100,000 | | | | |
| Perimeter Fence | | | 50,000 | | | | | | | | |
| Surge Supression System at CSLS | | 7,500 | | | | | | | | | |
| RAS VFD Replacement | | 7,000 | | | | | | | | | |
| | | | | | | | | | | | |
| * ATAD Capital: | | | | | | | | | | | |
| Vehicle Storage Building | 25,000 | | | | | | | | | | |
| Solids handling modification engineering | | 10,000 | | | | | | | | | |
| Solids handling modification construction (A & B tanks) | | | 100,000 | | | | | | | | |
| Centrifuge Rebuild | | | | 7,500 | | | | | | | |
| Backup Centrifuge | 25,000 | | | | | | | | | | |
| Backup Centrifuge Installation | | | 50,000 | | | | | | | | |
| Replace Polymere station | | | | | | | 50,000 | | | | |
| Odor control modifications | | | | | | | | 200,000 | | | |
| Biofilter replacement | | 7,500 | | | | | | | | | |
| New compost building | | | | 300,000 | | | | | | | |
| Conveyor Rehab | | | | | | | 50,000 | | | | |
| STP 1,2,3 Pump Replacement | | | | | | | | | | | 20,000 |
| Wastewater total | 477,500 | 3,346,000 | 303,000 | 307,500 | 140,000 | 150,000 | 200,000 | 275,000 | 275,000 | 2,000,000 | 20,000 |
| Water System Capital: | | | | | | | | | | | |
| AP-4 Skid replacement | | | | | | | | | | | |
| Upgrade Chlorination System | | 20,000 | | | | | | | | | |
| Flow meter replacement | | | | 15,000 | | | 15,000 | | | 15,000 | |
| UV System replacement | | | | | | | 200,000 | | | | |
| Skid filter replacement | 53,000 | | 75,000 | | 75,000 | | | | | | 75,000 |
| Upgrade Lab equipment | | | | | | | 10,000 | | | | |
| Distribution valves/hydrants | | | | 25,000 | 25,000 | | 25,000 | 25,000 | | 25,000 | 25,000 |
| Water main replacement | | | | | 150,000 | | | | 150,000 | | |
| | | | | | | | | | | | |
| Chemical treatment of water system | | 15,000 | | | | | | | | | |
| Engineering Water Plant Expansion | | | | 100,000 | | | | | | | |
| Construction Water Plant Expansion | | | | | 1,200,000 | | | | | | |
| Water Total | 53,000 | 35,000 | 75,000 | 140,000 | 1,450,000 | - | 35,000 | 25,000 | 150,000 | 25,000 | 100,000 |
| Total capital requests | 530,500 | 3,421,000 | 578,000 | 540,500 | 1,620,000 | 150,000 | 235,000 | 300,000 | 425,000 | 2,055,000 | 420,000 |

* Represents 1/2 of the actual cost as the amount is split with Mt. CB W&S
Additional Projects on the horizon:

| TOWN OF CRESTED BUTTE | | | | | | | | | | | | | | | | | | |
|--|---------|-----------|--------|-------|-------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|-----------|-----------|----------|-----------|
| SEWER & WATER PROJECTED REVENUE & EXPENSES | | | | | | | | | | | | | | | | | | |
| OPERATING EXPENSES INCREASE 3.5% | | | | | | | | | | | | | | | | | | |
| | SERVICE | AVAILABLE | TAP | NEW | EQR'S | AVAILABLE | S&W | AVAILABLE | TAP FEE | TOTAL | OPERATING | CAPITAL | DEBT | DEBT | OTHER | NET \$ | TOTAL | |
| | FEES | FEES | FFES | EQR'S | TOTAL | CUSTOMERS | SERVICES | SERVICES | INCOME | INCOME | EXPENSES | EXPENSES | PROCEEDS | SERVICE | INCOME | AVAILABLE | INTEREST | AVAILABLE |
| 2012 | 58.00 | 16.00 | 17,000 | 7 | 1511 | 127 | 1,129,961 | 26,056 | 140,142 | 1,296,159 | 1,030,794 | 743,897 | 400,000 | 275,568 | 78,656 | -275,444 | 3,866 | 2,543,964 |
| 2013 | 58.00 | 16.00 | 17,000 | 15 | 1526 | 125 | 1,130,501 | 25,176 | 257,610 | 1,413,287 | 776,317 | 82,032 | | 301,982 | 75,167 | 328,123 | 3,091 | 2,880,984 |
| 2014 | 59.00 | 16.00 | 17,000 | 13 | 1539 | 122 | 1,147,520 | 24,500 | 255,000 | 1,427,020 | 853,283 | 130,225 | | 305,056 | 84,000 | 222,456 | 2,800 | 3,214,473 |
| 2015 | 60.00 | 16.00 | 17,500 | 22 | 1561 | 119 | 1,186,049 | 24,400 | 1,038,035 | 2,248,484 | 861,670 | 177,833 | | 304,652 | 86,156 | 990,485 | 3,667 | 4,214,789 |
| 2016 | 61.00 | 18.00 | 17,500 | 40 | 1601 | 117 | 1,230,400 | 26,198 | 182,000 | 1,438,598 | 939,508 | 530,500 | | 312,632 | 76,600 | -267,442 | 8,000 | 4,013,347 |
| 2017 | 62.00 | 18.00 | 17,500 | 15 | 1616 | 102 | 1,287,900 | 24,732 | 262,500 | 1,575,132 | 1,046,587 | 3,421,000 | 2,300,000 | 185,604 | 1,076,000 | 297,941 | 8,000 | 4,323,004 |
| 2018 | 63.00 | 18.00 | 18,000 | 10 | 1626 | 92 | 1,291,696 | 22,032 | 180,000 | 1,493,728 | 1,083,218 | 578,000 | | 255,652 | 75,588 | -347,553 | 8,000 | 3,983,451 |
| 2019 | 64.00 | 18.00 | 18,000 | 10 | 1636 | 82 | 1,318,768 | 19,872 | 180,000 | 1,518,640 | 1,121,130 | 540,500 | | 255,652 | 76,344 | -322,298 | 8,000 | 3,669,153 |
| 2020 | 65.00 | 18.00 | 18,500 | 10 | 1646 | 72 | 1,346,080 | 17,712 | 185,000 | 1,548,792 | 1,160,370 | 1,620,000 | 1,500,000 | 301,352 | 77,108 | 44,178 | 7,000 | 3,720,331 |
| 2021 | 66.00 | 19.00 | 18,500 | 10 | 1656 | 62 | 1,373,632 | 16,416 | 185,000 | 1,575,048 | 1,200,983 | 150,000 | | 347,052 | 77,879 | -45,108 | 6,000 | 3,681,223 |
| 2022 | 67.00 | 19.00 | 19,000 | 10 | 1666 | 52 | 1,401,424 | 14,136 | 190,000 | 1,605,560 | 1,243,017 | 235,000 | | 347,052 | 78,658 | -140,851 | 4,000 | 3,544,372 |
| 2023 | 68.00 | 19.00 | 19,000 | 10 | 1676 | 42 | 1,429,456 | 11,856 | 190,000 | 1,631,312 | 1,286,523 | 300,000 | | 347,052 | 79,444 | -222,818 | 4,000 | 3,325,553 |
| 2024 | 70.00 | 19.00 | 19,500 | 10 | 1686 | 32 | 1,477,840 | 9,576 | 195,000 | 1,682,416 | 1,331,551 | 425,000 | | 347,052 | 80,239 | -340,948 | 2,000 | 2,986,605 |
| 2025 | 72.00 | 19.00 | 19,500 | 10 | 1696 | 22 | 1,526,704 | 7,296 | 195,000 | 1,729,000 | 1,378,155 | 2,055,000 | 1,500,000 | 388,521 | 81,041 | -511,635 | 2,000 | 2,476,970 |
| 2026 | 74.00 | 19.00 | 20,000 | 10 | 1706 | 12 | 1,576,048 | 5,016 | 200,000 | 1,781,064 | 1,426,391 | 670,000 | | 438,452 | 81,851 | -671,927 | 0 | 1,805,042 |

MINUTES
Town of Crested Butte
Regular Town Council Meeting
Monday, October 3, 2016
Council Chambers, Crested Butte Town Hall

Mayor Michel called the meeting to order at 7:00PM.

Council Members Present: Jim Schmidt, Erika Vohman, Chris Ladoulis, Roland Mason, Laura Mitchell, and Paul Merck

Staff Present: Town Manager Dara MacDonald, Town Attorney John Belkin, and Town Planner Michael Yerman

Town Clerk Lynelle Stanford and Public Works Director Rodney Due (for part of the meeting)

APPROVAL OF THE AGENDA

Schmidt moved and Mason seconded a motion to approve the agenda as submitted. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

CONSENT AGENDA

- 1) September 19, 2016 Regular Town Council Meeting Minutes.
- 2) September 26, 2016 Special Town Council Meeting Minutes.
- 3) Resolution No. 32, Series 2016 - Resolutions of the Crested Butte Town Council Appropriating Matching Funds in an Amount not to Exceed \$10,000 from the General Fund for the Colorado Tourism Office Matching Marketing Grant Program Fiscal Year 2017 and Authorizing the Town Manager to Execute the Grant Application Regarding the Grant.

Schmidt moved and Merck seconded a motion to approve the Consent Agenda. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

PUBLIC COMMENT

None

STAFF UPDATES

Rodney Due

- They completed utilities and paving at Big Mine, which went smoothly.
- Patching was done at 5th and Belleview and 6th and Red Lady.

Lynelle Stanford

- Staff would have a debrief meeting with the organizers of Vinotok.
- KBUT Scrapple Fest was moved from the gravel pit as originally planned to Town Park.

Michael Yerman

- Was reaching out to municipalities for letters of support regarding the roundabout.
- He reminded Vohman and Schmidt of an upcoming meeting on October 25 at the County for STIP funding.

Mike Reily

- Staff had not had the chance to debrief with the organizers of Vinotok, but after the meeting they would have a better feeling for what happened.
- The fire was not built to the agreed upon scale, but it was a typical Vinotok night with DUIs and emergency alcohol commits.

Dara MacDonald

- Mentioned there was a changing of the guard on Thursday afternoon and a farewell send off for the Martins on Friday afternoon.
- Hansen sent a PSA asking people to move items from the rights of way by October 15.
- The CIRSA inspection last week went fine. However, CIRSA required a training for Council on liability and conflicts of interest. She thought they would have a retreat in the next couple of months.
- The first reading of the short-term rental ordinance would be October 17.

PUBLIC HEARING

1) New Beer and Wine Liquor License Located at 313 3rd Street for Sherpa Dharma LLC DBA Sherpa Café.

Michel confirmed proper public notice was given. Stanford confirmed there were no changes from the time the staff report was written, and the Staff recommendation was to approve. The applicants, Linda Wessman and Mingma Sherpa, were present and did not comment.

The public hearing was opened. There was no public comment. The public hearing was closed, and it was opened to Council discussion. Schmidt questioned if the premises was bigger than it was before. Wessman explained the map submitted was an old map that reflected additional seating.

Vohman moved and Mitchell seconded a motion to approve the Beer and Wine Liquor License for Sherpa Café. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

2) Planned Improvements to the Crested Butte Wastewater Treatment Facility and Project Needs Assessment (PNA).

Michel confirmed that proper public notice was given. Due stated the cost and contributions for the planned improvements to the wastewater treatment plant facility. He listed reasons for the necessary upgrades such as: there was no redundancy for the water oxidation ditch, the need to replace the grit removal system, and Town was growing. The expansion would also address Regulation 85 and compliance with nutrient requirements. Michel asked Due why there was a public hearing, and he explained it was a mandatory requirement for the state revolving fund loan.

Michel opened the hearing for public comment. There was no public comment, and the public hearing was closed. It was opened to Council discussion, and there was no further Council discussion.

NEW BUSINESS

1) Discussion and Possible Approval for the Mayor to Sign a Letter of Support from the Mountain Pact on Public Lands and Fire Funding Reform.

Vohman explained to the Council she had been trying to gain clarity on this agenda item, but it had been challenging. She said the letter was about the reform of the allocation of funds for fire fighting. Merck stated the Mountain Pact was about climate change and lobbying government to research the effects of climate change and fires were part of it. When asked by Michel to explain the letter's relevance to Town, Vohman reiterated climate change and that forests were really vulnerable. She thought it was in the best interest of Town to support people that wanted to lobby on behalf of Town. Mason was hesitant to sign on because he recalled pulling back on a signature because of limited information. Ladoulis agreed with Mason. He thought the Council should decide on policy as a group, and they needed more information before they signed on to issues. Schmidt countered that they were lobbying for small mountain towns. He thought it was worthwhile to join them. They were not asking for something that specific, and he was in favor. Mitchell was also in favor. Merck agreed they needed more information. Michel was comfortable in signing as the Mayor, but he agreed with both Ladoulis and Mason in that they needed to be deliberative.

Schmidt moved and Merck seconded a motion to direct the Mayor to sign the letter of support for the Mountain Pact to Senators McConnell and Reid, Speaker Ryan, and Representative Pelosi. A roll call vote was taken with Merck, Mitchell, Michel, Vohman and Schmidt voting, "Yes," and Mason and Ladoulis voting, "No." **Motion passed.**

2) Resolution No. 33, Series 2016 - Resolutions of the Crested Butte Town Council Supporting Ballot Question 2A Related to the Issuance of Debt for the Purpose of Preventing Mining Activity on Mt. Emmons.

MacDonald explained that the Council was restricted in terms of lobbying, but they directed Staff to bring back a resolution supporting the ballot question. She emphasized it was a debt issuance, and there were no new taxes proposed. Michel encouraged citizens to support 2A. He hoped it passed overwhelmingly to send a message. Schmidt and Ladoulis also supported. Ladoulis pointed out that the funds allocated for repayment were specifically designed for supporting open space for surrounding areas. Merck was also supportive. Mason supported, and he recognized that the negotiation team structured the deal in such a way that taxes were not increased. Mitchell stated she absolutely supported, and Vohman concurred.

Schmidt moved and Merck seconded a motion to approve Resolution No. 33, Series 2016, resolutions of the Crested Butte Town Council supporting ballot question 2A related to the issuance of debt for the purpose of preventing mining activity on Mt. Emmons. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

COUNCIL REPORTS AND COMMITTEE UPDATES

Jim Schmidt

- There was a housing committee meeting last week.
- The returns on the needs assessment were great. Once they received the report from the needs assessment, they would be figuring out a concise plan for the future.
- There were five units left to go in Anthracite Place. There were pending applications.
- The marker for the Jokerville Mine disaster was north of the entrance to the cemetery. The perimeter had been staked, and they were planning a fence around it.
- They would have a Creative District meeting on Wednesday.

Roland Mason

- The RTA bus came in, and it would be ready soon. Each new bus accommodated 12 extra seats.
- Merck asked when the senior bus was coming. Mason said it would hopefully be here by the end of the year.

Erika Vohman

- Sustainable CB launched the Boomerang Bag project.

Glenn Michel

- He had the opportunity last week to attend the Mayors Summit, a CML event. He had good training on how to run better meetings. He talked to other mayors who were also dealing with affordable housing and issues similar to Crested Butte.
- He would be attending a mayors/managers meeting this week. It would be MacDonald's first.

- There would be a One Valley Prosperity Project meeting this week.

NEW BUSINESS CON'T

3) Update from the EPA on the Standard Mine Remediation Project and Emergency Action Plan.

Christina Progress represented the EPA, and she provided an update on the Standard Mine remediation work. She explained that they rehabilitated two tunnels successfully. They were in the process of sealing off shafts, so water would be conveyed to the main level. They were creating a bulkhead, which was a big concrete plug. Progress thought that the latest they would be up there would be early November, and she reported that so far things had gone well. Progress further explained that the valve that was needed on the end of the bulkhead took about ten weeks to manufacture. They would run out of time this construction season, so there was work to do next year. Progress described the additional work for next year and future work.

Michel thanked the EPA for their hard work. Schmidt questioned if there would be pressure built up and if they expected water to come out of other fissures and cracks. Progress stated that they planned on monitoring seeps and springs. Schmidt asked if they would be monitoring once the work was done. Progress stated they would have an operations maintenance plan, and the State would take it over. The EPA would come back every five years to monitor.

OTHER BUSINESS TO COME BEFORE THE COUNCIL

None

NEW BUSINESS CON'T

4) Discussion and Possible Approval for the Mayor to Sign a Letter of Support from the Crested Butte Mountain Bike Association (CBMBA) to the Forest Service for Winter Fat Bike Grooming Amenity.

Dave Ochs, Executive Director of the Crested Butte Mountain Bike Association (CBMBA), presented the proposal on behalf of CBMBA. He thought that fat bike grooming did not have a lot of impact on snow. He read the mission and purpose, and he showed a map that depicted the proposed grooming. He explained that the Slate River Valley was removed from the proposal. Ochs showed trails that were already groomed. He stated a main focus would be Brush Creek. He also mentioned the proposal to groom Cement Creek and how they wanted to create a loop. They also wanted to create the experience of leaving from Town on a bike. He showed a slide with proposed grooming in the Town of Mt. Crested Butte. He said that the grooming was for everyone to use. Ochs stated he had letters of support and good community support.

Michel questioned the previous decision of the Gang of Nine that closed the Gothic Corridor to mechanized travel. Ochs explained that the closure did not apply to the road under the County's jurisdiction. Next, Michel questioned trailhead management. Ochs answered that signage was part of the proposal. Vohman cited her issue with the Nordic Center and easements that were just for skiing. Ochs agreed they were looking for more collaboration. Schmidt asked if it was appropriate to re-open the winter travel management plan with the Forest Service (FS). Ochs agreed it was.

Ali Fuchs - 29 Whiterock - Owner of Big Al's Bicycle Heaven

- Was at the meeting supporting CBMBA's proposal.
- Fat biking was already happening, and they needed to ride the wave and support it.
- The number of fat bikes she rented out increased from year to year.

Matt Whiting - 2094 Cement Creek Rd - President of the CBMBA Board and a lodge owner

- Fat biking was critical for the community to diversify the economy.
- The grooming up Cement Creek had changed the whole nature of the valley providing a utopian/communal feeling.
- Fat biking was a low impact, positive experience

Doug Bradbury - 119 Gothic

- Everyone kept looking at CBMBA to take on fat biking, particularly the FS because they were in need of a point organization.
- Maybe they could make the year around thing work.
- They had no clue who was going to pay for it.
- They were going out on a limb.
- They hoped for support from the Council.

Maureen Hall - 9 Moon Ridge Lane

- She was not opposed to fat bikes.
- Told the Council they should also urge the FS to address winter travel management as soon as possible.
- They needed a comprehensive plan for all drainages. There was a lot of conflict at trailheads that would get worse without addressing comprehensive winter management.

Jason Sumner - 37 Kubler Court - Cycling Journalist and Writer

- There was no real marquee location for fat biking in the West.
- He mentioned nearby communities and what effects biking had there.
- There was an opportunity for the whole community to benefit.

Eliza Cress - 602 4th Street - Executive Director of the Chamber of Commerce

- Reminded the Council of the Fat Bike Worlds event last year. Businesses said they did great during the event.

- Fat biking brought people to Crested Butte during a slow time.
- Everyone could benefit from the amenity.

Brittany Konsella - 701 Gothic - Member of Share the Slate

- Share the Slate's perspective was that they could overall improve the user experience.
- They wanted to meet with CBMBA to discuss improving education and how to co-exist as multiple user groups by increasing awareness and etiquette.

Sean Riley - 705 Red Lady

- The relationship with the Nordic Center had been confrontational, and they had not embraced fat biking.
- Would like to see more help with collaboration.

Marco White - 718 Belleview

- Town had the infrastructure to deal with a large number of people in the summer.
- He couldn't think of any other idea that would bring incremental benefit to Town.

Ken Stone - 196 Coyote Circle

- The Nordic Inn promoted fat biking.
- He provided statistics from the Nordic Inn on the results of fat biking. There was measurable impact.
- He explained how much the Nordic Inn had collected in taxes related to fat bikers.

Janet Harvey - Reported to live across from the North Village in Mt. Crested Butte

- Expressed concern about cars parked at the Gothic Trailhead.
- Watched them groom North Village a lot, and she didn't see one person complete the course. Some of the proposed grooming would not work for an average fat biker.
- Any kind of recreational travel needed to be viewed as a whole.

Kendall Tankersley - Owner of Third Bowl Ice Cream - Vice President of Share the Slate

- Town needed more winter business.
- A small fraction of drainages was for mixed use.
- It was important that people could get out close to town and recreate the way they wanted.
- The purpose of their group was to reduce user conflict and increase safety.

Michel summarized that he heard that users would like to have a better travel management plan from the FS. He asked if the Council wanted to encourage the FS to address winter travel management overall as a whole. He thought another concern was how they were going to manage. Schmidt suggested they add a sentence to the letter about evaluating total management. Mason liked the presentation, and he thought the views made sense. He would like to include a comment to look at the overall picture. Ladoulis thought they should separate the issues. He saw some risk that CBMBA's effort

could be stalled. Merck cited that FS lands were lands of many uses, and he thought biking made a lot of sense. He said the FS was taking counts and thinking of ways to manage. Merck was in favor of the letter. Vohman liked the letter and the concept. She wanted to push the Council to gain access to Nordic trails. She stated they should sign the letter. Mitchell supported the letter. Her concern was trailhead management. Michel asked if they wanted to add the encouragement to improve trailhead management as well as encouragement to the FS to re-evaluate the winter travel management plan. Ochs reminded the Council that trailheads were County properties. Michel summarized the Council wanted to augment the letter to encourage the FS to continue to re-evaluate the winter travel management plan in drainages around Crested Butte and to adequately manage the impact on the backcountry.

Mitchell moved and Vohman seconded a motion to approve the letter of support for the Crested Butte Mountain Bike Association to the Forest Service for winter fat bike grooming amenity. A roll call vote was taken with all voting, “Yes.” **Motion passed unanimously.**

5) Proposal by Cypress Equities LP for Water Service for Proposed Gunnison County Slate River Major Development Application and Possible Direction by Town Council.

Yerman provided an overview and background. He explained the Town extended sewer service to the development through a pre-annexation agreement. At this time, Cypress was requesting the ability to connect to Town water. He explained the process it would take to accomplish, including that the pre-annexation agreement would need an amendment. A minor code amendment would also be required. He reviewed and explained the key deal points that the Town would receive in exchange for water service. The question was whether Council wanted to direct Staff to prepare an ordinance and amendment to the pre-annexation agreement.

Michel asked Yerman what in-stream flows meant to the Town. Yerman stated they had been working to increase the water supply in Coal Creek. Water would bypass the McCormick Ditch intake, and water could stay in the river longer. Michel asked what the importance was of drought proofing. Yerman said they were taking an irrigated right and changing it to municipal consumption. He further explained the water right would secure water coming down Coal Creek for municipal use. Michel asked if the Town had ever allowed non-annexed land to connect to Town’s drinking water. The answer was no. Yerman explained the changes to the Code that would be necessary.

Cameron Aderhold, representing Cypress, explained the processes they were undergoing. The County had suggested they come to Town about the connection to water. They were at the point where they needed to get a plan submitted. He thought the characteristics were unique, and the proposal should be viewed in and of itself.

Marcus Lock, attorney for Cypress, explained why they didn’t propose the connection to water immediately. They had to provide something unique that Town couldn’t get

anywhere else, which was the senior water right on Coal Creek. It could provide a lot of water for municipal purposes. Lock listed the items to what Cypress had agreed. He stated that tying into the Town's water supply made logical and engineering sense. The Gunnison County Planning Commission also preferred that Cypress connected to the Town's water supply.

Tyler Harpel, engineer for Cypress, stated the development would account for 3% of what Town was doing at the wastewater treatment plant (WWTP). If they were not included with Town, the development would require a redundant system right across the river. Harpel described systems and requirements. He listed the impacts (of a redundant system) to be: environmental, economic, and fire safety.

Schmidt asked how many acres would be dried up and how often. Lock described the areas that the McCormick Ditch irrigated. The dried up areas would be 19.2 acres on the two easternmost parcels. He cited a water right change in Skyland that was successful.

Schmidt questioned who would pay the costs in water court. Michel asked the Council what they thought of a 50/50 split. Merck thought the fees would be reduced if it were amicable. Schmidt thought 50/50, minus what the Water Trust paid. Yerman said they should know more about the Water Trust's involvement by the 17th. Lock wanted the cost to his client to be capped. They would not be in the case and therefore had no involvement nor control. Belkin estimated the cost to be anywhere between \$40K and \$100K. Aderhold said 50/50 would be doable, with a cap of \$25K. Belkin pointed out it was different from an annexation and that Town would be paying for it.

Michel summarized and surveyed the Council on each deal point:

- 1) Town's wood burning stove regulation.
 - Schmidt said it was very important. He didn't want to see a blanket of smoke. The Council agreed.
 - There was a discussion on the mechanism for enforcement.
- 2) Cypress would pay out of town tap and user fees.
 - The Council agreed.
- 3) Cypress would place a 3% RETT on the County development.
 - The Council agreed.
- 4) Cypress would pipe raw irrigation water down 8th Street.
 - The Council agreed.
- 5) Cypress would adhere to Town's water regulations.
 - The Council agreed.
- 6) Cypress would be responsible for all water infrastructure extensions to service their development.
 - The Council agreed.
- 7) Senior rights in the McCormick Ditch to the Town.

Michel thought the idea of drought proofing the Town's water supply could be invaluable. He thought in-stream flows were great and valuable, and he valued the 3%

RETT. He was good with the proposal. Vohman thought what they came up with was close to ideal. She wanted to split the cost of water court. Overall, she liked it. Merck stated they should work on moving forward. Schmidt said water was really important. Ladoulis thought it was a unique arrangement and didn't have as much precedential value. He appreciated how they got to this point. Mitchell supported it, but she wanted to figure out the price of water court. Mason was in favor. What they were getting was close to with what he was comfortable. Michel reminded the Council they would still receive public input, and they would listen to constituents. Belkin said they would most likely bring the ordinance to the next meeting and then work on the agreement for the first meeting in November or when it was ready.

Merck moved and Schmidt seconded a motion to direct Staff and the Town Attorney to prepare an ordinance amending Section 13-1-280 of the Town's Municipal Code for the next meeting and prepare an addendum to the pre-annexation agreement to be considered when prepared at a future Town Council meeting. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

LEGAL MATTERS

None

DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE

- Monday, October 17, 2016 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, November 7, 2016 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, November 21, 2016 - 6:00PM Work Session - 7:00PM Regular Council

EXECUTIVE SESSION

Ladoulis moved and Mason seconded a motion to go into Executive Session for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and/or instructing negotiators, under C.R.S. Section 24-6-402(4)(e) regarding 721 Butte Avenue Unit I and regarding the transactions with Freeport-McMoRan. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

The Council went into Executive Session at 10:00PM. Council returned to open meeting at 10:26PM. Mayor Michel made the required announcement before returning to open meeting.

Schmidt recused himself and left the meeting at 10:15PM for the discussion on 721 Butte Avenue Unit 1.

ADJOURNMENT

Mayor Michel adjourned the meeting at 10:27PM.

Glenn Michel, Mayor

Lynelle Stanford, Town Clerk (SEAL)



Staff Report

October 17, 2016

To: Mayor and Town Council

Thru: Dara MacDonald, Town Manager

From: Lynelle Stanford, Town Clerk

Subject: Resolution No. 34, Series 2016 - Resolutions of the Crested Butte Town Council Approving the Continued Operation of Snow Machines for Rubber-Tracked Snow Cat Machines, the Designated Route and the Restrictions of Operations.

Resolution No. 35, Series 2016 - Resolutions of the Crested Butte Town Council Approving the Designated Route, Restrictions of Operations and the Continued Operation of Nordic Center Snow Cats and Snowmobiles.

Date: October 11, 2016

Summary:

A limited access snow cat route shall be designated within the Town for the use of rubber-tracked snow cat machines on Town public streets and highways. Said route shall be designated by the Town Manager for each calendar year.

Background:

The Town Council, during the month of October each year, shall be required, by formal resolution following a public hearing at a regular or special meeting of the Town Council, approve the continued operation of snow machines for rubber-tracked snow cat machines, the designated route, and the restrictions of operations.

Recommendation:

Staff recommends that Resolution No. 34, Series 2016 and Resolution No. 35, Series 2016 be approved.

Suggested Motions:

A motion to approve Resolution No. 34, Series 2016.

A motion to approve Resolution No. 35, Series 2016.

RESOLUTION NO. 34**SERIES NO. 2016****RESOLUTIONS OF THE CRESTED BUTTE TOWN COUNCIL
APPROVING THE CONTINUED OPERATION OF SNOW
MACHINES FOR RUBBER-TRACKED SNOW CAT MACHINES,
THE DESIGNATED ROUTE AND THE RESTRICTIONS OF
OPERATIONS**

WHEREAS, Section 8-1-30(4) of the Crested Butte Municipal Code (the “**Code**”) allows the Town to grant permission by permit for the use of rubber-tracked snow cat machines;

WHEREAS, the Code requires that the Town Manager annually designate a limited access snow cat route for the use of rubber-tracked snow cat machines on Town streets; and

WHEREAS, the Code requires that the Town Council approve the continued operation of rubber-tracked snow cat machines, the designated route and the restrictions of operation by formal resolution adopted by the Town Council following a public hearing;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF CRESTED BUTTE, COLORADO:

1. The Town Council hereby approves the continued operation of rubber-tracked snow cat machines in accordance with the provisions of Section 8-1-30(4) of the Code.
2. The designated route for the operation of rubber-tracked snow cat machines is as follows:
 - 2.1 Whiterock Avenue between Kebler Pass Road and 6th Street.
 - 2.2 Belleview Avenue between 4th and 5th Streets.
 - 2.3 4th Street between Whiterock and Red Lady Avenues.
 - 2.4 5th Street between Whiterock and Belleview Avenues.
 - 2.5 2nd Street between Whiterock and Sopris Avenues to include a portion of Sopris Avenue for safe turn around on Sopris Avenue.
3. The Town Council hereby finds that above approvals are in the best interest of the health, safety and welfare of the residents and visitors of Crested Butte.

INTRODUCED, READ, AND ADOPTED BY THE TOWN COUNCIL IN PUBLIC HEARING
THIS ___ DAY OF _____, 2016.

TOWN OF CRESTED BUTTE, COLORADO

By: _____
Glenn Michel, Mayor

ATTEST

Lynelle Stanford, Town Clerk

(SEAL)

RESOLUTION NO. 35**SERIES NO. 2016****RESOLUTIONS OF THE CRESTED BUTTE TOWN COUNCIL
APPROVING THE DESIGNATED ROUTE, RESTRICTIONS OF
OPERATIONS AND THE CONTINUED OPERATION OF
NORDIC CENTER SNOW CATS AND SNOWMOBILES**

WHEREAS, the Nordic Center uses snow cats as well as snowmobiles for track setting and other purposes; and

WHEREAS, Section 8-1-30(4) of the Crested Butte Municipal Code requires that the Town Manager annually designate a route for the Nordic track-setting machines; and

WHEREAS, Section 8-1-30(4) of the Crested Butte Municipal Code requires that the Town Council approve said route, operations of track-setting machinery and restrictions of operations by formal resolution following a public hearing;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF CRESTED BUTTE, COLORADO:

1. The Town Council hereby approves the continued operation of snow cat machines and snowmobiles for use only by the Nordic Center in accordance with the provisions of Section 8-1-30(4) of the Code.

2. The Nordic Center route shall be:

2.1 From the intersection of the alley between Whiterock and Belleview Avenues and Second Street, west along said alley to First Street, north to Whiterock Avenue and then west to Kebler Pass Road; also north on 1st Street to Butte Avenue then west on Butte Avenue to Peanut Lake Road and east on Butte Avenue to the Kapushion Alley.

2.2 From the Nordic Center to Belleview Avenue, to the fuel pumps.

2.3 The Big Mine Park including access from the Nordic Center to Journey's End Road.

2.4 Town Ranch and the Crested Butte Community School Site.

2.5 Magic Meadows, Trapper's Crossing Ski trails easements; the proposed additional year round trail easement Trapper's Crossing Lot 4 and Peanut Mine.

2.6 The Verzuh Ranch Annexation Open Space.

2.7 The perimeter trail on the east end of Town adjacent to Rainbow Park and Blocks 69, 76, 77, 78, 79, and 80. Old Kebler Pass road to the terminus of Elk Avenue to the west boundary of Town.

2.8 The route approved hereafter for the Alley Loop Nordic Race.

3. The route shall be limited to use by Nordic track-setting and system maintenance machines.

4. The Town Council hereby finds that above approvals are in the best interest of the health, safety and welfare of the residents and visitors of Crested Butte.

INTRODUCED, READ, AND ADOPTED BY THE TOWN COUNCIL IN PUBLIC HEARING
THIS ___ DAY OF _____, 2016.

