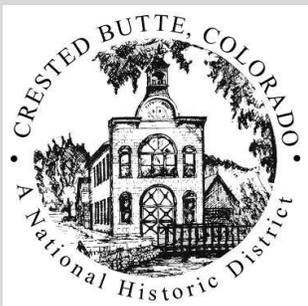


AGENDA
Town of Crested Butte
Regular Town Council Meeting
Monday, September 18, 2017
Council Chambers, Crested Butte Town Hall



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*

The times are approximate. The meeting may move faster or slower than expected.

5:00 WORK SESSION

1) Presentation and Discussion of the 2018 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) September 5, 2017 Regular Town Council Meeting Minutes.
 2) Appointment of Election Commission.
 3) Fall 2017 Creative District Grant Award.

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.

7:12 STAFF UPDATES

7:25 NEW BUSINESS

1) Ordinance No. 24, Series 2017 - An Ordinance of the Crested Butte Town Council Amending Chapter 6-2 of the Crested Butte Municipal Code Providing for a Temporary Reduction to Certain Portions of the Business and Occupation Licensing Tax for Fiscal and Calendar Year of 2018; and Providing the Automatic Repeal Thereof Effective on the First Day of January, 2019.

7:30 2) Ordinance No. 25, Series 2017 - An Ordinance of the Crested Butte Town Council Amending the Design Guidelines of the Town of Crested Butte for Accessory Dwellings in Front Yards.

7:40 3) Ordinance No. 26, Series 2017 - An Ordinance of the Crested Butte Town Council Authorizing the Lease of Various Town Residential Properties (Units 2 and 3, Town Ranch Apartments, 808 9th Street, Crested Butte Colorado) to Various Town Employees.

7:45 4) Approval of McCormick Ditch Water Purchase Agreement.

7:50 5) Presentation by Hilary Henry on Carbondale to Crested Butte Trail Plan.

8:00 6) Resolution No. 58, Series 2017 - Resolutions of the Crested Butte Town Council Approving a Water and Sewer Service Agreement for the Slate River Development with Cypress Foothills, LP.

8:20 LEGAL MATTERS

8:25 COUNCIL REPORTS AND COMMITTEE UPDATES

8:40 OTHER BUSINESS TO COME BEFORE THE COUNCIL

8:50 DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE

- Monday, October 2, 2017 - 6:00PM Work Session - 7:00PM Regular Council

- Monday, October 16, 2017 - 6:00PM Work Session - 7:00PM Regular Council 2
- Monday, November 6, 2017 - 6:00PM Work Session - 7:00PM Regular Council

8:55 **EXECUTIVE SESSION**

1) 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 the sale of the Brush Creek Parcel.

9:25 **ADJOURNMENT**



Staff Report

September 15, 2017

To: Mayor and Town Council
Thru: Dara MacDonald, Town Manager
From: Lois Rozman, Finance Director
Subject: **2018 Budget Work Session, September 18, 2017 at 5:00 pm**

Attached are the following budget documents for discussion as the work session:

- Street Fund – narrative, budget, 15 year plan & map showing major street paving projects the past couple of years as well as the general plan for the next major project in 2022
- Affordable Housing Fund – narrative & budget
- General Capital 5 year plan
- General Capital Fund – narrative & budget

The narratives presented with each budget is an integral part of the budget packet and describes the purpose of the fund and highlights of the proposed budget.

Staff would like to discuss the budgets in the order presented. Reminder, the work session begins at 5:00 and we would like to get through all of three funds in this work session.

STREET & ALLEY FUND 2018 BUDGET

The Street & Alley Fund came into existence in 1987 by virtue of a voter approved mill levy for the purpose of providing and maintaining the Town's streets, alleys and right-of-ways. The main source of revenue is property tax. Highway Users Tax from the State is also included in the Street & Alley Fund.

The Parking Fund is included under the Street & Alley Fund and its sole source of income is Parking in Lieu Fees. Parking in Lieu fees are collected on commercial building projects which are unable to comply with the required amount of parking for their business. Expenditures from the Parking Fund are for acquisition of additional parking which includes purchase of land and improvements to land in order to increase available parking. The Town has not budgeted for any Parking in Lieu fee collections for 2018 as there are no known projects which will be paying the fee at present.

Beginning with the 2015 budget, Council elected to put a small amount of the Street & Alley mill levy towards future needs as identified in the Transportation Plan. Revenues, expenditures and reserve for the Transportation Plan have been segregated out separately from the regular Street Fund.

REVENUE:

The total mill levy available for the Street & Alley Fund is 16 mills. This is adjusted annually to the amount needed taking into consideration current expenditures and the long-range 15 year plan. In the mid 1990's, the Town moved away from issuing debt and to saving up fund balance to do street projects. The 15 year plan helps lay the ground work for this philosophy and the adjusting of the mill levy to accomplish it.

The mill levy for 2018 is set to remain at the same 8.00 mills as in 2017. The amount of the mill levy set aside for the transportation plan needs increases from 1.000 mills in 2017 to 2.000 mills in 2018 and the amount to the regular street fund drops from 7.000 mills to 6.000 mills to maintain the 8.000 mill levy.

EXPENDITURES:

Personnel costs are based on 50% of the Public Works crew with the amount split 60/40 between snow removal and street maintenance. The remaining 50% of the Public Works crew personnel cost goes into the General Fund. 2018 wages have a projected 4% increase. The 15 year plan anticipated an additional employee and elimination of the seasonal snow removal position. The current budget draft includes this additional employee.

Paving Projects for 2018 include the paving of the right-of-ways on 4th Street between the alleys running adjacent to Elk Ave and increasing the size and paving of the 4-way parking lot (the 4-way lot project is a carry-over project from the 2017 budget).

Capital Equipment for 2018 is for the purchase of a new street sweeper.

Transportation Plan expense for 2018 is the design and engineering for the roundabout and the entrance to the school off of Highway 135. CDOT has yet to accept the project into their Statewide Transportation Improvement Plan (STIP), however, staff is recommending that the Town proceed with construction of the right turn ramp into the school parking lot in 2019. Because the project has yet to be accepted into the STIP we have pushed construction of the roundabout back one year to 2023. The right turn ramp should relieve substantial pressure on the Red Lady intersection while we await CDOT funding assistance for the full roundabout. By designing the entire project in 2018 we will know that the right turn ramp fits into the

overall project and also be “shovel-ready” should state or federal infrastructure dollars become available in the meantime.

Decision Points:

- Maintain the mill levy at 8.00 mills, reducing amount towards regular street projects and increasing the amount towards items identified in the transportation plan
- Additional employee (50% Street & 50% General) and elimination of seasonal snow position
- Continuing the paving of right of ways directly off of Elk Avenue
- Move forward on the design of the roundabout and school entrance

TOWN OF CRESTED BUTTE				
2018 BUDGET				
STREET & ALLEY	2016	2017	2017	2018
	ACTUAL	BUDGET	PROJECTED	BUDGET
REVENUE:				
TAX FROM MILL LEVY-Street	651,999	606,198	606,198	577,100
TAX FROM MILL LEVY-Transportation	43,285	86,600	86,600	192,367
INTEREST & PENALTIES	2,620	1,500	1,500	1,500
OTHER REVENUE	2,320	2,000	3,300	4,000
PARKING IN LIEU		0	13,000	
HIGHWAY USERS TAX	50,797	52,865	50,774	51,274
INTEREST INCOME	2,776	2,500	2,500	3,500
TOTAL REVENUE	753,797	751,663	763,872	829,741
EXPENSES:				
SNOW REMOVAL-LABOR	69,163	93,000	134,000	102,227
R&M STREETS-LABOR	83,969	60,333	87,000	66,485
SNOW REMOVAL-SEASONAL LABOR	9,438	20,000	20,000	
FICA	12,302	13,260	18,437	12,906
HEALTH INSURANCE	40,383	32,039	32,039	38,001
RETIREMENT	13,177	14,197	14,197	12,946
UNEMPLOYMENT INSURANCE	16	520	723	506
WORKMANS COMP INSURANCE	7,816	7,700	7,000	8,500
R&M STREETS-SUPPLIES	19,579	35,000	35,000	35,000
SIDEWALK REPAIR/MAINT	1,297	20,000	15,000	20,000
WEED SPRAY-RIGHT OF WAY	1,800	3,000	2,800	3,000
PARKING LOTS	2,191	2,000	2,000	2,000
ENGINEERING	9,640	25,000	15,000	15,000
PAVING PROJECT	125,925	771,000	550,000	262,500
STORM WATER PROJECT	10,186	30,000	20,000	10,000
SPILL RESPONSE	0	1,500	0	1,500
FUEL	16,151	25,000	35,000	30,000
R&M VEHICLES	18,385	40,000	25,000	20,000
SNOW REMOVAL-SUPPLIES/CONTRACT	15,318	40,000	115,000	40,000
STREET SIGNS	2,989	4,000	4,000	4,000
STREET LIGHTS	690	2,500	2,500	2,500
DAMAGE LIABILITY	0	5,000	5,000	5,000
TREASURER FEES	16,790	24,248	24,248	26,931
CAPITAL EQUIPMENT	24,998	0		200,000
ROUNDBOUT/SCHOOL ENTRANCE ENG.				250,000
OTHER EXPENSES	1,398	4,000	4,000	4,000
TOTAL EXPENSES	503,601	1,273,297	1,167,943	1,173,002
EXCESS REVENUE OVER(UNDER) EXPENSES	250,196	(521,634)	(404,071)	(343,261)
FUND BALANCE	1,916,605	1,310,371	1,414,934	1,131,305
SNOW REMOVAL CONTINGENCY	100,000	100,000	100,000	100,000
PARKING IN LIEU FUND BALANCE	12,160	10,160	23,160	21,160
DESIGNATED FOR TRANSPORTATION	279,966	366,566	366,566	308,933
2018 Project/Capital Detail:				
Paving Projects:				
Pave & increase size of 4-way lot	\$225,000			
4th Street ROW (head in parking)	\$37,500			
Total Paving Project	\$262,500			
Capital Equipment:				
Street Sweeper	\$ 200,000			

Equipment/Projects:

Snowblower 2023	\$	200,000
Street Sweeper 2018	\$	200,000
Motorgrader 2022	\$	225,000

Paving Project 2018:

Pave 4-way parking lot	\$	225,000
ROW Paving (4th & Elk)	\$	37,500

Paving Project 2019:

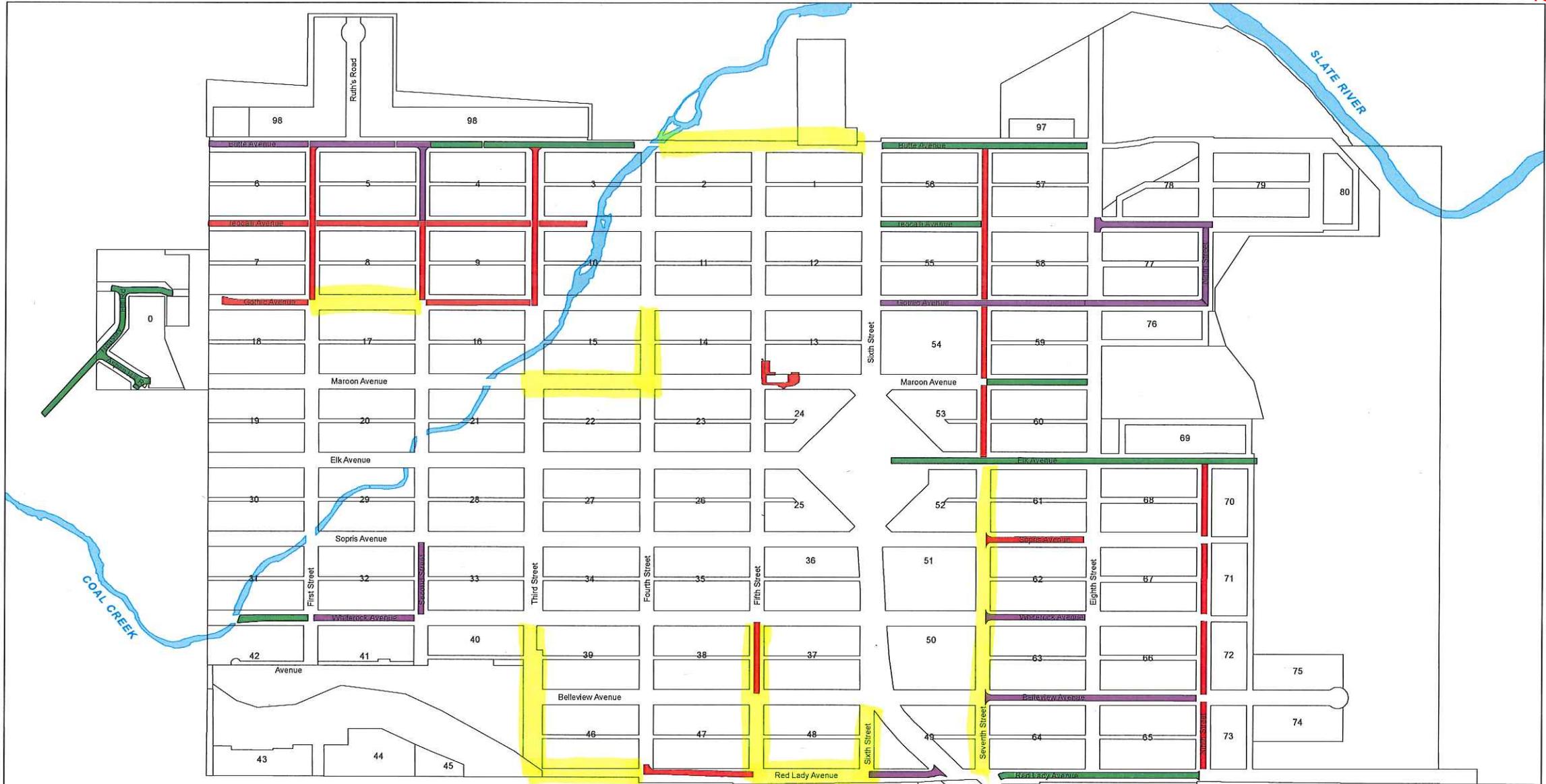
Paving 1/2 blocks on 5th	\$	40,000
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Transportation Plan Expenses:**2018**

Roundabout/School Entrance Design	\$	250,000
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2019

School Entrance from 135	\$	400,000
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Paving Projects
Town of Crested Butte, Colorado

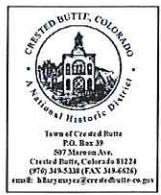
2015 Chip & Seal
 Blocks

2016 Slurry Seal
 Rivers

2017 FDR
 2022 FDR







AFFORDABLE HOUSING FUND 2018 BUDGET

The purpose of the Affordable Housing Fund is for the advancement of lower priced housing stock in Crested Butte. Over the years, the gap between worker's wages in the Crested Butte area and the price of housing has significantly widened. The Town of Crested Butte has been active on many fronts in an effort to help ease this issue.

2017 Changes:

Affordable Housing Payment in Lieu fees are lower than budgeted. 2017 fees were budgeted to be up from 2016, however, the building market was slower than anticipated. Block 79/80 had 7 lot builds begin including a new single-family rental for Town employees in partnership with the Crested Butte Community School. This project has been a successful model of involving students in the construction trade as well learning principles of design. The project is expected to come in over the original budget, however well under the cost of free market construction. Of the 8 lots that were sold in the 2016 lottery, 6 broke ground and are completed or slated to be completed by the end of the year. The sale of the remaining 2 lots should close in 2018 and begin construction.

Unfortunately, with the departure of the Gunnison Valley Regional Housing Authority Executive Director, the planned 8 unit duplex build was delayed for a year. This is predominately due to the GVRHA inability to secure construction financing during the hiring of a new executive director.

The Town also purchased a Poverty Gulch Unit out of foreclosure. This unit will be sold by the end of the year but the Town will have invested more funds to remodel the unit and to secure the unit out of foreclosure than will be recouped from the sale of the unit.

2018 Budget

Revenue:

The main source of revenue is an inter-fund transfer along with the housing payment in lieu fees. These fees are collected on both residential and commercial building projects. Fees for 2018 are budgeted to be similar to 2016 actual collections which is up a little from the anticipated 2017 collections.

The 2018 budget anticipates the closing of the last 2 lots in blocks 79 & 80, Paradise Park subdivision. No revenue is projected for the transfer of four lots to the GVRHA for the facilitation of the construction of 8 for sale units (4 duplexes) in the coming year. The Town would retain one of these units as an employee rental unit. Discussions with the School District are ongoing about the possibility of their purchasing one of these units in 2018 for use as an employee rental. Conversations are also ongoing with the Fire District and Mt. Express in hopes that they will be able to participate in future years.

Expenditures:

Line items with significant increases:

- Affordable Housing Taps – (this is the 2/3 difference between a deed restricted tap-in fee and a regular tap-in fee) – 2018 anticipates up to 11 taps; 1 ADU, 2 lot builds in Block 79/80, and 8 unit GVRHA project
- Housing Authority – Town's share of GVRHA cost, up due to the newly executed amended IGA with the Housing Authority
- Town Rental Build – The Town has budgeted \$250,000 to retain 1 of the 8 GVRHA duplex builds for a rental for a Town employee

- GVRHA Build- \$50,000 to assist with having an owner's rep act as the general contractor for the 4 duplex builds (8 units). The Town will also be contributing 4 lots in Blocks 77, 79, & 80 for the duplexes.

Decision Points:

The proposed budget anticipates one affordable housing project for 2018. Staff needs confirmation from the Council on proceeding on the following project:

- GVRHA Duplex Builds - the Town will be assisting the GVRHA with the construction of 4 duplexes or 8 units. 2 units will be retained for employee rentals for the Town and possibly the School District. The other 6 units will be for sale units in a lottery held by GVRHA. The GVRHA will be administering a \$2 million construction loan through Funding Partners. The Town will need to contribute \$50,000 to assist with the GVRHA hiring of an owners rep for the duration of the construction of the units. The Town staff and GVRHA will be issuing a competitive RFP for the construction of the units prior to the end of 2017.
- The proposed budget draws the Affordable Housing fund balance into a deficit position. The Town will need to infuse a minimum of \$116,000 into the fund in order to meet the proposed budget and maintain the \$25,000 minimum fund balance required in the Town's Financial Policy. The additional funding may come from the Sales Tax Fund, the General Capital Fund or the General Fund. Council will need to decide which fund to take the additional money from or to cut projects from the proposed budget.