TOWN OF CRESTED BUTTE, COLORADO

By: _____
Glenn Michel, Mayor

ATTEST

Lynelle Stanford, Town Clerk

(SEAL)



Staff Report October 17, 2016

To: Town Council and Mayor
Thru: Dara MacDonald, Town Manager
From: Bob Gillie, Building and Zoning Director
Subject: 4-way Transit Center/Bathroom
Date: October 13, 2016

Summary: In 2015 the Town Council decided that they would like to upgrade the 4-way transit and bathroom facilities. The demand for restrooms had outgrown the two bathrooms that are located on the north side of the Chamber of Commerce building. The increased use of the 4-way and its adjacent parking lot also demanded a larger and more functional transit facility.

Previous Council Action: The Council allocated \$25,000 in the 2016 budget to design the new facility. Andrew Hadley was hired to develop the design. A committee was formed in June to advise on the design. The committee consisted of representatives of the Mountain Express (Chris Larsen and Bill Quiggle), RTA (Scott Truex), Chamber of Commerce (Eliza Cress), Town Council (Roland Mason and Glenn Michel) and staff (Michael Yerman and Bob Gillie).

The design committee was charged with looking at different options and designs. The options included expanding the current bathrooms within the Visitor Center building by absorbing one of the chamber offices, replacing the current bus stop with an enlarged facility incorporating more bathrooms and enhanced waiting area, or a combination of these ideas.

Option A – Build a smaller transit center with two family type bathrooms and enlarge the bathrooms in the Chamber.

Option B – Leave the existing transit center as is and expand the bathrooms in the visitor center.

Option C – Build a larger transit center with enhanced bathroom and waiting facilities and reduce the size of bathrooms in the visitor center to two family type bathrooms.

Option D – Build a larger transit center with enhanced bathroom and waiting facilities and re-do and upgrade the existing bathrooms in the visitor center.

A sub goal of the design was to enhance bike parking in the vicinity of the transit center.

Discussion:

The recommendation of the committee, after looking at various design options, was to recommend option D. The decision was based on which option was the most cost effective to accomplish the goals and anticipate long term growth.

Option A anticipated a smaller transit waiting area and reduced usable office space in the visitor center. This option did not seem to be very far sighted.

Option B did not seem to anticipate the need for an eventual larger transit waiting area and the reduction of usable space in the visitor center did not seem advisable.

Option C was not advisable since the demand for restroom facilities in the area would only increase over time and to reduce the bathroom fixture count in the area by reducing the existing bathroom size did not seem like a good idea in the long run.

Option D seemed to be the most cost effective solution given that a new building with plumbing would in either case be built on the site in options A and C. To plumb the site for more fixtures seemed to be advisable at this point. To re-do the existing bathrooms in the visitor center would be cheaper than re-configuring them. The one downside to this option was that we would not create any gender neutral bathrooms.

The recommendation also anticipated that solar panels could be placed on the south roof and an area of heated sidewalk installed in front of the building to mitigate any snow shed/drop issues. The existing landscape areas would not need to be altered.

A decision needs to be made because there are implications for the paving of the adjacent parking lot anticipated in 2017. The sidewalk and curbing adjacent to the transit center may need to be expanded and altered to accommodate the new transit facility and utility work would need to be done prior to the paving.

Legal Implications: None

Financial Implications: In the proposed budget for 2017 is \$400,000 to fund the 4-way upgrades. The capital budget would contribute \$300,000 and the transportation budget would contribute \$100,000.

Recommendation: The committee's recommendation is to approve the conceptual design for Option D and direct Andrew Hadley to present the plans to BOZAR and develop construction drawings. Also allocate the required funds in the 2017 budget process.

Proposed Motion: I move to authorize the development of plans consistent with Option D and to present the plans to the BOZAR.

2.3

Andrew Madley Architect
 1294 Post Office Box
 Crested Butte, CO 81224
 (970) 349-0806

4-WAY TRANSPORTATION CENTER
 LOT 601-BLOCK 53



OPTION A



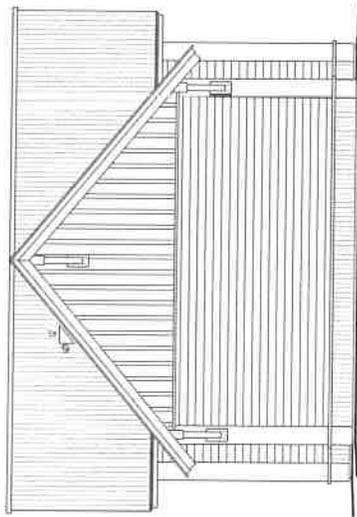
SOUTH ELEVATION
 SCALE: 1/4"=1'-0"



NORTH ELEVATION
 SCALE: 1/4"=1'-0"



WEST ELEVATION
 SCALE: 1/4"=1'-0"



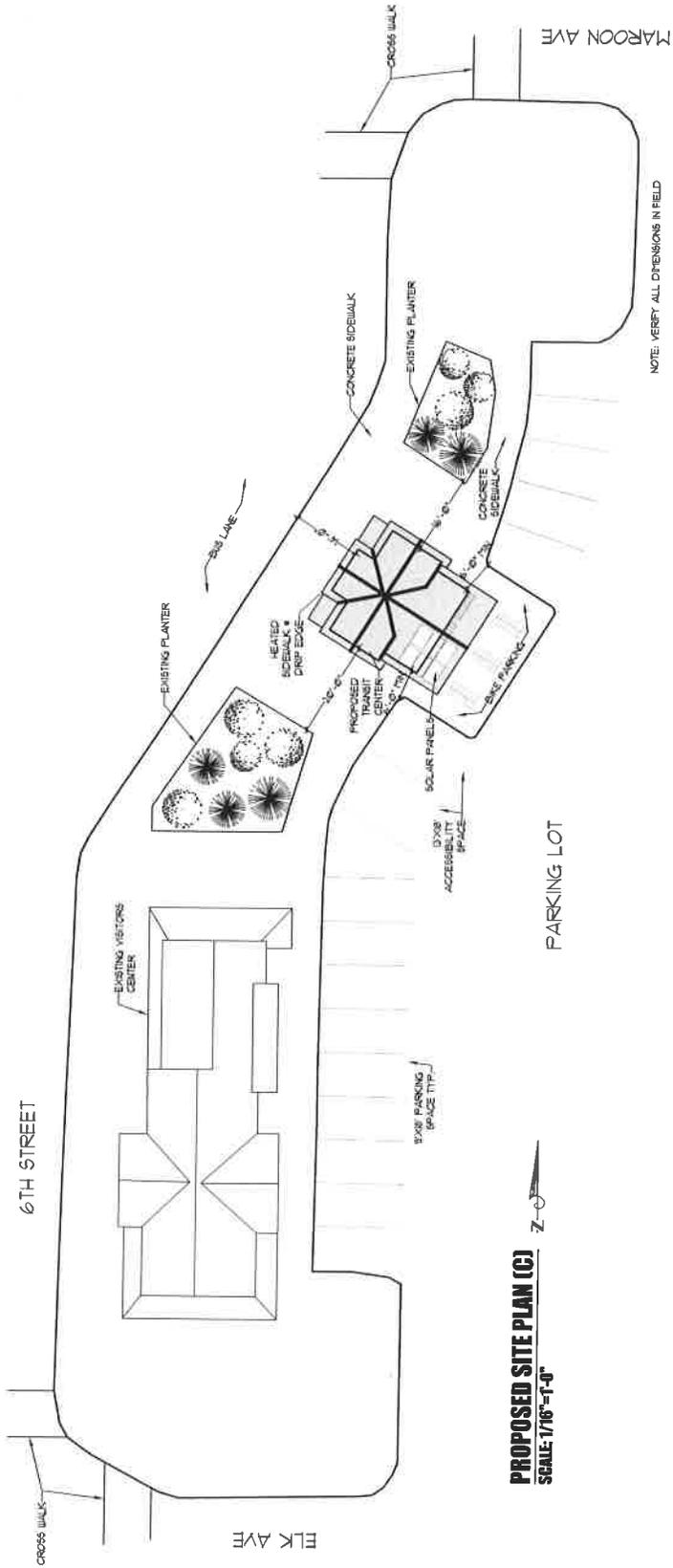
EAST ELEVATION
 SCALE: 1/4"=1'-0"

SOLAR PANELS
 (SEE SITE PLAN)

- 1/2" BOARD 1/4" BATTEN SIDING (FINISH COLOR TBD)
- 1/2" BOARD 1/4" BATTEN SIDING (FINISH COLOR TBD)
- ROOFING FINISH TBD
- 2" WOOD NOT PAINTED COLOR TBD
- 4"X4" STEEL CORBEL (FINISH TBD)
- 1/2" WOODEN SHIP LAP SIDING (FINISH COLOR TBD)
- 1/2" FLUSH BLOCK PAINTED COLOR TBD
- 2"X2" CORNER NOT PAINTED COLOR TBD
- LOWE METAL CLAD WINDOW (10-25) (FINISH TBD)
- 2" WOOD NOT PAINTED COLOR TBD
- CORRUGATED METAL SIDING (FINISH TBD)

- 2"X4" TRIM (FINISH TBD)
- 2"X4" SHIMOU BOARD FINISH TBD
- 1/2" FASCIA (PAINTED COLOR TBD)
- 4"X4" STEEL CORSEL (FINISH TBD)
- 2"X6" WINDOW TRIM (PAINTED COLOR TBD)
- 2"X4" WINDOW TRIM (PAINTED COLOR TBD)

OPTION A



PROPOSED SITE PLAN (C)
SCALE: 1/16"=1'-0"

4-WAY TRANSPORTATION CENTER

LOT 601-BLOCK 53

Drawn By: *SP*
Scale: 1/16" = 1'-0"
Date: 10-07-2010
Revised: SITE PLAN (OPTION #2)

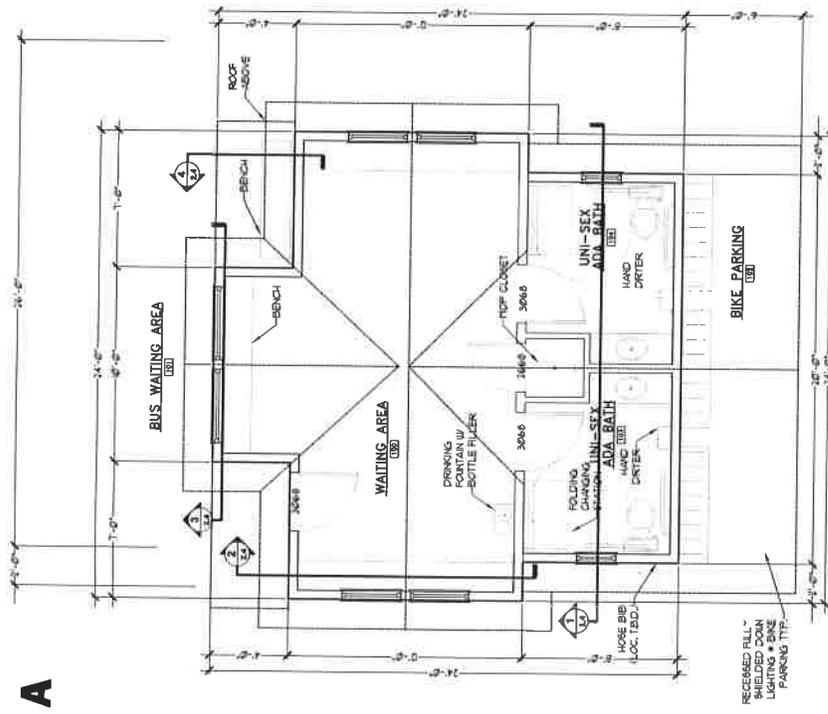
ANDREW MADLEY ARCHITECT
POST OFFICE BOX 1294
CHESTER MOUNTAIN CO. 81224
(970) 349-8886



OPTION A

| LEGEND: | |
|---------|----------------|
| — | EXTERIOR WALLS |
| — | EXTERIOR WALLS |
| — | INTERIOR WALLS |
| — | ABOVE |
| — | FIXTURES |
| — | BEAMS |
| — | STAIRS |
| — | ROOF ABOVE |
| — | ADA CLEARANCE |

| SQFT: | |
|---------------|-----------|
| INTERIOR: | 488 SQFT. |
| BIKE PARKING: | 138 SQFT. |



PROPOSED TRANSPORTATION CENTER PLAN (##2)
SCALE: 1/4"=1'-0"



Drawn By: *[Signature]*
Scale: 1/4"=1'-0"
Date: 10-27-2018
Project: FLOOR PLAN OPTION A23

4-WAY TRANSPORTATION CENTER LOT 601-BLOCK 53

ANDREW MADLEY ARCHITECTS
POST OFFICE BOX 1294
CHESTERD BUTTE CO. 91224
(970) 349-0886



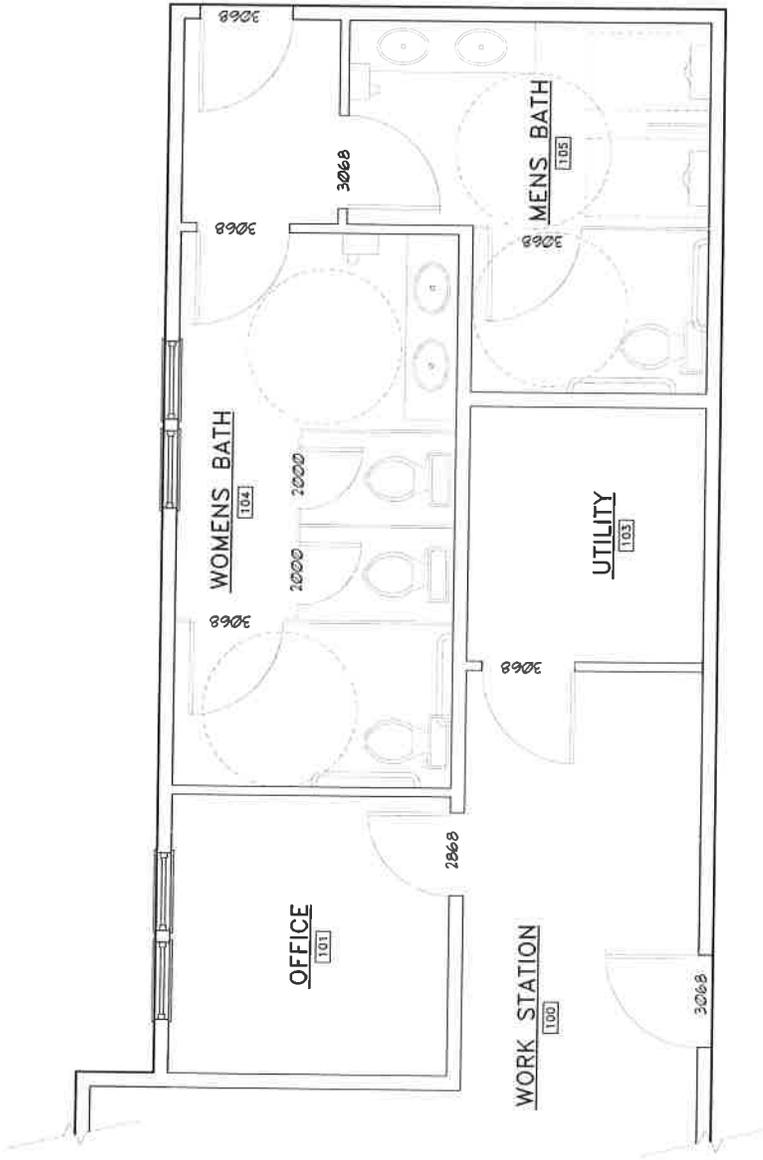
OPTION A



PROPOSED VISITOR CENTER PLAN (B)

SCALE: 1/4"=1'-0"

| | |
|----------------|---|
| LEGEND: | |
| EXTERIOR WALLS | — |
| EXTERIOR WALLS | — |
| INTERIOR WALLS | — |
| ABOVE | — |
| FIXTURES | — |
| BEAMS | — |
| STAIRS | — |
| DECKS | — |
| RETAINING WALL | — |
| ROOF ABOVE | — |
| ROOF BELOW | — |



OPTION B



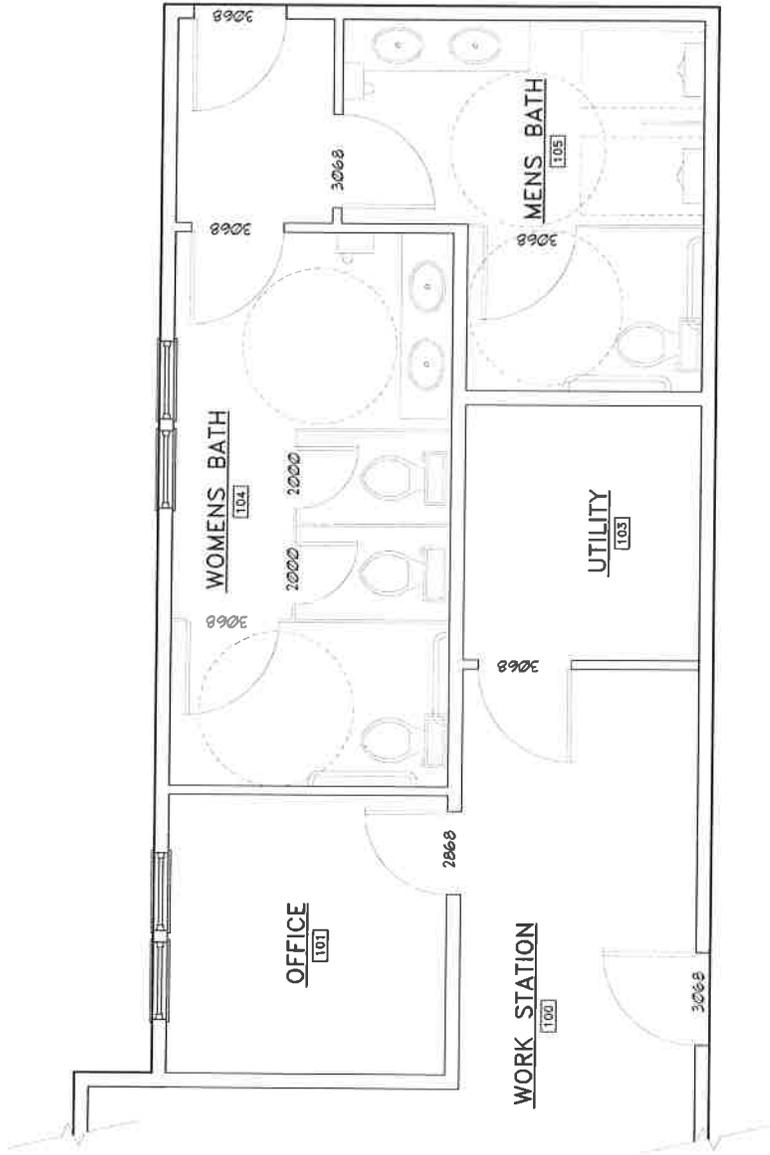
OPTION B

PROPOSED VISITOR CENTER PLAN (B)

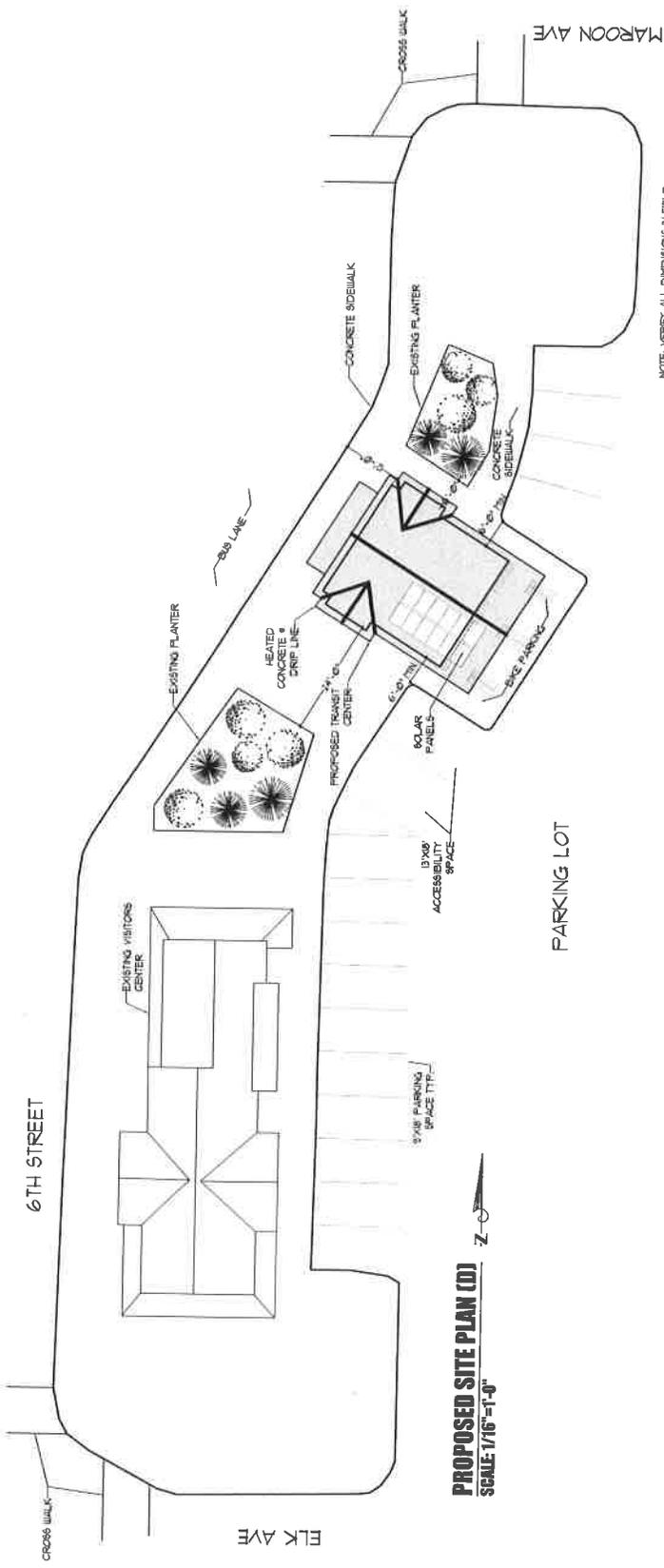
SCALE: 1/4"=1'-0"



| LEGEND: | |
|----------------|------|
| EXTERIOR WALLS | —— |
| EXTERIOR WALLS | —— |
| INTERIOR WALLS | —— |
| ABOVE | ---- |
| FIXTURES | ---- |
| BEAMS | ---- |
| STAIRS | ---- |
| DECKS | ---- |
| RETAINING WALL | ---- |
| ROOF ABOVE | ---- |
| ROOF BELOW | ---- |



OPTION C



NOTE: VERIFY ALL DIMENSIONS IN FIELD

PROPOSED SITE PLAN (01)
SCALE: 1/16"=1'-0"

4-WAY TRANSPORTATION CENTER
 LOT 601-BLOCK 53

ANDREW HANLEY ARCHITECT
 POST OFFICE BOX 1294
 CHESTER BUTTE, CA. 91224
 (970) 349-0886



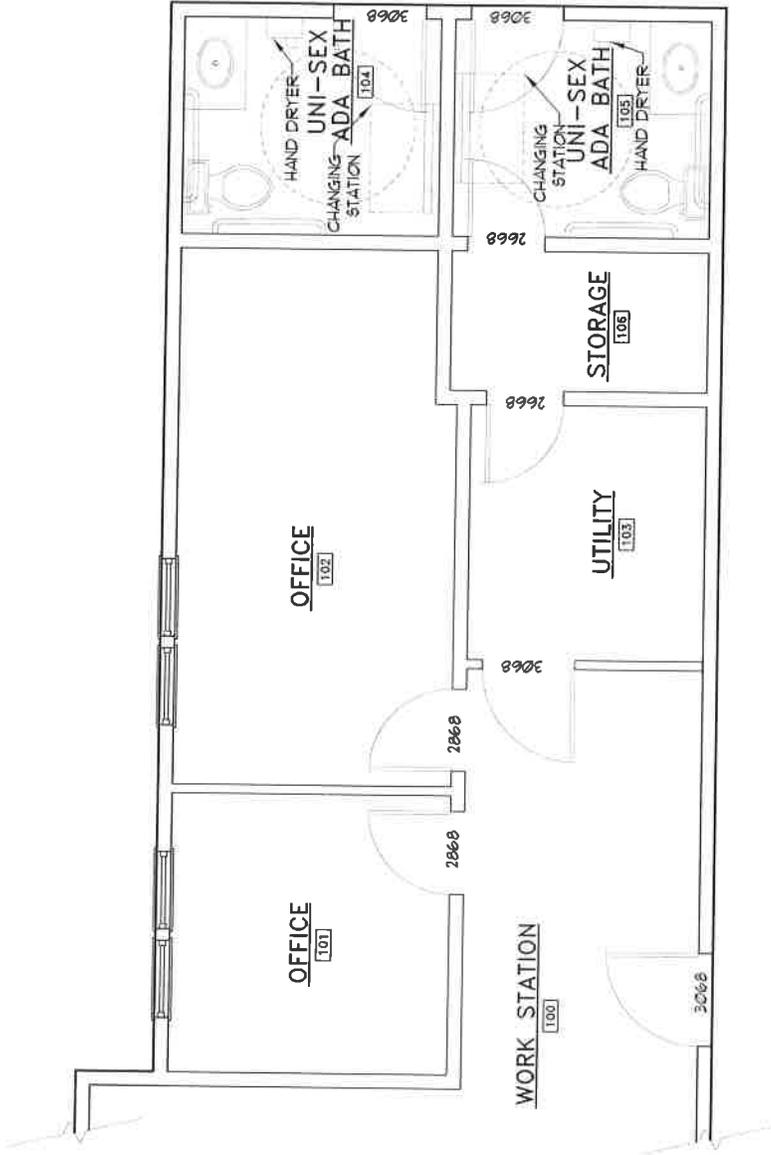
Drawn By: *[Signature]*
 Scale: 1/16"=1'-0"
 Date: 10-01-2010
 Working: SITE PLAN (OPTION #1)

OPTION C

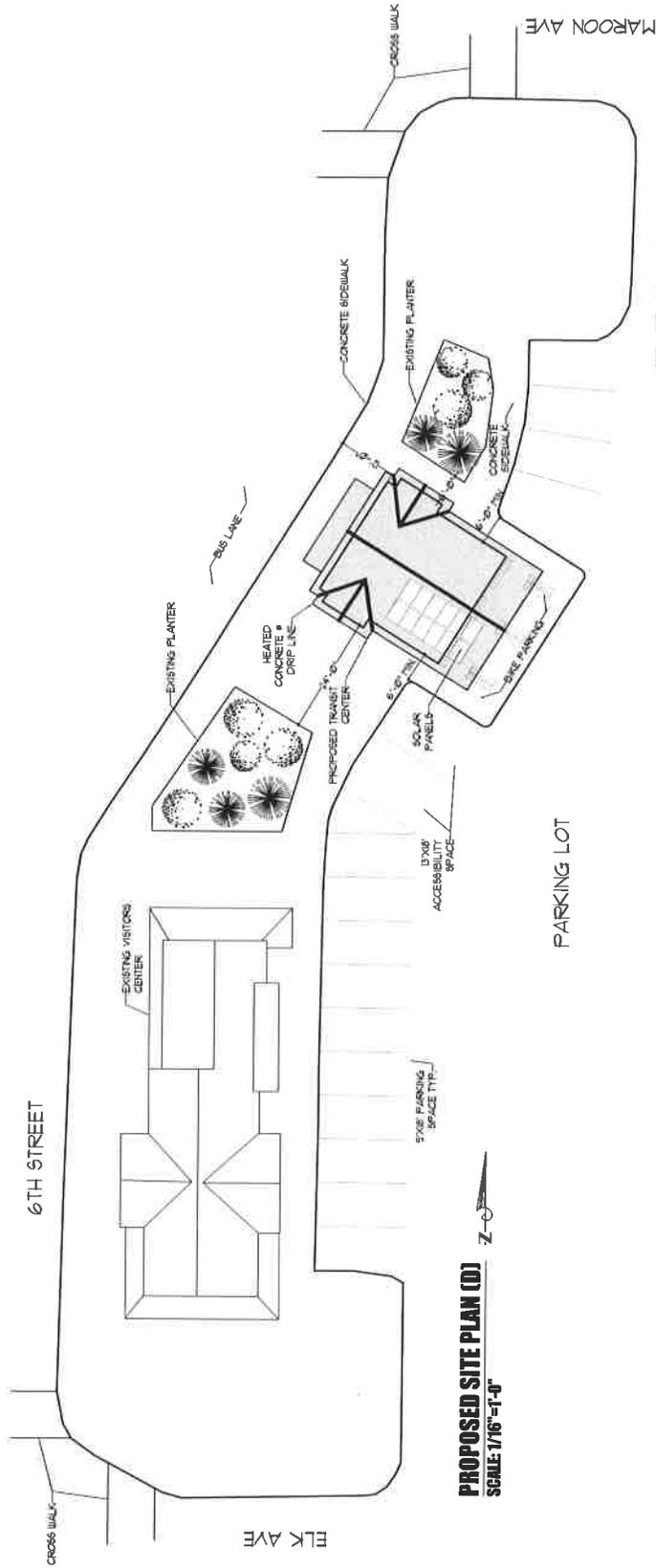
PROPOSED VISITOR CENTER PLAN (A) SCALE: 1/4"=1'-0"



| LEGEND: | |
|----------------|-------|
| EXTERIOR WALLS | — |
| EXTERIOR WALLS | — |
| INTERIOR WALLS | — |
| ABOVE | - - - |
| FIXTURES | — |
| BEAMS | — |
| STAIRS | — |
| DECKS | — |
| RETAINING WALL | — |
| ROOF ABOVE | - - - |
| ROOF BELOW | — |



OPTION D



NOTE: VERIFY ALL DIMENSIONS IN FIELD

PROPOSED SITE PLAN (D)
SCALE: 1/16"=1'-0"

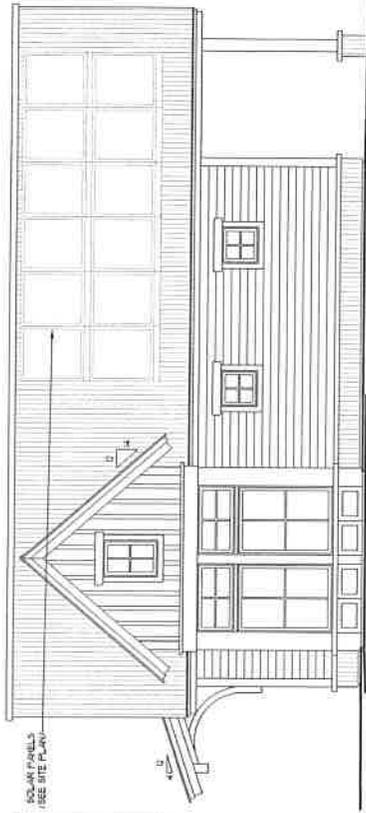
Working SITE PLAN OPTION #1
Date: 10-07-2018
Scale: 1/16" = 1'-0"
Drawn By: *AK Ryan*

4-WAY TRANSPORTATION CENTER
LOT 601-BLOCK 53

ANDREW BADLEY ARCHITECT
POST OFFICE BOX 1294
CHESTER BOTTE, CO. 01224
(978) 349-8806



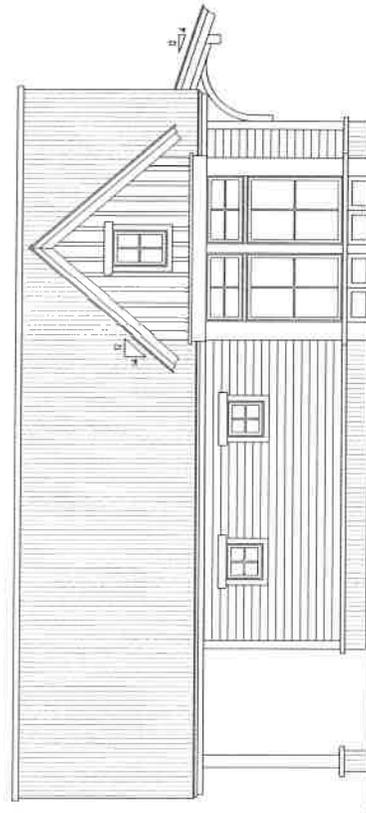
OPTION D



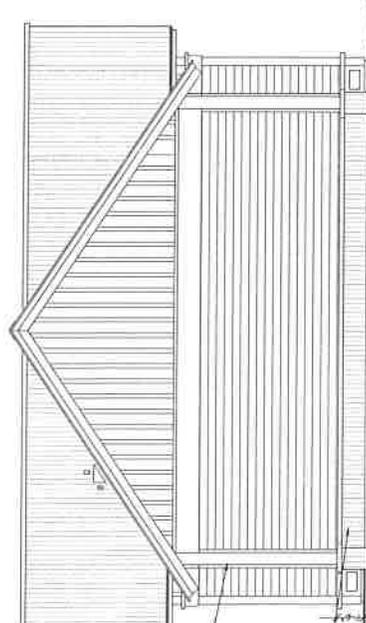
WEST ELEVATION
SCALE: 1/4"=1'-0"



SOUTH ELEVATION
SCALE: 1/4"=1'-0"



NORTH ELEVATION
SCALE: 1/4"=1'-0"



EAST ELEVATION
SCALE: 1/4"=1'-0"

- 2x6 WOOD TRIM (PAINTED COLOR TBD)
- 2x4 WOOD TRIM (PAINTED COLOR TBD)
- 1x4 WOOD TRIM (PAINTED COLOR TBD)
- 1x2 BOARD & BATTEN SIDING (PAINTED COLOR TBD)
- ROOFING: CORRUGATED METAL (FINISH TBD)
- 2x WOOD TRIM (PAINTED COLOR TBD)
- 4x4 STEEL CORSEL (FINISH TBD)
- 3/4" WOODEN SHIP LAP SIDING (PAINTED COLOR TBD)
- 2x6 CORNER TRIM (PAINTED COLOR TBD)
- 2x6 CORNER TRIM (PAINTED COLOR TBD)
- 2x WOOD TRIM (PAINTED COLOR TBD)
- LOWE METAL CLIP WINDOW (FINISH TBD)
- WOODEN SHIP LAP SIDING (PAINTED COLOR TBD)

- DF POST (FINISH TBD)
- CORRUGATED METAL EGOT (FINISH TBD)

1.3

Drawings: ELEVATIONS (OPTION #1)
Date: 10-01-2016
Scale: 1/4"=1'-0"
Drawn By: Xylia Ryan

4-WAY TRANSPORTATION CENTER
LOT 601-BLOCK 53

ANDREW HANLEY ARCHITECT
POST OFFICE BOX 1294
CRESTED BUTTE CO. 81224
(970) 349-0806



1.2

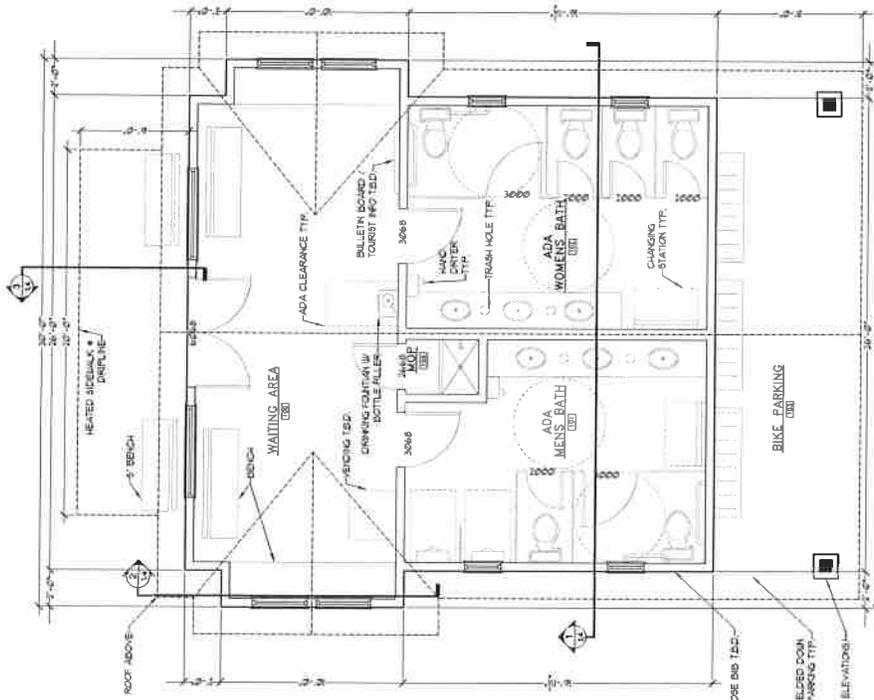
Working Floor Plan Option #1
 Date: 03-20-16
 Scale: 1/8" = 1'-0"
 Drawn By: X.L. Ryan

4-WAY TRANSPORTATION CENTER
 LOT 601-BLOCK 53

ANDREW HADLEY ARCHITECT
 POST OFFICE BOX 1294
 CRESTED BUTTE, CO. 81224
 (970) 349-0806



OPTION D



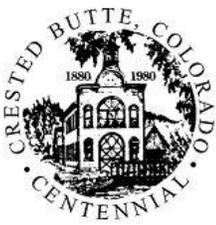
PROPOSED TRANSPORTATION CENTER PLAN (#1)
 SCALE: 1/8"=1'-0"



| LEGEND: | |
|---------|----------------|
| — | EXTERIOR WALLS |
| — | EXTERIOR WALLS |
| — | INTERIOR WALLS |
| — | ABOVE |
| — | FIXTURES |
| — | BEAMS |
| — | STAIRS |
| — | ROOF ABOVE |
| — | ADA CLEARANCE |

| SQ.FT. | |
|--------|--------------------------|
| — | INTERIOR: 192 SQ.FT. |
| — | BIKE PARKING: 232 SQ.FT. |

RECEIVED BULLY INHIBITED COM
 LIGHTING • BIKE PARKING TYP.
 FOOT # BASE (SEE ELEVATIONS)



Staff Report
October 17, 2016

To: Mayor Michel and Town Council

Thru: Dara MacDonald, Town Manager

From: Janna Hansen, Parks and Recreation Director
Michael Yerman, Director of Planning

Subject: Mundus Bishop Mary Yelenick Playground Renovations Recommendation

BACKGROUND:

The Town Council passed Resolution 24, Series 2016 to hire Mundus Bishop to conduct two public meetings and prepare designs for the Mary Yelenick Playground renovation in association with the Center for the Arts Expansion. On September 12th and September 29th, Town Staff and Mundus Bishop conducted public meetings and meet with children at the Crested Butte Community School to solicit design input for the new playground amenities to replace the existing playground.

It is important to note that the existing Mary Yelenick playground is past its useable life and has been in the capital budget to be replace for the two past years. Regardless, of the Center for the Arts moving forward next year, the design can be implemented. The proposed design will fit within the plans for the Center for the Arts and can be implanted independently from Center for the Arts Project. However, the Town is at this time preparing to implement the renovation of the playground concurrently with the Center expansion next year.

Attached is a brief summary and proposed designs from Mundus Bishop. A comprehensive presentation will be given Monday night.

Crested Butte Town Park Play Concept Design Narrative

The Town Park playground concept design is informed by community workshops, site visits, analysis of the existing conditions, and the site planning of the expansion of the Center for the Arts. It includes 15,000 square feet of playground programming that will be either be displaced or modified by the Center for the Arts expansion.

The guiding principle for the playground design is to create unique setting to foster creative and imaginative play, while tackling physical challenges such as coordination, balance, endurance and strength. The playground setting is designed to take advantage of the site's surrounding views, make connections to the surrounding neighborhood, and integrate the playground with the overall park and CFTA building.

The concept design is informed by feedback from four community workshops; two separate hands-on activities with 1st and 2nd graders at the Crested Butte Community School and two separate open houses at Town Hall. Common themes during the childrens' workshops were places to get up high and places to hide; forts, caves, climbing walls, slides, bridges and swings. Other interests were places to dig and connect with the natural environment. The open house comments from parents and community members included; having a buffer from 7th street, having places for parents to sit and hang out, having good visibility from Alpenglow, and having non-traditional play equipment that is "Crested Butte" style.

The proposed pirate shipwreck theme is a nod to the Mary Yelenick's Pirate Ship playground. Custom play structures will be built utilizing local materials, artists and craftsmen. The larger pirate shipwreck will be for ages 5-12 years and will feature a lookout 'crow's nest' with a big slide. The structure will be constructed out of peeled logs and wood boards and will include a bridge, netting for climbing, varies levels of poles to pull up on or balance on. This area will also include natural rocks, a sculpted concrete climbing boulder and cave. The toddler area to the south will have smaller ship and crow's nest and sand play where kids can dig for pirate treasures. A separate swing area, with toddler and belt swings, will be situated near an open lawn. This area has a picnic table and hammocks tucked into the grove. The existing Pavilion will remain with picnic tables and larger gathering space. The surrounding concrete accommodates bicycle parking. The playground is knitted with the CFTA courtyard with a perennial garden and lawn overlook. There will be steps and a sloped walk for ADA accessibility down from the courtyard to the play area. A bermed rock garden and trees will provide a buffer and separation from the 7th street. The basketball court is moved north adjacent to other "court" sports and the future skate park. This location was very favorable among the community , as basketball is more popular with teenagers and adults.

Town Park Playground

Town of Crested Butte

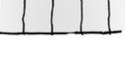
10/17/2016

Opinion of Estimated Construction Cost: Schematic Design

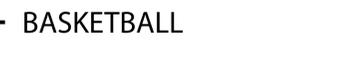
| Work Item | Unit | Quantity | Unit Cost | Subtotal | | |
|---|-------------|-----------------|------------------|-----------------|-------------------|-------------|
| START UP AND GENERAL CONDITIONS | | | | \$ | 15,500.00 | 4% |
| DEMOLITION | | | | \$ | 42,500.00 | 12% |
| R&D Concrete, Asphalt | SF | 2,300 | \$ 5.00 | \$ | 11,500.00 | |
| R&D Sand Surfacing | SF | 9,500 | \$ 2.00 | \$ | 19,000.00 | |
| R&D Gravel Drive | SF | 3,500 | \$ 2.00 | \$ | 7,000.00 | |
| R&D Play Equipment, Site Furnishings | LS | 1 | \$ 5,000.00 | \$ | 5,000.00 | |
| Salvage and relocated sign and plaque | LS | 1 | \$ 500.00 | \$ | 500.00 | |
| EARTHWORK AND DRAINAGE | | | | \$ | 6,250.00 | 2% |
| Earthwork and Fill | CY | 250 | \$ 25.00 | \$ | 6,250.00 | |
| PLAYGROUND INFRASTRUCTURE | | | | \$ | 134,965.00 | 37% |
| Basketball court concrete post tension | SF | 2100 | \$ 15.00 | \$ | 31,500.00 | |
| Concrete Paving (5" depth) | SF | 3,400 | \$ 8.00 | \$ | 27,200.00 | |
| Concrete Stair | LF | 24 | \$ 85.00 | \$ | 2,040.00 | |
| Concrete Curb | LF | 250 | \$ 25.00 | \$ | 6,250.00 | |
| Rock Retaining Wall | LF | 175 | \$ 125.00 | \$ | 21,875.00 | |
| Engineered Wood Fiber | SF | 1200 | \$ 3.00 | \$ | 3,600.00 | |
| Resilient Surfacing (PIP) | SF | 3000 | \$ 18.00 | \$ | 54,000.00 | |
| Resilient Surfacing Testing | LS | 1 | \$ 2,500.00 | \$ | 2,500.00 | |
| Landscape Boulder | EA | 35 | \$ 500.00 | \$ | 17,500.00 | |
| Sand Fill | CY | 14 | \$ 35.00 | \$ | 490.00 | |
| PLAYGROUND EQUIPMENT (INSTALLATION, FREIGHT INC) | | | | \$ | 81,200.00 | 22% |
| Playground Equipment- Tot Swings | EA | 1 | \$ 2,700.00 | \$ | 2,700.00 | |
| Playground Equipment - Belt Swings | EA | 1 | \$ 3,500.00 | \$ | 3,500.00 | |
| Custom pirate play equipment | LS | 1 | \$ 75,000.00 | \$ | 75,000.00 | |
| Sculpted concrete rock and cave | EA | 1 | \$ 11,400.00 | \$ | 11,400.00 | |
| Sculpted concrete digging treasures | LS | 1 | \$ 2,700.00 | \$ | 2,700.00 | |
| Sculpted concrete rock with mast | EA | 1 | \$ 2,200.00 | \$ | 2,200.00 | |
| Sand Digger | EA | 1 | \$ 1,500.00 | \$ | 1,500.00 | |
| Bike racks | EA | 23 | \$ 900.00 | \$ | 20,700.00 | |
| Benches | EA | 2 | \$ 1,000.00 | \$ | 2,000.00 | |
| Trash receptacle | EA | 1 | \$ 1,000.00 | \$ | 1,000.00 | |
| Picnic table | EA | 1 | \$ 1,000.00 | \$ | 1,000.00 | |
| Hammocks | EA | 3 | \$ 800.00 | \$ | 2,400.00 | |
| LANDSCAPE | | | | \$ | 40,475.00 | 11% |
| Irrigation Renovation at Playground | SF | 4000 | \$ 1.00 | \$ | 4,000.00 | |
| Topsoil (strip/stockpile/spread), Soil Preparation | CY | 200 | \$ 10.00 | \$ | 2,000.00 | |
| Turf | SF | 4200 | \$ 1.50 | \$ | 6,300.00 | |
| 2" cal. Tree | EA | 25 | \$ 375.00 | \$ | 9,375.00 | |
| Shrubs and perennials | SF | 3800 | \$ 6.00 | \$ | 22,800.00 | |
| Subtotal | | | | \$ | 361,585.00 | 100% |
| Contractor General Conditions / Mobilization (14%) | | | | \$ | 50,621.90 | |
| Construction contingency (10%) | | | | \$ | 36,158.50 | |
| Design and Engineering Contingency | | | | \$ | 40,000.00 | |
| TOTAL COSTS | | | | \$ | 488,365.40 | |

CONCEPT PLAN

LEGEND

-  EXISTING EVERGREEN TREE TO REMAIN
-  EXISTING DECIDUOUS TREE TO REMAIN
-  PROPOSED EVERGREEN TREE
-  PROPOSED DECIDUOUS TREE
-  PEDESTRIAN LIGHT
-  BOULDERS
-  PICNIC TABLE
-  BENCH
-  BIKE RACKS
-  CONCRETE PAVING
-  PROPOSED CONTOUR
-  POURED IN PLACE RESILIENT SURFACE
-  ENGINEERED WOOD FIBER SURFACE
-  ROCK GARDEN
-  TURF
-  GARDEN



-  BASKETBALL
-  GROVE
-  PARKING
-  SWINGS
-  SHIPWRECK PLAY WITH CROW'S NEST, 5-12 YRS
-  BERMED ROCK GARDEN EDGE
-  LITTLE CROW'S NEST TODDLER PLAY
-  SAND PLAY WITH DIGGER

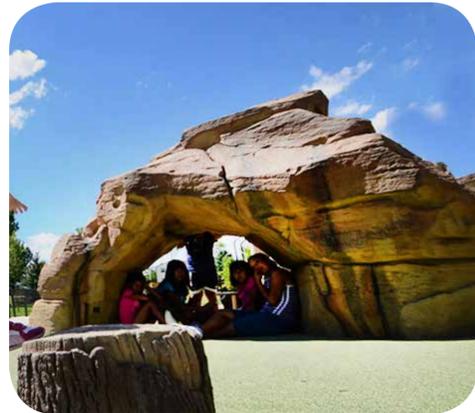


TOWN PARK PLAY

CRESTED BUTTE, CO

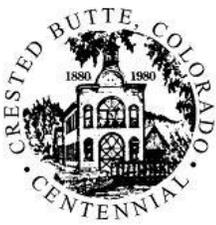
October 17, 2016
MUNDUS BISHOP

52
PIRATE PLAY - FANTASY - IMAGINATION



TOWN PARK PLAY
CRESTED BUTTE, CO

October 17, 2016
| MUNDUS BISHOP |



Staff Report
October 17, 2016

To: Mayor Michel and Town Council

Thru: Dara MacDonald, Town Manager

From: Janna Hansen, Parks and Recreation Director

Subject: Ordinance No. 36, Series 2016 – A Resolution Supporting the Grant Application for a Local Parks and Outdoor Recreation Grant from the State Board of the Great Outdoors Colorado Trust Fund for the completion of the Crested Butte Town Park Playground Renovation Project

BACKGROUND: In 2015 the Town Council adopted Resolution No. 4 in support of the expansion of the Center for the Arts in Town Park. In that same year the Town Council adopted Resolution No. 15 pledging \$1,000,000.00 in cash and in-kind contributions in support of that project. It is understood that the expansion of the Center for the Arts (CFA) will impact multiple park amenities within Town Park including the Mary Yelenick Playground. Resolution No. 4 Series 2015 requires that playground and displaced park equipment be updated during the CFA expansion project. In August of 2016 Town Council approved Resolution No. 24 approving a consulting services agreement with park planning firm Mundus Bishop for the preparation and planning of a Great Outdoors Colorado (GOCO) Local Park and Outdoor Recreation Grant (LPOR) for the Town Park Playground Renovation Project (Project).

SUMMARY: It is anticipated that \$450,000.00 of the \$1,000,000.00 contribution from the Town will go toward this project in cash and in-kind services. The Town is requesting \$350,000.00 of the \$450,000.00 from Great Outdoors Colorado for the completion of this project. The LPOR grant requires a cash match and staff recommends allocating \$100,000.00 to satisfy this match requirement. GOCO requires a resolution of support from the governing body responsible for the project as part of the grant application, which is due November 17th. A concept design and anticipated budget are also requirements of the LPOR application. The concept design prepared by Mundus Bishop was informed by a public process including two playground planning exercises with elementary school students of the Crested Butte Community School as well as two open public meetings attended by a total of 24 community members.

RECOMMENDATION: Staff recommends approving Resolution No. 36 Series 2016 in support of a grant application for a Local Parks and Outdoor Recreation grant from the State Board of the Great Outdoors Colorado trust fund for the completion of the Crested Butte Town Park Playground Renovation Project.

RESOLUTION NO. 36**SERIES 2016****RESOLUTIONS OF THE CRESTED BUTTE TOWN COUNCIL APPROPRIATING MATCHING FUNDS IN AN AMOUNT NOT TO EXCEED \$100,000.00 FOR THE LOCAL PARK AND OUTDOOR RECREATION GRANT APPLICATION WITH GREAT OUTDOORS COLORADO AND AUTHORIZING THE TOWN MANAGER TO EXECUTE THE GRANT APPLICATION IN CONNECTION THEREWITH**

WHEREAS, the Town of Crested Butte, Colorado (the "Town") is a home rule municipality duly and regularly organized and now validly existing as a body corporate and politic under and by virtue of the Constitution and laws of the State of Colorado;

WHEREAS, the State Board of Great Outdoors Colorado (GOCO) has a matching Local Park and Outdoor Recreation ("LPOR") grant fund for the provision of funds to the Town for the renovation of the Town Park playground;

WHEREAS, the Town staff has recommended that the Town apply with GOCO for \$350,000.00 in LPOR matching grants funds in order to renovate the Mary Yelenick playground located in Town Park;

WHEREAS, in addition to applying with GOCO for said matching funds, the Town staff has recommended to the Town Council that it appropriate the Town's share of matching funds in an amount not to exceed \$100,000.00, plus provide additional in-kind services for the renovation of the Mary Yelenick playground;

WHEREAS, the Town contracted with Mundus Bishop Design, Inc. to conduct public meetings and solicited design input from community youth from the Crested Butte Community School on September 12 and 29, 2016 to incorporate the community's desires into the proposed playground renovation;

WHEREAS, in accordance with Resolution 4, Series 2015, the proposed renovation replaces all playground spaces with the proposed Center for the Arts expansion and meets the Town's requirements with the proposed design for the playground; and

WHEREAS, the Town Council desires to apply with GOCO for the LPOR matching grant funds and appropriate the Town's share of matching funds in an amount not to exceed \$100,000.00, and provide additional in-kind services; and, accordingly, hereby instructs the Town staff to so apply for the GOCO LPOR matching grant funds and hereby appropriates \$100,000.00 and authorizes the provision of in-kind services, the Town Council finding that renovating Town Park playground is in the best interest of the health and welfare of the Town, its residents and visitors.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CRESTED BUTTE, COLORADO, THAT:

1. **Findings; Application; Direction**. In addition to the findings set forth in the recitals above, which such findings shall be deemed material terms hereof and are hereby incorporated herein, the Town Council hereby directs the Town staff to apply with GOCO for the LPOR matching grant funds and hereby appropriates the Town’s share of matching funds in an amount not to exceed \$100,000.00 and authorizes the provision of in-kind services for the renovation of the Town Park playground all of such actions being in the best interest of the health and welfare of the Crested Butte, its residents and visitors.

2. **Authorization of Town Manager**. The Town Council hereby authorizes the Town Manager to enter into any and all agreements as shall be approved by the Town Attorney to accomplish such transactions.

INTRODUCED, READ AND ADOPTED BEFORE THE TOWN COUNCIL THIS ____ DAY OF _____, 2016.

TOWN OF CRESTED BUTTE, COLORADO

By: _____
Glenn Michel, Mayor

ATTEST

Lynelle Stanford, Town Clerk

(SEAL)



Staff Report October 17, 2016

To: Mayor and Town Council
Thru: Dara MacDonald, Town Manager
From: Bob Gillie, Building and Zoning Director
Subject: **Short Term Rental Discussion on Limiting the Number**
Date: October 13, 2016

Summary: The Short Term Rental (STR) discussion has been ongoing for over a year and is a topic of discussion for many jurisdictions. For purposes of expediting the discussion and rule making the issue has been separated into two categories. The first category, which has been placed on this agenda as a discussion item, is whether it is appropriate to place limits on the number of STRs in Town or in specific zones or areas. Part of this discussion may also be whether or not business license holders should be grandfathered in and whether licenses should be able to be transferred on change of ownership of the property. If ultimately there are no caps place on the number of STRs then the discussion regarding transfer of licenses becomes meaningless. The second category is the licensing provisions that are represented by Ordinance #12, Series 2016 which is also on this agenda.

Previous Council Action: On September 26, 2016 the Town council held a special meeting to consider the recommendations of the Short Term Rental Committee. A presentation was given by Alex Fenlon, the chair of the committee. The committee made 14 recommendations which the Council discussed. The Council was largely okay with the provisions that dealt with the licensing and rule set associated with the licensing. The Council also discussed the imposition of limits on the number of STRs in Town. There was some support on the Council for limits if full time residents were excluded from the caps. It was also clear that there was an element of the audience that was not in favor of limiting the number of licenses in Town.

Discussion: The recommendations of the committee included a finding that relates to the limitation of STR licenses. That finding reads, “The unfettered licensing of Short Term Rentals at some point is detrimental to the community, housing availability and the culture of Crested Butte.”

The recommendation that directly relates to this finding was recommendation #1 which reads as follows.

There should be a limit placed on the number of STRs as a percentage of non-deed restricted housing units. The limit should be placed by zones and grouping of zones with some zones being not available for STRs. That grouping should be:

-Category 1- Historic Residential and mixed use zones: R1C, R2C, R3C, B3 and B4.

A maximum of 25% of non-deed restricted residences in these zones collectively may have STR licenses.

-Category 2 - Non-historic Residential Zones: R1, R2, R1A, R1B, R1D R1E, and R4. In the M zone and blocks 55 and 37 of the T zone only short term rentals limited or short term room rentals are allowed. A maximum of 20% of the non-deed restricted residences in these zones collectively may have licenses.

-Category 3- Commercial zones, Deed Restricted Zones and Public/open space zones: T (with the exception of blocks 55 and 37), B1, B2, C, AO, P, R2A. STRs are not allowed in these zones with the exception of those which are licensed as of the adoption date of this ordinance.

All STRs which have a BOLT license as of the date of the adoption of this ordinance may continue to be licensed until such time as the license lapses or is revoked. If no renewal is received in the time specified in a given year, no sales tax is paid in the prior year or a change in ownership takes place a lapse of the license will result. Change of ownership shall be defined as transactions that are subject to the RETT. Attempts to evade change of ownership registration through the use of corporate or other entities shall be cause to revoke the license.

It might be informative to review the latest, 10-12-16, percentages and number of STRs within the town of Crested Butte.

In the historic residential and mix use zones (Category 1) there are currently 123 STRs. As a percentage of free market unit (331) this represents 37%.

In the non-historic residential zones (Category 2) there are currently 109 STRs. As a percentage of free market units (487) this represents 22%.

In the entire Town this adds up to 242 STRs. Of the total number of free market units (921) this represents 26%. In May of this year the number was around 18.5%.

One concern has been the loss of long term rentals into the short term use. The baseline for this comparison is December 31, 2012, the last time John Hess did a full town use census.

In May of 2016 we had seen 23 long term units convert to short term use. As of October 12 the number had increased to 39 long term rentals which had been converted.

If 100% of the free market units in town were to become STRs would that be too many and have negative effects on the culture and community of Crested Butte and ultimately be a detriment to the economic environment of the Town? What would be a realistic number and how to determine that number?

What are the pros and cons of placing caps on the number?

Pros-

- The neighborhoods of the Town would retain a more community feel and not turn into a transient accommodation zone. Not having transient neighbors who are always on vacation would be a more stable and be less disruptive on neighborhoods.

- The parking and snow removal issues would not be exasperated by having more cars than normally occupy a residence on the street.
- The conversion of units from long term rentals to short term rental might slow.
- Those people who rent homes short term in town to feel like they are part a community rather than in a hotel would have a better experience.
- There is a sentiment in some quarters that the Town is already too busy at peak times and this could be an instrument to not exacerbate this.

Cons:

- The real estate prices have seemingly factored in an income source from STRs and this could have a depressing effect on values. (This could also be seen as a pro).
- An income stream would be limited for some property owners. If primary residences were not included then full time residents would be buffered from this effect.
- Second homes would be less efficiently utilized (the lights out syndrome).
- Would have a negative effect on sales tax revenues.
- Picking winners and losers would be problematic.

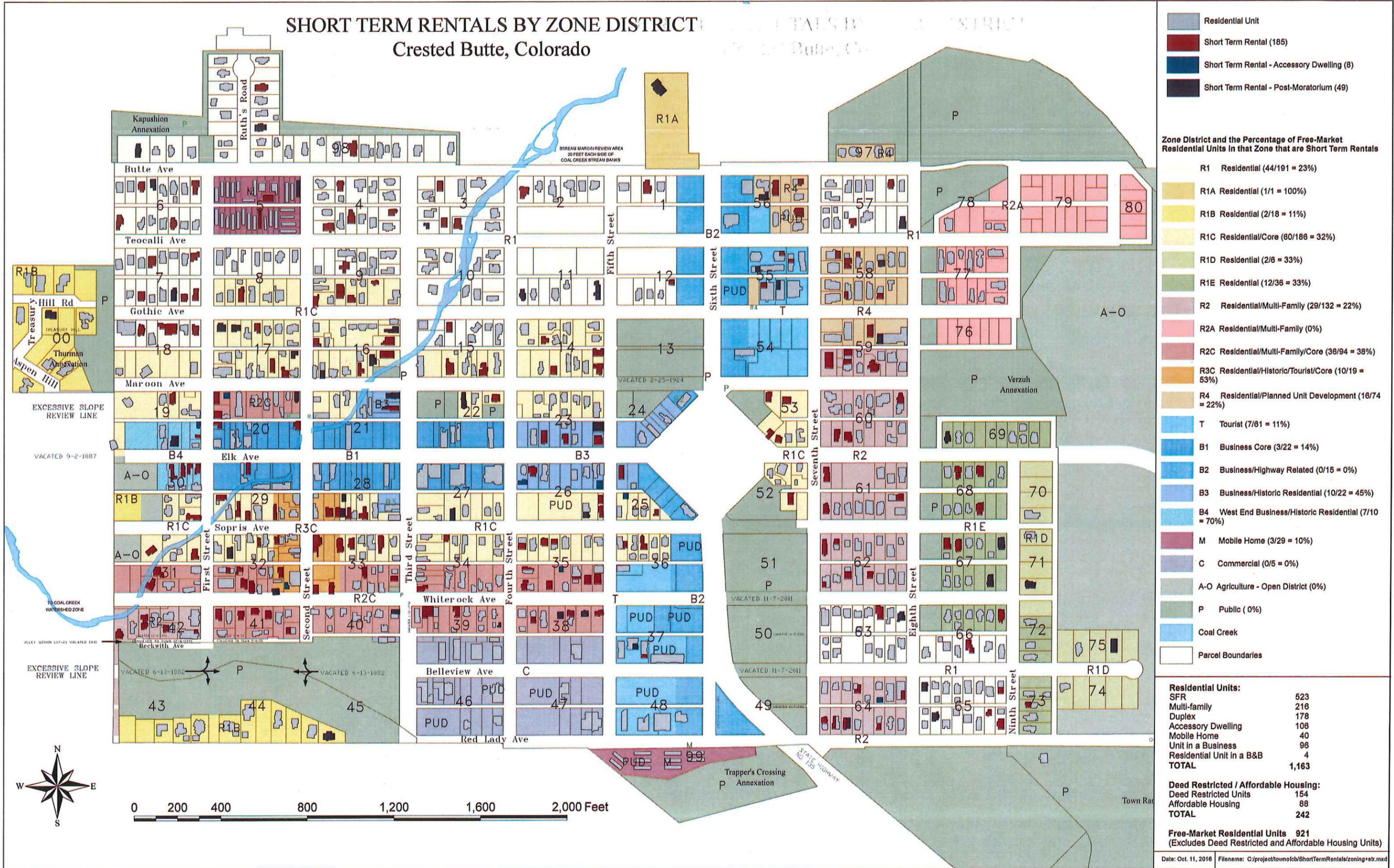
Legal Implications: It is possible that there will be a legal challenge to any regulations.

Financial Implications: To limit the number of STRs would cap the amount of future sales tax increases seen from this source and its trickledown effect.

Recommendation: The Town Council must ultimately decide how to deal with this double edge sword and give the staff direction.