TOWN OF CRESTED BUTTE				
2018 BUDGET				
AFFORDABLE HOUSING	2016	2017	2017	2018
	ACTUAL	BUDGET	PROJECTED	BUDGET
REVENUES:				
AFFORDABLE HOUSING PMT IN LIEU	46,562	60,000	30,000	45,000
PARADISE PARK LOT SALES	195,000	190,000	90,000	100,000
DUPLEX/RANCH HOUSE-RENTS	32,655	35,280	34,000	38,000
RED LADY ESTATE RENT	7,235	5,220	5,220	5,220
PARADISE PARK - UNIT SALES			110,320	
INTEREST INCOME	613	100	300	300
OTHER/GRANTS	3,088			
CONTRIBUTION FROM RESERVE				
TOTAL REVENUE	285,153	290,600	269,840	188,520
EXPENSES:				
LEGAL FEES	9,627	10,000	15,000	10,000
AUDITING	750	1,000	855	1,000
INSURANCE	3,761	4,000	4,115	4,800
AFFORDABLE HOUSING TAPS	47,565	233,340	96,000	132,000
TRAVEL & EDUCATION	1,423	1,500	900	1,500
DEED RESTRICTED UNIT PURCHASE			133,528	
UTILITIES	1,839	3,800	1,800	2,200
HOUSING AUTHORITY	48,000	55,000	55,000	58,000
HOUSING PROJECT BUILD/GVRHA		25,000	8,000	50,000
HOUSING PROJECT DESIGN	3,820			
TOWN RENTAL BUILD		130,000	160,000	260,000
SPACE TO CREATE	0	15,000	2,830	0
BLOCK 79/80 INFRASTRUCTURE	248,986		0	
HOUSING MAINTENANCE	30,598	15,000	8,000	12,500
NEEDS ASSESSMENT	13,073		0	
OTHER EXPENSES	1,409		15	300
TOTAL EXPENSES	410,851	493,640	486,043	532,300
REVENUE OVER(UNDER) EXPENSES	(125,698)	(203,040)	(216,203)	(343,780)
FUND BALANCE	469,487	394,287	253,284	(90,496)

TOWN OF CRESTED BUTTE						
CAPITAL FUND 5 YEAR PLAN	Projected					
	2017	2018	2019	2020	2021	2022
GENERAL CAPITAL BREAKOUT:						
REVENUES						
TRANSFER TAX/GEN CAP	575,000	550,000	525,000	525,000	550,000	550,000
USE TAX	170,000	170,000	170,000	170,000	170,000	175,000
INTEREST	5,000	6,500	7,500	10,000	10,000	10,000
CEMETERY FEES	4,000	4,000	4,000	4,000	4,000	4,000
OTHER REVENUE	22,054	19,000	20,000	22,000	25,000	25,000
GRANTS	55,121	31,800				
DEBT/LEASE PROCEEDS					160,000	
CONTR. TRANSPORTATION - BUS STOP	100,000					
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TOTAL REVENUES	931,175	781,300	726,500	731,000	919,000	764,000
FIXED EXPENDITURES						
PROPERTY/CASUALTY INS	34,620	35,275	38,803	42,683	46,951	51,646
AUDIT	4,702	5,500	6,500	7,000	7,000	7,500
USE TAX RETURNS	10,000	35,000	40,000	40,000	50,000	50,000
BUILDING/PROP MAINT	140,000	107,000	100,000	100,000	100,000	100,000
CEMETERY	10,000	10,000	7,500	7,500	7,500	7,500
STEPPING STONES MAINTENANCE	1,500	1,500	1,500	1,500	1,500	1,500
OTHER	3,000	3,000	4,000	4,000	4,000	4,000
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TOTAL FIXED GENERAL CAPITAL EXPENSES	203,822	197,275	198,303	202,683	216,951	222,146
CAPITAL EQUIPMENT PURCHASES	104,300	192,030	67,233	132,965	236,613	80,443
CAPITAL LEASE PAYMENTS	79,754	53,061	119,000	44,000	11,300	45,300
CAPITAL PROJECTS	600,000	901,500	230,000	50,000	50,000	50,000
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TOTAL CAPITAL PURCHASES	784,054	1,146,591	416,233	226,965	297,913	175,743
TOTAL CAPITAL EXPENSES	987,876	1,343,866	614,536	429,648	514,864	397,889
NET GENERAL CAPITAL REVENUE(EXPENSES)	(56,701)	(562,566)	111,965	301,352	404,136	366,111

TOWN OF CRESTED BUTTE						
CAPITAL FUND 5 YEAR PLAN	Projected					
	2017	2018	2019	2020	2021	2022
PARKS/TRAILS BREAKOUT:						
REVENUE						
SALES TAX - PARKS	424,008	428,331	432,614	441,267	454,505	468,140
From Reserve - Whatever USA	43,000		171,164			
Contribution-Transportation Fund	5,000	5,000	5,000	5,000	5,000	5,000
Grants/Fundraising			3,047,000	45,000	260,000	260,000
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TOTAL REVENUES	472,008	433,331	3,655,778	491,267	719,505	733,140
FIXED EXPENDITURES						
PARK MAINT LABOR	300,250	334,543	347,925	361,842	376,315	391,368
EMPLOYEE TAXES/BENEFITS	101,631	112,168	121,141	130,833	141,299	152,603
PARKS MAINT SUPPLIES	80,665	45,500	45,000	45,000	45,000	45,000
PORTABLE TOILETS	6,000	6,000	7,000	7,000	7,000	7,000
FLOWERS/SHRUBS	10,000	10,000	10,000	10,000	10,000	10,000
TREE PROJECTS	2,500	2,500	2,500	2,500	2,500	2,500
DOGGIE DOO PROJECT	3,600	3,500	3,500	3,500	3,500	3,500
WEED MANAGEMENT	3,000	3,000	3,000	3,000	3,000	3,000
HOLIDAY DECORATIONS	3,500	3,500	4,000	4,000	4,000	4,000
TOTAL FIXED EXPENSES	511,146	520,711	544,066	567,674	592,615	618,971
CAPITAL EQUIPMENT PURCHASES	97,000	118,000	149,000	63,000	74,000	30,000
CAPITAL PROJECTS	57,701	54,500	2,693,333	1,231,667	350,000	700,000
TOTAL CAPITAL PURCHASES	154,701	172,500	2,842,333	1,294,667	424,000	730,000
TOTAL CAPITAL EXPENSES PARKS/TRAILS	665,847	693,211	3,386,399	1,862,341	1,016,615	1,348,971
NET PARKS/TRAILS REVENUE(EXPENSE)	(193,839)	(259,880)	269,379	(1,371,075)	(297,110)	(615,832)
NET FUND BALANCE	3,276,488	2,454,042	2,835,386	1,765,663	1,872,689	1,622,968
Whatever USA for Big Mine	171,164	171,164				
Total Draw on Fund Balance	(250,540)	(822,446)	381,344	(1,069,723)	107,026	(249,721)
Other Unscheduled Project Requests	3,195,000					

Grants/Fundraising breakdown

	2018	
GCEA Franchise (Solar Panels)	\$	24,000
Law Enforcement Motorcycles	\$	7,800
	2019	
Warming House - Grants	\$	950,000
Warming House - Fundraising	\$	2,050,000
Gothic Raw Water - Grant	\$	47,000
	2020	
GOCO - Henderson Playground	\$	45,000
	2021	
GOCO - Skatepark	\$	260,000
	2022	
GOCO - Campground	\$	260,000

GENERAL CAPITAL (“CAPITAL”) FUND 2018 BUDGET HIGHLIGHTS

The General Capital Fund, more commonly called Capital Fund, is comprised of the Open Space Fund and the Capital Fund. Additionally, the Capital Fund portion is broken down between general capital expenses and parks capital expenses. The main sources of revenue for the Capital Fund are real estate transfer tax, use tax and sales tax. Included with the Capital Fund budget is the 5 year capital plan.

OPEN SPACE FUND:

Revenue for the Open Space Fund is Real Estate Transfer Tax (“RETT”). For 2017, RETT is projected to be \$575,000. The budget for 2018 is \$550,000. Expenditures from the Open Space Fund include \$1,000,000 for the Trampe project and \$21,000 for Open Space Maintenance and easement monitoring and reporting. The Open Space Maintenance line item includes \$13,000 for Youth Corps to come and work on various trails on Town open space.

CAPITAL FUND:

2017 Changes:

- Real Estate Transfer Tax is projected to be \$575,000, up from the \$550,000 budgeted.
- The closing on the Trampe Open Space transaction anticipated for 2017 will not occur until 2018
- Cypress annexation land purchase won’t happen until 2018
- Personnel costs below budget as not fully staffed for the entire year
- Projects/purchases over budget include:
 - Transit Center (added solar panels)
 - Jokerville Memorial Project (fencing cost)
 - Park Maintenance (Big Mine Arena roof snow removal)
- Projects/purchases under budget include:
 - Town Hall window replacement (project moved to 2019, change in windows)
 - Town Hall foundation repair (bid significantly less than budget)
 - Old Rock Library, rock tuck pointing (only did areas needed rather than planned entire upper portion on building)
 - Building Maintenance (not enough staff time to accomplish all desired projects)

2018

Revenue:

The ½% sales tax specifically passed for Parks and Trails is budgeted for a 1% increase. There is no additional sales tax contribution projected for the Capital Fund. Real Estate Transfer Tax is budgeted at \$550,000, the same as for Open Space, and automobile and building materials use tax is budgeted to be up the same as 2017 revenue.

Expenditures:

- Personnel is tentatively budgeted for a 4% increase in wages
- Health insurance rates increased 5.5%
- Capital equipment purchases include a new patrol car, 2 Zero motorcycles, 3 pickup trucks and 1 electric truck (all replacement vehicles), z-turn mower, irrigation smart clocks and 2 fixed post speed alert signs.
- Carry-over projects from 2017 include the Wayfinding Signage project and the Dirt Jump/Bike Park.
- Capital projects include:
 - Cypress annexation land purchase
 - Public Works yard retaining wall and fencing
 - Bricks along the 100 block of Elk Avenue

- Avalanche Park Campground planning
- Building Capital projects include ADA lift for Old Town Hall, Library furnace replacement, Old Town Hall flooring, Town Hall Community Room flooring and shoring up the shed in the 3rd & Elk parking/snow storage lot

Decision Points:

- Are the projects presented in the budget what the Council desires Staff to continue to proceed with

TOWN OF CRESTED BUTTE					
2018 BUDGET					
GENERAL CAPITAL	2016	2017	2017	2018	
	ACTUAL	BUDGET	PROJECTED	REQUEST	
OPEN SPACE:					
Revenue:					
TRANSFER TAX-OPEN SPACE	700,128	550,000	575,000	550,000	
GRANT REVENUE/OTHER	1,200	1,200	1,200	1,200	
DEBT PROCEEDS		2,115,000	0		
CONTRIBUTION FROM RESERVE-OPEN SPACE		508,914	0		
Total Open Space Revenue	701,328	3,175,114	576,200	551,200	
Expenses:					
OPEN SPACE TRUST	0	1,000,000		1,000,000	
OPEN SPACE MAINT/ADMIN	6,500	20,114	20,114	20,900	
MT EMMONS PROJECT		2,110,000	0	0	
Total Open Space Expenses	6,500	3,130,114	20,114	1,020,900	
CAPITAL:					
Revenue					
SALES TAX-CAPITAL	99,967	0	0	0	
USE TAX-AUTOMOBILE	70,815	58,000	70,000	70,000	
USE TAX-BLDG MATERIAL	98,688	100,000	100,000	100,000	
TRANSFER TAX-GEN CAP	700,128	550,000	575,000	550,000	
INTEREST INCOME	5,025	3,500	5,000	6,500	
DEBT/LEASE PROCEEDS	169,750				
CONTR. SALES TAX - TRANSPORTATION		100,000	100,000		
SALE OF EQUIPMENT	19,277		6,054	3,000	
CEMETERY FEES	5,085	4,000	4,000	4,000	
GRANTS-DEPOT	40,125		33,121		
GRANTS-OTHER		40,000	22,000	31,800	
OTHER REVENUE	16,030	16,000	16,000	16,000	
Total Capital Revenue	1,224,890	871,500	931,175	781,300	

TOWN OF CRESTED BUTTE					
2018 BUDGET					
GENERAL CAPITAL	2016	2017	2017	2018	
	ACTUAL	BUDGET	PROJECTED	REQUEST	
Expenses					
AUDITING	4,650	5,500	4,702	5,500	
USE TAX RETURN	7,595	35,000	10,000	35,000	
DEBT SERVICE PRINCIPAL	64,386	76,140	76,140	51,378	
DEBT SERVICE INTEREST	4,324	3,614	3,614	1,683	
INSURANCE	19,694	29,483	26,620	33,275	
DAMAGE LIABILITY	0	2,000	8,000	2,000	
MARSHAL CAPITAL EQUIP	48,353	56,800	56,800	101,030	
CAPITAL EQUIPMENT	248,787	83,500	47,500	91,000	
CEMETERY	14,917	25,000	36,000	10,000	
STEPPING STONE-MAINT	1,500	1,500	1,500	1,500	
BUILDING/PROPERTY MAINT	167,150	160,800	140,000	107,000	
BUILDING CAPITAL PROJECTS				259,000	
MARSHALS BUILDING HEAT SYSTEM	9,637				
TOWN HALL LOWER LEVEL REST ROOM	53,642				
WAYFINDING SIGNAGE		75,000	7,000	77,500	
TOWN HALL UPGRADES		236,000	81,000		
OLD ROCK LIBRARY TUCKPOINTING		50,000	20,000		
DEPOT RENOVATION	128,649	24,000	24,000		
4-WAY TRANSIT/BATHROOMS		400,000	422,000		
CYPRESS - LAND PURCHASE		350,000	0	350,000	
EMERGENCY CENTER DESIGN		55,000	0		
PUBLIC WORKS YARD FENCING				50,000	
PUBLIC WORKS RETAINING WALL		10,000	10,000	125,000	
TRAIL KIOSKS	4,883	10,000	10,000	10,000	
BRICKS ON 100 BLOCK ELK				25,000	
PEDESTRIAN BRIDGES				5,000	
OTHER EXPENSES	1,786	3,000	3,000	3,000	
Total Capital Expenditures	779,953	1,692,337	987,876	1,343,866	
PARKS					
Revenue					
SALES TAX - PARKS	416,530	408,322	424,008	428,331	
CONTRIBUTION RESERVE "WHATEVER USA"	85,836	43,000	43,000		***
CONTRIBUTION-TRANSPORTATION FUND	5,000	5,000	5,000	5,000	*
GRANTS/FUNDRAISING	6,000	0	0	0	
Total Parks Revenue	96,836	456,322	472,008	433,331	
Expenses					
WAGES - FULL TIME	184,409	208,657	195,000	202,043	
WAGES - SEASONAL	72,574	117,280	92,000	118,000	
TRAILS WAGES		4,750	4,750	5,500	
OVERTIME	10,568	8,000	8,500	9,000	
FICA	20,429	25,910	22,969	25,593	
HEALTH INSURANCE	50,575	58,553	54,653	61,248	
RETIREMENT	12,144	15,194	12,138	13,120	
UNEMPLOYMENT INSURANCE	649	1,002	871	987	
WORKERS COMPENSATION INSURANCE	10,486	13,119	11,000	11,220	
PARK MAINT SUPPLIES	48,858	45,000	80,665	45,500	
PORTABLE TOILETS	5,080	7,000	6,000	6,000	
TREE PROJECT	2,500	2,500	2,500	2,500	
FLOWERS & SHRUBS	8,012	10,000	10,000	10,000	
DOGGIE DOO PROJECT	4,629	2,500	3,600	3,500	

TOWN OF CRESTED BUTTE					
2018 BUDGET					
GENERAL CAPITAL	2016	2017	2017	2018	
	ACTUAL	BUDGET	PROJECTED	REQUEST	
WEED MANAGEMENT	3,806	3,000	3,000	3,000	
PARK CAPITAL EQUIPMENT	63,226	97,000	97,000	118,000	
PARK MAINT PROJECTS	12,589		4,701	5,000	
ELK AVE HOLIDAY LIGHTS	3,451	3,500	3,500	3,500	
BIG MINE PARK	85,836	43,000	43,000		
TENNIS COURTS SIDEWALK	28,189				
DIRT JUMP/BIKE PARK	20,533	15,500	10,000	5,500	
AVALANCHE PARK - PLANNING	15,000			15,000	
TOMMY V RESTROOM SOLAR PANELS				24,000	
BAXTER GULCH BRIDGES				5,000	
Total Park Capital Expenses	628,010	681,465	665,847	693,211	
REVENUE OVER(UNDER) EXPENSES	-86,237	-1,045,980	-250,540	-822,446	
FUND BALANCES:					
GENERAL CAPITAL	3,484,028	2,481,048	3,276,488	2,454,043	
BUILDING MAINTENANCE FUND	141,799	141,799	141,799	141,799	
HEATING SYSTEM REPAIR FUND	241,573	241,573	241,573	241,573	
WHATEVER USA (BIG MINE)	214,164	171,164	171,164	171,164	
OPEN SPACE FUND:					
OPEN SPACE TRUST	956,362	472,448	1,512,448	1,022,748	
CONSERVATION EASEMENT STEWARDSHIP	160,000	180,000	180,000	200,000	
*Contribution from Transportation Fund is for snow removal at the bus stops					
***Contribution Reserve "Whatever USA" is using part of the \$300,000 given in 2014 for Big Mine Projects					

Equipment/Projects 2018	
Marshals Capital Equipment:	
Patrol Car	62,030
Zero Motorcycles (2)	<u>39,000</u>
Subtotal	<u>101,030</u>
Capital Equipment:	
Facilities Vehicle (with tool boxes)	42,000
Fixed post speed alert signs (2)	9,000
Barricade Truck Replacement	<u>40,000</u>
Subtotal	<u>91,000</u>
Park Capital Equipment:	
Z-turn Mmower	52,000
Bike Racks/Benches/Bleachers	5,000
Pickup Truck (light duty)	32,000
Irrigation Smart Clocks	33,000
Electric Vehicle (trash truck)	25,000
Subtotal	<u>147,000</u>
Park Projects:	
Skate Park Repairs	5,000
Subtotal	<u>5,000</u>
Capital Projects:	
<u>Building Capital Projects:</u>	
Library Furnace Replacement	14,000
ADA lift in Old Town Hall	200,000
Old Town Hall flooring (Mtn Theatre)	21,000
Town Hall Community Room Floor	9,000
3rd Street Shed (behind Pita's)	<u>15,000</u>
SubTotal Building Capital	259,000
Avalanche Park Campground Planning	15,000
Baxter Gulch Trail Bridges	5,000
Trail Kiosks	10,000
Tommy V Restroom Solar Panels	24,000
Bike Park/Dirt Jump Project	5,500
Cypress -- land purchase	350,000
Public Works Yard Fencing	50,000
Public Works Retaining Wall	125,000
Wayfinding Signage	77,500
Total Capital Requests:	921,000

MINUTES
Town of Crested Butte
Regular Town Council Meeting
Tuesday, September 5, 2017
Council Chambers, Crested Butte Town Hall

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

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

Staff Present: Town Manager Dara MacDonald, Town Attorney Barbara Green, and Community Development Director Michael Yerman

Public Works Director Rodney Due, Finance Director Lois Rozman, Parks and Recreation Director Janna Hansen, Chief Marshal Mike Reily, and Town Clerk Lynelle Stanford (for part of the meeting)

APPROVAL OF AGENDA

Michel stated that item #1 under New Business was removed from the agenda.

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

CONSENT AGENDA

1) August 21, 2017 Regular Town Council Meeting Minutes.

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

PUBLIC COMMENT

David Leinsdorf

- Was present on behalf of Friends of Brush Creek regarding the proposal of 240 units.
- The Board of County Commissioners appeared to think they could sell the property, in which Town had an interest, without Town's or public scrutiny. He thought it had to go in front of the Council in a public meeting, and it seemed the County disagreed. He wanted Town to look into it.
- It was inappropriate to sell the property without public process.