SHORT TERM RENTALS BY ZONE DISTRICT

Crested Butte, Colorado



- Residential Unit
- Short Term Rental (185)
- Short Term Rental - Accessory Dwelling (8)
- Short Term Rental - Post-Moratorium (49)

Zone District and the Percentage of Free-Market Residential Units in that Zone that are Short Term Rentals

- R1 Residential (44/191 = 23%)
- R1A Residential (1/1 = 100%)
- R1B Residential (2/18 = 11%)
- R1C Residential/Core (60/186 = 32%)
- R1D Residential (2/6 = 33%)
- R1E Residential (12/36 = 33%)
- R2 Residential/Multi-Family (29/132 = 22%)
- R2A Residential/Multi-Family (0%)
- R2C Residential/Multi-Family/Core (36/94 = 38%)
- R3C Residential/Historic/Tourist/Core (10/19 = 53%)
- R4 Residential/Planned Unit Development (16/74 = 22%)
- T Tourist (7/61 = 11%)
- B1 Business Core (3/22 = 14%)
- B2 Business/Highway Related (0/15 = 0%)
- B3 Business/Historic Residential (10/22 = 45%)
- B4 West End Business/Historic Residential (7/10 = 70%)
- M Mobile Home (3/29 = 10%)
- C Commercial (0/5 = 0%)
- A-O Agriculture - Open District (0%)
- P Public (0%)
- Coal Creek
- Parcel Boundaries

| Residential Units: | |
|---------------------------|--------------|
| SFR | 523 |
| Multi-family | 216 |
| Duplex | 178 |
| Accessory Dwelling | 108 |
| Mobile Home | 40 |
| Unit in a Business | 96 |
| Residential Unit in a B&B | 4 |
| TOTAL | 1,163 |

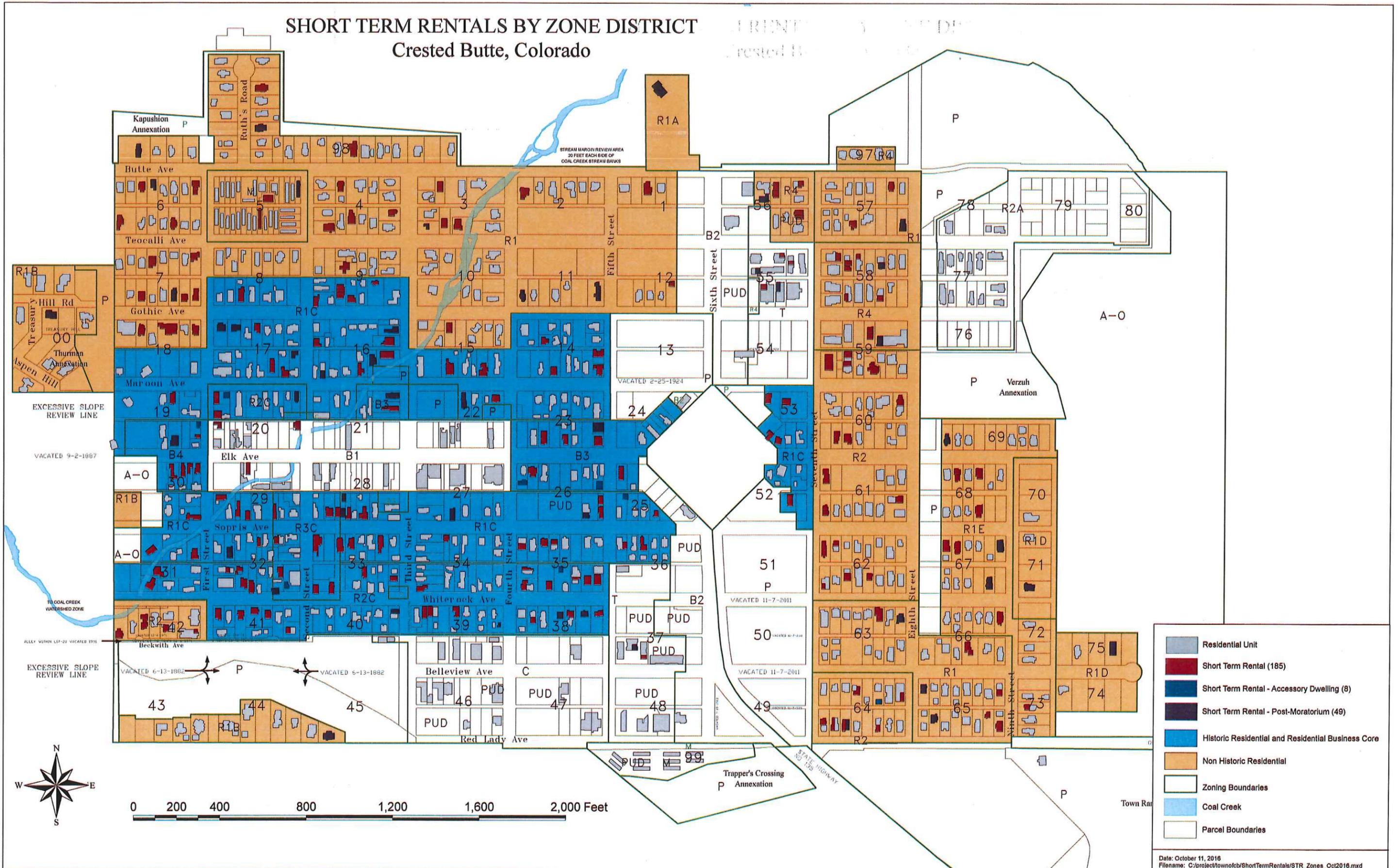
| Deed Restricted / Affordable Housing: | |
|---------------------------------------|------------|
| Deed Restricted Units | 154 |
| Affordable Housing | 88 |
| TOTAL | 242 |

Free-Market Residential Units 921
(Excludes Deed Restricted and Affordable Housing Units)

Date: Oct. 11, 2016 | Filename: C:\project\townofcb\ShortTermRentals\zoning+str.mxd

NOTE: This map is not to be used for survey or legal description purposes

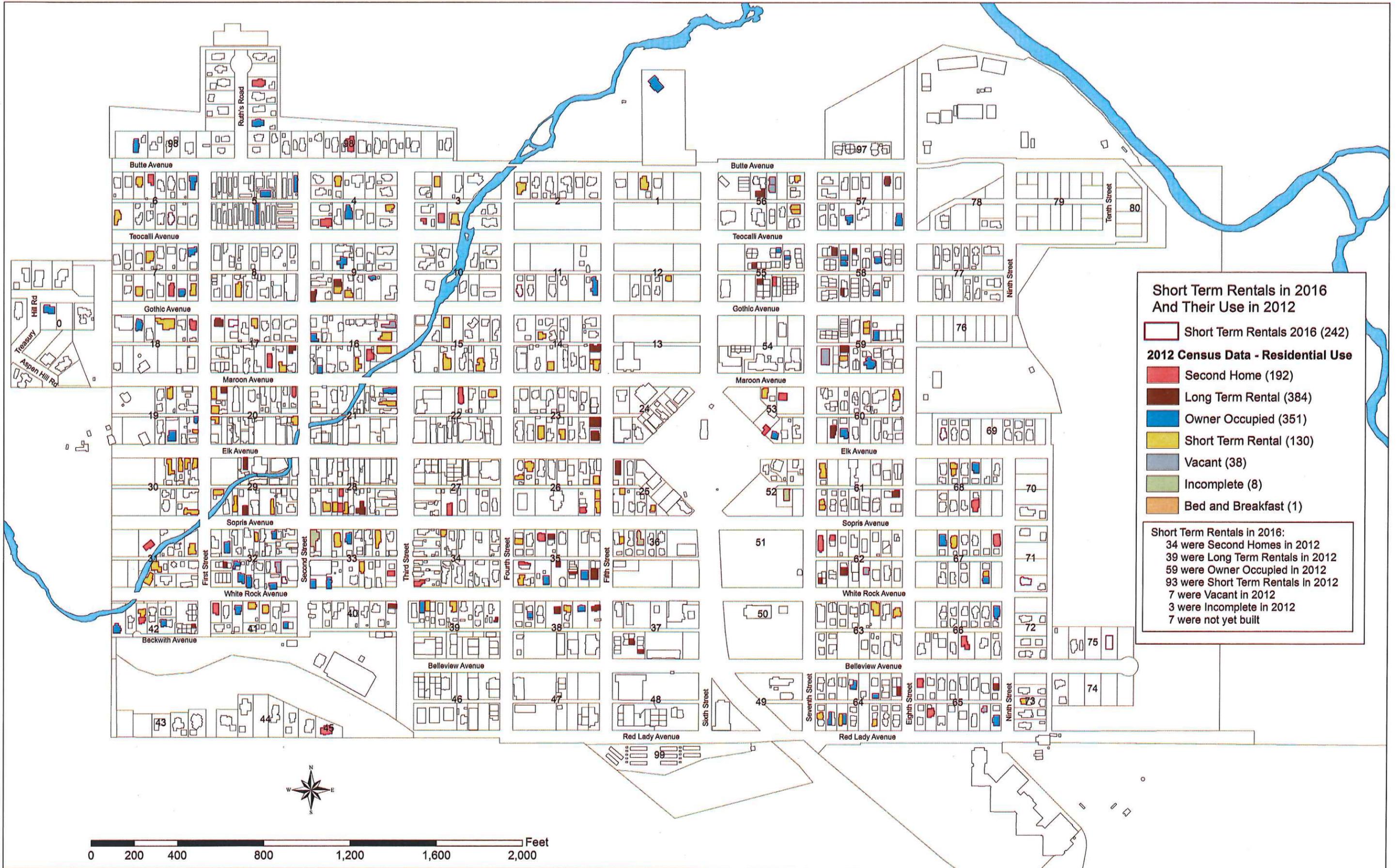
SHORT TERM RENTALS BY ZONE DISTRICT Crested Butte, Colorado



- Residential Unit
- Short Term Rental (185)
- Short Term Rental - Accessory Dwelling (8)
- Short Term Rental - Post-Moratorium (49)
- Historic Residential and Residential Business Core
- Non Historic Residential
- Zoning Boundaries
- Coal Creek
- Parcel Boundaries

Date: October 11, 2016
 Filename: C:/project/townofcb/ShortTermRentals/STR_Zones_Oct2016.mxd

NOTE: This map is not to be used for survey or legal description purposes



Percentage of Primary Dwelling Units that are Short Term Rentals (by zoning district) 10/12/2016

| Zone | SFR | ACC_DWELL | DUPLEX | MULTI | MOBILE | CM/RS | B&B | TOTAL | STRs | #DRR | DRR Unit Type | #AH Units | # Free Market Units | % Primary Res. Units that are STRs |
|--------------|------------|------------|------------|------------|-----------|-----------|----------|-------------|------------|------------|-------------------------|-----------|---------------------|------------------------------------|
| R1 | 180 | 22 | 12 | 0 | 1 | 0 | 0 | 215 | 44 | 19 | 19 ADU | 5 | 191 | 23% |
| R1A | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | | | 1 | 100% |
| R1B | 18 | 3 | 0 | 0 | 0 | 0 | 0 | 21 | 2 | 3 | | | 18 | 11% |
| R1C | 143 | 37 | 22 | 7 | 0 | 1 | 1 | 211 | 60 | 25 | 24 ADU, 1 Duplex Unit | | 186 | 32% |
| R1D | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 6 | 2 | 0 | | | 6 | 33% |
| R1E | 33 | 6 | 10 | 0 | 0 | 0 | 0 | 49 | 12 | 6 | 1 SFR, 5 ADU | 7 | 36 | 33% |
| R2 | 26 | 5 | 72 | 35 | 0 | 1 | 0 | 139 | 29 | 7 | 4 ADU, 3 Duplex Units | | 132 | 22% |
| R2A | 5 | 1 | 18 | 0 | 0 | 0 | 0 | 24 | 0 | 1 | 1 ADU | 23 | 0 | 0% |
| R2C | 63 | 20 | 16 | 14 | 0 | 0 | 0 | 113 | 36 | 19 | 19 ADU | | 94 | 38% |
| R3C | 15 | 3 | 2 | 0 | 0 | 2 | 0 | 22 | 10 | 3 | 3 ADU | | 19 | 53% |
| R4 | 2 | 0 | 26 | 62 | 0 | 0 | 0 | 90 | 16 | 6 | 6 Multi-units | 10 | 74 | 22% |
| T | 1 | 0 | 0 | 87 | 0 | 9 | 3 | 100 | 7 | 9 | 1 SFR, 1 Multi, 7 CM/RS | 30 | 61 | 11% |
| B1 | 10 | 0 | 0 | 0 | 0 | 28 | 0 | 38 | 3 | 16 | 16 CM/RS | | 22 | 14% |
| B2 | 0 | 0 | 0 | 8 | 0 | 9 | 0 | 17 | 0 | 2 | 2 CM/RS | | 15 | 0% |
| B3 | 11 | 5 | 0 | 0 | 0 | 11 | 0 | 27 | 10 | 5 | 2 ADU, 3 CM/RS | | 22 | 45% |
| B4 | 9 | 4 | 0 | 0 | 0 | 0 | 0 | 13 | 7 | 3 | 3 ADU | | 10 | 70% |
| M | 0 | 0 | 0 | 0 | 39 | 0 | 0 | 39 | 3 | 0 | | 10 | 29 | 10% |
| C | 0 | 0 | 0 | 0 | 0 | 35 | 0 | 35 | 0 | 30 | 30 CM/RS | | 5 | 0% |
| A-O | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | 0 | 0% |
| P | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 3 | 0 | 0 | | 3 | 0 | 0% |
| TOTAL | 523 | 106 | 178 | 216 | 40 | 96 | 4 | 1163 | 242 | 154 | | 88 | 921 | |

PERCENTAGE OF FREE MARKET UNITS THAT ARE SHORT-TERM RENTALS

| | | | |
|--|-----|-----|-----|
| Non-Historic Residential Zones | 109 | 487 | 22% |
| Historic Residential and Business Core Zones | 123 | 331 | 37% |
| Entire Town | 242 | 921 | 26% |



Staff Report October 17, 2016

To: Mayor and Town Council
Thru: Dara MacDonald, Town Manager
From: Bob Gillie, Building and Zoning Director
Subject: **Ordinance #12, Series 2016 – Vacation Rental Licensing**
Date: October 14, 2016

Summary: The short term rental (STR) aka vacation rental discussion has been ongoing for over a year. A committee was formed and recommendations made regarding how to deal with the issue. The 14 recommendations made by the committee fell into two general categories. Firstly, a licensing and standards regime and secondly limitations on the number and type of vacation rentals. Sensing that the licensing regime is probably less controversial than the limitation on the number of vacation rentals the issues have been separated. The discussion of limitations was the previous new business item on this agenda. The licensing regime is covered by Ordinance 12, 2016 which is this item.

Previous Council Action: The Town Council held a special meeting on September 26, 2016 and discussed the STR committee recommendations. The council directed the staff to develop an ordinance based on the recommendations.

The memo from the previous September 26th special meeting is attached for reference.

Discussion: Some elements of the ordinance may vary from the recommendations based on discussions with legal counsel. Certainly those recommendations related to caps on the number of units, zones, and transfer of licenses differ or are not present. The Council should read the ordinance carefully

Recommendation: Prepare questions and comments on the ordinance. If the ordinance is acceptable or has minor changes set the ordinance for public hearing on November 7th. If the ordinance requires substantial work then reschedule first reading for November 7th.



Staff Report

September 26, 2016

To: Mayor and Town Council
Thru: Dara MacDonald, Town Manager
From: Bob Gillie, Building and Zoning Director
Date: September 22, 2016
Subject: Short Term Rental Committee Recommendations

SUMMARY:

The existence of STRs (short term rentals) within the Town of Crested Butte has been ongoing for over 30 years. The advent of the “sharing economy” has accelerated the number of STRs and their impacts on all communities. Please read the attached Memo titled *Committee Memo 4-2016* to understand the state of the industry and history within the context of Crested Butte as the issue existed in the spring of 2016. The numbers have changed over the course of the past five months. The Town has gone from 170 short term licenses in May to roughly 240 as of today.

PREVIOUS COUNCIL ACTION:

Over the past year and a half the Council has had two work sessions regarding Short Term Rentals (aka VRBOs, Rental By Owner and Vacation Home Rentals). The work sessions primarily focused on the Colorado Association of Ski Towns report which was issued in June of 2015. On April 4, 2016 the Council authorized the formation of a committee to make recommendations to the Council. On May 2, 2016 the Council appointed the committee. The committee composition was:

- 2 Property Managers – Steve Ryan and Kat Hassebrock
- 3 Citizens at large – Alex Fenlon, Dan Escalante, and Mary Cooper Ellis
- 2 Council members – Jim Schmidt and Laura Mitchell

The committee was supported by the staff which included Bill Crank, Bob Gillie, Michael Yerman, Lois Rozman and Jessie Earley. Alex Fenlon was appointed by the committee to be the Chair. The committee also heard from Melanie Reese, Karl Fulmer and John Belkin.

The Committee met nine times in May, June and July to consider the issues related to STRs.

The committee was charged with making recommendations regarding the following topics.

1. Neighborhood Impacts (noise, parking, trash)
2. Community Impacts (loss of long term rentals, impacts on community character)
3. Fairness (what rules should apply to STR relative to other short term lodging uses)
4. Process (licensing, fees)

Some of these issues overlap.

A moratorium on the issuance of new STR business licenses was considered by the Town Council to allow time to develop a new rule set. The moratorium was denied at the August 15, 2016 public hearing.

DISCUSSION:

On July 21st the Committee formulated a list of findings and recommendations to forward to the Council for consideration. Following are the committee's recommendations. Additional comments and explanation are in *italics*.

Findings

1. The unfettered licensing of Short Term Rentals at some point is detrimental to the community, housing availability and the culture of Crested Butte.
2. STRs have some positive benefits to the economy based upon providing a transient bed base and its impact on the economy, income and job generation for the local population.
3. It is desirable to find a way to help fund the creation of affordable housing from the STR component.
4. It is desirable to have some standards for safety related to STRs.
5. All STRs within the Town should be licensed and a system put in place to track and regulate STRs within the Town.
6. Deed restricted publically funded housing units should not be able to be rent short term.
7. There are different types of STRs that have different impacts and benefits depending on length of use and number of beds rented.

Recommendations

1. There should be a limit placed on the number of STRs as a percentage of non-deed restricted housing units. The limit should be placed by zones and grouping of zones with some zones being not available for STRs. That grouping should be:
 - Category 1- Historic Residential and mixed use zones: R1C, R2C, R3C, B3 and B4. A maximum of 25% of non-deed restricted residences in these zones collectively may have STR licenses.
 - Category 2 - Non-historic Residential Zones: R1, R2, R1A, R1B, R1D R1E, and R4. In the M zone and blocks 55 and 37 of the T zone only short term rentals limited or short term room rentals are allowed. A maximum of 20% of the non-deed restricted residences in these zones collectively may have licenses.
 - Category 3- Commercial zones, Deed Restricted Zones and Public/open space zones: T (with the exception of blocks 55 and 37), B1, B2, C, AO, P, R2A. STRs are not allowed in these zones with the exception of those which are licensed as

of the adoption date of this ordinance.

All STRs which have a BOLT license as of the date of the adoption of this ordinance may continue to be licensed until such time as the license lapses or is revoked. If no renewal is received in the time specified in a given year, no sales tax is paid in the prior year or a change in ownership takes place a lapse of the license will result. Change of ownership shall be defined as transactions that are subject to the RETT. Attempts to evade change of ownership registration through the use of corporate or other entities shall be cause to revoke the license.

This is likely the most controversial element of the recommendations but also the only recommendation that limits the number of STRs in Town and their effects on the community and character of Crested Butte. Please see the attached map which shows the distribution of STRs across Town.

The committee felt that the percentages should be applied to only the non-deed restricted units in the zones. If public funds have been expended to create local housing it was felt that the tenant or owner should not be used by transient renters.

The committee looked at developing the percentages by zone but felt that there were enough similarities in the zones to lump them under the three categories. When the committee made the recommendations it was based on the percentage of STRs in the zones at that time. The historic core zones were slightly over 25% and the new residential zones were closer to 17%. Since the rush of licensing associated with the moratorium threat the percentages are now at 38.5% in the historic core and 21.1% in the new residential areas. The committee voted 4 to 1 to support the cap percentages. The committee felt that those zones that were over the cap would eventually be reduced by attrition through property transfers, violations, inspections and the enhanced fee structure. It is likely that some of the licenses that have been issued since mid- August and were only place holders will fall off once the fee structure is in place.

2. Definitions should be enacted to define the different types and impacts of the STRs.

-Short Term Rental unlimited: A residence available for rent for terms of less than 30 days, more than 60 days a year.

-Short Term Rental limited: A primary residence* available for rent for terms of less than 30 days, but no more than 60 days total per year.

-Short term room rental: A primary residence* where no more than two rooms are rented for terms of less than 30 days for an unlimited number of days per year. (The rental of more than 2 rooms in any residence shall be defined as a bed and breakfast and subject to the conditional use provisions and process outlined in the Crested Butte municipal code.

*A primary residence is defined as the location where a natural person resides for the majority of the year and where the person is registered to vote.

The renting of space within a residence seemed to fall into three different categories. The last two categories have been primarily utilized by locals to augment income and is therefore limited to people whose house is their primary residence.

3. A STR license should be created above and beyond the BOLT license and should be renewable annually. *As of today the only licensing that is done is the BOLT license and it is \$10 per pillow.*
4. Failure to license prior to advertising, renting or renting of a property contrary to licensing requirements should be subject to a significant penalty (A fine of \$2000 and loss of right to license a STR in that location for three years). *It was felt that there needed to be a fairly stiff penalty for not licensing and paying sales tax. In the past this has been fairly common.*
5. The license fees should be increased to fund a full time employee to inspect and regulate STRs and cover all costs related to the administration and regulation of STRs.
 - Short Term Rental unlimited: \$1000 per year.
 - Short Term Rental limited: \$500 per year.
 - Short Term Room rental: \$250 per room per year.

The fee structure is keyed to the above (#3) three types of rentals with the term of use and amount of use determining the impact and resulting fee. The fees are meant to cover the cost of an additional employee to administrate the STR rules, marshal's time, software, web site development, administrative and legal time.
6. The licensing requirements and form should be created to collect information regarding the impact and nexus between STRs and affordable housing. *It is important to determine the effects of STRs on employee generation in order to determine if an affordable housing mitigation fee can be rationalized. A fee or ballot initiated tax cannot be charged without establishing this nexus.*
7. All STRs should have a local contact being capable of physically responding to issues within a 1 hour time limit. *It was felt that it is important to have a local contact to address any issues that may be associated with an STR either from the renters or the neighborhood.*
8. All STRs should be assigned a distinct number that is displayed on a placard placed in each STR and in all advertisements for the property. The placard should be visible to neighbors and display the local contact information. *This is largely an administrative aid to make sure that all STRs are properly licensed and also to inform the neighbors which residences are STRs and who to contact if there are issues.*
9. A STR section of the Town's web site should be created that lists all rules and maps the location of all STRs and their contact information. *This bolsters #8 above.*
10. The maximum occupancy of any STR is 10 people. The occupancy may be adjusted as a result of a physical inspection of the property. The basis for the occupancy determination will be based upon two occupants per legitimate bedrooms plus two

additional occupants. An increase above 10 must provide an on-site parking space for each four persons or part thereof in addition to the other parking required in item 10. *The occupancy number of 10 is arrived at by provisions in the International Building Code (310.1) which allows transient accommodations (R1) to be held to residential codes (R3) if the occupancy is 10 or fewer. It was also felt that more than this is problematic for the neighborhood from a parking and noise standpoint. It may be reduced or expanded upon inspection and conformance with the stated rule set.*

11. All STRs must have all the off street parking that was approved with the property in place and usable year round. *Parking is source of major concern however some residences in the historic core do not have off street parking and to eliminate them on that basis would be problematic.*

12. Information should be provided to all STR renters that inform the renter regarding:

- Winter and summer parking rules
- Local contact information
- Refuse and recycling pick-up (including bear proof issues)
- Dog leash laws and poop pick-up provisions
- Wood stove operation if applicable
- Noise restrictions
- Fire extinguisher locations

This provision is designed to inform the renters of community rules and values and hopefully limit the STRs impacts through the dissemination of information as well as inform the renters of safety items.

13. STRs should be inspected bi-yearly (once every two years) or prior to issuance of a new license. The inspection should inspect:

Safety items

- Fire and smoke alarms
- Carbon monoxide detectors if applicable
- Egress from sleeping units and residence
- Fire extinguishers
- Handrails
- Address in place and visible
- Obvious hazards related to electric and mechanical systems

Licensing items

- Availability of off street parking
- Placard in place
- Information for occupants in place
- Review of occupancy limit based on bedrooms

The inspection of STRs is designed to assure the safety of renters and compliance with the licensing provisions. The list is not necessarily comprehensive and should be developed administratively. This is the primary reason for the need for an additional

employee. If the rule set is adopted the Town would have to establish a grace period of likely a year for the initial inspections to take place.

14. Provision for appeal of revocation of license should be enacted. *This is a legal requirement.*

STAFF DISCUSSION:

It is imperative that a new rule set be established in the near term if the Council wishes to effect the STR issue prior to licensing for 2017. To not do so would essentially lose a year. It would also be desirable to hire the requested new personnel in November to get ahead of the licensing for 2017. This would require a budget amendment.

RECOMMENDATION:

The Council should listen to the recommendations and decide which if any they would like to move forward with. If there is no consensus the Council should set another meeting to discuss the issue further. If there is consensus then the Town Attorney should be directed to develop an ordinance for first reading at the next available regular Council meeting.

ORDINANCE NO. 12**SERIES 2016****AN ORDINANCE OF THE CRESTED BUTTE TOWN COUNCIL AMENDING CHAPTER 6 OF THE CRESTED BUTTE MUNICIPAL CODE TO INCLUDE NEW REGULATIONS IN ARTICLE 6 THEREOF FOR THE LICENSING OF VACATION RENTALS AND MAKING SUCH OTHER RECOMMENDED CHANGES TO THE CODE IN CONNECTION THEREWITH**

WHEREAS, the Town of Crested Butte, Colorado (“Town”) is a home rule municipality duly and regularly organized and now validly existing as a body corporate and public under and by virtue of the Colorado Constitution and laws of the State of Colorado;

WHEREAS, on September 26, 2016, the Chairperson of the Crested Butte Short-Term Rental Committee (the “Committee”) presented to the Town Council during a Special Meeting a Town Staff Report regarding the Committee’s findings and recommendations respecting the impacts of short-term rentals (a/k/a “vacation rentals”) of residential structures and the regulation thereof in Crested Butte;

WHEREAS, during such Special Meeting, after presenting the Committee’s findings as detailed in the Town Staff Report, the Committee and Town Staff made 14 recommendations regarding the Town’s regulation of vacation rentals of residential structures;

WHEREAS, the Committee’s recommendations addressed neighborhood impacts, community impacts and process regarding the regulation of vacation rentals of residential structures;

WHEREAS, the Committee’s recommendations also addressed the adoption and implementation a vacation rental licensing program directed toward ensuring the health, safety and welfare of the residents and visitors of Crested Butte through the licensing of vacation rentals of residential structures;

WHEREAS, the Committee’s recommendations contemplated that a collateral benefit of implementing a vacation rental licensing program would be the collection of vacation rental of residential structures use data to determine the impact of vacation rentals on neighborhoods;

WHEREAS, the Town Council, after hearing the presentation by the Committee, and receiving informal public comment from the community at the September 26 Special Meeting, finds that adopting a vacation rental licensing program that will ensure the health, safety and welfare of the residents and visitors of Crested Butte through the permitting of vacation rentals of residential structures is in the best interest of Crested Butte, its residents and visitors alike; and

WHEREAS, for the foregoing reasons, the Town Council hereby finds that the

amendments to the Code set forth herein below are in the best interest of Crested Butte, its residents and visitors alike.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF CRESTED BUTTE, COLORADO, THAT,

Section 1. **Adding a New Article 6 to Chapter 6 of the Code.** A new Article 6 is added to Chapter 6 of the Code and shall read as follows:

“Vacation Rental Licenses

Sec. 6-6-10. Purpose.

The purpose of this Article shall be to require the licensing of residential structures used as vacation rentals by transients. Such licensing shall provide the Town with necessary information relating to the operation of residential structures used for vacation rentals in order to protect the health, safety and welfare of the residents and visitors of Crested Butte.

Sec. 6-6-20. Effective Date.

This Article shall be effective commencing on January 1, 2018, and shall govern all applications submitted to the licensing official for the licensing of vacation rentals. Prior to such date the owner of an existing vacation rental must make application for a vacation rental license as described herein. Any property operated as a vacation rental after such date without a vacation rental license shall be in violation of this Article.

Sec. 6-6-30. Definitions.

Licensing official means the Town building official or such other officers as designated by the Town Manager.

Vacation rental means a residential structure leased or rented by transients for a period of less than 29 consecutive days in duration. Vacation rentals do not include bed and breakfasts, condo hotels, hotel or lodges, motels or short-term residential accommodations.

Vacation rental type includes:

(1) **Vacation Rental Unlimited:** a residential structure, that does not need to be a primary residence of the owner, available for lease or rent for terms of less than 29 days, and more than 60 days in any calendar year.

(2) **Vacation Rental Limited:** a residential structure, that is a primary residence of the owner, available for lease or rent for terms of less than 29 days, but no more than 60 days total in any calendar year.

(3) **Vacation Rental Room:** a primary residential structure, that is a primary

residence of the owner, where no more than two rooms are rented for terms of less than 29 days for an unlimited number of days in any calendar year.

A primary residence shall be the property of the owner where the owner is registered to vote in a local election.

Sec. 6-6-40. Vacation Rentals Allowed.

Vacation rentals are allowed in any zone district in the Town where residential occupancy is permitted in the proposed vacation rental premises; provided, however, no non-residential structure or any residence where the use of the same is restricted by a deed restriction or other covenant.

Sec. 6-6-50. License Required; Compliance.

It shall be unlawful and a violation of this Article for any person to use any residential structure as a vacation rental without first having obtained a vacation rental license from the licensing official. All vacation rentals shall strictly comply with the requirements of the Code.

Sec. 6-6-60. Application.

Application, whether initial or for any renewal, for a vacation rental license shall include the vested title property owner's name and address, property address, maximum occupancy of lease or rental guests, owner representative and contact information, parking plan for guests, acknowledgement of payment of all taxes and be accompanied with the required application fee, whether initial, renewal or transfer, by vacation rental type. The vested title property owner shall be the licensee for the vacation rental license. Application fees shall be set by annual resolutions of the Town Council. Vacation rental licenses shall have a term of 365 days and, subject to the requirements of this Article, may be renewed from year to year after such term.

Sec. 6-6-70. Issuance and Renewal.

(a) Applicant may appeal the licensing official's decision to issue, issue with conditions, renew, renew with conditions, transfer, transfer with conditions, suspend, revoke or deny the vacation rental license. Such appeal shall be filed with the Town Clerk in writing within 15 days of the licensing official's decision being appealed and shall be heard by the Town Manager within 30 days of receipt of applicant's appeal. The appeal shall be noticed at the Town's posting places. The Town Manager shall render a decision on the issues appealed within 15 days of the hearing of the appeal. The decision of the licensing official (if not appealed), or of the Town Manager (if appealed), shall be the final decision of the Town for purposes of judicial review.

(b) The licensing official shall deny any application, whether initial or for any renewal, where the application and supporting documentation do not establish the vacation rental's conformity with the requirements of Code. The licensing official may also deny any application that contains false, misleading or incomplete information, and for good cause shown.

Sec. 6-6-80. Suspension and Revocation.

A vacation rental license may be suspended or revoked by the licensing official for failure to comply with this Article. The applicant of such vacation rental license may appeal the licensing official's decision to suspend or revoke the vacation rental license. Such appeal shall follow the process outline in Section 6-6-80 hereof. The suspension or revocation of the vacation rental license shall not be deemed a prerequisite to the institution of enforcement proceedings as described elsewhere in the Code. The proper and timely filing of an appeal with the Town Manager shall temporarily stay the suspension or revocation of the vacation rental license pending the outcome of the appeal before the Town Manager unless the licensing official verifies in writing to the Town Manager that a stay will pose an immediate threat to the safety of persons or property or defeat the purpose of the suspension or revocation in the first instance, in which event a stay shall not enter.

Sec. 6-6-90. No Transfer.

Vacation rental licenses attach only to the property for which they are issued and are non-transferrable upon sale or other transfer of ownership of the vacation license property. Upon such transfer, the owner of the vacation rental shall re-apply for a vacation rental license.

Sec. 6-6-100. Authority to Impose Conditions.

The licensing officer shall have the authority to impose any and all such reasonable terms and conditions on the issuance and renewal of any vacation rental license as may be necessary and appropriate to protect the public health, safety and welfare, and to obtain compliance with the requirements of this Code.

Sec. 6-6-110. Lodging and Sales Tax.

The owner of a vacation rental shall cause lodging tax and sales tax to be collected and remitted to the Town.

Sec. 6-6-120. Business Occupation License.

The owner of a vacation rental must possess a current Town business license. The business license must be renewed annually where the owner desires to let the property as a vacation rental. A vacation rental license may be denied or revoked if the owner of the vacation rental does not have a current business license.

Sec. 6-6-130. Annual Inspection.

All vacation rentals are subject to inspection every other year. Vacation rental licenses may be suspended, revoked or not renewed by the licensing official if all conditions and requirements of the vacation rental license and the Code are not met.

Sec. 6-6-140. Administration.

(a) The licensing official shall prescribe forms and make reasonable rules and regulations in accordance with the Code for, without limitation, application requirements, the inspection of vacation rentals, verification of capacity and safety of such vacation rentals, mitigation of negative impacts on the surrounding neighborhood and for the proper administration and enforcement of this Article.

(b) Applicants must pay their license fee at the time of application, whether initial, renewal or transfer.

Sec. 6-6-150. Licensee Duties.

It shall be the duty of the owner of the vacation rental to ensure the following:

(1) Obtain a renewal of the vacation rental license annually, if the property remains a vacation rental.

(2) Cause the vacation rental to comply with the Code continuously and without interruption.

Sec. 6-6-160. Local Contact.

All vacation rental licenses shall include a local responsible contact person capable of physically responding to issues that may arise at the vacation rental within one hour of the initial attempt to contact the vacation rental owner. The local contact must have physical access to the vacation rental and be authorized to make decisions regarding the vacation rental on behalf of the owner.

Sec. 6-6-170. License Number Display.

Every vacation rental license shall be issued a unique number. The vacation rental license number shall be displayed on a placard at each vacation rental and in all advertisements for the rental of the property. The placard shall be visible to the adjacent, most prominent, public right of way and shall display the local contact information. Advertisements for the vacation rental shall include any act, regardless of medium, of drawing the public's attention to the vacation rental in order to promote the availability of the vacation rental

Sec. 6-6-180. Parking Required.

All vacation rentals must keep and maintain off street parking approved in conjunction with any Town land use approval for the vacation rental and made available for year-round use by vacation rental tenants.

Sec. 6-6-190. Maximum Occupancy.

The maximum occupancy of any vacation rental is 10 people. Occupancy may be adjusted following physical inspection of the vacation rental. The basis for the occupancy determination shall be an allowance of two occupants per legitimate bedroom plus two additional occupants. Any increase above 10 people in a vacation rental shall include an on-site parking space for each four potential occupants (or part thereof) in addition to any parking required by this Article. Such parking requirements shall be in addition to any other parking requirements that must be satisfied under the Code.

Sec. 6-6-200. Renter Requirements.

Each vacation rental shall prominently display on site and available to all renters the rules and regulations of the Town that apply to the occupancy of the vacation rental. Such information shall include information pertinent to the neighborhood where the vacation rental is located including, but not limited to, parking restrictions, restrictions on noise and amplified sound, trash disposal, storage and collection schedule, relevant water restrictions and any other information as required by the licensing official.

Sec. 6-6-210. Violation.

(a) Violations of this Article shall be enforced pursuant to Chapter 1, Article 4 of the Code.

(b) All amounts due and owing the Town in connection with any violation of this Article shall constitute a first priority lien on the vacation rental property and may be collected by any means including by way of those matters addressed in Section 4-8-10 of the Code.”

Section 2. Severability. If any section, sentence, clause, phrase, word or other provision of this ordinance is for any reason held to be unconstitutional or otherwise invalid, such holding shall not affect the validity of the remaining sections, sentences, clauses, phrases, words or other provisions of this ordinance, or the validity of this ordinance as an entirety, it being the legislative intent that this ordinance shall stand notwithstanding the invalidity of any section, sentence, clause, phrase, word or other provision.

Section 3. Savings Clause. Except as amended hereby, the Crested Butte Municipal Code shall remain valid and in full force and effect. Any provision of the Code that is in conflict with this ordinance is hereby repealed as of the effective date hereof.

[Remainder of Page Intentionally Left Blank;
Signature Page to Follow]

INTRODUCED, READ AND SET FOR PUBLIC HEARING THIS __ DAY OF _____, 2016.

ADOPTED BY THE TOWN COUNCIL UPON SECOND READING IN PUBLIC HEARING THIS _____ DAY OF _____, 2016.

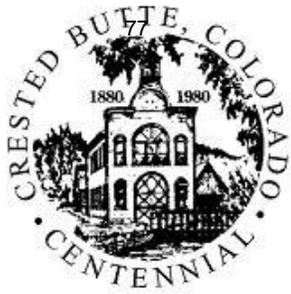
TOWN OF CRESTED BUTTE, COLORADO

By: _____
Glenn Michel, Mayor

ATTEST:

Lynelle Stanford, Town Clerk

[SEAL]



Staff Report

October 17, 2016

To: Mayor Michel and Town Council
Thru: Dara MacDonald, Town Manager
From: Michael Yerman, Director of Planning
Subject: **Ordinance 13, Series 2016- Extension of Town Water and Sewer Outside of Town Boundaries**
Date: October 17, 2016

Background:

On October 3rd, Cypress Foothills, LP presented a request for Town Water Service in association with their County Major Impact Development Application to the Town Council. Their request comes with several proposed benefits to the Town in association with the County development. These include the following:

- Cypress will purchase and deliver the senior rights in the McCormick Ditch to the Town. From the water court decree the first 6 HCUs will go to the Town. The next 6 will go to in stream flows and be used by Lacy downstream. HCUs 12-18 will be split between the Town and Verzuh. Any remaining HCUs go to instream flows for Verzuh's future use.
- Cypress would be responsible for all water infrastructure extensions to service their development.
- Cypress would adhere to the Town's water regulations.
- Cypress will pipe raw irrigation water down 8th Street to irrigate the Town owned parcels that will be annexed.
- Cypress will place a voluntary 3% RETT on the County development. The RETT on the developer sale would not be applicable.
- Cypress would pay out of Town tap and user fees.
- Cypress will agree to adhere to the Town's Wood burning stove regulations.

Process:

After listening to Cypress's proposal, the Town Council directed the Town staff to amend the Municipal code to permit the connection to the Town's municipal water by an outside entity. Section

13-1-280 Extension of Town Systems Outside Town Boundaries regulates connections to the Town's water and sewer system. Once the code is changed, an amendment to the exiting pre-annexation agreement executed on March 16, 2016 will need to be approved by Town Council. This amendment to the pre-annexation agreement will be presented to the Town Council at the second reading of Ordinance 13, Series 2016.

Proposed Amendment Changes to Section 13-1-280:

Decision Making Authority

The previous ordinance gave the decision making authority to the Public Works Director on the review of the application and decisions relating to connections to Town sewer. Water connections required annexation and this application is reviewed by the Town Council. The review process for sewer requests has been changed to the Town Manager or her designee. The decision making authority for allowing a municipal connection to both water and sewer is now the Town Council.

This change reflects the need for interdepartmental collaboration on these requests by developers. Through the process of executing the pre-annexation agreement with Cypress, many of the senior staff members were involved in ensuring the agreement reflect the desires of the Town Council. Second changing the decision making authority to the Town Council reflects the need for Council approve to execute an agreement such as the one with Cypress to allow a connection.

Requirement for Annexation for Water

This requirement to annex for water has been removed from the previous ordinance. However, for a water connection to be provided the applicant must provide some public benefits including but not limited to river access trails, senior water rights, and voluntary real estate transfer taxes. These benefits will be considered by the Town Council on whether to permit a future connection.

Staff Recommendation:

A council person should make a motion followed by a second to set Ordinance 13, Series 2016 to a public hearing on November 7, 2016.

The Council should also make a motion to instruct the Town Attorney and Town Manager to prepare an amendment to the pre-annexation agreement with Cypress for Council's consideration on November 7, 2016.

ORDINANCE NO. 13**SERIES 2016****AN ORDINANCE OF THE CRESTED BUTTE TOWN COUNCIL AMENDING CHAPTER 13, ARTICLE 1 OF THE CRESTED BUTTE MUNICIPAL CODE AMENDING THE TOWN'S REGULATIONS FOR THE EXTENSION OF TOWN WATER AND SEWER SERVICES AND ASSOCIATED SYSTEMS OUTSIDE OF TOWN BOUNDARIES**

WHEREAS, the Town of Crested Butte, Colorado (the "Town") is a home rule municipality duly and regularly organized and validly existing as a body corporate and politic under and by virtue of the Constitution and laws of the State of Colorado;

WHEREAS, the Town has in place certain requirements for the extension of water and sewer service and associated systems outside of the Town's boundaries, which such requirements are codified at Section 13-1-280 of the Crested Butte Municipal Code (the "Code");

WHEREAS, the Town staff has been reviewing such requirements, evaluating the needs of the Town and studying the impact on the Town's systems should the Town Council elect to allow the extension of water and sewer service and associated systems outside of the Town's boundaries so that the Town Council can evaluate amending the Code in order to adopt new rules and regulations for such extraterritorial extensions;

WHEREAS, the Town staff has completed its review of said requirements, evaluated the needs of the Town, studied the impacts on the Town's systems that such extensions would have and considered what new rules and regulations are most appropriate for the Town in this regard;

WHEREAS, the Town staff has recommended to the Town Council that it adopt new rules and regulations taking into account the Town's needs and the impacts on the Town's water and sewer services and associated systems that such extensions would have; and

WHEREAS, the Town staff has presented its findings and recommendations regarding such new rules and regulations to the Town Council, and the Town Council has carefully considered the same, including receiving public input relative thereto, and finds that, in furtherance thereto, such new rules and regulations, as set forth herein, are in the best interest of the environment and the health, safety and general welfare of the residents and visitors of the Town.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF CRESTED BUTTE, COLORADO, THAT,

Section 1. Amending Section 13-1-280, Extension of Town Systems Outside of Town Boundaries. Section 13-1-280 of the Code is hereby amended by deleting said Section in its entirety and replacing the same with the following new language in said Section which shall read as follows:

“Sec. 13-1-280. Extension of Town Systems Outside Town Boundaries.

(A) The Town’s water and sewer services and systems may be expanded to serve users outside of the Town’s boundaries only upon compliance with all of the terms and conditions hereafter stated.

(B) The owner of any land outside of the Town’s boundaries may request, in writing, water and/or sewer service for such lands by means of an extension of the Town’s systems, subject to the requirements of this Section. Such request must include:

- (1) a legal description of the real property to be served;
- (2) a description of the nature and scope of the land owner’s proposed development;
- (3) a statement as to the timing of the completion of the development;
- (4) an estimate as to probable flow requirements;
- (5) a description, with copies of all supporting documents, of the property rights (e.g., easements) that allow for such extension.

(C) Upon receipt of the written request referred to in subsection (B) above, the Town Manager, or his/her designee shall transmit copies of the request to the other Town departments for comment and review. Upon the Town Manager’s receipt of comments from the other Town departments, the Town Manager shall prepare a staff report and place the request on the Town Council’s agenda for review and approval or disapproval by the Town Council. The Town Council shall thereafter decide whether to provide such water and/or sewer service in accordance with the subject request.

(D) If the Town Council elects to provide such water and/or sewer service, that fact shall be communicated to the applicant therefor, and the applicant shall thereafter prepare and submit to the Town Manager, at the applicant’s expense, an engineering feasibility study. Such study shall include, but not be limited to:

- (1) preliminary designs and cost estimates of required sewage collection and water distribution systems;
- (2) preliminary design of connection methods to the Town’s systems;

(3) hydraulic analysis of the combined systems showing the effect of the added area on the Town's existing systems;

(4) preliminary design and cost estimates for any treatment facilities required to be added as a result of the service to the applicant's area; and

(5) such additional information as the Town Manager deems necessary, appropriate or prudent.

(E) Upon the Town Manager's completion of review of the feasibility study, the Town Manager shall transmit copies of the study to the other Town departments for comment and review. Upon the Town Manager's receipt of comments from the other Town departments, the Town Manager shall prepare a staff report, including the requirements for the provision and receipt of water and/or sewer service beyond Town boundaries applicable to the applicant's request. Requirements for said provision and receipt shall be, at a minimum:

(1) Where annexation is required by the Town Council, the subject property owner shall execute, without limitation, a pre-annexation agreement prior to the extension of water and/or sewer service. The pre-annexation agreement shall, among other things, require that the property owner agrees that its land shall be annexed if and when the Town elects that such property shall be annexed.

(2) For all other projects seeking to connect to the Town's sewer system under this Section, the following minimum requirements must be met:

(a) Sewer service shall be extended only to single family residential units, accessory dwelling units and/or guest houses.

(b) Sewer service shall only be extended within the service area and land identified in Appendix "A" attached hereto.

(c) Once sewer service is extended, there shall be no further subdivision or change in use of the subject property.

(3) For all other projects seeking to connect to the Town's water system under this Section, the following minimum requirements must be met:

(a) Notwithstanding any provision of the Code to the contrary, potable water shall not be used for irrigation purposes, except when Town-approved conservation measures are utilized.

(b) The extension of water service shall occur only if there are public benefits provided by the applicant and users such as, for example, river access trails, senior water rights and voluntary real estate transfer taxes approved by the Town Council.

(4) For all projects seeking to connect to the Town's sewer and/or water systems under this Section, and where annexation is not otherwise required, the following minimum requirements must be met:

(a) The Town shall maintain all water and sewer systems and associated infrastructure; however, the costs to maintain such systems shall be paid for by the users thereof through increased user fees. If user fees prove to be inadequate to cover the costs of maintenance of such water and sewer systems, said user fees shall be increased accordingly. The Town shall not maintain service lines, which shall be maintained by the users thereof at their sole cost and expense.

(b) Construction of water and sewer systems must be in accordance with the Town's specifications, and may require, without limitation, additional site engineering for site limitations and constraints and will minimize, to the maximum extent possible, impacts to wetlands and threatened and endangered species.

(c) All water and sewer systems shall be designed and installed by the Town or, if the applicant requests and the Town agrees, by an engineer or contractor selected by the applicant, so long as the Town reviews and approves all aspects of such systems, including, without limitation, all drawings, specifications, vendor terms and work performed.

(d) Applicant shall deed all water and sewer systems to the Town upon completion and acceptance by the Town, or at some specified date subsequent to completion as required by the Town.

(e) The applicant shall provide year-round access by easement or public right to the Town for the purposes of maintaining all the deed facilities associated with any proposed sewer and water extension. When any part of the water and sewer system is not located in the public right of way, acceptable easements shall be given therefor to the Town.

(f) Service area customers shall agree to abide by the Town's rules and regulations governing use of the Town's water and sewer systems.

(g) Single-family residences served by the Town water and/or sewer systems shall not exceed 5,000 square feet.

(h) The applicant for water and/or sewer service shall pay all applicable system development fees.

(i) Taps fees for water and sewer service shall be 1.5 times the in-Town rate. Tap fees shall be 1 EQR if deed restricted to be consistent with the Town's policies for deed restrictions on accessory dwellings.

(j) Monthly service fees for water and sewer service shall be 2 times the in-Town rate.

(k) If the subject property is annexed at a later date, all fees shall be the same as the fees other Town residents pay for such services at the time of annexation, unless site limitations or other considerations indicate they should be higher as determined by the Town or as otherwise determined by the Town Council.

(l) The applicant shall contract with the Town to make such additional financial commitments and contributions to the Town in order to ensure that such extension of water and/or sewer service does not adversely affect the Town from a financial perspective.

(5) An agreement for the provision and receipt of water and/or sewer service beyond Town boundaries not otherwise inconsistent with the requirements of this Section shall be prepared by the Town Attorney and approved by the Town Council. Such agreement shall incorporate and include, without limitation, terms and conditions that address the requirements of this Section. The Town Manager's staff report regarding the request shall be incorporated in the agreement prepared by the Town Attorney. Upon execution by the applicant and the Town, said agreement shall be recorded on the official land records of Gunnison County and the obligations and requirements contained therein shall be a burden upon and run with the subject property.

(6) Unless waived by the Town Council, the applicant shall pay all costs and expenses whatsoever incurred by the Town, including, without limitation, all costs and expenses in connection with any legal publications, notices, filings, reproduction of materials, public hearings, recording of documents, engineering services, attorneys' services, consultant services, time of Town staff, permits and easements, in connection with the provision and receipt of water and/or sewer service beyond Town boundaries and the transactions contemplated in this Section. In connection therewith, the applicant shall deliver to the Town an executed costs and expenses reimbursement agreement obligating the applicant to reimburse the Town for all costs and expenses whatsoever incurred by the Town in connection with the processing, review and prosecution of the request for connection to Town water and sewer beyond Town boundaries."

Section 2. **Severability.** If any section, sentence, clause, phrase, word or other provision of this ordinance is for any reason held to be unconstitutional or otherwise invalid, such holding shall not affect the validity of the remaining sections, sentences, clauses, phrases, words or other provisions of this ordinance, or the validity of this ordinance as an entirety, it being the legislative intent that this ordinance shall stand notwithstanding the invalidity of any section, sentence, clause, phrase, word or other provision.

[Signature Page to Follow; Remainder of Page Intentionally Left Blank]

Section 3. Savings Clause. Except as amended hereby, the Crested Butte Municipal Code, as amended, shall remain valid and in full force and effect. Any provision thereof that is in conflict with this ordinance is hereby repealed as of the enforcement date hereof.

INTRODUCED, READ AND SET FOR PUBLIC HEARING THIS __ DAY OF _____, 2016.

ADOPTED BY THE TOWN COUNCIL UPON SECOND READING IN PUBLIC HEARING THIS _____ DAY OF _____, 2016.

TOWN OF CRESTED BUTTE, COLORADO

By: _____
Glenn Michel, Mayor

ATTEST:

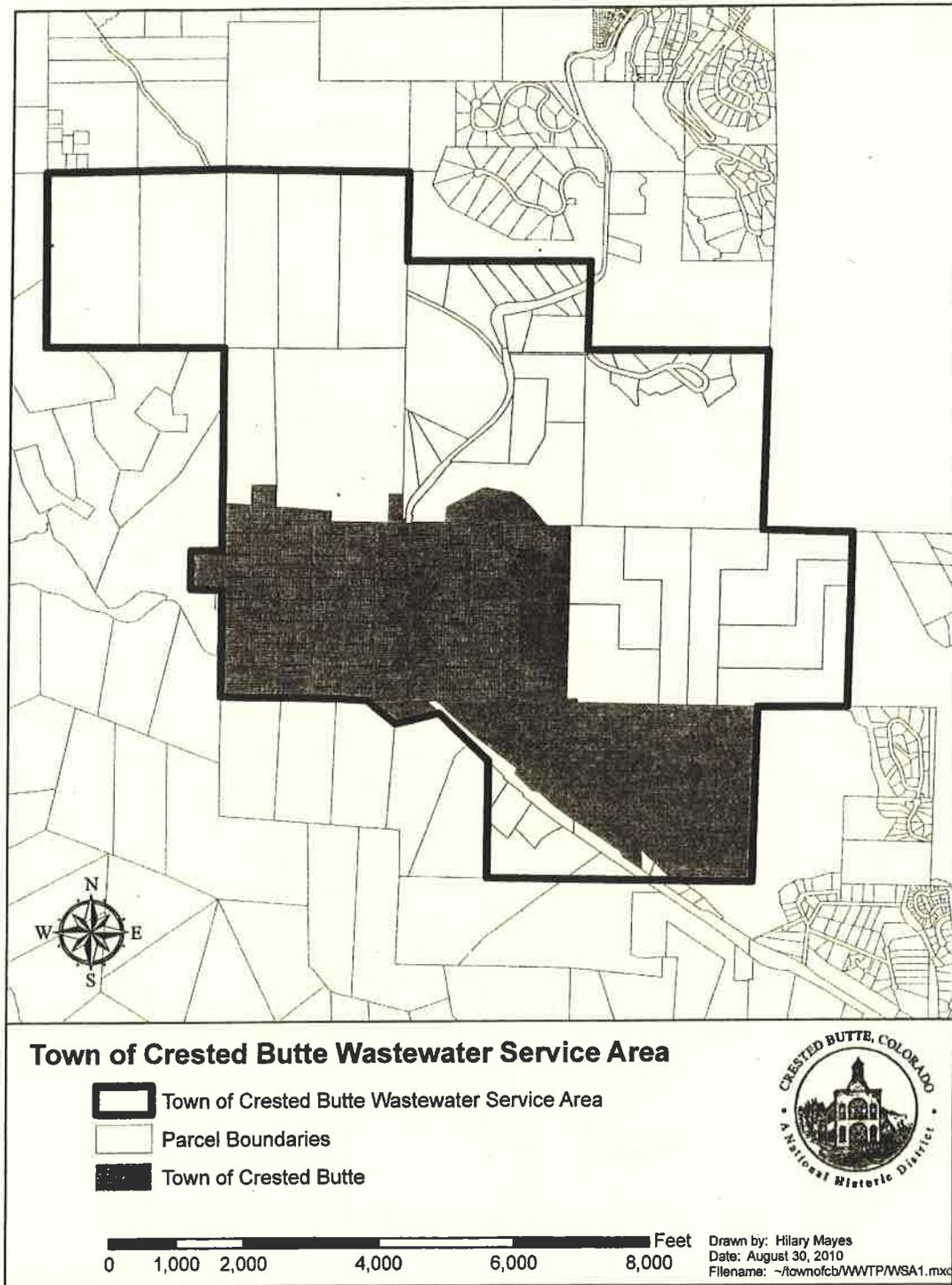
Lynelle Stanford, Town Clerk

[SEAL]

APPENDIX "A"

[attach service area map here]

APPENDIX P Wastewater Service Area



(Ord. 25 §1, 2010)

From: [Dara MacDonald](#)
To: [Lynelle Stanford](#)
Subject: Fwd: PUBLIC HEARING ON SHORT TERM RENTALS (STRs) ORDINANCE
Date: Thursday, October 13, 2016 9:26:07 AM

Sent from my iPad

Begin forwarded message:

From: David Leinsdorf <david81224@gmail.com>
Date: October 13, 2016 at 3:35:05 AM MDT
To: Glenn Michel <GlennMichel@crestedbutte-co.gov>, mason@crestedbutte-co.gov, Jschmidt@crestedbutte-co.gov, cladoulis@crestedbutte-co.gov, pmerck@crestedbutte-co.gov, evohman@crestedbutte-co.gov, lmitchell@crestedbutte-co.gov
Cc: dmacdonald@crestedbutte-co.gov, Bob Gillie <bobg@crestedbutte-co.gov>, Michael Yerman <MYerman@crestedbutte-co.gov>, Lois Rozman <Loisr@crestedbutte-co.gov>, John Belkin <jbelkin@jbelkinlaw.com>
Subject: PUBLIC HEARING ON SHORT TERM RENTALS (STRs) ORDINANCE

Dear Mayor Glenn and Town Council,

The recommendations of the Short Term Rental Committee and the matters discussed in Bob Gillie's September 22, 2016 Staff Report have the potential to upend the expectations, lives and livelihoods of more people in our community than any other Town issue in my 45 years in Crested Butte, except for the Amax Mt. Emmons molybdenum mine proposal of the 1980's. Virtually everyone who lives, works, visits and/or invests in Town would be impacted - most of them adversely. If, to address something as nebulous as "impacts on community character," as Bob's Staff Report stated, the new STR ordinance attempts to implement the most radical recommendations of the STR committee, such as caps on STR's and restrictions on STR license transfers, your public hearing will draw an enormous, standing-room only crowd.

On behalf of several resident property owners, I request that you schedule the public hearing on the ordinance for a special meeting of the Town Council at which no other matter is on the agenda. That would facilitate an in-depth discussion of the Short Term Rental Committee's far-reaching recommendations.

Many thanks for your consideration.

Best regards



David Leinsdorf, Attorney

P.O. Box 187 (required for all U.S. Mail)
215 Elk Avenue (required for FedEx, UPS, etc.)
Crested Butte, CO 81224
Phone: [970.349.6111](tel:970.349.6111)
Fax: [970.349.6243](tel:970.349.6243)
www.davidleinsdorf.com

DAVID LEINSDORF
ATTORNEY AT LAW

P.O. BOX 187, 215 ELK AVENUE
CRESTED BUTTE, CO 81224-0187
EMAIL: david81224@gmail.com

October 5, 2016

TELEPHONE: (970) 349-6111

FACSIMILE: (970) 349-6243

Mayor Glenn Michel and Town Council
Crested Butte Town Hall
507 Maroon Avenue
Crested Butte, CO 81224

Hand Delivered

Re: Short Term Rentals

Dear Mayor Glenn and Town Council Members,

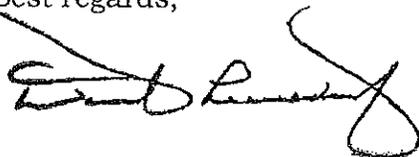
On behalf of Steve and Michele Reep, owners of a duplex on Lots 25 and 26 in Block 61 (717 Sopris Avenue), I urge you to exempt properties like the Reeps' from any new restrictions on short term rentals. The Reep property is already encumbered by a 1994 *Notice of Zoning Conditions and Restrictive Covenants* requiring that "[a] long term rental unit as defined by the Crested Butte Municipal Code will be maintained on the property." To comply with the *Notice of Zoning Conditions and Restrictive Covenants*, Steve and Michele have an eighteen month written lease with Eric Ervin from November 1, 2015 to April 30, 2017, who occupies the unit as his primary residence.

Because Steve and Michele rent one of their living units to a long term tenant, they are providing affordable housing for local residents of Town. The Reep property is already helping to mitigate the shortage of affordable long term rentals that new restrictions on short term rentals would be designed to mitigate. Therefore, it would be unfair to encumber their second, free market residential unit with new restrictions by subjecting it to a short term rental cap or prohibiting a future owner from obtaining a short term rental license.

If you impose restrictions on short term rentals, please exempt properties like the Reeps' that are already demonstrably contributing to the availability of long-term housing for locals. It's only fair that a property owner who has dedicated one of two residential units to a long term rental should have unrestricted freedom to do as he or she pleases with the second living unit, including the right to rent short term, thereby supporting our restaurants, shops and tourist-based economy.

Many thanks for your consideration.

Best regards,



David Leinsdorf

c/c: Steve and Michele Reep
Town staff

From: [Dara MacDonald](#)
To: [Lynelle Stanford](#)
Subject: FW: Potential Short Term Rental Ordinance
Date: Friday, October 14, 2016 3:41:10 PM
Attachments: [image001.png](#)
[20161014 MJL Ltr to Town.pdf](#)
[Exhibit A - Arizona Senate Bill 1350.pdf](#)

[More for the packet...](#)

From: Marcus J. Lock [mailto:mlock@lawoftherockies.com]
Sent: Friday, October 14, 2016 2:45 PM
To: Glenn Michel <GlennMichel@crestedbutte-co.gov>; mason@crestedbutte-co.gov; J Schmidt <JSchmidt@crestedbutte-co.gov>; Chris Ladoulis <CLadoulis@crestedbutte-co.gov>; Paul Merck <pmerck@crestedbutte-co.gov>; Erika Vohman <evohman@crestedbutte-co.gov>; Laura Mitchell <lmitchell@crestedbutte-co.gov>
Cc: Dara MacDonald <dmacdonald@crestedbutte-co.gov>; John Belkin <jbelkin@jbelkinlaw.com>
Subject: Potential Short Term Rental Ordinance

Dear Mayor Michel and Town Councilors,

Please find attached a letter from me regarding potential restrictions on short term rentals within the Town of Crested Butte, along with Exhibit A thereto. The letter is written on behalf of Crested Butte Owners Supporting Sound Housing Practices, a Colorado unincorporated nonprofit association. Members of the group include property owners, realtors, property managers, and business owners within the Town of Crested Butte. I look forward to discussing this matter with you further on Monday evening.

Best regards,

Marcus J. Lock
Managing Member | Law of the Rockies
525 North Main Street
Gunnison, Colorado 81230
Tel: 970-641-1903, ext. 1
Fax: 970-641-1943
mlock@lawoftherockies.com
www.lawoftherockies.com



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including any reliance thereon by you or any other third person, is prohibited. If you have received this message in error, please immediately contact the sender and destroy this message in both electronic and any hard copy formats. Thank you.

October 14, 2016

VIA UNITED STATES MAIL

The Town of Crested Butte
P.O. Box 39
Crested Butte, CO 81224

VIA EMAIL

The Honorable Glenn Michel, Mayor, Town of Crested Butte
Crested Butte Town Council
Crested Butte Town Manager
Crested Butte Town Attorney

Re: Possible short term rental regulations in the Town of Crested Butte, Colorado

Dear Mayor Michel, Town Councilors, Town Manager, and Town Attorney:

I am writing to you on behalf of Crested Butte Owners Supporting Sound Housing Practices, a Colorado unincorporated nonprofit association (the “CB Owners Group”). The members of the CB Owners Group consist of property owners, realtors, property managers, and business owners within the Town of Crested Butte. They have a unifying interest in ensuring that short term rental policies are adopted in a manner that is consistent with sound, long term planning. The group consists of individuals whose livelihood depends on the economic benefits generated by the short term rental community.

The CB Owners Group understands that a possibility exists that caps might be imposed on the number of short term rental units available in the Town of Crested Butte, Colorado. The CB Owners Group believes that such a regulatory scheme would be both illegal and extremely detrimental to the local economy.

1. Disparate Treatment Of Locals Versus Non-Locals Violates Equal Protection And Privileges And Immunities Clause

It is my understanding that the current proposed regulations may include different treatment for residents in the Town versus second home owners that are not residents. As set

forth in the September 22, 2016 Staff Report, Recommendation Number 2 of the Short Term Rental Committee (the “Committee”) contemplates broader allowances for locals (a short term rental limited license and a short term room rental license) than for second home owners.

Article 14 of the United States Constitution, relating to equal protection, “requires that the government treat similarly situated persons in a similar manner.” *Tassian v. People*, 731 P.2d 672, 674 (Colo. 1987) Similarly in this context, Article 4, Section 2 of the U.S. Constitution, which is the privileges and immunities clause, “bars discrimination against citizens of other states absent substantial reason for the discrimination beyond the mere fact that they are citizens of other states.” *Thorpe v. State*, 107 P.3d 1064, 1068 (Colo. App. 2004). Indeed, the very purpose of the privileges and immunities clause is to protect, “the right of a citizen of one state to ... be treated as a welcome visitor rather than an unfriendly alien when temporarily present in the second state....” *Id.*

Where, as here, the proposed regulation would create two separate classes of people based on where that person is registered to vote, it violates both the equal protection clause and the privileges and immunities clause of the U.S. Constitution. In reviewing an Alaska law under the privileges and immunities clause that required employers to hire Alaskans over non-Alaskans, the U.S. Supreme Court explained that there must be “something to indicate that noncitizens constitute a peculiar source of the evil at which the statute is aimed.” *Hicklin v. Orbeck*, 437 U.S. 518, 525, 98 S. Ct. 2482, 2487, 57 L. Ed. 2d 397 (1978). Even where the presence or activity of nonresidents causes or exacerbates the problem sought to be remedied, there must be a “reasonable relationship between the danger represented by the non-citizens, as a class, and the discrimination practiced upon them.” *Id.* at 437 U.S. 526. **Offering certain classes of short term rental licenses to locals but not second homeowners is undoubtedly a violation of the U.S. Constitution.**

2. Caps Would Illegally Infringe On Protected Nonconforming Uses

The Committee’s Recommendation Number 1, recommending caps and other restrictions on short term rentals, also is legally dubious. Use of a property as a short term rental is consistent with residential zoning. See *Houston v. Wilson Mesa Ranch Homeowners Ass'n, Inc.*, 2015 COA 113, ¶ 24, 360 P.3d 255, 260 (holding that short term rentals are consistent with a residential use restriction); *Heef Realty & Investments, LLP v. City of Cedarburg Bd. of Appeals*, 2015 WI App 23, ¶ 1, 361 Wis. 2d 185, 187, 861 N.W.2d 797, 798, *review denied sub nom. Heef Realty & Invs. LLP v. City of Cedarburg Bd. of Appeals*, 2015 WI 78, ¶ 1, 865 N.W.2d 503 (holding that short term rentals are consistent with and permitted in residential zones); see also *Landing Dev. Corp. v. City of Myrtle Beach*, 285 S.C. 216, 221, 329 S.E.2d 423, 426 (1985) (holding that where city previously interpreted zoning ordinances to allow short term rentals it could not later prohibit short term rentals because doing so would be unconscionable).

There is no dispute that short term rentals have been historically allowed within the residential areas in the Town of Crested Butte, and any attempt to prohibit historical short term

rental owners from continuing to engage in that business would constitute an illegal infringement on vested property rights. *See Eason v. Bd. of Cty. Comm'rs of Cty. of Boulder*, 70 P.3d 600, 605 (Colo. App. 2003) (recognizing that landowners have vested and protected property interests in zoning determinations if the landowners have acted in reliance on them); *see also Norton v. Town of Islip*, 239 F.Supp.2d 264 (E.D.N.Y.2003) (a nonconforming use that predates the enactment of a restrictive zoning ordinance is a vested right entitled to constitutional protection).

Further, as provided by C.R.S. § 38-1-101(3)(a), “Notwithstanding any other provision of law to the contrary, a local government shall not enact or enforce an ordinance, resolution, or regulation that requires a nonconforming property use that was lawful at the time of its inception to be terminated *or eliminated by amortization*.” (emphasis added). The Colorado Court of Appeals explained that, “A nonconforming use is one which lawfully existed before the enactment of zoning ordinances and is maintained after the effective date of the ordinances, although it presently does not comply with the zoning restrictions applicable to the district in which it is situated” and that “[n]onconforming uses are entitled to protection under the law.” *Jackson & Co. (USA) v. Town of Avon*, 166 P.3d 297, 299 (Colo. App. 2007). **The protection to which such uses are entitled includes a protection against eliminating the nonconforming use upon the transfer of the property, as proposed by the Committee.** *See Town of Lyons v. Bashor*, 867 P.2d 159, 161 (Colo. App. 1993) (explaining that nonconforming use runs with the land and thus the mere transfer of the land neither terminates the right to continue the nonconforming use nor constitutes an unlawful extension of the use).

The Court in *Jackson* reviewed a short term rental properly located in a subdivision to determine whether the Town of Avon’s short term rental regulation infringed on the owner’s nonconforming use. *Id.* at 300. The Court found that because the governing documents for the homeowners association and pre-existing regulations prohibited the short term rental, the short term rental was an illegal use and thus not a legal nonconforming use protected by C.R.S. § 38-1-101(3)(a). *Id.*

Where, as here, the existing short term rentals in the community are legal uses, they cannot be prohibited by later regulation without payment of just compensation. *See, e.g. Village of Tiki Island v. Ronquille*, 463 S.W.3d 562, 587 (Tex. App. 2015) (holding that prohibition on short term rentals for existing short term rental unit owners is a takings requiring just compensation).

3. Short Term Rental Restrictions May Constitute A Taking In Some Circumstances

It is often said that private property rights constitute a bundle of sticks. Right now, one very valuable stick in the bundle of rights belonging to an owner of real property within the Town of Crested Butte, is the ability to rent their properties on a short term basis. If the Town imposes caps, the ultimate consequence will be that the Town takes away a private property right from some residents.

Both the federal and the Colorado constitutions include takings clauses. The federal takings clause provides, “nor shall private property be taken for public use, without just compensation.” U.S. Const. amend. V. This provision is applicable to the states through the Fourteenth Amendment. The Colorado takings clause provides, in relevant part, “[p]rivate property shall not be taken or damaged, for public or private use, without just compensation.” Colo. Const. art. II, § 15.

The takings clauses of the federal and state constitutions assure that “the government may not force some people alone to bear public burdens which, in all fairness and justice, should be borne by the public as a whole.” *Krupp v. Breckenridge Sanitation Dist.*, 19 P.3d 687, 695 (Colo. 2001).

Even when governmental regulation does not deprive the owner of all economically viable use of his land, it may still constitute a taking depending on the particular circumstances at issue. In deciding whether a taking has occurred, the Court will consider the economic impact of the regulation, the regulation’s interference with investment-backed expectations, and the character of the governmental action. Admittedly, it is an unusual case where a regulatory taking is found notwithstanding the fact that the property retains some, albeit diminished, economic value. However, such a circumstance can indeed exist where other factors also contribute to a conclusion that the regulation at issue has effectively taken the property from its owner. In such a circumstance, takings jurisprudence provides a necessary “safety valve.” *See Animas Valley Sand & Gravel, Inc. v. Bd. of Cty. Comm'rs of Cty. of La Plata*, 38 P.3d 59, 66 (Colo. 2001).

A Texas appellate court found such a safety valve was indeed necessary where a municipality sought to prohibit the use of private property as a short term rental. In *Village of Tiki Island v. Ronquille*, 463 S.W.3d 562, 565 (Tex. App. Houston 1st Dist. 2015), the court upheld the lower court’s injunction against the enforcement of an ordinance prohibiting short term rentals. The appellate court concluded that the property owner had presented sufficient evidence of a reasonable, investment-backed expectation to state a claim and had a probable right of recovery on a regulatory takings claim. While the city claimed that the plaintiff’s property was “worth at most 10% more if short-term rentals [were] permitted, the court found that the plaintiff’s purchase of the house “based on representations about her ability to rent it out short term” was evidence of a reasonable investment-backed expectation. *Village of Tiki Island*, 463 S.W.3d at 565.