Sue Navy

- She was organizing groups to coordinate another Slate River clean-up day.

- She recalled that Town funded the BBQ after the clean-up last year, and she hoped the Town could fund again this year.
- She invited all to participate.

STAFF UPDATES

Lynelle Stanford

- Reminded the Council of the review of the Town Manager on September 12th, the orientation/info session for Council candidates on September 21st, and the drawing for the ballot order tomorrow at 9AM.
- Mentioned upcoming special events.

Rodney Due

- Budgeted for an additional custodial position for the later part of the year. However, the need was great for a facilities maintenance position, and the salary for that position would be slightly higher. The person would help out with custodial and day-to-day maintenance.
- Foundation work on the building would begin on Monday.
- There would be a water outage on Maroon Avenue between 7th and 8th Streets for a service repair.
- Other projects were running on schedule.
- Merck questioned the location of the entrance to the Center for the Arts.
- Schmidt questioned the completion date for the bathrooms at the Four-Way, and Due thought they would be completed by the end of the month.

Janna Hansen

- Arbor Day would be celebrated on September 14th.
- Had been working with Rocky Mountain Trees for trees at the Pitas Lot.
- Accepting Recreation Supervisor applications until Friday.

Mike Reily

- The undersheriff, who assisted with Reily's transfer from Louisiana, retired.
- He had officers who attended crises intervention training with the aid of funding from the State.

Michael Yerman

- Crested Butte Hotel received its final BOZAR approval. Agreements would come before the Council.
- Asked that Council discuss under Other Business the scheduling of a joint meeting on September 28th at 6PM with the Mt. Crested Butte Council and CBMR to talk about paid parking. Michel confirmed that he meant they would discuss the meeting and logistics, not the addition of paid parking.

Dara MacDonald

- The Four-Way lot would not be surfaced with asphalt this year. Grading would likely begin next week.
- Referred to an email she sent last week on the Fair Campaign Practices Act, related to the potential ballot question.
- The County received the sketch plan for the Brush Creek Proposal. The County Attorney was drafting a purchase and sales agreement, which would be brought to the Council.
- Erica Mueller was spearheading the effort and committee to fill airline seats in January, and she was looking for a volunteer to serve on the committee. Merck said that he would serve, and the Council agreed.
- Mentioned that there had been discussions between neighbors and the Vinotok Council of moving the Vinotok fire in future years. The Vinotok Council expressed willingness to continue the discussion after this year's event.

PUBLIC HEARING

1) Ordinance No. 23, Series 2017 - An Ordinance of the Crested Butte Town Council Approving the Lease of a Portion of the Property at 308 Third Street to The Corporation of the Rocky Mountain Biological Laboratory at Gothic.

Michel and Schmidt recused themselves, and they left the room. Mayor Pro Tem Mason assumed the Mayor's seat.

Mason confirmed proper public notice had been given. MacDonald said there had been no changes from first reading, and there were no substantive changes to the lease. Mason asked for comments from both the applicant and public. No one was present who wanted to comment. The public hearing was closed. There was no further Council discussion.

Merck moved and Mitchell seconded a motion to pass Ordinance No. 23, Series 2017. A roll call vote was taken with all voting, "Yes," except for Michel and Schmidt who did not vote. **Motion passed unanimously.**

Michel and Schmidt returned to the meeting.

NEW BUSINESS

1) Bid Award of Town Hall Front Door Replacement Project.

Removed from the agenda.

2) Vinotok Special Event Application and Special Event Liquor Permit for September 22, 2017 in the 100 Block of Elk Avenue, Closure from 8AM on September 22 to 4AM on September 23 and September 23, 2017 in the 200 Block of Elk, Closure Starting at 5AM Throughout the Day, Then Rolling Closure on Elk During the Processional Starting at 7:00PM, and the Chamber Parking Lot Closed All Day September 23 Until the Clean Up is Concluded on September 24.

Stanford referred to three staff reports, from Reily, MacDonald, and herself that were included in the packet and confirmed the technical aspects for the application had been fulfilled to recommend approval. Reily affirmed there was a comfort level moving forward that they would construct the fire the same as the plan. MacDonald acknowledged there had been a trust issue, but the event organizers showed commitment to honor what was agreed upon last February around parameters of the fire. Staff was comfortable moving forward as proposed. She re-affirmed that Reily had full authority to stop the fire if there was any deviation from the plan, which was reiterated by Michel reading Section 4G from MacDonald's staff report. Petito questioned the disallowance of fire spinners as mentioned in Stanford's staff report. Michel confirmed there were no fire spinners.

Petito moved and Mitchell seconded a motion to approve the Vinotok special event application and special event liquor permit. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

3) Presentation by the Crested Butte Fire Board of Directors on a Ballot Question for the November Election.

Mike Miller was present on behalf of Crested Butte Fire. He stated that the difficulty of finding volunteers was a nation-wide trend. Additionally, they experienced a 45% decrease in their assessed valuation at the same time that they hired people. Miller explained that special districts did not receive sales tax revenue, and the current mill levy was not sufficient. He described what they would do with increased revenue.

Miller introduced Paul Hird, Jack Dietrich, Chris McCann, and Ric Ems. He proceeded to review the numbers that would be affected by the tax increase. Schmidt questioned if they were de-Bruced. Miller said they were not. Miller explained the boundaries of the territory that determined who could vote on the mill levy question. Michel asked for the reason it was so important. Miller referred to points he had made regarding volunteers. Hird summarized that they had to start hiring people, and it was becoming more and more difficult to retain volunteers. Hird also mentioned the ability to compete in hiring with departments that had larger budgets.

Mason asked how much they intended to bring in yearly with the mill levy increase and whether the 3.5 mill levy request had considered new projects that were being built. Miller thought it was hard to predict. Hird stated the new revenue would allow the EMS division to provide 24-hour coverage with advanced life support. They didn't know on the fire department side.

Merck was in complete support of the increase. Michel thanked them for their work and wished them luck with their proposal. Lastly, Miller reviewed who could vote in a special district election.

4) Review by Town Attorney Barbara Green of the Annexation Process.

Green referred to her memo in the packet and the reason for the agenda item. Town had a pre-annexation agreement with Cypress. Cypress would convey parcels to the Town, and the parcels had to be annexed. She explained what the County had approved. The public would be hearing at the concept annexation request, and once they were through the concept annexation request, the quasi-judicial part of the process would start. Green confirmed there would be two parallel processes, one of which was legislative and one would be quasi-judicial. There would be a full-blown public process in regard to the annexation. However, the essentials had been approved in the pre-annexation agreement.

Schmidt was concerned the process was front-loaded for the developer. Green acknowledged that Council had not yet agreed to extend water and sewer services. Yerman explained the process related to the VCUP within specific parcels. Petit asked if there would be covenants. Green reviewed agreements that had been made. She thought the County's approval appeared regular. Green elaborated that their approval was based on the extension of water and sewer service. Schmidt questioned the processes for annexing Avalanche Park, which Yerman explained. Green summarized that she wanted to clarify what the County had approved that was within the Town.

5) Resolution No. 56, Series 2017 - Resolution of the Crested Butte Town Council Submitting to the Registered Electors of the Town at the Election to be Held on November 7, 2017 a Ballot Issue and Title Concerning an Excise Tax on the Price Charged to any Person for a Vacation Rental and Using the Revenues for Affordable Housing Programs.

MacDonald provided background related to the agenda item. She stated that the County-wide measure did not progress, and the Council was prepared with Plan B. She reviewed history of multiple discussions on short-term rentals and that the topic of affordable housing had been intertwined with short-term rentals. They recognized the loss in long-term rentals that were available had been impacted by short-term rentals.

MacDonald stated the tax would be 5% of the vacation rental, and she explained how the amount that would be generated was estimated. There was a short discussion related to ROAH. Michel confirmed this tax would not affect the hotel base or the bed and breakfasts in Town. MacDonald, responding to Michel, explained the differences between a short-term rental and a hotel rental, such as that hotels were subject to commercial property taxes and IBC standards and that a vacation rental was a residential unit that was being short-term rented. Schmidt wondered if a whereas clause should be added to the resolution that referred to the fact that vacation rentals were taxed at a different rate than hotels. Green said it would be sufficient, if the Council approved tonight, to add a few words to the approval rather than to the resolution. MacDonald said it could be articulated for the record. There was a discussion around the definition of vacation rental.

Michel urged the Council and the community to support. Schmidt thought it was absolutely essential; it was for housing in this Town. It created a level playing field since

vacation rentals were not taxed like commercial. Petito identified that dedicated funding was the biggest problem for affordable housing. The tax would pay for demand on services and for the need for employees created by short-term rentals. Mitchell voiced her support. Ladoulis supported the source of funding. He wanted to define what they wanted to accomplish rather than leave as much open for interpretation later. The idea of having more workers in the community was something everyone could support.

Schmidt moved and Merck seconded a motion to approve Resolution No. 56, Series 2017 for the reasons stated above. A roll call vote was taken with all voting, “Yes.” **Motion passed unanimously.**

6) Resolution No. 57, Series 2017 - Resolution of the Crested Butte Town Council Adopting Vacation Rental License Fees for the Fiscal Year 2018.

Yerman informed the Council the fee was meant to be equitable. It would be used to cover the operating inspection and collection regime. He estimated the total amount generated would be about \$160K a year. Ultimately, Staff wanted to provide great customer service. Yerman described costs and the proposed yearly fees. Ladoulis questioned the proportion of fees between the two license types. Michel confirmed that Yerman felt the fees were representative to the administration. MacDonald stated they had to show the nexus and validate the relationship. Yerman recognized there were substantial start-up costs. Merck thought people would drop out from the unlimited license if they had to pay \$1,500 to start and the fees were high. Ladoulis identified the differences between taxes and fees. His issue was the ratio between unlimited and primary residence license fees. Mitchell acknowledged it was a significant jump, but short-term renting had been at the wrong price for a long time. Yerman said a big aspect was the public notice. Mason asked the Council if anyone was concerned about someone who just wanted to rent out his or her home for 5 or 6 days. Yerman wouldn’t want to raise the \$750 for unlimited, but they could drop the cost for primary residences. Mason would like to see the \$250 drop. Yerman said there was some play in the \$250. MacDonald said the fiscal impact would be small to reduce from \$250 to \$200. They would know more a year from now. Yerman explained the timing of when the fees would be due.

Schmidt moved and Mitchell seconded a motion to amend Resolution No. 57, Series 2017 to keep the \$750 for unlimited vacation rental licenses and set the primary residential vacation rental licenses for \$200. A roll call vote was taken with all voting, “Yes,” except Merck voted, “No.” **Motion passed.**

LEGAL MATTERS

Green listed items on which she had been working.

COUNCIL REPORTS AND COMMITTEE UPDATES

Jim Schmidt

- Mentioned the ceremony on September 29th for the dedication of the Jokerville site.
- Attended a CDOT presentation. He talked with them about the Brush Creek intersection. He said that they were reactive rather than proactive. He updated that CDOT would roto mill on 6th Street, after Due had talked to them.
- Attended Coal Creek Coalition meeting. They would start the project on the mine tailings at the Gunsight Bridge loop. They were selling firewood to campers and using the funds for the outhouses.

Chris Ladoulis

- He would report regarding the Parking Committee at the next meeting.

Roland Mason

- They did not have a quorum for the RTA meeting. They discussed that there were only three direct flights into Gunnison. It was up in the air what would happen with airline bookings. They relied on the Houston market. He explained promotions they were running.

Paul Merck

- There was a lot of talk about the Conservation Corp. Private businesses were coming together to sponsor portapotties and trashcans at trail heads.

OTHER BUSINESS TO COME BEFORE THE COUNCIL

Yerman informed the Council that Interstate Parking presented to the (parking) committee concerning paid parking. The committee wanted the audience of the Council, the Mt. Crested Butte Council, and CBMR to listen to solutions as related to paid parking. The committee didn't want to make a recommendation to the Council for which there would be no support. The user experience was paramount for both municipalities to participate. Ladoulis stated it was an educational process. The work session would be at 6PM on September 28th. Michel confirmed the committee recommended the presentation.

Schmidt brought forth Brush Creek. Crested Butte asked for public meetings to shape what would go there. He thought they needed to make comments on the proposal to be certain it followed the County's LUR rules. He wanted to see the contract when Town received it. Green recalled that the Town Council voted to approve the proposal submitted by Gatesco for how the parcel would be developed. She described the make-up of the subcommittee that selected the Gates proposal to bring back to their respective bodies. She updated the Council on processes that were happening. Green explained that the County was the sole owner of the property, and the Town was a party in the memorandum of agreement (MOA). There were no other public processes other than the communities accepting the proposal. The Council approved proceeding in negotiations. MacDonald said the purchase agreement would become public to direct negotiators. Green said they were meeting tomorrow to understand. The applicant submitted an application for sketch plan approval. The Town could make official referral comments

that were part of the record. Green said nothing had happened since July. MacDonald affirmed that Town could be outvoted by the other parties. Green said they would look at if the applicant fulfilled the County's criteria. Green explained the content of the MOA. It did not require consensus. The County would be seeking assent to the purchase agreement. Michel summarized that the Council was aware and concerned about the Brush Creek Parcel, and he asked Staff to be vigilant in monitoring the process. Mason questioned if any aspect of the process would be quasi-judicial to the Council. Ladoulis recognized potential traffic impacts. Green acknowledged that this developer did not ask for subsidies from the community. Schmidt recalled past emphasis on parking that had now changed to housing.

Mason recalled there was a vending machine at the Four-Way. He asked if one would go back in the completed transit center. MacDonald said they did not intend to replace it. The Council did not direct Staff to pursue.

Petito brought up Sue Navy's request for funding for the BBQ after the Slate River clean-up day. Ladoulis thought it was a wonderful idea for the grant cycle. MacDonald confirmed Council had exhausted the discretionary fund.

DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE

- Monday, September 18, 2017 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, October 2, 2017 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, October 16, 2017 - 6:00PM Work Session - 7:00PM Regular Council

Michel reminded the Council of the parking meeting, manager review, and possible budget workshop for the 26th.

EXECUTIVE SESSION

Michel read the reason for 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) on the water and sewer agreement with Cypress Foothills, LP.

Schmidt moved and Merck seconded a motion to go into Executive Session for the purposes stated by the Mayor. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

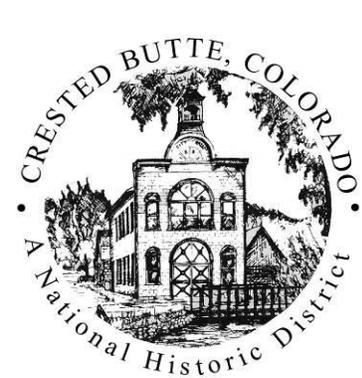
The Council went into Executive Session at 9:35PM. The Council returned to open meeting at 10:06PM. Mayor Michel made the required announcement before returning to open meeting.

ADJOURNMENT

Mayor Michel adjourned the meeting at 10:07PM.

Glenn Michel, Mayor

Lynelle Stanford, Town Clerk (SEAL)



Staff Report

September 18, 2017

To: Mayor and Town Council
Thru: Dara MacDonald, Town Manager
From: Lynelle Stanford, Town Clerk
Subject: **Appointment of Election Commission**
Date: September 11, 2017

Summary:

Section 2.4 of the Town Charter requires the appointment of two qualified Town electors to serve on the Election Commission. Town is participating in a November 7, 2017 coordinated mail ballot election with Gunnison County. The County handles many of the responsibilities of the election such as providing ballots and determining election results. Attached for your information is Section 2.4 of the Town Charter regarding the Election Commission.

Recommendation:

Appoint Town of Crested Butte electors Carmen Bell and Cathy Steinberger to the Election Commission. Both have agreed to appointment.

Recommended Motion:

Motion to appoint Carmen Bell and Cathy Steinberger to the Election Commission as part of the Consent Agenda.

Section 2.2. Municipal Elections.

General municipal elections shall be held on the first Tuesday in November in odd-numbered years. Any special municipal election may be called by resolution or ordinance of the Council at least thirty (30) days in advance of such election. The resolution or ordinance calling a special municipal election shall set forth the purpose or purposes of such election. Polling places for all municipal elections shall be open at least from 7:00 A.M. to 7:00 P.M. on election day. (Rev. Ord 12, 2004, 11/2/04)

Section 2.3. Election Precincts.

The Town shall constitute one voting precinct, provided that the Council may for the convenience of voters, establish additional precincts thirty (30) days or more prior to any election, by ordinance. The precincts so established by ordinance shall remain for subsequent elections until otherwise provided by ordinance. The Council shall determine the maximum number of electors for each precinct, and each precinct shall be as substantially equal in the number of electors as practicable.

Section 2.4. Election Commission.

An Election Commission is hereby created, consisting of the Town Clerk and two (2) qualified and registered electors of the Town, who during their term of office shall not be Town officers or employees or candidates or nominees for elective Town office. The elector-members shall be appointed by the Council thirty (30) days prior to each regular Town election for a term of one (1) year, and shall serve without compensation. The Town Clerk shall be chairman. The Election Commission shall have charge of all activities and duties required by it by statute and this Charter relating to the conduct of elections in the Town. In any case where election procedure is in doubt, the Election Commission shall prescribe the procedure to be followed.

The Commission shall provide procedures to establish proof of residency qualification where residency is in question. Upon a showing of good cause, the Commission may require proof of residency by any person registered to vote or attempting to register to vote in the Town, in which case, said person shall not be qualified to vote in any municipal election until the commission is satisfied that reasonable proof of residency has been presented.

The Election Commission shall provide for ballots and sample ballots or voting machines, for determination of the winner in the event of a tie vote, for canvass of returns and for issuance of appropriate certificates.

Section 2.5. Recall.

Any elected officer of the Town may be recalled at any time after six months in office by the electors entitled to vote for a successor of such incumbent through the procedure in the manner provided for in Article XXI of the Constitution. Consistent with the Constitution and this Charter, the Council may provide by ordinance for further recall procedures.

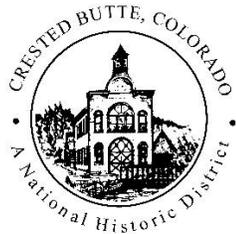
Section 2.6. Nonpartisan Elections.

All elections shall be nonpartisan. No candidate for any municipal office shall run under a party label of any kind.

Section 2.7. Voluntary Campaign Spending Limits.

(a) Applicability. This Section 2.7 applies to all authorized elections within the town for Mayor and members of the Town Council.

(b) Definitions. For purposes of this section, unless the context otherwise requires:



Staff Report

September 18, 2017

To: Mayor Michel and Town Council

From: Hilary Henry, Open Space/Creative District Coordinator

Thru: Michael Yerman, Community Development Director

Subject: Fall 2017 Creative District Grant Awards

Background:

The Creative District invited applications for grants up to \$3,500 for new creative projects to highlight, market, and enhance the physical space of the Crested Butte Creative District. This was the Creative District's fourth grant cycle, with applications due on August 18th.

The Creative District received thirteen (13) applications, totaling \$34,815 in funding requests. The Commission had allocated \$5,000 in this grant cycle.

The Events, Education and Projects, subcommittee met on August 21st to review grant applications. Emily Rothman, Melissa Mason, Jeff Taylor, and Don Seastrum were present for the grant selection meeting. Hilary Henry was present as a staff member.