Consider here whether the Town of Crested Butte’s proposed course of action could effectively take property from an owner even if the property retains some economic value: many second home owners can only afford the mortgage on their homes in Crested Butte by generating income from the property through short term rentals. If the Town prohibits or caps short term rentals, a property owner may not be able to pay his or her mortgage and would thus lose the property through foreclosure. In such a circumstance, the Town’s regulation would not have just “effectively taken the property from its owner,” it will have actually taken the property from its owner and deprived the owner of all economic benefits of the property. It is just this “unusual”

circumstance where the takings clauses may serve an important and necessary safety value to protect short term renters from unfairly bearing “public burdens which, in all fairness and justice, should be borne by the public as a whole.” The end result could be that the Town ends up with a very expensive tab to satisfy its obligation of paying just compensation.

4. Sound Public Policy Considerations Indicate That Caps on Short Term Rentals Are Not In The Best Interest Of the Town Of Crested Butte

I have heard in the past few weeks that restrictions on short term rentals are required to preserve the very fabric of the Town of Crested Butte. But, as set forth above, if second home owners who rely on short term rental income will no longer be able to afford homes within Town, then only the very wealthy – those who do not need or want to rent their properties – will be purchasing these homes. Except for a couple of weeks during the winter holidays or the summer high season, these homes will be left dark. Respectfully, I think this eventuality represents the greater threat to the Town’s integrity and vibrancy.

Further, there are those in favor of short term rental restrictions because the character of the Town would be fundamentally altered if it consisted entirely of short term rentals. This is undoubtedly true. However, the entirety of Town does not, and will not ever, consist entirely of short term rentals. Sound public policy is not made based on what lies at the bottom of the slippery slope. Yes, short term rentals have increased in recent years, and I think it would be prudent of the Town Council to monitor the situation, and perhaps even to enact regulations on short term rentals that protect public health and safety. Moreover, increasing fees associated with short term rental licenses is certainly within the prerogative of the Town Council. Such an increase may even result in some attrition or at least stabilization of short term rentals numbers within the Town of Crested Butte. However, setting caps now and seeing whether they are met through attrition is a classic case of putting the cart before the horse. Instead, the Town should evaluate whether increased fees and the imposition of safety measures does in fact result in attrition, in which case caps may not be necessary at all. This issue is one that deserves careful study and a cautious approach. There is no need to act precipitously. Indeed, short term rentals are typically booked a year in advance, so many reservations throughout 2017 have already been made.

Like it or not, the Town of Crested Butte is still a tourism based economy. The revenue generated from the short term rental market is significant and irreplaceable. This revenue is not just earned by those who have short term rental licenses – including, I understand, five members of the Town Council – but also to local business owners. In its May memorandum, the Committee recognized that in addition to the approximately 5% of the Town’s sales tax derived from short term rentals, “there is no doubt a contributing trickledown element to other sales tax generating categories (restaurants, groceries, etc.)” Prohibiting or artificially reducing short term rentals will impair Crested Butte’s tourism-based economy to the detriment of its citizens. **It will also reduce the value of real estate within the Town, and this is true across the**

board: regardless of whether a property has been used as a short term rental in the past, the fact that it cannot be in the future reduces its earning capacity and therefore its value.

I think an important question for policy makers to ask when considering any regulation – and in particular one like this with potentially drastic consequences – is: what is the problem we are trying to fix? Has there been any formal analysis or study of problems caused by short term rental properties within the Town of Crested Butte? Has the Marshall’s office reported significant criminal activity associated with short term rentals? I am sure there are anecdotes, there always are, but perhaps before enacting any regulation, the Town should conduct a more formal monitoring program of short term rental properties and any problems associated with them.

I think another important question to consider is why the numbers of short term rentals within Town are increasing. One reason is of course the growing popularity of websites like vrbo.com and airbnb.com. But, another is the increasing popularity of our beautiful valley coupled with a lack of lodging options within the Town of Crested Butte. Instead of limiting short term rentals, which would further exacerbate this problem, the Town should explore other ways of increasing available lodging stock.

5. Consideration Of An Alternative Approach – Statewide Regulation

In researching and thinking about this issue, I have canvassed the state of the law surrounding short term rentals around the country. Unsurprisingly, the law is in flux, with governments and courts following a number of different approaches, with a number of different outcomes. I do not know what the outcome of litigation would be in the event the Town imposes short term rental caps, but I do know that the litigation itself would be expensive.

Given the differences in local governmental approaches to the regulation of short term rentals, the Arizona Legislature just recently preempted local governments from prohibiting short term rentals. As of January 1st, 2017, Arizona cities and towns “may not prohibit vacation rentals or short term rentals.” A.Z. Senate Bill 1350 (attached as **Exhibit A**) (the “Act”).

The Act specifically prohibits a city or town from restricting or regulating short term rentals “based on their classification, use, or occupancy.” However, the Act expressly authorizes regulation of such rentals as an exercise of a town’s police powers for the “[p]rotection of the public’s health and safety” and other similar purposes. I have enclosed a copy of the Act for your review.

Arizona’s Governor believes the Act is a win-win situation because it allows travelers to inject the profits of tourism directly into the local economy by paying locals. The Act has been touted as providing and protecting enormous economic benefits to local communities.

The Arizona Act is worth your consideration for two reasons: First, if the Town of Crested Butte caps short term rentals, it will be at a competitive disadvantage compared to

Colorado resort towns that do not have such a cap. Put simply, real property in Crested Butte will be worth less. The State of Colorado, like the State of Arizona, has a statewide interest in prohibiting local governments from creating an incoherent patchwork of regulatory treatment of short term rentals. Accordingly, perhaps those in favor of short term rental regulations should pursue regulation at the state level.

Second, even if the Town believes that it is more appropriate to regulate the issue locally, the Arizona Act serves as an example of the appropriate scope of such regulation: a Town's exercise of its police powers is important. Ensuring that short term rentals are safe is good public policy; respectfully, for the reasons set forth herein, capping them is not.

The CB Owners Group has some other specific comments regarding other recommendations of the Committee, and therefore, looks forward to being involved as this process moves forward. But, for now, (1) please take caps on the number of short term rentals off the table, and (2) please ensure that any short term rental regulations that you develop treat everyone that owns a home within Town, regardless of whether it is a primary or secondary residence, equally.

Thank you in advance for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'MJL', with a long horizontal line extending to the right.

Marcus J. Lock
LAW OF THE ROCKIES

Enclosure (Exhibit A)

2016 Ariz. Legis. Serv. Ch. 208 (S.B. 1350) (WEST)

ARIZONA 2016 LEGISLATIVE SERVICE

Second Regular Session of the Fifty-Second Legislature

Additions are indicated by **Text**; deletions by
~~Text~~.

Vetoed are indicated by ~~Text~~;
stricken material by ~~Text~~.

CHAPTER 208

S.B. 1350

TOURISTS AND TOURISM—LEASES—TAXATION

AN ACT AMENDING TITLE 9, CHAPTER 4, ARTICLE 8, ARIZONA REVISED STATUTES, BY ADDING SECTION 9–500.38; AMENDING TITLE 11, CHAPTER 2, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 11–269.15; AMENDING TITLE 15, CHAPTER 13, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 15–1650.01; AMENDING SECTIONS 42–2003, 42–5005, 42–5009, 42–5010, 42–5014 AND 42–5070, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 5, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 42–5076; AMENDING TITLE 42, CHAPTER 6, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 42–6009 AND 42–6013; AMENDING SECTIONS 42–12003 AND 42–12004, ARIZONA REVISED STATUTES; RELATING TO ONLINE LODGING.

Be it enacted by the Legislature of the State of Arizona:

Section 1. Title 9, chapter 4, article 8, Arizona Revised Statutes, is amended by adding section 9–500.38, to read:

<< AZ ST § 9–500.38 >>

§ 9–500.38. Limitations on regulation of vacation rentals and short-term rentals; state preemption; definitions

A. A city or town may not prohibit vacation rentals or short-term rentals.

B. A city or town may not restrict the use of or regulate vacation rentals or short-term rentals based on their classification, use or occupancy. A city or town may regulate vacation rentals or short-term rentals for the following purposes:

1. Protection of the public’s health and safety, including rules and regulations related to fire and building codes, health and sanitation, transportation or traffic control, solid or hazardous waste and pollution control, and designation of an emergency point of contact, if the city or town demonstrates that the rule or regulation is for the primary purpose of protecting the public’s health and safety.

2. Adopting and enforcing residential use and zoning ordinances, including ordinances related to noise, protection of welfare, property maintenance and other nuisance issues, if the ordinance is applied in the same manner as other property classified under sections 42–12003 and 42–12004.

3. Limiting or prohibiting the use of a vacation rental or short-term rental for the purposes of housing sex offenders,

operating or maintaining a structured sober living home, selling illegal drugs, liquor control or pornography, obscenity, nude or topless dancing and other adult-oriented businesses.

C. This section does not exempt an owner of a residential rental property, as defined in section 33–1901, from maintaining with the assessor of the county in which the property is located information required under title 33, chapter 17, article 1.

D. For the purposes of this section:

1. “Transient” has the same meaning prescribed in section 42–5070.

2. “Vacation rental” or “Short-term rental” means any individually or collectively owned single-family or one-to-four-family house or dwelling unit or any unit or group of units in a condominium, cooperative or timeshare, that is also a transient public lodging establishment or owner-occupied residential home offered for transient use if the accommodations are not classified for property taxation under section 42–12001. Vacation rental and short-term rental do not include a unit that is used for any nonresidential use, including retail, restaurant, banquet space, event center or another similar use.

Sec. 2. Title 11, chapter 2, article 4, Arizona Revised Statutes, is amended by adding section 11–269.15, to read:

<< AZ ST § 11–269.15 >>

§ 11–269.15. Limitations on regulation of vacation rentals and short-term rentals; state preemption; definitions

A. A county may not prohibit vacation rentals or short-term rentals.

B. A county may not restrict the use of or regulate vacation rentals or short-term rentals based on their classification, use or occupancy. A county may regulate vacation rentals or short-term rentals for the following purposes:

1. Protection of the public’s health and safety, including rules and regulations related to fire and building codes, health and sanitation, transportation or traffic control, solid or hazardous waste and pollution control, and designation of an emergency point of contact, if the county demonstrates that the rule or regulation is for the primary purpose of protecting the public’s health and safety.

2. Adopting and enforcing residential use and zoning ordinances, including ordinances related to noise, protection of welfare, property maintenance and other nuisance issues, if the ordinance is applied in the same manner as other property classified under sections 42–12003 and 42–12004.

3. Limiting or prohibiting the use of a vacation rental or short-term rental for the purposes of housing sex offenders, operating or maintaining a structured sober living home, selling illegal drugs, liquor control or pornography, obscenity, nude or topless dancing and other adult-oriented businesses.

C. This section does not exempt an owner of a residential rental property, as defined in section 33–1901, from maintaining with the assessor of the county in which the property is located information required under title 33, chapter 17, article 1.

D. For the purposes of this section:

1. “Transient” has the same meaning prescribed in section 42–5070.

2. “Vacation rental” or “short-term rental” means any individually or collectively owned single-family or one-to-four-family house or dwelling unit or any unit or group of units in a condominium, cooperative or timeshare,

that is also a transient public lodging establishment or owner-occupied residential home offered for transient use if the accommodations are not classified for property taxation under section 42–12001. Vacation rental and short-term rental do not include a unit that is used for any nonresidential use, including retail, restaurant, banquet space, event center or another similar use.

Sec. 3. Title 15, chapter 13, article 2, Arizona Revised Statutes, is amended by adding section 15–1650.01, to read:

<< AZ ST § 15–1650.01 >>

§ 15–1650.01. Hospitality studies scholarship fund

A. The hospitality studies scholarship fund is established consisting of revenues available to the fund from any lawful source. The Arizona board of regents shall administer the fund and may partner with any statewide lodging and tourism association that provides matching monies in administering the fund. Monies in the fund are subject to legislative appropriation for the purposes of this section and are exempt from the provisions of section 35–190 relating to lapsing of appropriations.

B. The board shall use the monies in the fund to provide scholarships and other financial assistance to students entering into or enrolled in a hospitality studies program at any university under the jurisdiction of the board. The financial assistance shall be used to defray educational expenses, including room and board. If a recipient withdraws from school or from the hospitality studies program before receiving a degree, the recipient must repay all scholarship monies previously awarded to the recipient. If the recipient is dismissed from the university, the board shall negotiate an appropriate repayment schedule plus eight percent simple interest.

C. For the purposes of this section, “hospitality studies program” means any undergraduate or graduate academic studies program relating to operation or management of hotels, motels or other facilities for transient lodging as described in section 42–5070, subsection A or restaurants as described in section 42–5074.

Sec. 4. Section 42–2003, Arizona Revised Statutes, is amended to read:

<< AZ ST § 42–2003 >>

§ 42–2003. Authorized disclosure of confidential information

A. Confidential information relating to:

1. A taxpayer may be disclosed to the taxpayer, its successor in interest or a designee of the taxpayer who is authorized in writing by the taxpayer. A principal corporate officer of a parent corporation may execute a written authorization for a controlled subsidiary.
2. A corporate taxpayer may be disclosed to any principal officer, any person designated by a principal officer or any person designated in a resolution by the corporate board of directors or other similar governing body.
3. A partnership may be disclosed to any partner of the partnership. This exception does not include disclosure of confidential information of a particular partner unless otherwise authorized.
4. An estate may be disclosed to the personal representative of the estate and to any heir, next of kin or beneficiary under the will of the decedent if the department finds that the heir, next of kin or beneficiary has a material interest ~~which~~ **that** will be affected by the confidential information.

5. A trust may be disclosed to the trustee or trustees, jointly or separately, and to the grantor or any beneficiary of the trust if the department finds that the grantor or beneficiary has a material interest that will be affected by the confidential information.

6. Any taxpayer may be disclosed if the taxpayer has waived any rights to confidentiality either in writing or on the record in any administrative or judicial proceeding.

7. The name and taxpayer identification numbers of persons issued direct payment permits may be publicly disclosed.

B. Confidential information may be disclosed to:

1. Any employee of the department whose official duties involve tax administration.

2. The office of the attorney general solely for its use in preparation for, or in an investigation that may result in, any proceeding involving tax administration before the department or any other agency or board of this state, or before any grand jury or any state or federal court.

3. The department of liquor licenses and control for its use in determining whether a spirituous liquor licensee has paid all transaction privilege taxes and affiliated excise taxes incurred as a result of the sale of spirituous liquor, as defined in section 4-101, at the licensed establishment and imposed on the licensed establishments by this state and its political subdivisions.

4. Other state tax officials whose official duties require the disclosure for proper tax administration purposes if the information is sought in connection with an investigation or any other proceeding conducted by the official. Any disclosure is limited to information of a taxpayer who is being investigated or who is a party to a proceeding conducted by the official.

5. The following agencies, officials and organizations, if they grant substantially similar privileges to the department for the type of information being sought, pursuant to statute and a written agreement between the department and the foreign country, agency, state, Indian tribe or organization:

(a) The United States internal revenue service, alcohol and tobacco tax and trade bureau of the United States treasury, United States bureau of alcohol, tobacco, firearms and explosives of the United States department of justice, United States drug enforcement agency and federal bureau of investigation.

(b) A state tax official of another state.

(c) An organization of states, federation of tax administrators or multistate tax commission that operates an information exchange for tax administration purposes.

(d) An agency, official or organization of a foreign country with responsibilities that are comparable to those listed in subdivision (a), (b) or (c) of this paragraph.

(e) An agency, official or organization of an Indian tribal government with responsibilities comparable to the responsibilities of the agencies, officials or organizations identified in subdivision (a), (b) or (c) of this paragraph.

6. The auditor general, in connection with any audit of the department subject to the restrictions in section 42-2002, subsection D.

7. Any person to the extent necessary for effective tax administration in connection with:

(a) The processing, storage, transmission, destruction and reproduction of the information.

(b) The programming, maintenance, repair, testing and procurement of equipment for purposes of tax administration.

(c) The collection of the taxpayer's civil liability.

8. The office of administrative hearings relating to taxes administered by the department pursuant to section 42–1101, but the department shall not disclose any confidential information:

(a) Regarding income tax or withholding tax.

(b) On any tax issue relating to information associated with the reporting of income tax or withholding tax.

9. The United States treasury inspector general for tax administration for the purpose of reporting a violation of internal revenue code section 7213A (26 United States Code section 7213A), unauthorized inspection of returns or return information.

10. The financial management service of the United States treasury department for use in the treasury offset program.

11. The United States treasury department or its authorized agent for use in the state income tax levy program and in the electronic federal tax payment system.

12. The Arizona commerce authority for its use in:

(a) Qualifying renewable energy operations for the tax incentives under sections 42–12006, 43–1083.01 and 43–1164.01.

(b) Qualifying businesses with a qualified facility for income tax credits under sections 43–1083.03 and 43–1164.04.

(c) Fulfilling its annual reporting responsibility pursuant to section 41–1511, subsections U and V and section 41–1512, subsections U and V.

(d) Certifying computer data centers for tax relief under section 41–1519.

13. A prosecutor for purposes of section 32–1164, subsection C.

14. The state fire marshal for use in determining compliance with and enforcing title 41, chapter 16, article 3.1.

15. The department of transportation for its use in administering taxes, surcharges and penalties prescribed by title 28.

16. The Arizona health care cost containment system administration for its use in administering nursing facility provider assessments.

C. Confidential information may be disclosed in any state or federal judicial or administrative proceeding pertaining to tax administration pursuant to the following conditions:

1. One or more of the following circumstances must apply:

(a) The taxpayer is a party to the proceeding.

(b) The proceeding arose out of, or in connection with, determining the taxpayer's civil or criminal liability, or the collection of the taxpayer's civil liability, with respect to any tax imposed under this title or title 43.

(c) The treatment of an item reflected on the taxpayer's return is directly related to the resolution of an issue in the proceeding.

(d) Return information directly relates to a transactional relationship between a person who is a party to the proceeding and the taxpayer and directly affects the resolution of an issue in the proceeding.

2. Confidential information may not be disclosed under this subsection if the disclosure is prohibited by section 42–2002,

subsection C or D.

D. Identity information may be disclosed for purposes of notifying persons entitled to tax refunds if the department is unable to locate the persons after reasonable effort.

E. The department, on the request of any person, shall provide the names and addresses of bingo licensees as defined in section 5–401, verify whether or not a person has a privilege license and number, a tobacco product distributor’s license and number or a withholding license and number or disclose the information to be posted on the department’s website or otherwise publicly accessible pursuant to section 42–1124, subsection F and section 42–3401.

F. A department employee, in connection with the official duties relating to any audit, collection activity or civil or criminal investigation, may disclose return information to the extent that disclosure is necessary to obtain information that is not otherwise reasonably available. These official duties include the correct determination of and liability for tax, the amount to be collected or the enforcement of other state tax revenue laws.

G. If an organization is exempt from this state’s income tax as provided in section 43–1201 for any taxable year, the name and address of the organization and the application filed by the organization on which the department made its determination for exemption together with any papers submitted in support of the application and any letter or document issued by the department concerning the application are open to public inspection.

H. Confidential information relating to transaction privilege tax, use tax, severance tax, jet fuel excise and use tax and any other tax collected by the department on behalf of any jurisdiction may be disclosed to any county, city or town tax official if the information relates to a taxpayer who is or may be taxable by a county, city or town or who may be subject to audit by the department pursuant to section 42–6002. Any taxpayer information released by the department to the county, city or town:

1. May only be used for internal purposes, including audits.

2. May not be disclosed to the public in any manner that does not comply with confidentiality standards established by the department. The county, city or town shall agree in writing with the department that any release of confidential information that violates the confidentiality standards adopted by the department will result in the immediate suspension of any rights of the county, city or town to receive taxpayer information under this subsection.

I. The department may disclose statistical information gathered from confidential information if it does not disclose confidential information attributable to any one taxpayer. The department may disclose statistical information gathered from confidential information, even if it discloses confidential information attributable to a taxpayer, to:

1. The state treasurer in order to comply with the requirements of section 42–5029, subsection A, paragraph 3.

2. The joint legislative income tax credit review committee, the joint legislative budget committee staff and the legislative staff in order to comply with the requirements of section 43–221.

J. The department may disclose the aggregate amounts of any tax credit, tax deduction or tax exemption enacted after January 1, 1994. Information subject to disclosure under this subsection shall not be disclosed if a taxpayer demonstrates to the department that such information would give an unfair advantage to competitors.

K. Except as provided in section 42–2002, subsection C, confidential information, described in section 42–2001, paragraph 1, subdivision (a), item (ii), may be disclosed to law enforcement agencies for law enforcement purposes.

L. The department may provide transaction privilege tax license information to property tax officials in a county for the purpose of identification and verification of the tax status of commercial property.

M. The department may provide transaction privilege tax, luxury tax, use tax, property tax and severance tax information to the ombudsman-citizens aide pursuant to title 41, chapter 8, article 5.

N. Except as provided in section 42–2002, subsection D, a court may order the department to disclose confidential information pertaining to a party to an action. An order shall be made only ~~upon~~ **on** a showing of good cause and that the party seeking the information has made demand ~~upon~~ **on** the taxpayer for the information.

O. This section does not prohibit the disclosure by the department of any information or documents submitted to the department by a bingo licensee. Before disclosing the information the department shall obtain the name and address of the person requesting the information.

P. If the department is required or permitted to disclose confidential information, it may charge the person or agency requesting the information for the reasonable cost of its services.

Q. Except as provided in section 42–2002, subsection D, the department of revenue shall release confidential information as requested by the department of economic security pursuant to section 42–1122 or 46–291. Information disclosed under this subsection is limited to the same type of information that the United States internal revenue service is authorized to disclose under section 6103(l)(6) of the internal revenue code.

R. Except as provided in section 42–2002, subsection D, the department of revenue shall release confidential information as requested by the courts and clerks of the court pursuant to section 42–1122.

S. To comply with the requirements of section 42–5031, the department may disclose to the state treasurer, to the county stadium district board of directors and to any city or town tax official that is part of the county stadium district confidential information attributable to a taxpayer’s business activity conducted in the county stadium district.

T. The department shall release to the attorney general confidential information as requested by the attorney general for purposes of determining compliance with or enforcing any of the following:

1. Any public health control law relating to tobacco sales as provided under title 36, chapter 6, article 14.
2. Any law relating to reduced cigarette ignition propensity standards as provided under title 41, chapter 16, article 3.1.
3. Sections 44–7101 and 44–7111, the master settlement agreement referred to in those sections and all agreements regarding disputes under the master settlement agreement.

U. For proceedings before the department, the office of administrative hearings, the board of tax appeals or any state or federal court involving penalties that were assessed against a return preparer, an electronic return preparer or a payroll service company pursuant to section 42–1103.02, 42–1125.01 or 43–419, confidential information may be disclosed only before the judge or administrative law judge adjudicating the proceeding, the parties to the proceeding and the parties’ representatives in the proceeding prior to its introduction into evidence in the proceeding. The confidential information may be introduced as evidence in the proceeding only if the taxpayer’s name, the names of any dependents listed on the return, all social security numbers, the taxpayer’s address, the taxpayer’s signature and any attachments containing any of the foregoing information are redacted and if either:

1. The treatment of an item reflected on such return is or may be related to the resolution of an issue in the proceeding.
2. Such **a** return or **the** return information relates or may relate to a transactional relationship between a person who is a party to the proceeding and the taxpayer ~~which that~~ directly affects the resolution of an issue in the proceeding.
3. The method of payment of the taxpayer’s withholding tax liability or the method of filing the taxpayer’s withholding tax return is an issue for the period.

V. The department and attorney general may share the information specified in subsection T of this section with any of the following:

1. Federal, state or local agencies for the purposes of enforcement of corresponding laws of other states.

2. A court, arbitrator, data clearinghouse or similar entity for the purpose of assessing compliance with or making calculations required by the master settlement agreement or agreements regarding disputes under the master settlement agreement, and with counsel for the parties or expert witnesses in any such proceeding, if the information otherwise remains confidential.

W. The department may provide the name and address of qualifying hospitals and qualifying health care organizations, as defined in section 42–5001, to a business classified and reporting transaction privilege tax under the utilities classification.

X. The department may disclose to an official of any city, town or county in a current agreement or considering a prospective agreement with the department as described in section 42–5032.02, subsection F any information relating to amounts subject to distribution required by section 42–5032.02. Information disclosed by the department under this subsection:

1. May only be used by the city, town or county for internal purposes.

2. May not be disclosed to the public in any manner that does not comply with confidentiality standards established by the department. The city, town or county must agree with the department in writing that any release of confidential information that violates the confidentiality standards will result in the immediate suspension of any rights of the city, town or county to receive information under this subsection.

Y. Notwithstanding any other provision of this section, the department may not disclose information provided by an online lodging marketplace, as defined in section 42–5076, without the written consent of the online lodging marketplace, and the information may be disclosed only pursuant to subsection A, paragraphs 1 through 6, subsection B, paragraphs 1, 2, 7 and 8 and subsections c and d of this section. Such information:

1. Is not subject to disclosure pursuant to title 39, relating to public records.

2. May not be disclosed to any agency of this state or of any county, city, town or other political subdivision of this state.

Sec. 5. Section 42–5005, Arizona Revised Statutes, is amended to read:

<< AZ ST § 42–5005 >>

§ 42–5005. Transaction privilege tax and municipal privilege tax licenses; fees; renewal; revocation; violation; classification

A. Every person who receives gross proceeds of sales or gross income on which a transaction privilege tax is imposed by this article and who desires to engage or continue in business shall apply to the department for an annual transaction privilege tax license accompanied by a fee of twelve dollars. A person shall not engage or continue in business until the person has obtained a transaction privilege tax license.

B. A person desiring to engage or continue in business within a city or town that imposes a municipal privilege tax shall apply to the department of revenue for an annual municipal privilege tax license accompanied by a fee of up to fifty dollars, as established by ordinance of the city or town. The person shall submit the fee with each new license application. The person may not engage or continue in business until the person has obtained a municipal privilege tax license. The department must collect, hold, pay and manage the fees in trust for the city or town and may not use the monies for any other purposes.

C. A transaction privilege tax license is valid only for the calendar year in which it is issued, but it may be renewed for the following calendar year. There is no fee for the renewal of the transaction privilege tax license. The transaction privilege tax license must be renewed at the same time and in the manner as the municipal privilege tax license renewal.

D. A municipal privilege tax license is valid only for the calendar year in which it is issued, but it may be renewed for the following calendar year by the payment of a license renewal fee of up to fifty dollars. The renewal fee is due and payable on January 1 and is considered delinquent if not received on or before the last business day of January. The department must collect, hold, pay and manage the fees in trust for the city or town and may not use the monies for any other purposes.

E. A licensee that remains in business after the municipal privilege tax license has expired is subject to the payment of the license renewal fee and the civil penalty prescribed in section 42-1125, subsection R.

F. If the applicant is not in arrears in payment of any tax imposed by this article, the department shall issue a license authorizing the applicant to engage and continue in business on the condition that the applicant complies with this article. The license number shall be continuous.

G. The transaction privilege tax license and the municipal privilege tax license are not transferable on a complete change of ownership or change of location of the business. For the purposes of this subsection:

1. "Location" means the business address appearing in the application for the license and on the transaction privilege tax or municipal privilege tax license.

2. "Ownership" means any right, title or interest in the business.

3. "Transferable" means the ability to convey or change the right or privilege to engage or continue in business by virtue of the issuance of the transaction privilege tax or municipal privilege tax license.

H. When the ownership or location of a business on which a transaction privilege tax or municipal privilege tax is imposed has been changed within the meaning of subsection G of this section, the licensee shall surrender the license to the department. The license shall be reissued to the new owners or for the new location on application by the taxpayer and payment of the twelve-dollar fee for a transaction privilege tax license and a fee of up to fifty dollars per jurisdiction for a municipal privilege tax license. The department must collect, hold, pay and manage the fees in trust for the city or town and may not use the monies for any other purposes.

I. A person who is engaged in or conducting a business in two or more locations or under two or more business names shall procure a transaction privilege tax license for each location or business name regardless of whether all locations or business names are reported on a consolidated return under a single transaction privilege tax license number. This requirement shall not be construed as conflicting with section 42-5020.

J. A person who is engaged in or conducting a business in two or more locations or under two or more business names shall procure a municipal privilege tax license for each location or business name regardless of whether all locations or business names are reported on a consolidated return.

K. A person who is engaged in or conducting business at two or more locations or under two or more business names and who files a consolidated return under a single transaction privilege tax license number as provided by section 42-5020 is required to pay only a single municipal privilege tax license renewal fee for each local jurisdiction pursuant to subsection D of this section. A person who is engaged in or conducting business at two or more locations or under two or more business names and who does not file a consolidated return under a single license number is required to pay a license renewal fee for each location or license in a local jurisdiction.

L. For the purposes of this chapter and chapter 6 of this title, an online lodging marketplace, as defined in section 42-5076, may register with the department for a license for the payment of taxes levied by this state and one or more counties, cities, towns or special taxing districts, at the election of the online lodging marketplace, for taxes due from an online lodging operator on any online lodging transaction facilitated by the online lodging marketplace, subject to sections 42-5076 and 42-6009.

M. For the purposes of this chapter and chapter 6 of this title, a person who is licensed pursuant to title 32, chapter 20 and who files an electronic consolidated tax return for individual real properties under management on behalf of the

property owners may be licensed with the department for the payment of taxes levied by this state and by any county, city or town with respect to those properties.

L-N. If a person violates this article or any rule adopted under this article, the department upon hearing may revoke any transaction privilege tax or municipal privilege tax license issued to the person. The department shall provide ten days' written notice of the hearing, stating the time and place and requiring the person to appear and show cause why the license or licenses should not be revoked. The department shall provide written notice to the person of the revocation of the license. The notices may be served personally or by mail pursuant to section 42-5037. After revocation, the department shall not issue a new license to the person unless the person presents evidence satisfactory to the department that the person will comply with this article and with the rules adopted under this article. The department may prescribe the terms under which a revoked license may be reissued.

M-O. A person who violates any provision of this section is guilty of a class 3 misdemeanor.

Sec. 6. Section 42-5009, Arizona Revised Statutes, is amended to read:

<< AZ ST § 42-5009 >>

§ 42-5009. Certificates establishing deductions; liability for making false certificate

A. A person who conducts any business classified under article 2 of this chapter may establish entitlement to the allowable deductions from the tax base of that business by both:

1. Marking the invoice for the transaction to indicate that the gross proceeds of sales or gross income derived from the transaction was deducted from the tax base.
2. Obtaining a certificate executed by the purchaser indicating the name and address of the purchaser, the precise nature of the business of the purchaser, the purpose for which the purchase was made, the necessary facts to establish the appropriate deduction and the tax license number of the purchaser to the extent the deduction depends on the purchaser conducting business classified under article 2 of this chapter and a certification that the person executing the certificate is authorized to do so on behalf of the purchaser. The certificate may be disregarded if the seller has reason to believe that the information contained in the certificate is not accurate or complete.

B. A person who does not comply with subsection A of this section may establish entitlement to the deduction by presenting facts necessary to support the entitlement, but the burden of proof is on that person.

C. The department may prescribe a form for the certificate described in subsection A of this section. Under such rules as it may prescribe, the department may also describe transactions with respect to which a person is not entitled to rely solely on the information contained in the certificate provided for in subsection A of this section but must instead obtain such additional information as required by the rules in order to be entitled to the deduction.

D. If a seller is entitled to a deduction by complying with subsection A of this section, the department may require the purchaser that caused the execution of the certificate to establish the accuracy and completeness of the information required to be contained in the certificate that would entitle the seller to the deduction. If the purchaser cannot establish the accuracy and completeness of the information, the purchaser is liable in an amount equal to any tax, penalty and interest that the seller would have been required to pay under this article if the seller had not complied with subsection A of this section. Payment of the amount under this subsection exempts the purchaser from liability for any tax imposed under article 4 of this chapter. The amount shall be treated as tax revenues collected from the seller in order to designate the distribution base for purposes of section 42-5029.

E. If a seller is entitled to a deduction by complying with subsection B of this section, the department may require the purchaser to establish the accuracy and completeness of the information provided to the seller that entitled the seller to the

deduction. If the purchaser cannot establish the accuracy and completeness of the information, the purchaser is liable in an amount equal to any tax, penalty and interest that the seller would have been required to pay under this article if the seller had not complied with subsection B of this section. Payment of the amount under this subsection exempts the purchaser from liability for any tax imposed under article 4 of this chapter. The amount shall be treated as tax revenues collected from the seller in order to designate the distribution base for purposes of section 42–5029.