Based on the subcommittee report, the Commission recommended funding Nicolas Reti and Ivy Walker's "History of Art in Crested Butte" application for \$3,500 at their September 6th Commission meeting. The Commission has placed the following conditions on the award:

1. The funding will be used to hire local creatives for the reasons listed on page 1 of the grant application EXCEPT the acquisition and shipping of artwork. Funds will not be used for administrative costs or project management costs.
2. The project team will finalize a partnership with a museum or library in order to ensure the long-term protection of the archive prior to their exhibition in December.
3. The exhibition in December will display the Crested Butte Creative District logo near the exhibit and in all marketing materials.

Recommendation:

Council makes a motion to fund the selected project for \$3,500.

Crested Butte Creative District Fall 2017 Creative Community Grant

Project Name: The History of Art in Crested Butte

Project Description: Uncover, Discover & Archive the History of Art in Crested Butte.

Since May 2017, we have been working on an umbrella project that collects, preserves, shares and honors the history of art in the Crested Butte Valley. Through research, we are discovering art objects and identifying individuals whose oral and written histories collectively tell the story of how the past has shaped our creative community of today. Acquiring and preserving these concrete examples of our community's history will build a resource for future generations.

It is our goal to curate an exhibition "*The History of Art in Crested Butte*" to coincide with the opening of the new Center for the Arts next year in the Center's new gallery.

In this first stage of research, new discoveries are being made weekly! Every conversation with living artists and community members has led to additional discoveries. We are compiling lists of resources and artists to interview and identifying artworks for additional research and/or for exhibition. The breadth and quality of research we are conducting requires that we plan over a year in advance.

We are requesting funding of \$3500 from the Crested Butte Creative District which would collaboratively help fund the following objectives:

Hire local creatives to:

- *research historical artists; online, in regional and national institutional collections*
- *compile oral, written & video histories of living artists; locally and nationally*
- *acquisition of and shipping works for the exhibition*
- *photographing artworks and research for archival purposes*
- *build an archive of supporting documents; 1880's newspapers, geological surveys, photographs*
- *preserve artwork and research in an archival manner*
- *curate the exhibition itself, create marketing and presentation*

This project to build a new archive of research would create:

- *community awareness, knowledge and pride about our regions creative history*
- *income opportunities for local creatives to create and contribute content*
- *educational resources, research projects and opportunities*
- *provide resources for regional tourism associations for promotional ideas and materials*
- *options for multi-organization collaborations, i.e. CFTA, CB Museum & historical organizations*
- *inspire and provide a foundation for many future exhibitions*

Project Location

To share our initial research with the community and to create awareness about our project, we will create a display on view at the Oh Be Joyful Gallery for the holiday season in December 2017 including at ArtWalk. This display will serve as a sneak peek into the exhibition itself including:

- Research narratives
- Written findings, such as newspapers or highlights from the Hayden Geological Survey
- Historical objects and/or reproductions of artworks .

We will use the display to identify additional collaborations, educate the public about our findings and introduce the upcoming larger exhibition in 2018. The physical display pieces will be created in such a way as to be reused in the final exhibition itself.

In 2018, the full exhibition will take place in the new Center for the Arts with possible coinciding or future exhibitions at the Oh Be Joyful Gallery and the Crested Butte Mountain Heritage Museum.

Community Engagement and Accessibility

The entire community will be able to engage with the fascinating story told by this exhibition in a variety of ways including:

- exhibition at the Center for the Arts
- a website archive, with images, recordings, videos and an interactive timeline
- lecture series including art history and geology lectures
- participation in a community art show
- smaller satellite exhibitions at the Oh Be Joyful Gallery or other locations

To introduce our project and look for ways to partner in the upcoming years to secure artworks and both showcase and archive the research, we have met with the following organizations:

- the Center for the Arts
- Steve Glazer Community Exhibition committee
- Crested Butte Mountain Heritage Museum
- Western State Colorado University Savage Library staff and professors
- Denver Public Library USGS Research Librarian

Creative Information

Research and curatorial efforts are directed by Nicholas Reti, local Art-cheologist and owner of Oh Be Joyful Gallery. Nicholas has compiled months of research and purchased a small number of historical prints and photographs to build the foundation for the project. Highlights and discoveries thus far include investigations into the Hayden Geological Surveys and several of the artists and photographers that accompanied the survey into the Elk Mountains. These artists and mapmakers produced photographs, drawings and engravings of our area that include some of the earliest widely produced visual images of the American West.

Local artist, Peggy Morgan Stenmark has also volunteered hours researching historical newspapers from Gothic, Crested Butte and Irwin to inform a vision of working artists in the late 1800s. She is compiling newspaper stories about live-theater, music, and culture of the early mining communities. This research has taken place in the Western State Colorado University Savage Library archives.

Another local creative, Ivy Walker, is employed as a project manager to organize the collection of information, coordinate meetings, conduct research, and project direction.

Contact Information

Nicholas Reti 720-301-0082 nreti@hotmail.com

Ivy Walker 970-275-1875 ivykwalker@yahoo.com

Oh Be Joyful Gallery, PO Box 453, Crested Butte, CO 81224

Eligibility

In order to be eligible for a Small Grant the following must be true.

By checking the box you agree that:

- X I will share my work with the Crested Butte community through public presentation or performance.
- N/A I have completed all final reports for previous Crested Butte funding.
- X I agree to acknowledge the Crested Butte Creative District and the Town of Crested Butte in all advertising and public display of my work.
- X I agree to the terms of the grant award.

Budget continued.... (page 2 of 4)

Future Projected Expenses

Research Fee \$15/hr x 5 hours x 20 days **\$ 1,500**

Audio/Video recording \$180/hr x 8 hours **\$ 1,440**

Post production - \$ 40/hr x 16 hours **\$ 640**

Project Manager \$20/hr Sept 1 - Dec 31, 2017 **\$ 564**

Travel Research Expense **\$ 1,500**

Gilcrease Museum, Tulsa, Oklahoma - Denver USGS archive, Denver, Colorado, USGS archive, Reston, Virginia

Western State Savage Library, professors, Gunnison, Colorado - Ute Museum, Montrose, Colorado - Steel Mill, Pueblo, Colorado

Photography of Art 36 x \$8 per object **\$ 288**

Build an online Archive of Supporting Documents **\$ 3,000**

Archiving and Preservation (matching existing expenses) **\$ 160**

Presentation **\$ 8,600**

36 objects @ \$150 per object \$ 5,400

Wall Tags and Signage \$ 500

Information Kiosks 3@\$400 \$ 1,200

Produce Lecture Series 3 @\$500 \$ 1,500

Marketing **\$ 3,000**

Advertising \$ 1,500

Printing and Publications \$ 1,500

Identified Art to Acquire **\$ 14,802**

Hayden Atlas of Colorado, 1877 \$ 4,000

The Surveyors – Oil painting by Ralph Oberg \$ 6,000

Historical Photos \$ 2,000

Matching Acquisition opportunity fund \$ 2,302

Reproduction of historical sketches \$ 500

Estimated Project Budget: **\$ 35,494**

Budget continued.... (page 3 of 4)

List of Acquired Artworks - \$2,302.88

Purchased by Nicholas Reti / Oh Be Joyful Gallery

Date	Title	Artist	Medium	Amt Paid
6/26/17	Teocalli Mountain	Thomas Moran	Wood Engraving	\$ 48.95
		JG Smithwick	Engraver	
6/28/17	Irwin	Swan Bros.	StereoPhoto	\$ 450.00
6/28/17	Lake Brennand reflection	George E. Mellen	StereoPhoto	\$ 250.00
6/28/17	O-be-Joyful cascade	George E. Mellen	StereoPhoto	\$ 275.00
6/28/17	Taylor Canyon	F.D. Storm	StereoPhoto	\$ 250.00
6/28/17	Philadelphia Coal and Silver Mining Consolidated CO.	C.F. Blackledge	cabinet card	\$ 295.00
6/28/17	C.F. and I. coal advertisement	?	pricelist	\$ 125.00
6/21/17	The Elk Mountain Pilot Newspaper		newspaper	\$ 76.00
6/21/17	Crested Butte Republican		newspaper	\$ 66.00
7/1/17	Alanton Hegeman Gothic Marathon Poster 1980	Alanton Hegeman	Photo	\$ 36.95
6/30/17	Snowslide on Mt Crested Butte	?	wood engraving	\$ 65.00
7/3/17	Crested Butte Ski Resort	?	advertisement	\$ 13.84
7/13/17	Teocalli Mountain (2)	Thomas Moran	Wood Engraving	\$ 7.96
7/13/17	Teocalli Mountain (5)	Thomas Moran	Wood Engraving	\$ 19.99
7/13/17	Snowmass (2)	Thomas Moran	Wood Engraving	\$ 19.50
7/13/17	Mt of the Holy Cross (2)	Thomas Moran	Wood Engraving	\$ 19.50
7/15/17	Teocalli Mountain (2)	Thomas Moran	Wood Engraving	\$ 9.99
7/15/17	Teocalli Mountain	Thomas Moran	Wood Engraving	\$ 3.78
7/15/17	Teocalli Mountain	Thomas Moran	Wood Engraving	\$ 15.79
7/28/17	Snowslide on Mt Crested Butte story	?	wood engraving	\$ 65.00
7/29/17	Teocalli Spanish Prisoner Sacrifice	?	Hand Colored- Wood Engraving	\$ 14.49
7/29/17	Teocalli Spanish Pyramid	?	Hand Colored- Wood Engraving	\$ 25.79
6/27/17	William Henry Holmes Book	Kevin Fernlund	book	\$ 6.94
6/26/17	Thomas Moran watercolors		book	\$ 4.18
6/24/17	Teocalli Mountain	Thomas Moran	Wood Engraving	\$ 15.79
6/21/17	Red Lady Ale		packaging	\$ 11.35
6/21/17	"Crested Butte Centennial Illustration #1"	Amelia Ives	reproduction	\$ 35.00
6/21/17	Crested Butte Church	Al Kost	Watercolor	\$ 100.00
6/21/17	. Mining Disaster. Mine Explosion		Wood Engraving	\$ 7.49
3/26/17	Reflections on a Western Town		book	\$ 9.95
2/27/16	Crestd Butte Primer	George Sibley	book	\$ 7.60
				\$ 2,302.88

Budget continued.... (page 4 of 4)**Archival Materials and framing - \$237.84**

Purchased by Nicholas Reti/ Oh Be Joyful Gallery

Date	Item	Expense
8/8/17	13x19 Topload Holders	\$31.42
8/8/17	18x24 Top Loader	\$16.95
8/8/17	Art Portfolio 8x10 24 pages	\$8.27
8/8/17	(2) 5x7 portfolio	\$6.07
8/8/17	11x14 portfolio	\$15.13
7/18/17	Framing Rijks	\$160.00
		\$237.84

The History of Art in Crested Butte from 1870 - 2018

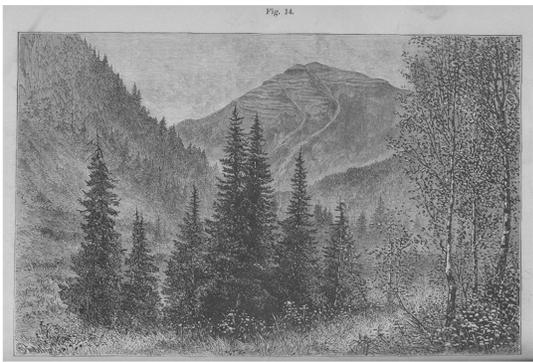
a project of the Oh Be Joyful Gallery at Crested Butte to curate an exhibition to coincide with the opening of the new Crested Butte Center for the Arts in 2018



In 1873 the Hayden expedition traversed through West Brush Creek, just East of Crested Butte, and under the foot of Teocalli Mountain. Along on the expedition were the best cartographers and artists of the day including famed photographer William Henry Jackson.

The top photo on the left is by William Henry Jackson and was taken in 1873.

Every year the expedition would file a report on their findings including photographs and field notes of their findings. Reproduction limitations of the day required etchings or engravings to be made from photos. This led to multiple impressions being "copied" from one another for reproduction.



The middle image to the left is most likely a metal etching or engraving made by a yet to be identified artist. It was included in the United States Geological and Geographic Survey Volume 7 published in 1874-1875.

As the volumes of information, stories, maps and illustrations traveled eastward the country's fascination increased. This led to the creation of tourist trade travel publications highlighting the curiosities of the west. Famous editors of the day curated beautiful illustrated volumes from the Hayden findings.



The bottom illustration was printed first in 1874 in a publication titled *Picturesque America*, edited by William Cullen Bryant. Bryant hired many of the greatest artists of the time to create renderings of the photos and drawings from the Hayden Expedition. This illustration of Teocalli mountain is by Thomas Moran.

Teocalli was named during the Hayden expedition after the Aztec pyramid at TEHUANTEPEC, OAXACA MEXICO. Hayden and Jackson had visited Mexico just prior.

We are incredibly fortunate to have a significant and locally relevant example of how early western artists incorporated each others works for reproduction.

Thence we traverse several ravines in the shadow of the imposing granite mountains, enter fresh valleys and contemplate new wonders. We pitch our tents near the base of an immense pyramid capped with layers of red sandstone, which we name Teocalli, from the Aztec word meaning "pyramid of sacrifice." The view from our camp is, we should say, surpassing, could we remember or decide which of all the beauties we have is the grandest. Two hills incline toward the valley where we are stationed, ultimately falling into each other's arms. Between their shoulders there is a broad gap, and, in the rear, the majestic form of the Teocalli reaches to heaven.

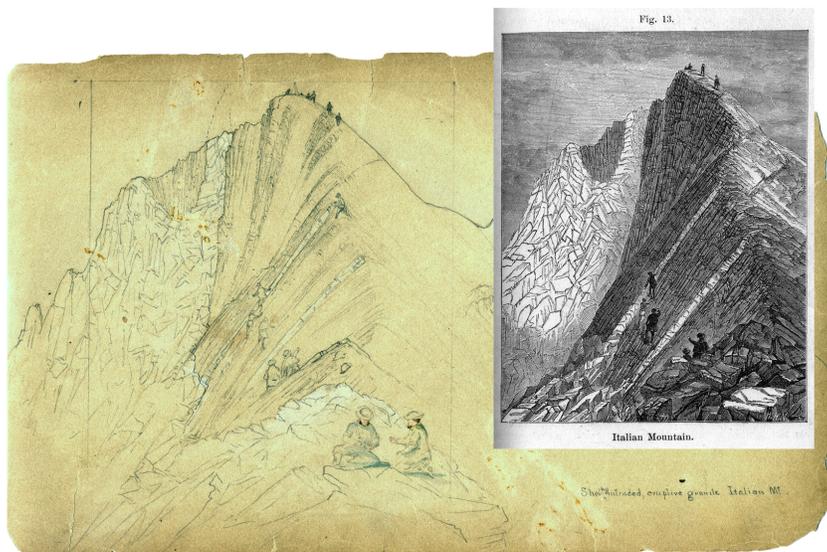
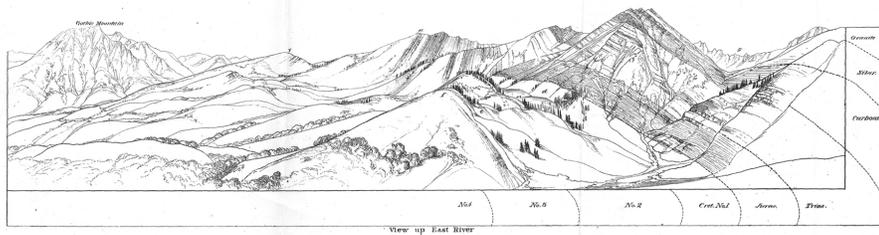
for further information contact: Nicholas Reti 720-301-0082 nicholas@ohbejoyfulgallery.com

The History of Art in Crested Butte from 1870 - 2018
a project of the Oh Be Joyful Gallery at Crested Butte to curate an exhibition
to coincide with the opening of the new Crested Butte Center for the Arts in 2018

William Henry Holmes

On several expeditions with the Hayden Survey, cartographer, geologist and artist, William Henry Holmes made detailed drawings of the Sawatch and West Elk Mountains including Italian Mountain, East River Valley, Gothic, and Mt. Crested Butte. Many of these sketches were then used to create the maps and illustrations included in the Hayden Survey reports.

Plate XVII.

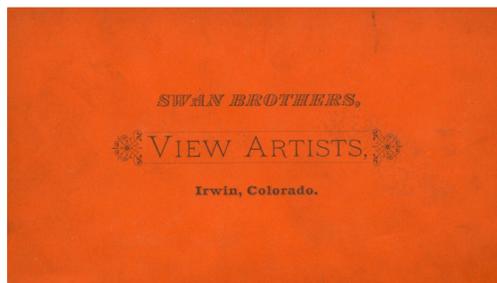
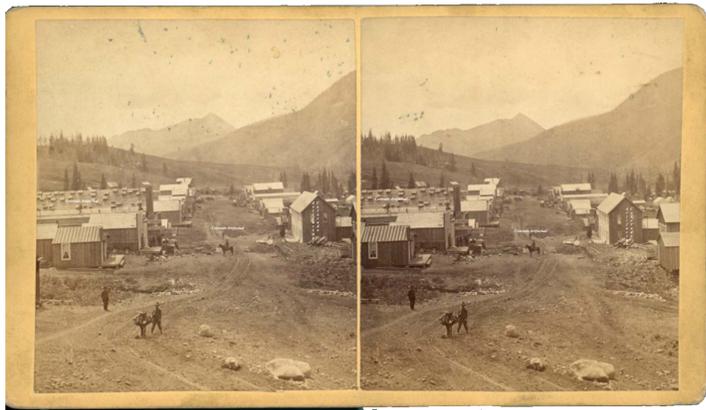


for further information contact: Nicholas Reti 720-301-0082 nicholas@ohbejoyfulgallery.com

The History of Art in Crested Butte from 1870 - 2018
 a project of the Oh Be Joyful Gallery at Crested Butte to curate an exhibition
 to coincide with the opening of the new Crested Butte Center for the Arts in 2018

Historical Artifacts

Historical stereophotos by artists in Crested Butte in the 1880's.



Historical newspapers 1880's with mentions about art and poetry.



for further information contact: Nicholas Reti 720-301-0082 nicholas@ohbejoyfulgallery.com



Staff Report

September 14, 2017

To: Mayor and Town Council
Thru: Dara MacDonald, Town Manager
From: Lois Rozman, Finance Director

Subject: Ordinance No. 24 Setting Business & Occupation License Tax (BOLT) for 2018 (Temporary Reduction to Certain Portions of the Business and Occupation Licensing Tax)

Summary: Ordinance No. 24, Series 2017 sets the Business and Occupation License Tax (“BOLT”) for 2018 to \$100.00, \$25.00 if the business has paid BOLT in Mt. Crested Butte. Voters passed a significantly higher BOLT tax ranging from \$100.00 up to \$1,500 based on the number of employees a business had. In an effort to get more business to join the Chamber, both Crested Butte and Mt. Crested Butte annually lower the BOLT to \$100.00 per year. To comply with Amendment 1 (“TABOR”) regulations and preserve the higher voter approved BOLT rate, the Council must adopt the lower BOLT rate annually. Of the \$100.00 collected, \$25.00 stays with the Town for the business license and the remaining \$75.00 goes to the Chamber to operate the Visitor Center and market the area.