F. The department may prescribe a form for a certificate used to establish entitlement to the deductions described in section 42–5061, subsection A, paragraph 46 and section 42–5063, subsection B, paragraph 3. Under rules the department may prescribe, the department may also require additional information for the seller to be entitled to the deduction. If a seller is entitled to the deductions described in section 42–5061, subsection A, paragraph 46 and section 42–5063, subsection B, paragraph 3, the department may require the purchaser who executed the certificate to establish the accuracy and completeness of the information contained in the certificate that would entitle the seller to the deduction. If the purchaser cannot establish the accuracy and completeness of the information, the purchaser is liable in an amount equal to any tax, penalty and interest that the seller would have been required to pay under this article. Payment of the amount under this subsection exempts the purchaser from liability for any tax imposed under article 4 of this chapter. The amount shall be treated as tax revenues collected from the seller in order to designate the distribution base for purposes of section 42–5029.

G. If a seller claims a deduction under section 42–5061, subsection A, paragraph 25 and establishes entitlement to the deduction with an exemption letter that the purchaser received from the department and the exemption letter was based on a contingent event, the department may require the purchaser that received the exemption letter to establish the satisfaction of the contingent event within a reasonable time. If the purchaser cannot establish the satisfaction of the event, the purchaser is liable in an amount equal to any tax, penalty and interest that the seller would have been required to pay under this article if the seller had not been furnished the exemption letter. Payment of the amount under this subsection exempts the purchaser from liability for any tax imposed under article 4 of this chapter. The amount shall be treated as tax revenues collected from the seller in order to designate the distribution base for purposes of section 42–5029. For the purposes of this subsection, “reasonable time” means a time limitation that the department determines and that does not exceed the time limitations pursuant to section 42–1104.

H. The department shall prescribe forms for certificates used to establish the satisfaction of the criteria necessary to qualify the sale of a motor vehicle for the deductions described in section 42–5061, subsection A, paragraph 14, paragraph 28, subdivision (a) and paragraph 44 and subsection U. Except as provided in subsection J of this section, to establish entitlement to these deductions, a motor vehicle dealer shall retain:

1. A valid certificate as prescribed by this subsection completed by the purchaser and obtained prior to the issuance of the nonresident registration permit authorized by section 28–2154.
2. A copy of the nonresident registration permit authorized by section 28–2154.
3. A legible copy of a current valid driver license issued to the purchaser by another state or foreign country that indicates an address outside of this state. For the sale of a motor vehicle to a nonresident entity, the entity’s representative must have a current valid driver license issued by the same jurisdiction as that in which the entity is located.
4. For the purposes of the deduction provided by section 42–5061, subsection A, paragraph 14, a certificate documenting the delivery of the motor vehicle to an out-of-state location.

I. Notwithstanding subsection A, paragraph 2 of this section, if a motor vehicle dealer has established entitlement to a deduction by complying with subsection H of this section, the department may require the purchaser who executed the certificate to establish the accuracy and completeness of the information contained in the certificate that entitled the motor vehicle dealer to the deduction. If the purchaser cannot establish the accuracy and completeness of the information, the purchaser is liable in an amount equal to any tax, penalty and interest that the motor vehicle dealer would have been required to pay under this article and under articles IV and V of the model city tax code as defined in section 42–6051. Payment of the amount under this subsection exempts the purchaser from liability for any tax imposed under article 4 of this chapter and any tax imposed under article VI of the model city tax code as defined in section 42–6051. The amount shall be treated as tax revenues collected from the motor vehicle dealer in order to designate the distribution base for purposes of section 42–5029.

J. To establish entitlement to the deduction described in section 42–5061, subsection A, paragraph 44, a public consignment auction dealer as defined in section 28–4301 shall submit the valid certificate prescribed by subsection H of this section to the department and retain a copy for its records.

K. Notwithstanding any other law, compliance with subsection H of this section by a motor vehicle dealer entitles the motor vehicle dealer to the exemption provided in section 42–6004, subsection A, paragraph 4.

L. The department shall prescribe a form for a certificate to be used by a person that is not subject to tax under section 42–5075 when the person is engaged by a contractor that is subject to tax under section 42–5075 for a project that is taxable under section 42–5075. The certificate permits the person purchasing tangible personal property to be incorporated or fabricated by the person into any real property, structure, project, development or improvement to provide documentation to a retailer that the sale of tangible personal property qualifies for the deduction under section 42–5061, subsection A, paragraph 27, subdivision (b). A prime contractor shall obtain the certificate from the department and shall provide a copy to any such person working on the project. The prime contractor shall obtain a new certificate for each project to which this subsection applies. For the purposes of this subsection, the following apply:

1. The person that is not subject to tax under section 42–5075 may use the certificate issued pursuant to this subsection only with respect to tangible personal property that will be incorporated into a project for which the gross receipts are subject to tax under section 42–5075.

2. The department shall issue the certificate to the prime contractor on receiving sufficient documentation to establish that the prime contractor meets the requirements of this subsection.

3. If any person uses the certificate provided under this subsection to purchase tangible personal property to be used in a project that is not subject to tax under section 42–5075, the person is liable in an amount equal to any tax, penalty and interest that the seller would have been required to pay under this article if the seller had not complied with subsection A of this section. Payment of the amount under this section exempts the person from liability for any tax imposed under article 4 of this chapter. The amount shall be sourced under section 42–5040, subsection A, paragraph 2.

M. Notwithstanding any other law, compliance with subsection L of this section by a person that is not subject to tax under section 42–5075 entitles the person to the exemption allowed by section 465, subsection (k) of the model city tax code when purchasing tangible personal property to be incorporated or fabricated by the person into any real property, structure, project, development or improvement.

N. Notwithstanding any other law, an online lodging operator, as defined in section 42–5076, shall be entitled to an exclusion from any applicable taxes for any online lodging transaction, as defined in section 42–5076, facilitated by an online lodging marketplace, as defined in section 42–5076, for which the online lodging operator has obtained from the online lodging marketplace written notice that the online lodging marketplace is registered with the department to collect applicable taxes for all online lodging transactions facilitated by the online lodging marketplace, and transaction history documenting tax collected by the online lodging marketplace, pursuant to section 42–5005, subsection L.

Sec. 7. Section 42–5010, Arizona Revised Statutes, is amended to read:

<< AZ ST § 42–5010 >>

§ 42–5010. Rates; distribution base

A. The tax imposed by this article is levied and shall be collected at the following rates:

1. Five percent of the tax base as computed for the business of every person engaging or continuing in this state in the

following business classifications described in article 2 of this chapter:

- (a) Transporting classification.
- (b) Utilities classification.
- (c) Telecommunications classification.
- (d) Pipeline classification.
- (e) Private car line classification.
- (f) Publication classification.
- (g) Job printing classification.
- (h) Prime contracting classification.
- (i) Amusement classification.
- (j) Restaurant classification.
- (k) Personal property rental classification.
- (l) Retail classification and amounts equal to retail transaction privilege tax due pursuant to section 42–5008.01.

2. Five and one-half percent of the tax base as computed for the business of every person engaging or continuing in this state in:

- (a) The transient lodging classification described in section 42–5070.
- (b) **The online lodging marketplace classification described in section 42–5076 who has entered into an agreement with the department to register for, or has otherwise obtained from the department, a license to collect tax pursuant to section 42–5005, subsection L.**

3. Three and one-eighth percent of the tax base as computed for the business of every person engaging or continuing in this state in the mining classification described in section 42–5072.

4. Zero percent of the tax base as computed for the business of every person engaging or continuing in this state in the commercial lease classification described in section 42–5069.

B. Except as provided by subsection J of this section, twenty percent of the tax revenues collected at the rate prescribed by subsection A, paragraph 1 of this section from persons on account of engaging in business under the business classifications listed in subsection A, paragraph 1, subdivisions (a) through (h) of this section is designated as distribution base for purposes of section 42–5029.

C. Forty percent of the tax revenues collected at the rate prescribed by subsection A, paragraph 1 of this section from persons on account of engaging in business under the business classifications listed in subsection A, paragraph 1, subdivisions (i) through (l) of this section is designated as distribution base for purposes of section 42–5029.

D. Thirty-two percent of the tax revenues collected from persons on account of engaging in business under the business classification listed in subsection A, paragraph 3 of this section is designated as distribution base for purposes of section 42–5029.

E. Fifty-three and one-third percent of the tax revenues collected from persons on account of engaging in business under the business classification listed in subsection A, paragraph 4 of this section is designated as distribution base for purposes of section 42-5029.

F. Fifty percent of the tax revenues collected from persons on account of engaging in business under the business classification listed in subsection A, paragraph 2 of this section is designated as distribution base for purposes of section 42-5029.

G. In addition to the rates prescribed by subsection A of this section, if approved by the qualified electors voting at a statewide general election, an additional rate increment is imposed and shall be collected through June 30, 2021. The taxpayer shall pay taxes pursuant to this subsection at the same time and in the same manner as under subsection A of this section. The department shall separately account for the revenues collected with respect to the rates imposed pursuant to this subsection and the state treasurer shall distribute all of those revenues in the manner prescribed by section 42-5029, subsection E. The rates imposed pursuant to this subsection shall not be considered local revenues for purposes of article IX, section 21, Constitution of Arizona. The additional tax rate increment is levied at the rate of six-tenths of one per cent of the tax base of every person engaging or continuing in this state in a business classification listed in subsection A, paragraph 1 of this section.

H. Any increase in the rate of tax that is imposed by this chapter and that is enacted by the legislature or by a vote of the people does not apply with respect to contracts entered into by prime contractors or pursuant to written bids made by prime contractors on or before the effective date of the legislation or the date of the election enacting the increase. To qualify for the exemption under this subsection, the prime contractor must maintain sufficient documentation, in a manner and form prescribed by the department, to verify the date of the contract or written bid.

I. For taxpayers taxable under this chapter other than prime contractors taxable pursuant to section 42-5075:

1. Any increase in the rate of tax that is levied by this article or article 2 of this chapter enacted by the legislature or by a vote of the people does not apply for a period of one hundred twenty days from the date of the tax rate increase to the gross proceeds of sales or gross income from the business of the taxpayer with respect to written contracts entered into before the effective date of the tax rate increase unless the taxpayer has entered into a contract that contains a provision that entitles the taxpayer to recover from the purchaser the amount of the additional tax levied.

2. The provisions of this subsection apply without regard to the accounting method used by the taxpayer to report the taxes imposed under article 2 of this chapter.

3. The provisions of this subsection shall not be considered in determining the rate of tax imposed under chapter 6, article 3 of this title.

J. Zero percent of the tax revenues that are collected at the rate prescribed by subsection A, paragraph 1 of this section from persons on account of engaging in business under the business classification listed in subsection A, paragraph 1, subdivision (h) of this section, and that are subject to any distribution required by section 42-5032.02, is designated as distribution base for the purposes of section 42-5029 until the total amount subject to distribution pursuant to section 42-5032.02 has reached the maximum amount prescribed by section 42-5032.02, subsection C. Thereafter, twenty percent of the remaining tax revenues is designated as distribution base for the purposes of section 42-5029 as provided by subsection B of this section.

Sec. 8. Section 42-5014, Arizona Revised Statutes, is amended to read:

<< AZ ST § 42-5014 >>

§ 42-5014. Return and payment of tax; estimated tax; extensions; abatements

A. Except as provided in subsection B, C, ~~or D~~, **E or F** of this section, the taxes levied under this article:

1. Are due and payable monthly in the form required by section 42–5018 for the amount of the tax, to the department, on or before the twentieth day of the month next succeeding the month in which the tax accrues.

2. Are delinquent as follows:

(a) For taxpayers that are required or elect to file and pay electronically in any month, if not received by the department on or before the last business day of the month.

(b) For all other taxpayers, if not received by the department on or before the business day preceding the last business day of the month.

B. The department, for any taxpayer whose estimated annual liability for taxes imposed or administered by this article or chapter 6 of this title is between two thousand dollars and eight thousand dollars, shall authorize such taxpayer to pay such taxes on a quarterly basis. The department, for any taxpayer whose estimated annual liability for taxes imposed by this article is less than two thousand dollars, shall authorize such taxpayer to pay such taxes on an annual basis. For the purposes of this subsection, the taxes due under this article:

1. For taxpayers that are authorized to pay on a quarterly basis, are due and payable monthly in the form required by section 42–5018 for the amount of the tax, to the department, on or before the twentieth day of the month next succeeding the quarter in which the tax accrues.

2. For taxpayers that are authorized to pay on an annual basis, are due and payable monthly in the form required by section 42–5018 for the amount of the tax, to the department, on or before the twentieth day of January next succeeding the year in which the tax accrues.

3. Are delinquent as follows:

(a) For taxpayers that are required or elect to file and pay electronically in any quarter, if not received by the department on or before the last business day of the month.

(b) For all other taxpayers that are required to file and pay quarterly, if not received by the department on or before the business day preceding the last business day of the month.

(c) For taxpayers that are required or elect to file and pay electronically on an annual basis, if not received by the department on or before the last business day of January.

(d) For all other taxpayers that are required to file and pay annually, if not received by the department on or before the business day preceding the last business day of January.

C. The department may require a taxpayer whose business is of a transient character to file the return and remit the taxes imposed by this article on a daily, a weekly or a transaction by transaction basis, and those returns and payments are due and payable on the date fixed by the department without a grace period otherwise allowed by this section. For the purposes of this subsection, “business of a transient character” means sales activity by a taxpayer not regularly engaged in selling within the state conducted from vehicles, portable stands, rented spaces, structures or booths, or concessions at fairs, carnivals, circuses, festivals or similar activities for not more than thirty consecutive days.

D. If the business entity under which a taxpayer reports and pays income tax under title 43 has an annual total tax liability under this article, article 6 of this chapter and chapter 6, article 3 of this title of one million dollars or more, based on the actual tax liability in the preceding calendar year, regardless of the number of offices at which the taxes imposed by this article, article 6 of this chapter or chapter 6, article 3 of this title are collected, or if the taxpayer can reasonably anticipate such liability in the current year, the taxpayer shall report on a form prescribed by the department and pay an estimated tax payment each June. Any other taxpayer may voluntarily elect to pay the estimated tax payment pursuant to this subsection. The payment shall be made on or before June 20 and is delinquent if not received by the department on or before the business

day preceding the last business day of June for those taxpayers electing to file by mail, or delinquent if not received by the department on the business day preceding the last business day of June for those taxpayers electing to file in person. The estimated tax paid shall be credited against the taxpayer's tax liability under this article, article 6 of this chapter and chapter 6, article 3 of this title for the month of June for the current calendar year. The estimated tax payment shall equal either:

1. One-half of the actual tax liability under this article plus one-half of any tax liability under article 6 of this chapter and chapter 6, article 3 of this title for May of the current calendar year.
2. The actual tax liability under this article plus any tax liability under article 6 of this chapter and chapter 6, article 3 of this title for the first fifteen days of June of the current calendar year.

E. An online lodging marketplace, as defined in section 42-5076, that is registered with the department pursuant to section 42-5005, subsection L:

- 1. Shall remit to the department the applicable taxes payable pursuant to section 42-5076 and chapter 6 of this title with respect to each online lodging transaction, as defined in section 42-5076, facilitated by the online lodging marketplace.**
- 2. Shall report the taxes monthly and remit the aggregate total amounts for each of the respective taxing jurisdictions.**
- 3. Shall not be required to list or otherwise identify any individual online lodging operator, as defined in section 42-5076, on any return or any attachment to a return.**

F. A person who is licensed pursuant to title 32, chapter 20 and who is licensed with the department pursuant to section 42-5005, subsection M shall:

- 1. File a consolidated return monthly with respect to all managed properties for which the licensee files an electronic consolidated tax return pursuant to section 42-6013.**
- 2. Remit to the department the aggregate total amount of the applicable taxes payable pursuant to this chapter and chapter 6 of this title for all of the respective taxing jurisdictions with respect to the managed properties.**

~~**E-G.**~~ The taxpayer shall prepare a return showing the amount of the tax for which the taxpayer is liable for the preceding month, and shall mail or deliver the return to the department in the same manner and time as prescribed for the payment of taxes in subsection A of this section. If the taxpayer fails to file the return in the manner and time as prescribed for the payment of taxes in subsection A of this section, the amount of the tax required to be shown on the return is subject to the penalty imposed pursuant to section 42-1125, subsection A, without any reduction for taxes paid on or before the due date of the return. The return shall be verified by the oath of the taxpayer or an authorized agent or as prescribed by the department pursuant to section 42-1105, subsection B.

~~**F-H.**~~ Any person who is taxable under this article and who makes cash and credit sales shall report such cash and credit sales separately and on making application may obtain from the department an extension of time for payment of taxes due on the credit sales. The extension shall be granted by the department under such rules as the department prescribes. When the extension is granted, the taxpayer shall thereafter include in each monthly report all collections made on such credit sales during the month next preceding and shall pay the taxes due at the time of filing such report.

~~**G-I.**~~ The returns required under this article shall be made on forms prescribed by the department and shall capture data with sufficient specificity to meet the needs of all taxing jurisdictions.

~~**H-J.**~~ Any person who is engaged in or conducting business in two or more locations or under two or more business names shall file the return required under this article by electronic means.

~~**I-K.**~~ The department, for good cause, may extend the time for making any return required by this article and may grant such reasonable additional time within which to make the return as it deems proper, but the time for filing the return shall not be

extended beyond the first day of the third month next succeeding the regular due date of the return.

J-L. The department, with the approval of the attorney general, may abate small tax balances if the administration costs exceed the amount of tax due.

K-M. For the purposes of subsection D of this section, “taxpayer” means the business entity under which the business reports and pays state income taxes regardless of the number of offices at which the taxes imposed by this article, article 6 of this chapter or chapter 6, article 3 of this title are collected.

Sec. 9. Section 42-5070, Arizona Revised Statutes, is amended to read:

<< AZ ST § 42-5070 >>

§ 42-5070. Transient lodging classification; definition

A. The transient lodging classification is comprised of the business of operating, for occupancy by transients, a hotel or motel, including an inn, tourist home or house, dude ranch, resort, campground, studio or bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location or other similar structure, and also including a space, lot or slab that is occupied or intended or designed for occupancy by transients in a mobile home or house trailer furnished by them for such occupancy.

B. The transient lodging classification does not include:

1. Operating a convalescent home or facility, home for the aged, hospital, jail, military installation or fraternity or sorority house or operating any structure exclusively by an association, institution, governmental agency or corporation for religious, charitable or educational purposes, if no part of the net earnings of the association, corporation or other entity inures to the benefit of any private shareholder or individual.

2. A lease or rental of a mobile home or house trailer at a fixed location or any other similar structure, and also including a space, lot or slab that is occupied or intended or designed for occupancy by transients in a mobile home or house trailer furnished by them for such occupancy for thirty or more consecutive days.

3. Leasing or renting four or fewer rooms of an owner-occupied residential home, together with furnishing no more than a breakfast meal, to transient lodgers at no more than a fifty ~~percent~~ **percent** average annual occupancy rate.

4. The activities of any online lodging marketplace, as defined in section 42-5076.

C. The tax base for the transient lodging classification is the gross proceeds of sales or gross income derived from the business, except that the tax base does not include:

1. The gross proceeds of sales or gross income derived from business activity that is properly included in another business classification under this article and that is taxable to the person engaged in that business classification, but the gross proceeds of sales or gross income to be deducted shall not exceed the consideration paid to the person conducting the activity.

2. The gross proceeds or gross income received by an online lodging operator, as defined in section 42-5076, from any online lodging transactions, as defined in section 42-5076, for which the online lodging operator has received documentation from a registered online lodging marketplace, as defined in section 42-5076, pursuant to section 42-5009, subsection N that the online lodging marketplace has remitted or will remit the applicable tax to the department pursuant to section 42-5014, subsection E.

D. For the purposes of this section, the tax base for the transient lodging classification does not include gross proceeds of sales or gross income derived from:

1. Transactions or activities that are not limited to transients and that would not be taxable if engaged in by a person not subject to tax under this article.
 2. Transactions or activities that are not limited to transients and that would not be taxable if engaged in by a person subject to taxation under section 42–5062 or 42–5073 due to an exclusion, exemption or deduction.
 3. Commissions paid to a person that is engaged in transient lodging business subject to taxation under this section by a person providing services or property to the customers of the person engaging in the transient lodging business.
- E.** The department shall separately account for revenues collected under the transient lodging classification for the purposes of section 42–5029, subsection D, paragraph 4, subdivision (b).
- F.** For the purposes of this section, “transient” means any person who either at the person’s own expense or at the expense of another obtains lodging space or the use of lodging space on a daily or weekly basis, or on any other basis for less than thirty consecutive days.

Sec. 10. Title 42, chapter 5, article 2, Arizona Revised Statutes, is amended by adding section 42–5076, to read:

<< AZ ST § 42–5076 >>

§ 42–5076. Online lodging marketplace classification; definitions

- A.** The online lodging marketplace classification is comprised of the business of operating an online lodging marketplace.
- B.** The tax base for the online lodging marketplace classification is the gross proceeds of sales or gross income derived from the business measured by the total amount charged for an online transient lodging transaction by the online lodging operator.
- C.** The online lodging marketplace classification does not include any online lodging marketplace that has not entered into an agreement with the department to register for, or has not otherwise obtained from the department, a license to collect tax pursuant to section 42–5005, subsection L.
- D. For the purposes of this section:**
1. “Online lodging marketplace” means a person that provides a digital platform for compensation through which an unaffiliated third party offers to rent lodging accommodations to an occupant, including a transient, as defined in section 42–5070, and the accommodations are not classified for property tax purposes under section 42–12001. For the purposes of this paragraph:
 - (a) “Lodging accommodations” means any space offered to the public for lodging, including any hotel, motel, inn, tourist home or house, dude ranch, resort, campground, studio or bachelor hotel, lodging house, rooming house, residential home, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location or other similar structure or space.
 - (b) “Unaffiliated third party” means a person that is not owned or controlled, directly or indirectly, by the same interests.
 2. “Online lodging operator” means a person that is engaged in the business of renting to an occupant, including a transient as defined in section 42–5070, any lodging accommodation offered through an online lodging marketplace.

3. “Online lodging transaction” means a charge to an occupant, including a transient as defined in section 42–5070, by an online lodging operator for the occupancy of any lodging accommodation and includes an online transient lodging transaction.

4. “Online transient lodging transaction” means a charge to an occupant who is a transient as defined in section 42–5070 by an online lodging operator for the occupancy of any lodging accommodation.

Sec. 11. Title 42, chapter 6, article 1, Arizona Revised Statutes, is amended by adding sections 42–6009 and 42–6013, to read:

<< AZ ST § 42–6009 >>

§ 42–6009. Online lodging; definitions

A. Except as provided by this section, a city, town or other taxing jurisdiction may not levy a transaction privilege, sales, use, franchise or other similar tax or fee, however denominated, on the business of operating an online lodging marketplace or, in the case of an online lodging marketplace that is licensed pursuant to section 42–5005, subsection L, on any online lodging transaction facilitated by the online lodging marketplace or on any online lodging operator with respect to any online lodging transaction for which it has received documentation that the online lodging marketplace has or will remit the applicable tax to the department pursuant to section 42–5014, subsection E.

B. In the case of an online lodging marketplace that is licensed pursuant to section 42–5005, subsection L, a city, town or other taxing jurisdiction may levy a transaction privilege, sales, use, franchise or other similar tax or fee as provided by the model city tax code on the online lodging marketplace subject to the following conditions:

1. The adopted tax must be administered in a manner that is uniform with the treatment of online lodging marketplaces, online lodging operators and online lodging transactions provided by chapter 5 of this title, except that:

(a) The adopted tax rate may be different from the state tax rate prescribed by section 42–5010.

(b) The adopted tax may apply to online lodging transactions involving rentals of lodging accommodations for more than twenty-nine consecutive days. With respect to any tax on rentals of lodging accommodations for more than twenty-nine consecutive days, in the case of an online lodging marketplace that has registered pursuant to section 42–5005, subsection L, the adopted tax must uniformly apply to all lodging accommodations for thirty consecutive days or more, and the tax base for the tax must be limited exclusively to online lodging transactions facilitated by an online lodging marketplace for rentals of lodging accommodations for thirty consecutive days or more and located in the applicable city, town or other taxing jurisdiction.

2. The adopted tax shall be administered, collected and enforced by the department and remitted to the city, town or other taxing jurisdiction in a uniform manner.

3. The adopted tax must be uniform on online lodging marketplaces, online lodging operators and other taxpayers of the same class within the jurisdictional boundaries of the city, town or other taxing jurisdiction.

4. Any adopted tax is subject to:

(a) Section 42–6002, relating to audits.

(b) Section 42–2003, subsection Y, relating to confidential information.

(c) Section 42–5003, subsection B, relating to judicial enforcement.

(d) Section 42–5005, subsection L, relating to registration of online lodging marketplaces.

(e) Section 42–5014, subsection E, relating to tax returns.

5. The tax may not be collected from an online lodging operator with respect to any online lodging transaction or transactions for which the online lodging operator has received written notice or documentation from a registered online lodging marketplace that it has or will remit the applicable tax with respect to those transactions to the department pursuant to section 42–5014, subsection E.

C. For the purposes of this section, “lodging accommodations”, “online lodging marketplace”, “online lodging operator” and “online lodging transaction” have the same meanings prescribed in section 42–5076.

<< AZ ST § 42–6013 >>

§ 42–6013. Electronic consolidated real property management tax returns; definition

A. For taxable periods beginning from and after December 31, 2017, a city or town that levies a transaction privilege tax under this section shall allow persons who are licensed pursuant to title 32, chapter 20 and who are licensed with the department pursuant to section 42–5005, subsection M to file electronic consolidated tax returns with the department with respect to gross proceeds or gross income derived from the individual properties under management on behalf of the property owners, subject to the following conditions and requirements:

1. The department shall administer, collect and enforce the tax that is reported and paid pursuant to an electronic consolidated return and remit the collected revenues to the appropriate city or town.

2. The tax may not be collected from any property owner whose licensee has provided written documentation to the property owner and to the city or town that the licensee has reported and remitted or will report and remit the applicable tax with respect to the property under management.

3. The department shall develop an electronic consolidated return form that separately identifies each owner’s property locations and the gross income and deductions for each property location. The licensee shall file the return electronically using the consolidated return form developed by the department.

4. All participating property owners included in the same electronic consolidated return must be on the same tax payment schedule and use the same cash receipts or accrual basis of reporting.

5. A licensee filing an electronic consolidated return:

(a) Acts in a fiduciary capacity as the property owners’ agent.

(b) Is responsible and accountable to the property owners and to the city or town for fully and accurately reporting and paying to the department the tax and any other amounts due.

(c) Is subject to audit, as provided by law, of the electronic consolidated returns, including data in the licensee’s possession that is used in compiling and filing the electronic consolidated returns.

6. A property owner:

(a) Remains ultimately responsible, accountable and liable for both:

(i) The accuracy of information the property owner furnishes to the licensee.

(ii) The return and payment of the full tax liability.

(b) Is subject to audit, as provided by law, of the records in the property owner's possession that are submitted to the licensee for the purposes of the electronic consolidated return.

(c) May withdraw any of the property owner's properties from the electronic consolidated return on thirty days' written notice to the licensee, the department and the tax collector of the city or town.

B. For the purposes of this section, "licensee" means a person who is licensed pursuant to title 32, chapter 20 and who is licensed with the department pursuant to section 42-5005, subsection M.

Sec. 12. Section 42-12003, Arizona Revised Statutes, is amended to read:

<< AZ ST § 42-12003 >>

§ 42-12003. Class three property; definition

A. For purposes of taxation, class three is established consisting of:

1. Real and personal property and improvements to the property that are used as the owner's primary residence, that are not otherwise included in class one, two, four, six, seven or eight and that are valued at full cash value.
2. Real and personal property that is occupied by a relative of the owner, as provided by section 42-12053, and used as the relative's primary residence, that is not otherwise included in class one, two, four, six, seven or eight and that is valued at full cash value.

3. Real and personal property that is owned and occupied as the primary residence of the owner who also uses the property for lease or rent to lodgers.

B. For the purposes of this section, a homesite that is included in class three may include:

1. Up to ten acres on a single parcel of real property on which the residential improvement is located.
2. More than ten, but not more than forty, acres on a single parcel of real property on which the residential improvement is located if it is zoned exclusively for residential purposes or contains legal restrictions or physical conditions that prevent the division of the parcel.

C. For the purposes of this section, "physical conditions" means topography, mountains, washes, rivers, roads or any other configuration that limits the residential usable land area.

Sec. 13. Section 42-12004, Arizona Revised Statutes, is amended to read:

<< AZ ST § 42-12004 >>

§ 42-12004. Class four property

A. For purposes of taxation, class four is established consisting of:

1. Real and personal property and improvements to the property that are used for residential purposes, including residential property that is owned in foreclosure by a financial institution, that is not otherwise included in another classification and that is valued at full cash value. The homesite that is included in class four may include:

- (a) Up to ten acres on a single parcel of real property on which the residential improvement is located.
- (b) More than ten, but not more than forty, acres on a single parcel of real property on which the residential improvement is located if it is zoned exclusively for residential purposes or contains legal restrictions or physical conditions that prevent the division of the parcel. For the purposes of this subdivision, “physical conditions” means topography, mountains, washes, rivers, roads or any other configuration that limits the residential usable land area.
2. Real and personal property and improvements to the property that are used solely as leased or rented property for residential purposes, that are not included in class one, two, three, six, seven or eight and that are valued at full cash value.
3. Child care facilities that are licensed under title 36, chapter 7.1 and that are valued at full cash value.
4. Real and personal property and improvements to property that are used to operate nonprofit residential housing facilities that are structured to house or care for persons with disabilities or who are sixty-two years of age or older and that are valued at full cash value.
5. Real and personal property and improvements that are used to operate licensed residential care institutions or licensed nursing care institutions that provide medical services, nursing services or health related services and that are structured to house or care for persons with disabilities or who are sixty-two years of age or older and that are valued at full cash value.
6. Real and personal property consisting of no more than eight rooms of residential property that are leased or rented to transient lodgers, together with furnishing no more than a breakfast meal, by the owner who resides on the property and that is valued at full cash value.
7. Real and personal property consisting of residential dwellings that are maintained for occupancy by agricultural employees as a condition of employment or as a convenience to the employer, that is not included in class three and that is valued at full cash value. The land associated with these dwellings shall be valued as agricultural land pursuant to chapter 13, article 3 of this title.
8. Real property and improvements to property constituting common areas that are valued pursuant to chapter 13, article 9 of this title.
9. Real and personal property that is defined as timeshare property by section 32–2197 and valued pursuant to chapter 13, article 10 of this title, except for any property used for commercial, industrial or transient occupancy purposes and included in class one to the extent of that use.

10. Real and personal property and improvements that are used for residential purposes, that are leased or rented to lodgers, except for:

(a) Property occupied by the owner of the property as the owner’s primary residence and included in class three.

(b) Property used for commercial purposes and included in class one.

B. Subsection A, paragraphs 4 and 5 of this section shall not be construed to limit eligibility for exemption from taxation under chapter 11, article 3 of this title.

<< Note: AZ ST § 42–5070 >>

Sec. 14. Joint legislative study committee on transient lodging; report; repeal

A. The joint legislative study committee on transient lodging is established consisting of the following members:

1. Three members of the senate who are appointed by the president of the senate, not more than two of whom are members of the same political party and one of whom shall serve as co-chair.
 2. Three members of the house of representatives who are appointed by the speaker of the house of representatives, not more than two of whom are members of the same political party and one of whom shall serve as co-chair.
 3. One member who uses a residential home as a short term rental through an online lodging marketplace, as defined in section 42-5076, Arizona Revised Statutes, as added by this act, and who is appointed by the president of the senate.
 4. One member who manages or operates a hotel, motel or bed and breakfast business and who is appointed by the speaker of the house of representatives.
 5. One representative of an association of cities and towns in this state who is appointed by the president of the senate.
 6. One representative of an association of counties in this state that represents county boards of supervisors and who is appointed by the speaker of the house of representatives.
 7. One representative of an online lodging marketplace, as defined in section 42-5076, Arizona Revised Statutes, as added by this act, and who is appointed by the president of the senate.
 8. One representative of a statewide lodging and tourism association who is appointed by the speaker of the house of representatives.
 9. One representative of a taxpayer organization in this state who is appointed by the president of the senate.
 10. One representative of a statewide association representing licensed real estate professionals who is appointed by the speaker of the house of representatives.
 11. One representative of a statewide multihousing association who is appointed by the president of the senate.
 12. One representative of a convention and visitor's bureau in this state who is appointed by the speaker of the house of representatives.
- B.** The committee shall consider current state and local government laws and regulations on the various types of accommodations used for the purposes of transient lodging. The committee shall consider the economic, business and consumer impact of the laws and regulations, including whether a regulation is the least burdensome to ensure compliance and whether there are viable alternatives for regulatory relief.
- C.** The committee may request industry data from relevant state agencies during an annual committee meeting to be held on or before September 15, 2017 and annually thereafter.
- D.** The committee shall submit a report of the committee's findings and any recommendations on or before December 15, 2017, and each year thereafter, to the president of the senate, the speaker of the house of representatives and the governor and provide a copy of this report to the secretary of state.
- E.** This section is repealed and the committee terminates for all purposes from and after December 31, 2020.

<< Note: AZ ST §§ 42-2003, 42-5005, 42-5009, 42-5010, 42-5014, 42-5070, 42-12003, 42-12004 >>

<< Note: AZ ST §§ 9-500.38, 11-269.15, 15-1650.01, 42-5076, 42-6009, 42-6013 >>

Sec. 15. Applicability; savings

A. This act does not affect the rights and obligations under any existing agreement to pay taxes to a taxing jurisdiction in effect before the effective date of this act.

B. This act does not entitle an online lodging marketplace, as defined in section 42-5076, Arizona Revised Statutes, as added by this act, to a refund of any taxes or fees collected and paid to a taxing jurisdiction before the effective date of this act.

<< Note: AZ ST §§ 42-2003, 42-5005, 42-5009, 42-5010, 42-5014, 42-5070, 42-12003, 42-12004 >>

<< Note: AZ ST §§ 9-500.38, 11-269.15, 15-1650.01, 42-5076, 42-6009, 42-6013 >>

Sec. 16. Effective date

This act is effective from and after December 31, 2016.

Approved by the Governor, May 12, 2016.

Filed in the Office of the Secretary of State, May 12, 2016.

End of Document

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From: [Cathy Steinberger](#)
To: [Lynelle Stanford](#)
Subject: STR discussions
Date: Tuesday, October 04, 2016 4:45:12 PM

Lynelle, Please forward this email to all parties I've listed. Thank you

To our Mayor, Town Manager, Town Council, Town Attorney and Finance Director,

As a home owner in Crested Butte and a Realtor, I feel the discussion about the STR issue should not be pushed through without further legal investigation and more community input. It's troubling that the majority of the Council has already obtained licenses, how can they be objective? They should all recuse themselves from any discussion, this is an obvious conflict of interest! Then what happens if there aren't enough Council Members to vote?

If the council and mayor are all running out to get in on the game, so should all the locals be able to as well. As I understand, about 90 people have applied just since this discussion started.

It was suggested that there shouldn't be a cap on local resident homeowners, I totally agree, especially for seniors. I have worked all my 39 years here and still it doesn't mean I'll be flush in retirement. It would be a comfort to have the option to rent my home now and then, instead of selling it.

Also, there could be unintended consequences as many homes and neighborhoods could sit dark if they no longer short term rent because quotas are filled. This would be very sad and would certainly change the character of our community. This will also turn away potential Buyers if they can't get a license. If they choose to buy elsewhere the Real Estate Transfer tax will go with them. We've already had several customers switch gears for fear of not having the ability to get a license. Limiting licenses is lost revenue to the town that short term rentals generate.

There are some points in the proposal about being in compliance with Town ordinances, safety issues, rules and regs that I can understand, but they should also apply to long term rentals, why should they be any different? There are long term rentals where the landlord lives elsewhere and has no local contact. Who will oversee the complicated quotas and new regulations, the Town will most likely have to hire a monitor.

Please don't rush to make decisions without careful consideration as this ordinance will have a tremendous impact on our Town. What about the rentals already in place for 2017. We have limited lodging in Town and home rentals accommodate families that could go to Mt. CB, Skyland, and outlying communities if there isn't the rental inventory here for them. More lost revenue.

Basically, it feels like you're in a hurry to push this through. It took years to decide on the Red Lady Round-About, the Center for the Arts, Sixth Street Station, Anthracite Place, a bus to CB South, Cypress Annexation, etc., yet this issue is moving at lightning speed – even Vinotok has had more discussion than this!

Thank you for your time.

Cathy Steinberger

615 Elk Ave.

970-275-6257cell

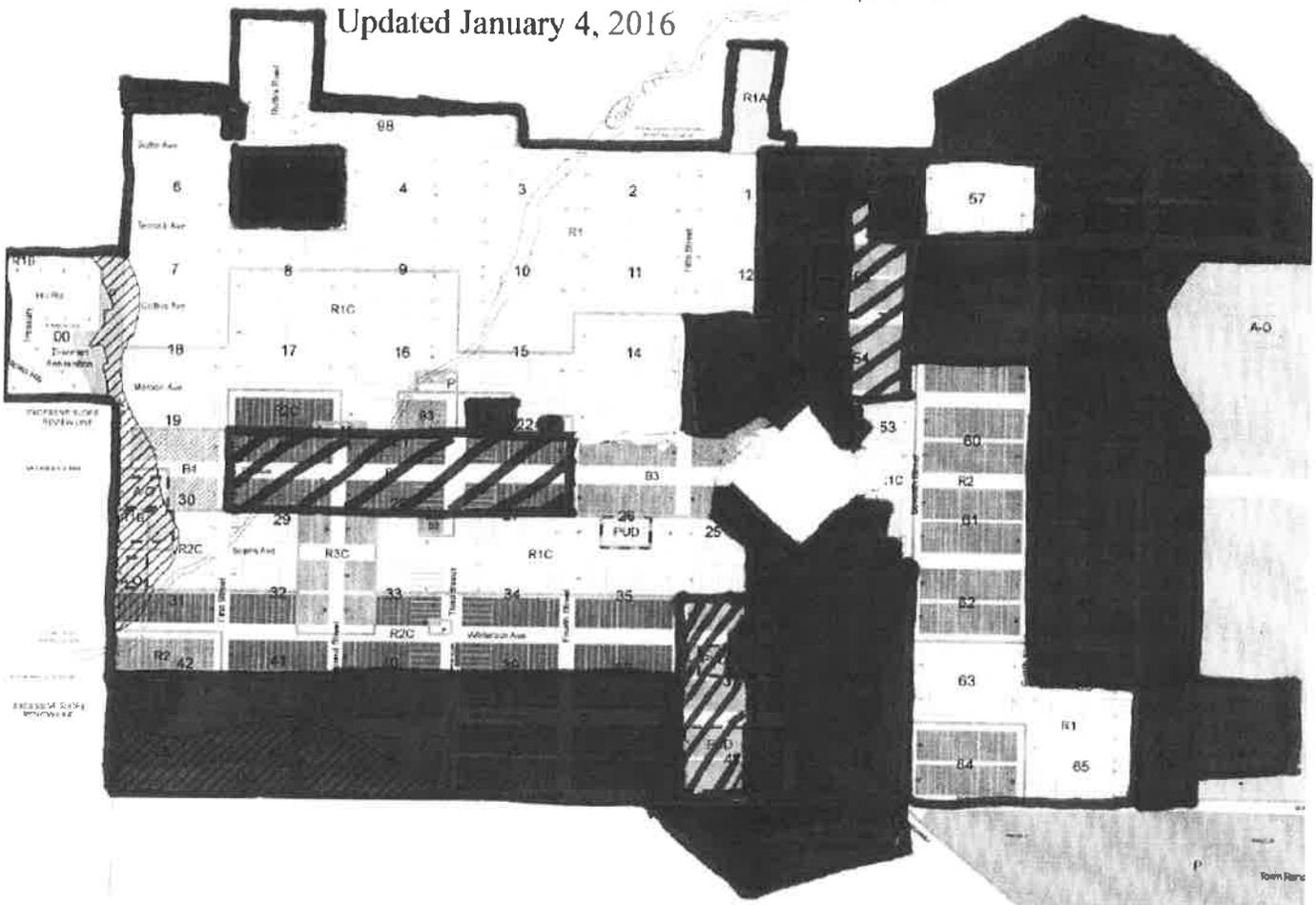
Dear Crested Butte Town Council Members,

We are writing to request that you not consider any new regulations regarding short term rentals in Town. We believe that over time, if too many people try to short term rent their properties, the market will adjust and fewer homeowners will decide to do so. However, if the Council decides that regulation is absolutely necessary, we think it would make more sense for the Town to enforce the regulations currently in the Town Code.

As far as we can tell, the current code only allows short term rentals in seven of the twenty zones in town. Short term rentals are currently allowed in the R1, R1A, R1C, R2, R2C, R3C, and B3 zones. They are also allowed on a very restricted basis in the B1 zone and the T zone.

Below is a map of town showing where short term rentals are currently allowed without restrictions (not blacked out) and where they are currently very restricted (striped) and where they are not permitted (blacked out).

TOWN OF CRESTED BUTTE, COLORADO.
GUNNISON COUNTY T14S,R86W
Updated January 4, 2016



Also, existing code already requires many of the licensing provisions which are being discussed. The language in the code is as follows:

Sec. 16-14-90. - Limitation on leasing.

(a) There shall be imposed a limitation on the short-term rentals of property as herein provided.

(b) In the "B1" District, no property shall be rented for a period shorter than one (1) month more than twice in any calendar year.

(c) In the "R1," "R1A," "R1C," "R2," "R2C," "R3C," and "B3" Districts, unlimited short-term rentals shall be allowed, provided that the owner obtains a revocable license for such use from the Town. Such revocable license shall be granted upon a showing of:

(1) Adequate parking;

(2) Receipt of required business licenses, including the business occupation license tax;

(3) Identification of a management contact person or entity within the County;

(4) Adequate rubbish storage and removal; and

(5) Adequate instruction to tenants regarding solid fuel-burning devices and parking restrictions.

(d) The terms and conditions of this Section shall not apply to Timesharing, Condo Hotels and Hotels or Lodges, as the same shall not be considered short-term rentals.

The Town has historically dealt with land use through zoning. There is no precedent for limiting the use of property by capping the amount of licenses across the community without regard to zone. We believe that the idea of capping the number of licenses would have a number of unintended consequences – some of which are foreseeable, and many of which probably are not.

If there is determined to be an issue with short term rentals, then we request that the Town Council enforce the code as it is written before considering additional restrictions on the properties in town.

Thank you for your consideration.

Sincerely,

Scott Truex and Lisa D'Arrigo
219 Gothic Ave.

The Crested Butte Mayor and Town Council
507 Maroon Avenue
Crested Butte, CO 81224

October 13, 2016

I am writing in response to the short term rental (STR) ordinance that is being proposed. I am a "second homeowner" and have been coming to Crested Butte for over 25 years. I have followed this issue closely and attended several town hall meetings and open forums on the issue, including the most recent meeting held September 26, 2016. My husband and I find the committee recommendations to be damaging, short sighted, inaccurate and rife with assumptions. It is hard to determine if the town and the committee are trying to tackle the challenge of long term rental (LTR) availability or attempting to address the conjured negative impact short term rentals have in the form of some imagined degradation of the local community spirit and character. What began as an issue of available LTR quickly turned into an issue of STRs eroding the Crested Butte culture and community- in my opinion a very big stretch.

In the summary paragraph of the committee findings, the glaring misrepresentation of the number of short term licenses issued from May to recently is completely misleading. We know the threat of a moratorium was the spring board for "regulation panic" to hit, and the locals snatched up licenses to protect their rights (shall I emphasize locals?). An interesting statistic to share would be the amount of short term rental licenses that are owned by locals and those owned by second homeowners.

I commend all the committee members for their work and diligence in tackling this emotionally charged challenge. While I recognize property managers were included and I respect their involvement on behalf of their clients, I feel you were remiss in not including at least one second homeowner. It is hard to truly represent all those affected without including us.

I would like to respond to the 4 main topics addressed:

- 1) Neighborhood impacts- I fail to see how this issue can be solely blamed on STRs. We spend over 3 months a year in our home and live just off Elk Avenue. At the risk of not directly indicting "locals", I could easily give you a list of addresses (with pictures) that I KNOW house locals and include a long list of infractions against "neighborly behavior". Our guests know all the rules and regulations including trash and parking and they observe the rules- I know because I pay a property manager to check on our home daily. The police have never been called in to handle a noise complaint, a bear has never had access to our garbage and we provide our guests with 3+ parking spaces as well as storage for bikes, strollers and toys. In addition, I strictly adhere to "one butt per bed" and never rent to more than 6 people. Owning a home comes with an inherent responsibility to preserve it and the last thing I want is a frat party residing in my home- for any length of time! I doubt the same can be said of properties that long term rent.

- 2) Community Impacts- Perhaps the biggest fallacy in the entire STR debate is that a decrease in STRs will equal an increase in LTRs. There has been NO data presented that shows any regulation of STRs resulted in a positive shift toward LTRs. The town needs to wake up and realize that even if you do not like it, it is a supply and demand economy that is dictated by market rates. The Thursday prior to the council meeting on the 26th, the CB newspaper had over 25 ads for long term housing, 19 of which were downtown. Of these, if there was one person per bed, the amount of locals housed would amount to 39, do the math for roomies doubling up. In addition, the savior Anthracite Place is still not fully occupied. Why? Because it is too expensive for locals without assistance and there has to be a certain return on investment for the development to be fiscally feasible. Second homeowners are no different- it would NEVER be fiscally feasible to long term rent a home that costs anything over \$500,000 or even lower. I short term rent my house to lose LESS money than if I did not rent it at all, not to make a profit. In addition, we enjoy sharing our home and Crested Butte with guests and we feel a house lived in is a healthier, more stable structure. Plus, we like to come to town several times a year and stay for a length of time- imagine that. We won't apologize for being second homeowners- we do what we have to do to enjoy CB as often as we can and that involves leaving CB to go to our other home and working to afford the time we have in CB. There is zero chance that our home (if regulated out of STR) would ever be in the LTR market and no one I have spoken with in our situation has said otherwise.

I find it particularly insulting that STRs are equated to impacts (negative impact is implied) on community character. I would be happy to give the council an accounting of the dollars we invest in the town, the on-going improvements and upkeep on our house, the activities we participate in, the amount of guests (family and friends) we host to share our wonderful town, the charities we donate to and the relationships we have created and continue to cherish. The reason we escape our primary city is to embrace and immerse in the benefits of the small town community and quirky character CB offers us, not to destroy it. And I assure you that is also the main reason the tourists continue to invest their hard earned money and time visiting here year after year.

- 3) Fairness- Seriously? Do you not see the hypocrisy in mandating and regulating and restraining STRs while nothing is being done to regulate LTRs? During the council meeting much was said about "protecting" the locals against a diminishing supply of rentals. But you claim you want to regulate STRs to "protect" the guests from potentially hazardous conditions, yet there are no regulations to protect the locals regarding the places they rent. In addition, all the regulations suggested I already have in place for my guests and are quite frankly, no brainers. My guests receive documents in advance of their arrival and all information is also in a binder in our home and they are well aware of all the town's regulations. My issue is not that the town wants to impose these logical standards but that LTRs do not have the same standards- THAT violates fairness. In addition, proposing to treat locals that rent out their homes short term any different than others can hardly be called fair.

4) Process- There appears to still be a lot of uncertainty about how to process, license, regulate, etc. That is understood at this early phase. I would suggest that a fully vetted plan be created and presented to the residents so they feel certain the town is capable of being the stewards of the license fees and mandates they are proposing.

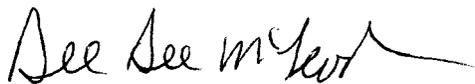
I do not think any studies or information presented to the town's residents have adequately and honestly exposed the true dollars affiliated with STRs. Sales tax is not the only revenue stream directly related to the STRs- there is sales tax spent in town, the dollars spent with the shops and restaurants, the air traffic to help keep up the traveler numbers so the airport can sustain, the dollars spent with property managers, landscapers, etc. that all combine to create quite a positive impact on the economic health of the community. A study in Chicago found that for every \$100 spent on STR, another \$69 was spent on food, \$24 on transportation, \$59 shopping and \$48 to entertainment. That equates to a 200% return of STR rental rates back to the community, not including sales tax! Those are astounding economic impact numbers that shouldn't be ignored or worse, withheld.

Regarding the recommendation to retract an STR license upon the sale of property, I suggest the council do more due diligence regarding the economic and legal impact such a restriction would place on the town. Every piece of real estate would be negatively impacted with such a restriction- primary and secondary home owners would suffer. In addition, there have been lawsuits filed and damages claimed on the loss of value of homes in other cities. Is the town really ready for such an uphill battle?

I would like to stress that my choice to rent my home, be it long or short term, is and should remain just that. If one of the options is taken away from me, there is nothing that will propel me to "choose door number 2" and switch to long term renting. Therefore my house would "go-dark" until it was in use by us and friends and family. I have had several conversations with others in our situation and all agree- they would simply remove their properties from ALL rental markets. This would push the rental market to areas south and north of town- Riverbend, Skyland, Larkspur, Buckhorn, CB South, and Mt. CB.

We purchased our home after spending our vacations in Crested Butte for over 25 years. We do not take our investment for granted- in our home or in the town of Crested Butte. We chose to purchase our second home here, not to profit off a rental (which is not even viable) but in planning for our future, when we can spend as much time as possible in our beloved Crested Butte as our work and family commitments in our primary town ease. The insinuation or assumption that by short term renting our house we are jeopardizing the serenity, character, charm and beauty of this town and our neighbors is simply absurd and quite frankly, insulting. I feel confident the elected officials of Crested Butte will give grave consideration to the damage that will ultimately result from such misguided endeavors.

Respectfully,



Dee Dee McLeod
305 Third Street
Crested Butte, CO 81224

From: [Reggie Masters](#)
To: [Lynelle Stanford](#)
Subject: STR points of town council
Date: Friday, October 14, 2016 8:22:03 AM
Attachments: [VRBO letter-2.pdf](#)

Please share the attached letter and this e-mail with the Town Council members, the Town Attorney, The Mayor, and the Town Manager.

I hold two jobs in town, as a realtor and a sales person in a small retail business.

Thank You,

Reggie



Each Office Is Independently
Owned and Operated. 

REGINA P. "REGGIE" MASTERS

Broker Associate, REALTOR®

(970) 349-5313 BUSINESS

(970) 349-6214 FAX

(970) 596-3568 CELL

reggiemasters@bighornrealty.com



BIGHORN REALTY

305 Sixth St. PO Box 100
Crested Butte, CO 81224

www.bighornrealty.com



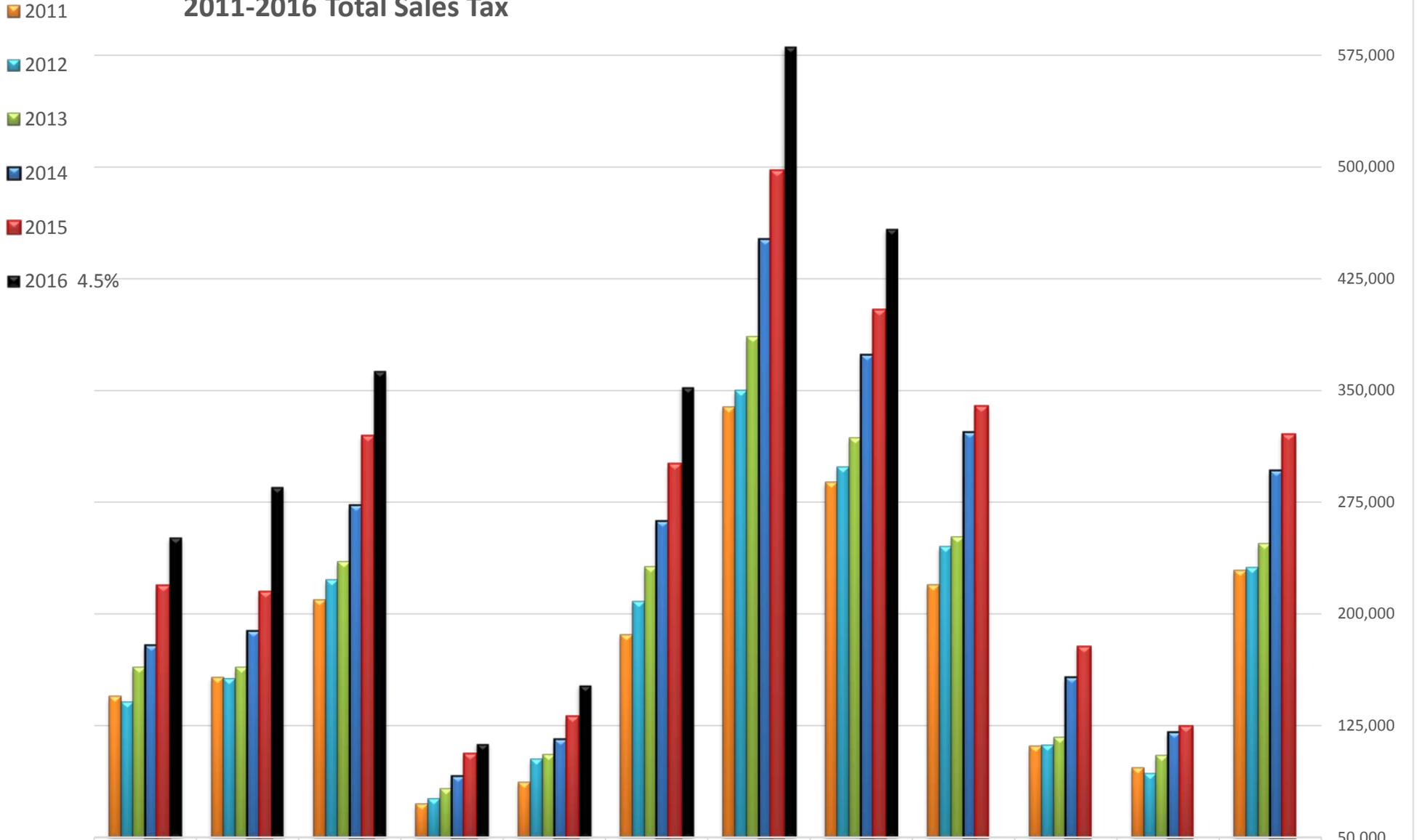
1. Visitors feel part of the community when staying in homes
2. Empty homes mean loss of work and income for restaurants, shops, housekeepers/cleaners
3. Dark houses are a negative in our community
4. You cannot take private property rights
5. Enforce the taxes collected on short term rentals
6. Without a proper hotel in CB, people have limited places to stay
7. Community has spent big bucks getting people here and getting our name known.
8. This doesn't make sense to promote if we don't have accommodation for them
9. Restricting short term rentals will NOT encourage long term rentals. Nobody is renting their million dollar home to locals. They want use of it themselves
10. You agreed to the publicity of Bud Light Whatever, and now want to limit the numbers of people in town?
11. Limiting short term rentals limits the number of people in town.
12. Tax them and collect the tax, but DO NOT limit the number of licenses.

| | % of YTD total 2016 | Actual 2016 | Actual 2016 v. Actual 2015 | *2016 adjusted | | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|-----------|---------------------|------------------|----------------------------|------------------|---------|------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | 4.5% | △ % | 4.0% | △ % | | | | | | | | | | |
| January | 10% | 251,413 | 14.9% | 223,478 | 2.2% | 218,747 | 178,551 | 164,184 | 140,874 | 144,719 | 140,101 | 160,880 | 176,523 | 174,827 | 163,832 |
| February | 11% | 286,108 | 33.4% | 254,318 | 18.6% | 214,516 | 188,357 | 164,402 | 156,639 | 157,612 | 144,899 | 154,777 | 176,016 | 170,840 | 168,818 |
| March | 14% | 363,802 | 13.9% | 323,380 | 1.3% | 319,359 | 272,671 | 235,215 | 222,821 | 209,508 | 192,397 | 190,312 | 204,826 | 219,530 | 205,882 |
| April | 4% | 114,240 | 8.0% | 101,547 | -4.0% | 105,814 | 90,956 | 82,841 | 75,955 | 72,536 | 69,893 | 70,535 | 92,042 | 92,237 | 88,071 |
| May | 6% | 153,340 | 17.1% | 136,302 | 4.1% | 130,937 | 115,762 | 105,719 | 102,728 | 86,876 | 82,799 | 86,761 | 93,502 | 107,435 | 99,837 |
| June | 14% | 352,891 | 17.5% | 313,681 | 4.5% | 300,276 | 262,233 | 231,505 | 208,541 | 186,343 | 168,318 | 173,948 | 186,660 | 192,340 | 184,335 |
| July | 23% | 580,710 | 16.7% | 516,186 | 3.8% | 497,527 | 451,420 | 385,817 | 349,992 | 339,212 | 313,088 | 280,628 | 289,756 | 295,911 | 287,881 |
| August | 18% | 458,834 | 13.5% | 407,852 | 0.9% | 404,099 | 373,804 | 318,141 | 298,802 | 288,719 | 253,153 | 247,169 | 274,770 | 259,652 | 246,720 |
| YTD | 100% | 2,561,338 | 16.9% | 2,276,745 | 3.9% | 2,191,275 | 1,933,755 | 1,687,824 | 1,556,353 | 1,485,525 | 1,364,650 | 1,365,010 | 1,494,096 | 1,512,771 | 1,445,377 |
| September | | | -100.0% | | -100.0% | 339,335 | 321,857 | 251,738 | 245,166 | 219,774 | 199,118 | 186,503 | 195,685 | 205,286 | 205,599 |
| October | | | -100.0% | | -100.0% | 177,946 | 157,098 | 117,220 | 111,921 | 111,103 | 107,695 | 98,120 | 127,093 | 111,956 | 115,367 |
| November | | | -100.0% | | -100.0% | 124,544 | 120,386 | 104,983 | 92,783 | 96,695 | 93,314 | 89,737 | 94,189 | 114,666 | 112,958 |
| December | | | -100.0% | | -100.0% | 320,326 | 296,299 | 247,107 | 231,055 | 229,511 | 211,084 | 197,395 | 213,908 | 231,452 | 227,710 |
| Total | | 2,561,338 | -18.8% | 2,276,745 | -27.8% | 3,153,426 | 2,829,395 | 2,408,871 | 2,237,278 | 2,142,608 | 1,975,860 | 1,936,765 | 2,124,971 | 2,176,131 | 2,107,011 |

*2016 Sales Tax total has been adjusted down -0.5% to 4.0% Sales Tax Rate to display a more accurate comparison with previous years

** Bold numbers reflect highest sales tax for that period

2011-2016 Total Sales Tax



| | January | February | March | April | May | June | July | August | September | October | November | December |
|-----------|---------|----------|---------|---------|---------|---------|---------|---------|-----------|---------|----------|----------|
| 2011 | 144,719 | 157,612 | 209,508 | 72,536 | 86,876 | 186,343 | 339,212 | 288,719 | 219,774 | 111,103 | 96,695 | 229,511 |
| 2012 | 140,874 | 156,639 | 222,821 | 75,955 | 102,728 | 208,541 | 349,992 | 298,802 | 245,166 | 111,921 | 92,783 | 231,055 |
| 2013 | 164,184 | 164,402 | 235,215 | 82,841 | 105,719 | 231,505 | 385,817 | 318,141 | 251,738 | 117,220 | 104,983 | 247,107 |
| 2014 | 178,551 | 188,357 | 272,671 | 90,956 | 115,762 | 262,233 | 451,420 | 373,804 | 321,857 | 157,098 | 120,386 | 296,299 |
| 2015 | 218,747 | 214,516 | 319,359 | 105,814 | 130,937 | 300,276 | 497,527 | 404,099 | 339,335 | 177,946 | 124,544 | 320,326 |
| 2016 4.5% | 251,413 | 286,108 | 363,802 | 114,240 | 153,340 | 352,891 | 580,710 | 458,834 | | | | |

| | | 2016 Adjusted DOWN 0.5% to 4.0% Sales Tax Rate | | | | | | | | | | | | | | |
|--|------|--|---------------|------------------|------|----------------|---------------|---------|---------|---------|---------|---------|---------|---------------|---------|--|
| | | Actual 2016 | Actual Δ % | 2016 ↓ adj | Δ % | Actual 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | |
| % of Total | | 4.5% | | 4.0% | | 4.0% | | | | | | | | | | |
| Bars & Restaurants | 36% | 165,193 | 23% | 146,838 | 9% | 134,554 | 125,543 | 107,086 | 100,572 | 94,167 | 78,100 | 75,236 | 77,768 | 74,102 | 71,887 | |
| Grocery Sales | 11% | 51,709 | 17% | 45,964 | 4% | 44,312 | 42,164 | 36,482 | 33,019 | 35,408 | 31,053 | 31,994 | 35,629 | 32,114 | 27,997 | |
| Retail | 29% | 134,365 | 11% | 119,436 | -2% | 121,560 | 135,242 | 109,424 | 107,521 | 97,661 | 89,249 | 87,571 | 100,506 | 90,688 | 91,038 | |
| Marijuana | 1% | 6,377 | -67% | 5,668 | -71% | 19,472 | | | | | | | | | | |
| Lodging | 10% | 46,145 | 25% | 41,018 | 11% | 36,970 | 28,693 | 27,663 | 22,344 | 20,635 | 18,856 | 18,132 | 16,077 | 18,155 | 16,392 | |
| Construction, Auto & Hardware | 7% | 31,319 | 12% | 27,839 | -1% | 28,018 | 22,536 | 21,138 | 19,836 | 25,839 | 19,861 | 19,275 | 27,384 | 28,130 | 25,327 | |
| Services (telephone, car leases, etc...) | 3% | 12,491 | 34% | 11,103 | 19% | 9,330 | 9,607 | 7,958 | 7,297 | 7,150 | 8,559 | 7,078 | 9,931 | 8,611 | 7,571 | |
| Other (Gas, Electric, etc...) | 2% | 11,235 | 14% | 9,987 | 1% | 9,883 | 10,020 | 8,389 | 8,214 | 7,859 | 7,475 | 7,883 | 7,476 | 7,853 | 6,509 | |
| Total | 100% | 458,834 | 14% | 407,852 | 1% | 404,099 | 373,804 | 318,141 | 298,802 | 288,719 | 253,153 | 247,169 | 274,770 | 259,652 | 246,720 | |

Year to Date

| | | 2016 Adjusted DOWN 0.5% to 4.0% Sales Tax Rate | | | | | | | | | | | | | | |
|--|------|--|---------------|------------------|------|----------------|-----------|-----------|-----------|-----------|-----------|-----------|---------------|----------------|-----------|--|
| | | Actual 2016 | Actual Δ % | 2016 ↓ adj | Δ % | Actual 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | |
| % of Total | | 4.5% | | 4.0% | | 4.0% | | | | | | | | | | |
| Bars & Restaurants | 34% | 860,951 | 20% | 765,290 | 7% | 717,563 | 629,660 | 551,389 | 507,064 | 468,144 | 421,462 | 413,180 | 437,984 | 435,866 | 410,681 | |
| Grocery Sales | 12% | 300,631 | 18% | 267,227 | 5% | 254,033 | 235,199 | 208,720 | 192,640 | 191,201 | 179,802 | 190,087 | 216,785 | 208,059 | 185,811 | |
| Retail | 25% | 646,306 | 16% | 574,494 | 3% | 559,044 | 580,908 | 493,703 | 460,216 | 429,069 | 399,595 | 384,725 | 422,785 | 439,012 | 441,354 | |
| Marijuana | 3% | 79,287 | -21% | 70,477 | -30% | 100,083 | | | | | | | | | | |
| Lodging | 10% | 251,605 | 25% | 223,649 | 12% | 200,558 | 161,197 | 140,783 | 117,818 | 116,119 | 98,549 | 91,205 | 92,208 | 87,859 | 91,728 | |
| Construction, Auto & Hardware | 8% | 199,669 | 14% | 177,484 | 1% | 175,616 | 144,556 | 133,050 | 129,476 | 131,794 | 122,300 | 132,222 | 161,256 | 190,298 | 158,858 | |
| Services (telephone, car leases, etc...) | 4% | 114,893 | 25% | 102,127 | 11% | 91,702 | 88,319 | 73,521 | 63,981 | 61,133 | 56,374 | 60,751 | 68,556 | 74,580 | 70,630 | |
| Other (Gas, Electric, etc...) | 4% | 104,748 | 13% | 93,109 | 0% | 92,675 | 93,915 | 86,658 | 85,159 | 88,065 | 86,568 | 92,839 | 94,522 | 77,097 | 86,315 | |
| Total | 100% | 2,558,090 | 17% | 2,273,858 | 4% | 2,191,274 | 1,933,754 | 1,687,824 | 1,556,353 | 1,485,525 | 1,364,650 | 1,365,010 | 1,494,096 | 1,512,771 | 1,445,377 | |

November 7, 2016Work Session – 2 hours needed

Budget

Letter of Support for Adaptive
Amendment to Sign Code
Amendment to Pre-Annexation Agreement
Loitering Ordinance

November 21, 2016Work Session

Snow Plan

Adoption of 2015 ICC Building Codes
Amendment to Parking Regulations
First Reading of Budget

December 5, 2016

Public Hearing and Adoption of Budget

Future Work Session Items:

- Camping @ Town Ranch (allow? Not allow? Allow camping in other places?)
- BLM and OBJ Campground/Seasonal Housing Shortage (this could be combined with others – especially the Affordable Housing item at the bottom of this list)
- Perimeter Trail – Update, timelines, costs, what does this look like when finished
- Land Trust and Town Preservation Priorities – basically a joint planning/discussion with the CBLT (maybe in Exec Session if they would like) to confer on the priority parcels identified by the CBLT and the priorities of the Town (for planning future open space acquisitions). Maybe even a discussion about purchasing trail easements.
- Elk Avenue Rule Set re: Private Clubs – the whole “private clubs on Elk Avenue” concern that was raised when Irwin obtained a private liquor license for the Scarp Ridge Lodge.
- Affordable Housing/Density/Workforce – Blk 79/80
- Double Basements & Condo Combines
- Drones
- Special Events
- Budget Work Sessions – October and November
- Speeding