In previous years, the business license renewal process opened up in mid-December for the next business year. In an effort to coincide with the new Vacation Rental Licensing process, Staff will be opening up the license renewal process under BOLT regulations to begin in early November of each year.

Recommendation: Staff recommends setting Ordinance No. 24, Series 2017 for public hearing at the October 2, 2017 Council meeting.

Possible Motion: I move to set Ordinance No. 24, Series 2017 for public hearing on October 2, 2017.

**ORDINANCE NO. 24
SERIES 2017**

**AN ORDINANCE OF THE CRESTED BUTTE TOWN COUNCIL
AMENDING CHAPTER 6-2 OF THE CRESTED BUTTE MUNICIPAL
CODE PROVIDING FOR A TEMPORARY REDUCTION TO CERTAIN
PORTIONS OF THE BUSINESS AND OCCUPATION LICENSING TAX
FOR FISCAL AND CALENDAR YEAR OF 2018; AND PROVIDING THE
AUTOMATIC REPEAL THEREOF EFFECTIVE ON THE FIRST DAY
OF JANUARY, 2019.**

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; and,

WHEREAS, the Town Council of the Town of Crested Butte wishes to encourage businesses subject to the various provisions of the Town Code pertaining to the licensing of businesses within the Town, and, specifically, Section 6-2-40 of the Town Code pertaining to the required payments of the Business and Occupation Licensing Tax, to participate in the Chamber of Commerce in order to more effectively market and promote the Town of Crested Butte as a year-around resort and tourist destination, and promote activities and events beneficial to the business community; and,

WHEREAS, the Town Council finds that temporarily amending the Business Occupation and Licensing Tax for the calendar and fiscal year 2018 is in the best interest of the businesses within the Town of Crested Butte;

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

Section 1. Amending the Ordinance. Section 6-2-40 of the Crested Butte Municipal Code is temporarily amended to read as follows: “A Business Occupation Licensing Tax is hereby levied and there shall be collected and paid on any person doing business in the Town of Crested Butte, Colorado in the amount as set forth in Appendix A to this Code, in the calendar and fiscal year 2018.

Section 2. Amending Appendix A. Chapter 6 Business Licenses is hereby amended to change the effective date to Calendar Year 2018 and adding provision for additional fees due to late payment of business license renewals. Appendix A is hereby attached as “Exhibit A.”

Section 3. Effective Date. The provisions of this Ordinance amending Section 6-2-40 of the Town Code shall take effect at 12:01 A.M. on January 1, 2018, and shall expire at 12:00 Midnight on December, 31, 2018 without further action by the Town Council of the Town of Crested Butte, Colorado. Upon expiration of the terms of this Ordinance, the provisions of Section 6-2-40, of the Town Code of the Town of Crested Butte, Colorado as enacted prior to the

effective date hereof shall be in full force and effect.

Section 4. Savings Clause. Except as hereby amended, the Crested Butte Municipal Code shall remain valid, and in full force and effect. Any provision of any ordinance previously adopted by the Town of Crested Butte which is in conflict with this Ordinance is hereby repealed as of the enforcement date thereof.

Section 5. 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. If any Section, provision, clause, phrase, word or other provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application thereof to other persons or circumstances shall not be affected thereby.

INTRODUCED, AND FIRST READ BEFORE THE TOWN COUNCIL THIS EIGHTEENTH DAY OF SEPTEMBER, 2017.

ADOPTED BY THE TOWN COUNCIL UPON SECOND READING AND PUBLIC HEARING THIS _____ DAY OF OCTOBER, 2017.

TOWN OF CRESTED BUTTE, COLORADO

By: _____
Glenn Michel, Mayor

ATTEST:

Lynelle Stanford, Town Clerk

(SEAL)

“Exhibit A”**APPENDIX A****Fee Schedule**

CHAPTER 6 <i>Business Licenses</i>			
<i>Code Section</i>	<i>Description</i>	<i>Effective Dates</i>	<i>Fee</i>
6-2-40	Business license occupation license	Calendar Year 2018	\$100.00
6-2-40	Late fee for renewals after January 31 st additional fee	Calendar Year 2018	\$25.00



Staff Report

September 18, 2017

To: Mayor Michel and Town Council
Thru: Michael Yerman, Community Development Director
From: Molly Minneman, Design Review and Historic Preservation Coordinator
Subject: Ordinance No. 25, Series 2017, Amending the Design Guidelines of the Town of Crested Butte for Front Yard Accessory Buildings in Certain Circumstances in Residential zones.
Date: September 18, 2017

SUMMARY:

The Board of Zoning and Architectural Review (BOZAR) made a recommendation to the Town Council at the August 29, 2017 meeting to amend the Design Guidelines that adds a provision to allow font yard accessory buildings in residential zones under specific circumstances.

DISCUSSION:

Accessory buildings are classified as detached buildings. They are constructed primarily for garages, or garage with a dwelling unit or an office/studio. The Design Guidelines convey that detached buildings should be located in the rear yards and appear subordinate in scale to the primary building *and minimize the overall density*, meaning they are not allowed in the front yard.

Several property owners whose residences are situated at the rear of their lot have approached the BOZAR with requests to allow an accessory building in the front yard. Their primary desire is to have a garage together with either a dwelling unit or an office. The BOZAR met in July following a regular BOZAR meeting to gather information about the incidence of residences situated in the rear of the property, where it is not possible to construct a detached building. They found that three to four properties appear to be affected and felt that accommodations should be made available. Because siting a detached building in the front yard runs counter to the Town's historic grid system development (street facing residences with detached buildings in the rear), the Board added requirements that includes incorporating an accessory dwelling unit into the building that generates a long term residential rental unit. They also limited the placement of garage doors to the side or rear that will adhere to guidelines that do not allow street primary street-facing garage doors.

New guideline:

2.29.5

In limited situations an accessory building may be placed in the front yard of residential zones if all of the following criteria must be met.

- a. A primary residence constructed prior to 2012, is situated on in the rear of the lot in such a manner that a detached building is not possible existed prior to 2012.
- b. The square footage of the existing residence exceeds 1,000 sf.
- c. The existing residence was not approved or classified as an accessory dwelling by the BOZAR.
- d. The proposed building must contain a dwelling unit and classified as an accessory dwelling.
- e. The dwelling shall be subordinate in height to the primary residence.
- f. The building should have an entry door facing the street.
- g. A garage door cannot face the street, but side facing garage doors could be considered if it not possible for access from the rear of the building.
- h. No more than one garage structure can be contained on the site.
- i. A substantial amount of landscaping is added to minimize the appearance of the building.
- j. The siding materials must meet the requirements for a single family residence.
- k. The setbacks for the site must be met.

RECOMMENDATION:

Make a motion to followed by a second to set Ordinance No. 25, Series 2017 for public hearing at the October 2, 2017 Council Meeting.

ORDINANCE NO. 25

SERIES 2017

AN ORDINANCE OF THE CRESTED BUTTE TOWN COUNCIL AMENDING THE DESIGN GUIDELINES OF THE TOWN OF CRESTED BUTTE FOR FRONT YARD ACCESSORY BUILDINGS IN CERTAIN CIRCUMSTANCES IN RESIDENTIAL ZONES

WHEREAS, the Town of Crested Butte, Colorado (“**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 Design Guidelines for the Town of Crested Butte (“**Guidelines**”) were adopted by Ordinance No. 41, Series 1995 discourage the placement of accessory buildings in front yards;

WHEREAS, the on August 29, 2017 the Board of Zoning and Architectural Review reviewed new guidelines to allow the placement of accessory structures in the front yard with certain circumstances and recommended new a new section be added to the Guidelines;

WHEREAS, the addition of Section 2.29.5 to the Guidelines ensures new accessory structures in front yards protects the scale and massing of residential zone districts;

WHEREAS, the Town Council finds that allowing accessory structures with certain conditions can be built without adversely impacting neighboring properties; and

WHEREAS, the Town Council finds that amending the Guidelines for accessory structures in front yards in certain circumstances is in the best interest of 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. Adding Section 2.29.5 to the Guidelines. Subsection 2.29.5 of the Design Guidelines for the Town of Crested Butte is hereby amended by adding the following:
2.29.5

In limited situations an accessory building may be placed in the front yard of residential zones if all of the following criteria must are met.

- a. A primary residence constructed prior to 2012, is situated ~~on~~ in the rear of the lot in such a manner that a detached building is not possible existed prior to 2012.
- b. The square footage of the existing residence exceeds 1,000 sf.
- c. The existing residence was not approved or classified as an accessory dwelling by the BOZAR.
- d. The proposed building must contain a dwelling unit and classified as an accessory dwelling.

- e. The dwelling shall be subordinate in height to the primary residence.
- f. The building should have an entry door facing the street.
- g. A garage door cannot face the street, but side facing garage doors could be considered if it not possible for access from the rear of the building.
- h. No more than one garage structure can be contained on the site.
- i. A substantial amount of landscaping is added to minimize the appearance of the building.
- j. The siding materials must meet the requirements for a single family residence.
- k. The setbacks for the site must be met.

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 shall stand notwithstanding the invalidity of any section, sentence, clause, phrase, word or other provision.

Section 3. Savings Clause. Except as amended hereby, the Guidelines of the Town of Crested Butte, as amended, shall remain valid and in full force and effect. Any provision of any ordinance previously adopted by the Town which is in conflict with this ordinance is hereby repealed as of the enforcement date hereof.

INTRODUCED, READ AND SET FOR PUBLIC HEARING THIS 18th DAY OF SEPTEMBER 2017.

ADOPTED BY THE TOWN COUNCIL UPON SECOND READING IN PUBLIC HEARING THIS 2nd DAY OF OCTOBER, 2017.

TOWN OF CRESTED BUTTE, COLORADO

By: _____
Glenn Michel, Mayor

ATTEST:

Lynelle Stanford, Town Clerk

[SEAL]



Staff Report

September 18, 2017

To: Mayor and Town Council
From: Dara MacDonald, Town Manager
Subject: Ordinance 2017-26, Town Employee Lease Agreements

Summary: The Town has seven rental units that are currently occupied by municipal employees. This ordinance allows for the approval of two of the leases.

Background: The Town has been proactive for many years in constructing and maintaining rental units to ensure that there is some opportunity for affordable housing in Town for municipal employees. The attached leases incorporate the rental rate increase for each unit established with the 2017 budget as well as annual increases for future years.

C.R.S. 31-15-713(1)(c) states that the governing body of a municipality has the power to lease any real estate owned by the municipality when deemed to be in the best interest of the municipality. It further requires that leases for more than one year be approved by ordinance.

Affordable housing remains a top priority for the Town of Crested Butte and providing housing for employees is one of the many strategies utilized by the Town to address housing needs and ensure that the services expected from the Town can be met. As housing costs continue to escalate in the Crested Butte community it has become increasingly difficult for employees to afford to make their homes within the community. Having employees living within Town has many benefits for the community including ensuring responsiveness, encouraging longer tenure, and fostering a greater commitment to the community.

Annual rental rate escalations have been built into each lease so that these will not have to be brought back before the Council for additional approvals unless there is a change in the tenant in the future. The leases will automatically renew each year unless terminated by either party. Employees must vacate these rental units within 60 days of the end of their employment with the Town.

Financial Implications: The Town does incur some expense each year with utilities and maintenance of these properties. The rental income derived from these properties is reinvested in the affordable housing fund.

Proposed Motion: "I move to set Ordinance 2017-26 for public hearing on October 2, 2017."

ORDINANCE NO. 26

SERIES 2017

AN ORDINANCE OF THE CRESTED BUTTE TOWN COUNCIL AUTHORIZING THE LEASE OF VARIOUS TOWN RESIDENTIAL PROPERTIES (UNITS 2 AND 3, TOWN RANCH APARTMENTS, 808 9TH STREET CRESTED BUTTE, COLORADO) TO VARIOUS TOWN EMPLOYEES

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, pursuant to Section 31-15-713 (c), C.R.S., the Town Council may lease any real estate, together with any facilities thereon, owned by the Town when deemed by the Town Council to be in the best interest of the Town;

WHEREAS, pursuant to Section 713 (c), when the term of such lease is more than one year, the Town Council must approve such lease by ordinance of the Town Council; and

WHEREAS, the Town Council finds hereby that approving leases of various Town properties for use by certain Town employees is in the best interest of the Town.

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

1. **Findings.** The Town Council hereby finds that granting leases of various Town properties for use by certain Town employees is in the best interest of the Town.

2. **Authorization of Town Manager.** Based on the foregoing, the Town Council hereby authorizes the Town Manager to execute leases in substantially the same form as attached hereto as **Exhibit “A”** for the following properties to the employees described in such leases.

- A-1. Unit 2, Town Ranch Apartments;
- A-2. Unit 3, Town Ranch Apartments.

Ordinance 2017-26
Employee leases

INTRODUCED, READ AND SET FOR PUBLIC HEARING BEFORE THE
TOWN COUNCIL THIS ___ DAY OF _____, 2017.

ADOPTED BY THE TOWN COUNCIL UPON SECOND READING IN
PUBLIC HEARING THIS ___ DAY OF _____, 2017.

TOWN OF CRESTED BUTTE, COLORADO

By: _____
Glenn Michel, Mayor

ATTEST

Lynelle Stanford, Town Clerk

(SEAL)

EXHIBIT "A"

Employee Lease Agreements

[attach form leases agreements here]

LEASEHOLD AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 20____, by and between the TOWN OF CRESTED BUTTE, a Colorado Home Rule Municipal Corporation (hereafter referred to as the “Town”) and Ian Baird, an employee of the Town of Crested Butte (hereafter referred to as the “Lessee”) is upon the following terms and conditions:

WITNESSETH:

IN CONSIDERATION of the keeping and performance of the mutual promises, covenants, and conditions contained herein, the parties agree as follows:

1. **TERM and RENEWAL:** This agreement shall commence as of the 1st day of October, 2017, for a period of one year, ending on the 30th day of September, 2018 at midnight. Thereafter, this agreement shall automatically renew annually from year to year. During the term of this Lease, Lessee must remain in the employment of the Town. Should Lessee’s employment with the Town end for any reason during the term of this Lease, Lessee, and any additional room-mate(s) or temporary visitor(s) must vacate the premises within 60 days from the end date of employment. Any extension of the vacation date must be mutually agreed upon in writing by both parties. Should the Lessee desire to move out prior to the expiration of the Lease, Lessee will give the Town no less than a 30 day notice of intention to move out.

2. **LEASE OF PREMISES TO LESSEE:** The Town hereby leases to Lessee, and the Lessee hereby takes and rents from the Town, the following described premises, together with the improvements thereon, situated in the County of Gunnison and State of Colorado, to wit:

808 Ninth Street, Town Ranch, Unit 2, Crested Butte, Colorado (a two bedroom residential dwelling that is a portion of a Town owned triplex)

3. **RENT/OCCUPANTS:** The Lessee agrees to pay to Town as rent for the premises listed above the sum of \$670.00 per month, due and payable no later than the 5th day of each month during the term of this lease;
 - a. Upon automatic renewal every year the rental rate shall increase by \$15 per month.

4. **UTILITIES:** Unless otherwise specified, the Lessee shall pay for electricity. The Town will pay for gas, water, sewer and weekly refuse collection. Lessee shall also pay all charges for telephone, internet, television and other such services.

5. **CHARACTER OF OCCUPANCY:** The premises shall be occupied by the Lessee as a residential dwelling. Any commercial activity not in connection with Lessee's employment with the Town is prohibited unless agreed upon in writing by both parties. Further, Lessee shall:
- a. Properly maintain the premises, fixtures, and furnishings located therein, to include the changing of light bulbs, cleaning, mowing and weeding, snow removal upon and around entrances and parking areas, yard cleanliness and maintenance, and other such minor work.
 - b. At its sole cost and labor make all necessary day to day repairs needed to preserve the quality of the interior walls, floor, ceiling, and doors of the premises, and maintain the fixtures and furnishings in good working order and condition. Any and all such repairs or replacements shall be of a like kind and quality, and shall be done in a good and thorough workmanlike manner.
 - c. Make no alterations, repairs, or improvements to the premises without prior written permission of the Town. Lessee shall secure the premises with a lock, and insure that the Town has a key to said lock. Lessee shall return the premises to the Town clean and in good order and condition including any carpets, wood flooring, paint, furnishings and appliances, and plumbing facilities at the termination of this Lease, ordinary wear and tear excepted.
 - d. Not use the premises in any fashion that would increase the risk of fire, explosion, or any physical damage or destruction to the premises, or create hazardous conditions for other tenants or neighbors. Not use the premise in any fashion contrary to the laws of the Town, the State of Colorado, or the United States government. Except by prior arrangement and written permission from the Town, limitations on the use of the premises includes a prohibition on smoking tobacco products, and the unlawful storage, consumption, or transfer of alcoholic beverages and/or controlled substances.
 - e. Lessee shall not use the premises to further any discriminatory or derogatory practices based on race, sex religious belief, sexual orientation or national origin.
 - f. Lessee understands and agrees that the leased premise is a part of a triplex building, the adjacent portion of which is a similar rental unit occupied by an employee of the Town. Lessee agrees that the tenant(s) in the other portion of the building are entitled to the quiet enjoyment of their residence, and the Lessee agrees to refrain from behaviors or practices that may un-necessarily disturb or damage the adjacent Lease-holder.
6. **ANIMALS:** Lessee is allowed to have pets such as a dog or cat subject to approval by the Town Manager.
7. **CLEANING:** Lessee agrees to keep and maintain the premises used exclusively by Lessee in a neat, orderly, clean and sanitary condition at all times, and to

- provide such cleaning and other services as may be necessary to do so. All refuse or trash resulting from Lessee's use of the premises shall be stored in the animal resistant container provided by the Town on the premises for eventual removal during the weekly trash pick-up. Trash, refuse, and other such discarded materials may not be allowed to accumulate in or on the property. All cleaning supplies and equipment must be provided by Lessee. Premises are subject to periodic inspection for the purposes of insuring cleanliness, and proper repair and maintenance of the premises by the Town upon 24 hour notice to the Lessee.
8. **PARKING:** Vehicles owned or operated by the Lessee must be parked in available spaces designed for such purposes or the Town right of way in accordance with the Town's parking regulations. Vehicles may not be parked on landscaped areas, abandoned on the premises, or otherwise left in disrepair on or adjacent to the premises.
 9. **LIENS:** Lessee agrees to keep the premises free and clear of liens of any kind caused by the action or inaction of Lessee.
 10. **SECURITY AND DAMAGE DEPOSIT:** Lessee has paid the Town the sum of \$250.00 to be used as security for the faithful performance of the terms and obligations of this Lease. This deposit shall be held by the Town for the term of this Lease. The Town may apply any or all of the security deposit to the repair of damages caused to the premises by Lessee or Lessee's use thereof, and/or to pay for cleaning of the premises upon the Lessee's vacation of the premises. In the event the town deems that it is reasonable and necessary to have the premises cleaned or repaired during or after the term of this Lease, it shall be done at Lessee's expense. Any amount paid out of the deposit shall be reimbursed to the Town within ten (10) days by the Lessee to again cause a full deposit of \$250.00 to be available at all times. This deposit shall not be deemed to be of the total amount for which the Lessee shall be responsible in the event of damages. Lessee shall not be entitled to credit any amount of the deposit toward payment of any other obligation owed to the Town.
 11. **TAXES:** The Town shall pay any and all real and personal property taxes and special assessments which may be levied upon the premises, except those personal property taxes levied specifically upon the personal property of the Lessee.
 12. **INSURANCE AND INDEMNIFICATION:** Lessee agrees to indemnify and hold the Town harmless against any and all claims or judgments for loss, liability, damage, or injury to persons or property of any kind, including reasonable attorney's fees arising out of or in connection with Lessee's use of the premises, and those caused by the negligent and intentional acts of the Lessee and/or visitors in furtherance of the Lessee's occupation. The Town shall maintain in effect fire and extended coverage on the building in which the premises is located during the term of this Agreement. The Town shall also maintain in effect public

liability insurance on the building in at least the minimum amount of its exposure under the Statutes of the State of Colorado.

Lessee may obtain, at its own expense, any contents insurance and public liability insurance it may wish to purchase, provided however, that if Lessee places equipment, communications devices, or other such material with a cash value in excess of \$10,000, contents insurance is required of the Lessee, at his own expense, as a condition of occupying the premises upon execution of this Lease.

13. **ASSIGNMENT:** Lessee shall not assign this Lease, nor sublet or rent the premises described herein to other users in any fashion, or encumber this lease or the premises in whole or in part, without the prior written consent of the Town.
14. **INSPECTION OF PREMISES:** Lessee shall allow the Town or its authorized representatives to enter upon the premises upon 24 hours notice, without intruding into Lessee's personal effects, to inspect the premises or to make repairs thereon.
15. **DEFAULT OF THE AGREEMENT:** Neither party shall have the right to terminate this Lease upon default in any covenant or condition unless such default remains uncured for five (5) days following the provision of written notice of the default to the defaulting party. If this Lease is so terminated, it is agreed that the Town may retake possession of the premises upon an additional five (5) days written notice to Lessee, without terminating the Lease. If the Town retakes possession of the premises in such fashion, Lessee shall remain liable for rental payments, and the cost of cleaning and repair, less any amount received from a new tenant during the remainder of the term of this Lease.
16. **SURRENDER OF PREMISES:** If Lessee wishes to renew this Lease, it shall notify the Town no less than 30 days prior to the expiration date. Lessee shall quit and surrender the premises in the condition upon which it was received, except for normal wear and tear, upon the expiration of this Lease, or any extension hereof. Except by prior negotiation and agreement with the Town, it shall be Lessee's responsibility to remove all personal property, personal fixtures, or approved improvements located on the premises at the time of expiration, or upon termination of this Lease. In the event of removal of said personal property, fixtures, or improvements located on the premises, Lessee shall restore the premises to its original condition.
17. **TERMINATION FOR CONVENIENCE:** Either the Town or Lessee may terminate this agreement and the tenancy hereunder at any time for any reason or no reason at all on 60 days' written notice to the other party.
18. **TOWN'S REPAIR AND MAINTENANCE OBLIGATION:** Except by prior negotiation and agreement expressed and added herein, the Town shall keep the remainder of the building in which the premises is located in good repair. The Town shall make such structural repairs as may be necessary, and repair all

plumbing, electrical, heating, ventilating, and other facilities as may be existing, unless caused by the negligent or intentional acts of the Lessee, and visitors, in which case Lessee shall pay or reimburse the Town for such repairs.

19. **NOTICES:** All notices required hereby shall be in writing and shall be hand delivered or sent by certified mail, return receipt requested, to the following addresses:

TOWN: Town Manager
Town of Crested Butte
P.O. Box 39
507 Maroon Ave
Crested Butte, CO 81224

LESSEE: Ian Baird
PO Box 4232
808 Ninth Street, Town Ranch, Unit 2
Crested Butte, CO 81224

Notices shall be deemed properly given when sent, mailed, or hand delivered to the above addresses. Either party may change its address by giving written notice of the change to the other party.

20. **APPLICABLE LAW:** This Lease is entered into in the Town of Crested Butte, Gunnison County, State of Colorado; and it is agreed that the proper jurisdiction and venue of any action pertaining to the interpretation or enforcement of this Lease be in the County of Gunnison, State of Colorado.
21. **ATTORNEY FEES:** It is agreed that if any action is brought in a court of law by either party to this Lease as to its enforcement, interpretation or construction of this Lease or any document provided for herein, the prevailing party in such action shall be entitled to reasonable attorney fees, as well as all costs incurred in the prosecution or defense of such action.
22. **WAIVER:** The failure of the Town to insist in any one or more instances upon strict compliance of any of the obligations, covenants, and agreements contained herein, or the failure of the Town in any one or more instances to exercise any option, privilege, or right contained herein shall in no way be construed as constituting a waiver of such default or option by the Town.
23. **CAPTIONS:** The captions are inserted only as a matter of convenience and reference. They in no way define, limit, or describe the scope of the Lease nor the intent of any provision herein.
24. **SEVERABILITY:** If any provision, covenant, clause, or agreement contained in the Lease or the application thereof shall be found to be invalid, such invalidity

shall not affect the validity of the remaining provisions, covenants, clauses, or agreements, or the validity of the Lease as a whole.

25. **BENEFIT:** This Lease shall bind and benefit alike the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have executed this Lease in duplicate as of the date first set forth above.

TOWN OF CRESTED BUTTE, COLORADO

By: _____
Dara T MacDonald, Town Manager

ATTEST:

By: _____
Lynelle Stanford, Town Clerk

LESSEE:

By: _____
Ian Baird

LEASEHOLD AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 20____, by and between the TOWN OF CRESTED BUTTE, a Colorado Home Rule Municipal Corporation (hereafter referred to as the “Town”) and Kyle Thomas, an employee of the Town of Crested Butte (hereafter referred to as the “Lessee”) is upon the following terms and conditions:

WITNESSETH:

IN CONSIDERATION of the keeping and performance of the mutual promises, covenants, and conditions contained herein, the parties agree as follows:

1. **TERM and RENEWAL:** This agreement shall commence as of the 1st day of November, 2017, for a period of one year, ending on the 31st day of October, 2018 at midnight. Thereafter, this agreement shall automatically renew annually from year to year. During the term of this Lease, Lessee must remain in the employment of the Town. Should Lessee’s employment with the Town end for any reason during the term of this Lease, Lessee, and any additional room-mate(s) or temporary visitor(s) must vacate the premises within 60 days from the end date of employment. Any extension of the vacation date must be mutually agreed upon in writing by both parties. Should the Lessee desire to move out prior to the expiration of the Lease, Lessee will give the Town no less than a 30 day notice of intention to move out.

2. **LEASE OF PREMISES TO LESSEE:** The Town hereby leases to Lessee, and the Lessee hereby takes and rents from the Town, the following described premises, together with the improvements thereon, situated in the County of Gunnison and State of Colorado, to wit:

808 Ninth Street, Town Ranch, Unit 3, Crested Butte, Colorado (a one bedroom residential dwelling that is a portion of a Town owned triplex)

3. **RENT/OCCUPANTS:** The Lessee agrees to pay to Town as rent for the premises listed above the sum of \$550.00 per month, due and payable no later than the 5th day of each month during the term of this lease;
 - a. Upon automatic renewal every year the rental rate shall increase by \$10 per month.

4. **UTILITIES:** Unless otherwise specified, the Lessee shall pay for electricity. The Town will pay for gas, water, sewer and weekly refuse collection. Lessee shall also pay all charges for telephone, internet, television and other such services.

5. **CHARACTER OF OCCUPANCY:** The premises shall be occupied by the Lessee as a residential dwelling. Any commercial activity not in connection with Lessee's employment with the Town is prohibited unless agreed upon in writing by both parties. Further, Lessee shall:
- a. Properly maintain the premises, fixtures, and furnishings located therein, to include the changing of light bulbs, cleaning, mowing and weeding, snow removal upon and around entrances and parking areas, yard cleanliness and maintenance, and other such minor work.
 - b. At its sole cost and labor make all necessary day to day repairs needed to preserve the quality of the interior walls, floor, ceiling, and doors of the premises, and maintain the fixtures and furnishings in good working order and condition. Any and all such repairs or replacements shall be of a like kind and quality, and shall be done in a good and thorough workmanlike manner.
 - c. Make no alterations, repairs, or improvements to the premises without prior written permission of the Town. Lessee shall secure the premises with a lock, and insure that the Town has a key to said lock. Lessee shall return the premises to the Town clean and in good order and condition including any carpets, wood flooring, paint, furnishings and appliances, and plumbing facilities at the termination of this Lease, ordinary wear and tear excepted.
 - d. Not use the premises in any fashion that would increase the risk of fire, explosion, or any physical damage or destruction to the premises, or create hazardous conditions for other tenants or neighbors. Not use the premise in any fashion contrary to the laws of the Town, the State of Colorado, or the United States government. Except by prior arrangement and written permission from the Town, limitations on the use of the premises includes a prohibition on smoking tobacco products, and the unlawful storage, consumption, or transfer of alcoholic beverages and/or controlled substances.
 - e. Lessee shall not use the premises to further any discriminatory or derogatory practices based on race, sex religious belief, sexual orientation or national origin.
 - f. Lessee understands and agrees that the leased premise is a part of a triplex building, the adjacent portion of which is a similar rental unit occupied by an employee of the Town. Lessee agrees that the tenant(s) in the other portion of the building are entitled to the quiet enjoyment of their residence, and the Lessee agrees to refrain from behaviors or practices that may un-necessarily disturb or damage the adjacent Lease-holder.
6. **ANIMALS:** Lessee is allowed to have pets such as a dog or cat subject to approval by the Town Manager.
7. **CLEANING:** Lessee agrees to keep and maintain the premises used exclusively by Lessee in a neat, orderly, clean and sanitary condition at all times, and to

- provide such cleaning and other services as may be necessary to do so. All refuse or trash resulting from Lessee's use of the premises shall be stored in the animal resistant container provided by the Town on the premises for eventual removal during the weekly trash pick-up. Trash, refuse, and other such discarded materials may not be allowed to accumulate in or on the property. All cleaning supplies and equipment must be provided by Lessee. Premises are subject to periodic inspection for the purposes of insuring cleanliness, and proper repair and maintenance of the premises by the Town upon 24 hour notice to the Lessee.
8. **PARKING:** Vehicles owned or operated by the Lessee must be parked in available spaces designed for such purposes or the Town right of way in accordance with the Town's parking regulations. Vehicles may not be parked on landscaped areas, abandoned on the premises, or otherwise left in disrepair on or adjacent to the premises.
 9. **LIENS:** Lessee agrees to keep the premises free and clear of liens of any kind caused by the action or inaction of Lessee.
 10. **SECURITY AND DAMAGE DEPOSIT:** Lessee shall pay the Town the sum of \$250.00 to be used as security for the faithful performance of the terms and obligations of this Lease. This deposit shall be held by the Town for the term of this Lease. The Town may apply any or all of the security deposit to the repair of damages caused to the premises by Lessee or Lessee's use thereof, and/or to pay for cleaning of the premises upon the Lessee's vacation of the premises. In the event the town deems that it is reasonable and necessary to have the premises cleaned or repaired during or after the term of this Lease, it shall be done at Lessee's expense. Any amount paid out of the deposit shall be reimbursed to the Town within ten (10) days by the Lessee to again cause a full deposit of \$250.00 to be available at all times. This deposit shall not be deemed to be of the total amount for which the Lessee shall be responsible in the event of damages. Lessee shall not be entitled to credit any amount of the deposit toward payment of any other obligation owed to the Town.
 11. **TAXES:** The Town shall pay any and all real and personal property taxes and special assessments which may be levied upon the premises, except those personal property taxes levied specifically upon the personal property of the Lessee.
 12. **INSURANCE AND INDEMNIFICATION:** Lessee agrees to indemnify and hold the Town harmless against any and all claims or judgments for loss, liability, damage, or injury to persons or property of any kind, including reasonable attorney's fees arising out of or in connection with Lessee's use of the premises, and those caused by the negligent and intentional acts of the Lessee and/or visitors in furtherance of the Lessee's occupation. The Town shall maintain in effect fire and extended coverage on the building in which the premises is located during the term of this Agreement. The Town shall also maintain in effect public

liability insurance on the building in at least the minimum amount of its exposure under the Statutes of the State of Colorado.

Lessee may obtain, at its own expense, any contents insurance and public liability insurance it may wish to purchase, provided however, that if Lessee places equipment, communications devices, or other such material with a cash value in excess of \$10,000, contents insurance is required of the Lessee, at his own expense, as a condition of occupying the premises upon execution of this Lease.

13. **ASSIGNMENT:** Lessee shall not assign this Lease, nor sublet or rent the premises described herein to other users in any fashion, or encumber this lease or the premises in whole or in part, without the prior written consent of the Town.
14. **INSPECTION OF PREMISES:** Lessee shall allow the Town or its authorized representatives to enter upon the premises upon 24 hours notice, without intruding into Lessee's personal effects, to inspect the premises or to make repairs thereon.
15. **DEFAULT OF THE AGREEMENT:** Neither party shall have the right to terminate this Lease upon default in any covenant or condition unless such default remains uncured for five (5) days following the provision of written notice of the default to the defaulting party. If this Lease is so terminated, it is agreed that the Town may retake possession of the premises upon an additional five (5) days written notice to Lessee, without terminating the Lease. If the Town retakes possession of the premises in such fashion, Lessee shall remain liable for rental payments, and the cost of cleaning and repair, less any amount received from a new tenant during the remainder of the term of this Lease.
16. **SURRENDER OF PREMISES:** If Lessee wishes to renew this Lease, it shall notify the Town no less than 30 days prior to the expiration date. Lessee shall quit and surrender the premises in the condition upon which it was received, except for normal wear and tear, upon the expiration of this Lease, or any extension hereof. Except by prior negotiation and agreement with the Town, it shall be Lessee's responsibility to remove all personal property, personal fixtures, or approved improvements located on the premises at the time of expiration, or upon termination of this Lease. In the event of removal of said personal property, fixtures, or improvements located on the premises, Lessee shall restore the premises to its original condition.
17. **TERMINATION FOR CONVENIENCE:** Either the Town or Lessee may terminate this agreement and the tenancy hereunder at any time for any reason or no reason at all on 60 days' written notice to the other party.
18. **TOWN'S REPAIR AND MAINTENANCE OBLIGATION:** Except by prior negotiation and agreement expressed and added herein, the Town shall keep the remainder of the building in which the premises is located in good repair. The Town shall make such structural repairs as may be necessary, and repair all

plumbing, electrical, heating, ventilating, and other facilities as may be existing, unless caused by the negligent or intentional acts of the Lessee, and visitors, in which case Lessee shall pay or reimburse the Town for such repairs.

19. **NOTICES:** All notices required hereby shall be in writing and shall be hand delivered or sent by certified mail, return receipt requested, to the following addresses:

TOWN: Town Manager
Town of Crested Butte
P.O. Box 39
507 Maroon Ave
Crested Butte, CO 81224

LESSEE: Kyle Thomas
PO Box 2111
808 Ninth Street, Town Ranch, Unit 3
Crested Butte, CO 81224

Notices shall be deemed properly given when sent, mailed, or hand delivered to the above addresses. Either party may change its address by giving written notice of the change to the other party.

20. **APPLICABLE LAW:** This Lease is entered into in the Town of Crested Butte, Gunnison County, State of Colorado; and it is agreed that the proper jurisdiction and venue of any action pertaining to the interpretation or enforcement of this Lease be in the County of Gunnison, State of Colorado.
21. **ATTORNEY FEES:** It is agreed that if any action is brought in a court of law by either party to this Lease as to its enforcement, interpretation or construction of this Lease or any document provided for herein, the prevailing party in such action shall be entitled to reasonable attorney fees, as well as all costs incurred in the prosecution or defense of such action.
22. **WAIVER:** The failure of the Town to insist in any one or more instances upon strict compliance of any of the obligations, covenants, and agreements contained herein, or the failure of the Town in any one or more instances to exercise any option, privilege, or right contained herein shall in no way be construed as constituting a waiver of such default or option by the Town.
23. **CAPTIONS:** The captions are inserted only as a matter of convenience and reference. They in no way define, limit, or describe the scope of the Lease nor the intent of any provision herein.
24. **SEVERABILITY:** If any provision, covenant, clause, or agreement contained in the Lease or the application thereof shall be found to be invalid, such invalidity

shall not affect the validity of the remaining provisions, covenants, clauses, or agreements, or the validity of the Lease as a whole.

25. **BENEFIT:** This Lease shall bind and benefit alike the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have executed this Lease in duplicate as of the date first set forth above.

TOWN OF CRESTED BUTTE, COLORADO

By: _____
Dara T MacDonald, Town Manager

ATTEST:

By: _____
Lynelle Stanford, Town Clerk

LESSEE:

By: _____
Kyle Thomas



To: Mayor Michel and Town Council
From: Michael Yerman, Community Development Director
Thru: Dara MacDonald, Town Manager
Subject: **McCormick Ditch Water Purchase Agreement**
Date: September 18, 2017

Background

The Town acquired the first 6 acre feet of the historic consumptive use of the senior rights in the McCormick Ditch in the Amendment to the Pre-Annexation Agreement, reception #643828 with Cypress Equities. The remaining possible 12 acre feet of historic consumptive (HCU) use were to be split between Verzuh Ranch and the Town after a court decree in the Town's pending water change case. Verzuh Ranch would retain the second 6 acre feet and the remaining 6 acre feet would be split between Verzuh Ranch and the Town.

Since the execution of the Amendment to the Pre-Annexation Agreement, Verzuh Ranch has offered to sell its remaining interest in the McCormick Ditch to the Town for \$50,000. The purchase would increase the Town's water rights in the McCormick Ditch. This water right gives the Town priority on calls in the event of a drought. It also allows the Town to irrigate parks and other green spaces without having to use treated water. While it is not guaranteed that the water change case will result in the recognition of the full 18 acre feet requested, the Town staff and Town Water Counsel recommend that the benefits of the additional HCUs will be a benefit to the Town.

Recommended Action:

Staff recommends that the Council make a motion to authorize the entry into a purchase contract for McCormick Ditch Water and authorize the expenditure of \$50,000 for its purchase.

AGREEMENT FOR THE SALE AND PURCHASE OF WATER RIGHT INTERESTS

This AGREEMENT is made and entered into this ____ day of _____, 2017 (the “Effective Date”), by and between the TOWN OF CRESTED BUTTE, COLORADO (“Town”), a Colorado home rule municipality and VERZUH RANCH, INC., a Colorado corporation (“Verzuh”).

WITNESSETH:

WHEREAS, the Town and CYPRESS FOOTHILLS, LP (“Cypress”), a Texas limited partnership entered into an Amendment to Pre-Annexation Agreement, recorded in the Office of the Clerk and Recorder of Gunnison County, Colorado on December 13, 2016, bearing Reception No. 643828 (“Amended Pre-Annexation Agreement”);

WHEREAS, Section 7.1 of the Amended Pre-Annexation Agreement provides for Cypress to convey to the Town by Special Warranty Deed certain water right interests in the McCormick Ditch defined as the “McCormick Ditch Water Rights” in the Amended Pre-Annexation Agreement, such water right interests currently owned by Verzuh;

WHEREAS, Section 7.2 of the Amended Pre-Annexation Agreement provides for the Town to file and prosecute a water court case to change and quantify the historic consumptive use associated with a portion of the “McCormick Ditch Water Rights” owned by Verzuh (“Change Case”);

WHEREAS, Section 7.3 of the Amended Pre-Annexation Agreement provides for the allocation of the quantified historic consumptive use credits finally decreed in the Change Case between the Town and Cypress, and for the Town to re-convey to Cypress by Special Warranty Deed the corresponding interest in the McCormick Ditch Water Rights to be allocated to Cypress under Section 7.3 (“Reservation of Rights”);

WHEREAS, Cypress has assigned and transferred to Verzuh all of its rights and obligations set forth in Sections 7.2 and 7.3 of the Amended Pre-Annexation Agreement by assignment agreement dated on or about December 14, 2016 (the “Assignment”); and

WHEREAS, the Town wishes to purchase and Verzuh wishes to sell the Reservation of Rights, as well as any other rights of Verzuh contained in Sections 7.2 and 7.3 of the Amended Pre-Annexation Agreement, and Verzuh desires a corresponding release of any obligations Verzuh may have to the Town under Sections 7.2 and 7.3 of the Amended Pre-Annexation Agreement by virtue of the Assignment.

NOW THEREFORE, for and in consideration of the mutual promises, covenants, agreements and monetary consideration contained herein, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Agreement to Purchase. Verzuh agrees to sell and Town agrees to purchase any and all rights Verzuh owns, possesses or retains by virtue of Sections 7.2 and 7.3 of the Amended Pre-Annexation Agreement, including but not limited to, Verzuh's right to receive a Special Warranty Deed for the conveyance of historic consumptive use credits associated with the McCormick Ditch, as such right is further described in Section 7.3. The net effect of such purchase and transfer of rights from Verzuh to the Town under this Agreement is to extinguish the Town's obligations to Verzuh (i.e., "Applicant") under Sections 7.2 and 7.3 of the Amended Pre-Annexation Agreement and to correspondingly release Verzuh from any and all obligations it may have to the Town under Sections 7.2 and 7.3 of the Amended Pre-Annexation Agreement.
2. Earnest Money Payment. Within five (5) business days of execution of this Agreement, the Town will deposit the sum of Five Thousand and No/100 Dollars (\$5,000.00 U.S.) with the law firm of Law of the Rockies c/o Marcus Lock, Esq., to be held in its trust account. This earnest money deposit shall be non-refundable, except as otherwise provided herein. All earnest monies shall be credited to the purchase price to be paid at closing.
3. Purchase Price. The purchase price to be paid by the Town to Verzuh shall be the sum of Fifty Thousand and No/100 Dollars (\$50,000.00 U.S.), all cash or other certified funds at closing.
4. Closing. Closing shall occur within thirty (30) days after the Effective Date of this Agreement. The date of closing shall be at a mutually agreeable time, manner and place.
5. Documents to be Delivered at Closing. On the date of closing, the following documents shall be executed:
 - A. Verzuh and the Town shall enter into an Agreement for the Release and Waiver of Rights and Obligations pursuant to which (a) Verzuh shall release and waive all rights Verzuh owns, possesses, or retains by virtue of Sections 7.2 and 7.3 of the Amended Pre-Annexation Agreement; and (b) the Town shall release and waive any and all obligations of Verzuh under Sections 7.2 and 7.3 of the Amended Pre-Annexation Agreement. This Agreement shall be in substantially the same form and content as that set forth as Exhibit "A" attached hereto and incorporated herein by reference.
 - B. Verzuh, as part of this transaction herein, shall execute and deliver a suitable document to the Town containing an enforceable covenant to cease irrigation of the McCormick Ranch land (as described in the Amended Pre-Annexation Agreement) historically irrigated by the "McCormick Ditch Water Rights" to the extent Verzuh possesses or retains any such rights to irrigate the McCormick Ranch. Such covenant shall be substantially the same form and content as that set forth as Exhibit "B" attached hereto and incorporated herein by reference.

- C. Verzuh, as part of this transaction herein, shall execute and deliver a suitable document to the Town containing an enforceable agreement to allow for the continued irrigation of the McCormick Ranch land (as described in the Amended Pre-Annexation Agreement) historically irrigated by the “McCormick Ditch Water Rights” to the extent Verzuh possesses or retains any such rights to irrigate the McCormick Ranch. Such covenant shall be substantially the same form and content as that set forth as Exhibit “B” attached hereto and incorporated herein by reference.
6. Condition Precedent. This Agreement and the obligation for the Town to purchase and Verzuh to sell is contingent on the completion of the conveyance of the “McCormick Ditch Water Rights” as provided for in Section 7.1 of the Amended Pre-Annexation Agreement (“Section 7.1 Transfer”), prior to closing hereunder. If such Section 7.1 Transfer is not completed prior to closing, then the date of closing shall be extended up to an additional ninety (90) days for the purpose of allowing the Section 7.1 Transfer to occur, unless the Town and Verzuh both agree that such Section 7.1 Transfer will not be forthcoming. If after that time or if both parties agree the Section 7.1 Transfer will not be forthcoming, this Agreement shall be void and of no effect, and each party shall be released from all obligations of this Agreement; and all payments, exclusive of interest, received by Verzuh shall be returned to the Town.
7. Remedies. Time is of the essence hereof. If any payment due is not paid, honored or tendered when due, or if any other obligation is not performed as provided in this Agreement, there shall be the following remedies:
- A. If the Town is in default, Verzuh may elect to treat this Agreement as terminated and retain the Earnest Money described in paragraph 2, above, as liquidated damages.
- B. If Verzuh is in default, (1) the Town may elect to treat this Agreement as terminated, in which case the entire Earnest Payment and all payments and things of value received by Verzuh shall be returned to the Town and the Town may recover such damages as may be proper from Verzuh, or (2) the Town may elect to treat this Agreement as being in full force and effect and the Town shall have the right to an action for specific performance or damages, or both, as against Verzuh.
8. Successors and Assigns. The covenants, conditions and terms contained in this Agreement shall bind and inure to the benefit of both Verzuh and the Town and their respective distributees, receivers, successors, and assigns.
9. Warranties and Representations of Verzuh. Verzuh warrants and represents to the Town that it is the lawful holder or owner of the Reservation of Rights contained in Section 7.3 of the Amended Pre-Annexation Agreement that are the subject of this Agreement. Verzuh further warrants and represents that it has full right, power and authority to enter into this Agreement and to convey such Reservation of Rights to the Town.

10. Real Estate Commissions and Attorneys Disclosure. The parties to this Agreement agree that the subject Reservation of Rights are not listed for sale by any broker or real estate agent and that no real estate or sales commission will be due if this transaction is consummated. Each party further represents to one another that this Agreement constitutes a binding legal agreement for which each party has been encouraged to and has sought legal guidance in drafting and interpreting prior to execution.
11. Notices. Any notice or other information required by this Agreement to be sent to a party shall be sent by e-mail, overnight courier or certified mail to the following:

Verzuh Ranch, Inc.
Attention: Billy Joe Lacy, President
P.O. Box 187
Crested Butte, CO 81224
lacy@crestedbutte.net

with a copy to:

Law of the Rockies
Attention: Marcus J. Lock
525 North Main Street
Gunnison, Colorado 81230
mlock@lawoftherockies.com

Town of Crested Butte
Attention: Dara MacDonald & Michael Yerman
507 Maroon Avenue
P.O. Box 39
Crested Butte, Colorado 81224
dmacdonald@crestedbutte-co.gov
myerman@crestedbutte-co.gov

with a copy to:

Town Water Attorney
Attention: Scott Miller, Esq.
Waterlaw Riverwalk
229 Midland Avenue
Basalt, CO 81621
miller@waterlaw.com

Notice shall be effective when actually received by the party intended to be notified.

12. Amendments and Termination. This Agreement may be amended, modified or terminated only by written instrument executed by both Town and Verzuh.
13. Survival of Representations and Warranties. Each and every covenant, promise, warranty, representation or payment contained in this Agreement shall not merge in any further documents contemplated to be executed pursuant to this Agreement.
14. Entire Agreement of the Parties. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements, offers, acceptances and understandings of the parties with respect to the subject matter hereof. All prior and contemporaneous conversations, negotiations, possible alleged agreements, representations, covenants and warranties concerning the subject matter hereof are merged herein.
15. Authority. By signing this Agreement, the parties acknowledge and represent to one another that all procedures necessary to validly contract and execute this Agreement have been performed and that the persons signing for each party have been duly authorized to do so.
16. Contract Execution. This Agreement may be executed in multiple parts as originals or by email PDF copies of executed originals; provided however, if executed and evidence of execution is made by email PDF copy, then an original shall be provided to the other party upon request.

WHEREFORE, the parties hereto have executed and entered into this purchase Agreement by their duly authorized officers on the date first written above.

VERZUH RANCH, INC.,
a Colorado corporation

By: _____
Billy Joe Lacy, President

STATE OF COLORADO)
)ss.
COUNTY OF GUNNISON)

The foregoing AGREEMENT was acknowledged before me this _____ day of August, 2017, by Billy Joe Lacy, President of Verzuh Ranch, Inc.

Witness my hand and official seal.
My commission expires:

[S E A L]

Notary Public

THE TOWN OF CRESTED BUTTE,
a Colorado home rule municipal corporation

By: _____
Glenn Michel, Mayor

Attest:

Lynelle Stanford, Town Clerk

[S E A L]

STATE OF COLORADO)
)ss.
COUNTY OF GUNNISON)

The foregoing AGREEMENT was acknowledged before me this _____ day of September, 2017, by Glenn Michel, Mayor of the Town of Crested Butte.

Witness my hand and official seal.
My commission expires:

[S E A L]

Notary Public

Exhibit A

AGREEMENT FOR THE RELEASE AND WAIVER OF RIGHTS AND OBLIGATIONS

This Agreement for the Release and Waiver of Rights and Obligations (“Release Agreement”) is entered into this ___ day of _____, 2017, pursuant to the Agreement for the Sale and Purchase of Water Right Interests dated _____, 2017 (“Purchase Agreement”). This Release Agreement is made and entered into by and between VERZUH RANCH, INC., a Colorado corporation (“Verzuh”) and the TOWN OF CRESTED BUTTE, COLORADO (“Town”), a Colorado home rule municipality.

For and in consideration of the mutual promises, covenants, agreements and monetary consideration contained herein, and in the Purchase Agreement, the receipt and sufficiency of which is hereby acknowledged, Verzuh and the Town agree as follows:

1. Release and Waiver of Rights by Verzuh. Pursuant to and upon delivery of the payment called for in the Purchase Agreement, Verzuh hereby fully, finally, and forever releases, waives, acquits and discharges any rights, claims or demands of any kind that Verzuh has arising from Sections 7.2 and 7.3 of the Amendment to Pre-Annexation Agreement recorded in the Office of the Clerk and Recorder of Gunnison County, Colorado on December 13, 2016 at Reception No. 643828 (“Amended Pre-Annexation Agreement”). This release is given by Verzuh on behalf of the company and each of its officers, affiliated individuals and employees of Verzuh, for the benefit of the Town. The intended effect of such release is to extinguish forevermore any of the Town’s obligations to Verzuh or “Applicant” under Sections 7.2 and 7.3 of the Amended Pre-Annexation Agreement, including but not limited to, the Town’s obligation to convey interests in the McCormick Ditch Water Rights, as such water rights are defined in the Purchase Agreement.
2. Release and Waiver of Obligations by the Town. The Town hereby fully, finally, and forever releases, waives, acquits and discharges any obligations of Verzuh whatsoever arising from or related to Sections 7.2 and 7.3 of the Amended Pre-Annexation Agreement. This release is given by the Town for the benefit of Verzuh, and each of its officers, affiliated individuals, and employees. The intended effect of such release is to extinguish forevermore any of Verzuh’s obligations to the Town or otherwise under Sections 7.2 and 7.3 of the Amended Pre-Annexation Agreement, including but not limited to, any and all obligations of Verzuh with respect to the McCormick Ditch Water Rights, as such water rights are defined in the Purchase Agreement.
3. Recording; Successors and Assigns. Upon execution, the Town shall record this Release Agreement in the Office of the Gunnison County Clerk and Recorder. This Release Agreement shall be binding upon the parties’ successors and assigns.
4. No Assignment by Verzuh. Verzuh represents and warrants that Verzuh has made no prior assignment or other transfer of any rights, interests or claims released and waived hereby, and shall indemnify, hold harmless, and defend the Town from any liability,

claims, damages, costs, expenses and attorney fees incurred as a result of any such assignment or transfer.

5. **No Assignment by Town.** The Town represents and warrants that the Town has made no prior assignment or other transfer of any rights, interests, or claims released and waived hereby, and shall indemnify, hold harmless, and defend Verzuh from any liability, claims, damages, costs, expenses and attorney fees incurred as a result of any such assignment or transfer.
6. **Attorney Fees.** A court shall award reasonable attorney fees to the prevailing party in the event that it is necessary for any party to request judicial intervention to interpret or enforce this Release Agreement.
7. **Authority.** Any person who has executed this Release Agreement represents and warrants that they are authorized and have full authority and power to enter into and to perform the terms of this Release Agreement.

In witness hereof, the parties hereto have executed and entered into this Release Agreement by their duly authorized officers on the date first written above.

VERZUH RANCH, INC.
a Colorado corporation

By: _____
Billy Joe Lacy, President

STATE OF COLORADO)
)ss.
COUNTY OF GUNNISON)

The foregoing RELEASE AGREEMENT was acknowledged before me this _____ day
of _____, 2017, by Billy Joe Lacy, President of Verzuh Ranch, Inc.

Witness my hand and official seal.
My commission expires:

[S E A L]

Notary Public

THE TOWN OF CRESTED BUTTE,
a Colorado home rule municipal corporation

By: _____
Glenn Michel, Mayor

Attest:

Lynelle Stanford, Town Clerk

[S E A L]

STATE OF COLORADO)
)ss.
COUNTY OF GUNNISON)

The foregoing RELEASE AGREEMENT was acknowledged before me this _____ day of September, 2017, by Glenn Michel, Mayor of the Town of Crested Butte.

Witness my hand and official seal.

My commission expires:

[S E A L]

Notary Public

**AGREEMENT REGARDING THE ASSIGNMENT OF RIGHT TO IRRIGATE ON THE
MCCORMICK RANCH WITH THE MCCORMICK DITCH AND COVENANT TO
CEASE IRRIGATING ON THE MCCORMICK RANCH WITH THE MCCORMICK
DITCH**

This Agreement Regarding the Assignment of Right to Irrigate on the McCormick Ranch with the McCormick Ditch and Covenant to Cease Irrigating on the McCormick Ranch with the McCormick Ditch (the “Assignment and Covenant Agreement”) is made and entered into on this ____ day of September, 2017 by and between Verzuh Ranch, Inc., a Colorado corporation (“Verzuh Ranch”) and the Town of Crested Butte, Colorado, a Colorado home rule municipality (the “Town”).

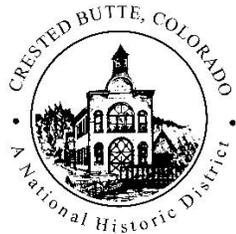
WHEREAS, Verzuh Ranch reserved the following right in section 14.1, paragraph I of the Declaration of Protective Covenants of the McCormick Ranch, recorded August 18th, 2000, in the Office of the Clerk and Recorder for Gunnison County, Colorado, at reception number 504296 (the “McCormick Ranch Declaration”): “the right to irrigate The McCormick Ranch with water from the Breen Ditch and other water owned by” Verzuh Ranch (the “Irrigation Right”);

WHEREAS, pursuant to the Irrigation Right, Verzuh Ranch has irrigated portions of the McCormick Ranch subdivision, as more specifically described in the plat recorded with the Gunnison County Clerk and Recorder’s Office on August 18, 2000 at Reception No. 504295 and a related Affidavit of Correction recorded with the Gunnison County Clerk and Recorder’s Office on December 26, 2000 at Reception No. 507680 (“McCormick Ranch”) with the McCormick Ditch.

WHEREAS, the Town of Crested Butte, Colorado (the “Town”) is acquiring Verzuh Ranch’s remaining interest in the McCormick Ditch, and in conjunction therewith, the Town desires an assignment of any right to irrigate portions of the McCormick Ranch with the McCormick Ditch pursuant to the Irrigation Right, together with a covenant by Verzuh Ranch to cease further irrigation of the McCormick Ranch using the McCormick Ditch.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Verzuh Ranch and the Town agree as follows:

1. Assignment: To the maximum extent permissible under the law, Verzuh Ranch assigns any right to use the McCormick Ditch to irrigate portions of the McCormick Ranch historically irrigated by the McCormick Ditch pursuant to the Irrigation Right and all of its rights, interests, obligations, and restrictions associated therewith to the Town.
2. Acceptance of Assignment. The Town hereby accepts the foregoing assignment, and agrees that by accepting this assignment it assumes all of Verzuh Ranch’s rights, interests, obligations, and restrictions, in, under, and related to Verzuh



Staff Report

September 18, 2017

To: Mayor Michel and Town Council

From: Hilary Henry, Open Space/Creative District Coordinator

Thru: Michael Yerman, Community Development Director

Subject: **Baxter Gulch Trail Easement Update**

Background:

Over the summer, Town Staff have continued to work with our partners on the alignment of the Carbondale to Crested Butte Trail. The trail will improve safety for bicyclists on Kebler Pass, enhance recreation opportunities, and expand opportunities for education and interpretation along the West Elk Scenic Byway.

The Crested Butte community and our regional partners have worked on building this trail corridor since the early 1990s. In 2004, the Trails Commission spearheaded a comprehensive feasibility study for the trail. The alignment in this study was included in the 2010 Grand Mesa, Uncompahgre, and Gunnison (GMUG) Travel Management Plan (TMP).

In 2016, Governor Hickenlooper named the Carbondale to Crested Butte Trail as one of the sixteen priority trails to complete around the state (Known as the “16 in ‘16”, part of the Colorado the Beautiful Initiative). Later that year, Pitkin County Open Space and Trails received a \$100,000 grant from Great Outdoors Colorado (GOCO), matched by \$200,000 of their own funding, for planning and National Environmental Policy Act (NEPA) approval.

Pitkin County Open Space and Trails has worked closely with the Town of Crested Butte, the Gunnison County Trails Commission, and the Forest Service’s Paonia Ranger District to finalize the trail alignment from the top of McClure Pass to the Town of Crested Butte over the past summer.

Currently, the trail exists on the ground from just past the Kebler winter parking lot to Anthracite Creek (the Wagon Trail) and from Erickson Springs to the top of McClure Pass (the Raggeds Trail). Town Staff has been working over the past few weeks with our partners to finalize the alignment on the ground for the new trail to be constructed from Anthracite Creek to Erickson Springs. This alignment will establish a trail corridor that can be refined during construction. NEPA approval on this section of trail is expected to be minimal as the trail alignment was included in the 2010 Travel Management Plan.

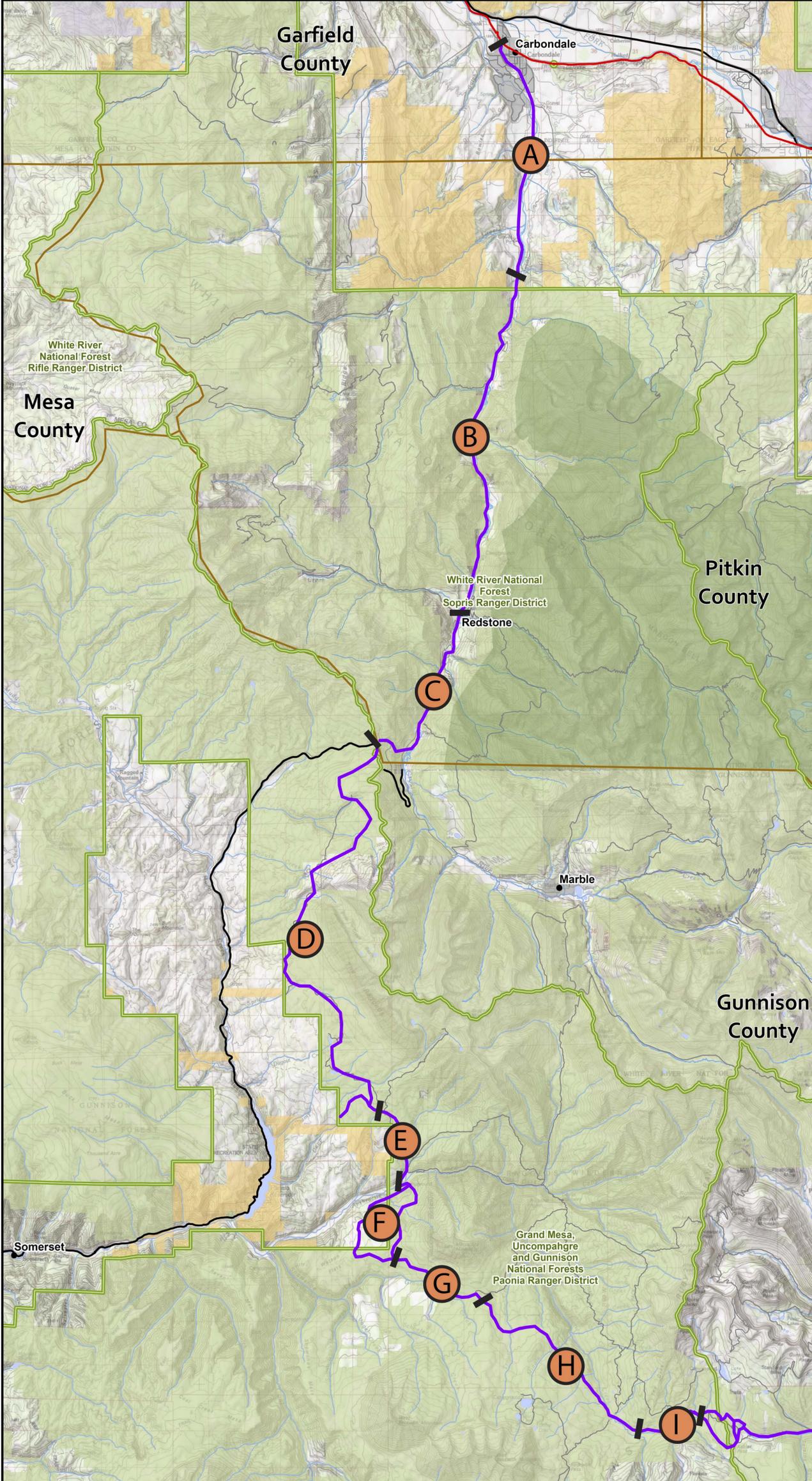
The Town of Crested Butte and the Gunnison Trails Commission will hold an open house with Pitkin County Open Space in early November at the Crested Butte Town Hall. The open house will provide

an opportunity for the public to review the proposed alignment for the new trail and provide feedback. Town Staff will inform Council once a date has been confirmed.

NEPA approval is expected to begin in 2018, with construction slated for 2019.

Recommendation:

No Council action needed at this time. Town Staff will continue to work with our partners on this project and keep Council informed on any developments.



Trail Segment	Status
A Crystal Trail Phase I 8.5 miles Paved, multi-use trail	Completed 2010
B Redstone 13 miles Proposed multi-use trail	Planning
C McClure Pass North 7 miles Proposed single track	Planning
D Raggeds Trail 16.5 miles Existing trail, may need reroutes	Existing, Reroutes may occur
E Williams Creek Connector 3 miles Existing trail, may need reroutes	Existing, Reroutes may occur
F Marcellina Mountain 3.5 - 5 miles Proposed single track, two alignment alts.	Planning
G Kebler Pass Trail - West 3 miles Proposed single track	Planning
H Kebler Pass Trail - West Central 9 miles Proposed single track	Planning
I Kebler Pass Trail - East Central 5 miles Proposed single track	Planning
J Kebler Pass Trail - East Wagon Trail - 6 miles of single track Approx. 8 miles of trail gaps	6 miles existing, Planning for 8 miles

Carbondale to Crested Butte Trail System

- Proposed Crystal Valley to Crested Butte Trail
- Rio Grande Trail
- Regional Trails
- USFS Ranger Districts
- County Boundaries
- Cities & Towns
- State Highways
- Road Centerline
- Rivers, Lakes, Ponds
- Rivers and Streams

Public Lands

- BLM
- CDOW
- CO STATE
- CO STATE PARKS
- USFS

Map Information:
 Map Produced by Pitkin County GIS, August 30, 2016
 This map/drawing is a graphical representation of the features depicted and is not a legal representation. The accuracy may change depending on the enlargement or reduction.

Scale: 0 1.5 3 Miles

North Arrow: N

Copyright © 2013 National Geographic Society, Sources: Esri, USGS, NASA, NOAA, CGIAR, Robinson, NCEAS, NLS, IOS, NMA, Geodatasystemen, Rijkswaterstaat, GSA, Geoland, FEMA, Intermap and the GIS user community.

Carbondale to Crested Butte Trail Plan ⁸⁸

www.pitkinOSTprojects.com

Timeline updated: 08/14/2017

The timeline will continue to be updated as we move through the planning process.





To: Mayor Michel and Town Council
From: Michael Yerman, Community Development Director
Thru: Dara MacDonald, Town Manager
Subject: **Resolution No. 58, Series 2017- Slate River Water and Sewer Agreement**
Date: September 18, 2017

Background

The Slate River Major Development application started with an annexation petition request to the Town in the fall of 2014 by Cypress Equities (Developer). After a year of negotiations, the proponents withdrew their application for annexation with the Town. At this time, the County was approached by the developer about the possibility of a major subdivision in the County.

In 2016, negotiations with the Town about extending sewer service to the development resulted in the Town and the developer executing the first of two pre-annexation agreements. The first Pre-Annexation Agreement, reception #638399, created a hybrid development project in which a portion of the development would occur in the unincorporated area of the County, followed by the annexation of the remaining property into the Town. The Slate River would serve as the dividing line between the Town and unincorporated development. In exchange for sewer service, the developer dedicated four parcels to the Town on the western portion of the development to serve as public uses, affordable housing, passive park space, and open space. These parcels will be platted and annexed under the Town's Municipal Code regulations.

The second agreement was developed after the developer went before the County Planning Commission and Board of County Commissioners (BOCC). Concerns about the developer's plans for water supply resulted in an additional request for Town water. At this time, an amendment to the pre-annexation agreement, reception #643828, was agreed upon to extend water service to the development in the County in exchange for senior water rights in the McCormick Ditch among other conditions. These two recorded agreements will be referenced as "Pre-Annexation Agreements" for the remainder of the memo. Both Pre-Annexation Agreements required the execution of a water and sewer service agreement between the developer and the Town.

Water and Sewer Service Agreement

The purpose of the Water and Sewer Service Agreement (Service Agreement) is to define the terms of use of Town water and sewer services for extrajurisdictional customers in the unincorporated area. These

requirements include adhering to the Town's water restrictions and safety controls such as cross contamination prevention. The agreement also requires the developer to follow approved plans for construction.

The agreement also sets forth limitations on the size of irrigated areas and the size of structures. The Pre-Annexation Agreements limit the structure sizes in the unincorporated portion of the development to 5,000 square feet for primary structures, 750 square feet for accessory structures, and 2,500 square feet of irrigated landscape area. The square footage permitted in the Pre-Annexation agreements allow primary structures built in the unincorporated portion of the developer's project to exceed the maximum square footage allowed in Town primary structures of 3,750 square feet by an additional 1,250 square feet.

At this time, there is disagreement between the Town and Developer on how the square footage of primary structures and accessory structures in the County portion of the development will be measured.

The Town measures square footage in homes by the definition of floor area. Floor area is defined by the Town as follows:

Floor area means the sum of the horizontal areas of all floors and areas in an enclosed structure with the potential to contain more horizontal floors, as set forth in Subparagraph d. below, in principal and accessory buildings on a building site, as measured from the exterior faces of the walls and enclosed porches as measured by the exterior limits thereof. However, those spaces that are above the fourteen-foot and twenty-three-foot heights which occur under a pitched roof of 10:12 or greater that are not suitable for potential living space are excluded for floor area ratio purposes. Such areas must be less than seven (7) feet wide in any dimension or measuring less than seventy (70) square feet. The floor area of basements, as defined by the building code adopted by the Town in [Chapter 18](#) of this Code, shall not be included as floor area. For structures other than enclosed structures, floor area shall be computed as follows and shall be included as additional floor area:

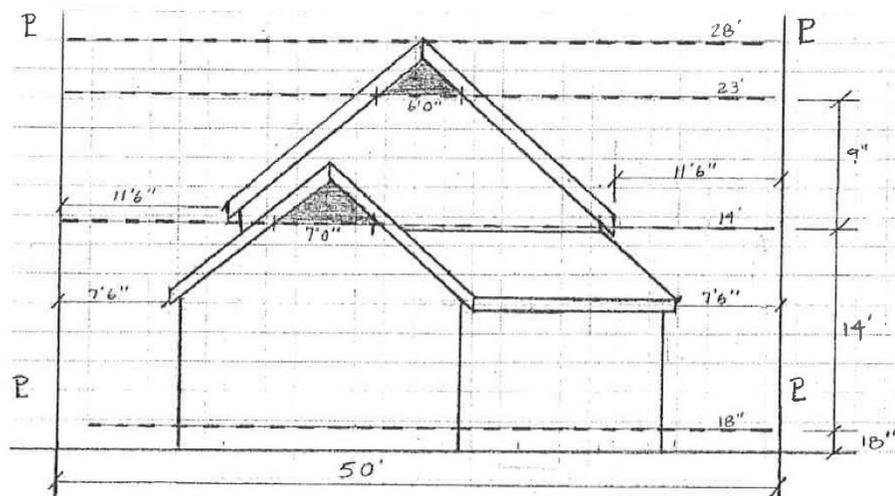
- a. Unroofed porches, decks, balconies and terraces:
 1. If such improvement is more than eighteen (18) inches above grade and occupies less than ten percent (10%) of the area of the building, then zero (0) floor area.
 2. If such improvement is more than eighteen (18) inches above grade and occupies ten percent (10%) or more of the area of the building, then one-half ($\frac{1}{2}$) the actual floor area.
 3. If such improvement is eighteen (18) inches or less above grade, then zero (0) floor area.
- b. Roofed or covered porches, decks, balconies and terraces:
 1. If such improvement occupies less than ten percent (10%) of the area of the building, then one-half ($\frac{1}{2}$) the actual floor area.
 2. If such improvement occupies ten percent (10%) or more of the area of the building, then the actual floor area.
 3. For purposes hereof, such roofed or covered porches, decks, balconies and terraces shall not be enclosed structures, meaning that no more than thirty percent (30%) of the vertical surfaces may be hard surfaced, not allowing the passage of air through the porch, deck, balcony or terrace. When figuring this hard-surface area, up to two (2) walls that compose parts of adjacent enclosed structures shall not be counted.

- c. Any private garage, as that term is herein defined, shall have its floor area calculated and included as additional floor area in an amount equal to one-half ($\frac{1}{2}$) of the first two hundred (200) square feet if it is located within an accessory building or is attached to or part of the principal building; otherwise, its floor area shall be calculated and included as additional floor area in an amount equal to the actual floor area of such garage.
- d. Any part of a building whose interior height is less than fourteen (14) feet is counted once for floor area purposes. Any part of a building whose interior height is fourteen (14) feet or higher is counted twice for floor area ratio purposes, except that any part of such building which has an interior height of twenty-three (23) feet or more is counted three (3) times. For floor area ratio purposes, interior heights shall be measured from the lowest floor level above grade to the underside of the roof assembly. In those cases where the lowest floor level is more than eighteen (18) inches above natural grade or the site is sloped in such a manner that the lowest floor intersects the natural grade, the Building Official will determine the floor plane from which measurements will be calculated.”

The applicant has represented that they would like the square footage measurement to be based upon Gunnison County’s measurements which are based on the International Residential Building Code definition of Gross Floor Area which is defined as follows:

“The floor area within the inside perimeter of the exterior walls of the building under consideration, exclusive of vent shafts and courts, without deduction for corridors, stairways, ramps, closets, the thickness of interior walls, columns or other features. The floor area of a building, or portion thereof, not provided with surrounding exterior walls shall be usable area under the horizontal projection of the roof or floor above. The gross floor area shall not include shafts with no openings or interior courts.”

The biggest difference in the two calculations is the Town’s inclusion of areas in vaulted ceilings located above the 14’ and 23’ cut planes. These areas are illustrated in shaded area in the graphic below.



Other differences include the Town counting large decks, cover porches and measuring from the exterior walls of a structure for the determination of the square footage of the building. Alternatively, the Town does not include basements in the floor area measurement and gives a break on garages.

Action Requested at this Time:

This agenda item is informational because the parties have not come to agreement on how square footage will be measured. Once the parties reach agreement on that provision, then Council can authorize the agreement.

RESOLUTION NO. 58**SERIES 2017****RESOLUTION OF THE CRESTED BUTTE TOWN COUNCIL APPROVING A WATER AND SEWER EASEMENT AGREEMENT FOR THE SLATE RIVER DEVELOPMENT WITH CYPRESS FOOTHILLS, LP.**

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 Town and Cypress Foothills, LP entered into that certain Pre-Annexation Agreement and that certain Amendment to Pre-Annexation Agreement as recorded in the real property records of Gunnison County, Colorado as reception numbers 638399 and 643828, respectively, that relates to the Slate River Development;

WHEREAS, Paragraph 11 of the Amendment to Pre-Annexation Agreement provides that Cypress shall convey to the Town easements for all water mains, sewer mains, lines, tanks, pump houses, and other water and sewer facilities constructed pursuant to the Pre-Annexation Agreement and the Amendment to Pre-Annexation Agreement;

WHEREAS, the plat of Slate River Development as recorded in the real property records of Gunnison County, Colorado as reception number _____ shows utility easements, Aperture Lane, and Pyramid Avenue, all of which may be used for water and sewer infrastructure;

WHEREAS, the Town staff has reviewed and approved the Water and Sewer Easement Agreement attached hereto as **Exhibit A**; and

WHEREAS, The Town Council finds hereby that entering into the Water and Sewer Easement Agreement allows the Town to provide water and sewer services to the Slate River Development as contemplated under the Development Improvements Agreement and Water and Sewer Services Agreement between the Town and Cypress that the Town has also authorized, and, therefore is in the best interests of the Town and the public.

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

1. **Water and Sewer Easement Agreement; Authorization.** Pursuant to the foregoing recitals, the Town Council hereby approves the terms and conditions of the **Water and Sewer Easement Agreement** attached hereto as **Exhibit "A"** and the Town Council hereby authorizes the Mayor to execute the Agreement on behalf of the Town.

INTRODUCED, READ AND ADOPTED BEFORE THE TOWN COUNCIL THIS __ DAY OF
_____ SEPTEMBER 2017.

TOWN OF CRESTED BUTTE

By: _____
Glenn Michel, Mayor

ATTEST

Lynelle Stanford, Town Clerk

(SEAL)

**RECORDING REQUESTED BY:
WHEN RECORDED RETURN TO:**

Town of Crested Butte
Attn: Town Clerk
P.O. Box 39
Crested Butte, CO 81224

WATER AND SEWER SERVICE AGREEMENT

This Water and Sewer Service Agreement is entered into this _____ day of _____, 2017, in Crested Butte, Colorado, between THE TOWN OF CRESTED BUTTE, a Colorado municipal corporation and home rule municipality whose address is 507 Maroon Avenue, Crested Butte, Colorado 81224 (hereafter the "Town"), and CYPRESS FOOTHILLS, LP (hereafter "Cypress" or "Developer"), a Texas limited partnership.

RECITALS

A. The Town owns and operates the Town of Crested Butte water system and sewer system in accordance with the laws of the State of Colorado, and in accordance with the charter, municipal code, ordinances, rules, regulations, policies and resolutions of the Town, and this Agreement is entered into in conformity with, and subject to, such charter, and all such ordinances, rules, regulations, policies and resolutions.

B. Cypress is the owner of real property of approximately 44.5 acres in size, legally described in *Exhibit A, Final Plat for Slate River Development* ("Subject Property").

C. On June 6, 2017, Gunnison County ("County") adopted Resolution No. 17- ____ approving Cypress's application for Land Use Change Permit No: 2016-00009, regarding the subdivision of the Subject Property. The Subject Property is divided into two parcels bisected by the Slate River, the West Parcel consisting of 14.1 acres, and the East Parcel consisting of 30.4 acres, as shown on *Exhibit A, Final Plat for Slate River Development*.

D. The West Parcel will be annexed to the Town pursuant to the *Pre-Annexation Agreement* between the Town of Crested Butte and Developer, recorded in the records of the Office of the Clerk and Recorder of Gunnison County, Colorado on March 14, 2016, bearing Reception No: 638399 ("*Pre-Annexation Agreement*"), the Amendment to the Pre-Annexation Agreement, recorded in the records of the Office of the Clerk and Recorder of Gunnison County, Colorado on December 13, 2016, bearing Reception No: 643828

(“*Amended Pre-Annexation Agreement*”) and pursuant to §13-1-280 of the Crested Butte Municipal Code.

E. The East Parcel will be subdivided into 23 single-family residential lots of up to 5,000 square feet, with the opportunity for a 750 square feet accessory structure on each lot, and a Homeowner’s Association lot, on which an owner’s complex may be potentially constructed. The maximum development currently allowed by Gunnison County for each lot on the East Parcel is described on *Exhibit A, Final Plat for Slate River Development* (“Project”).

F. This Water and Sewer Service Agreement pertains only to the provision of water and sewer service to the Project on the East Parcel. Nothing herein concerns, or is intended to concern, the West Parcel, and accordingly, the parties do not intend for this Water and Sewer Service Agreement to bind, or run with, or constitute an encumbrance upon the West Parcel.

G. Cypress seeks to obtain new municipal water and sewer service from the Town for the Project on the East Parcel through the construction of water and sewer infrastructure and connection to the Crested Butte water system and sewer system.

H. The East Parcel is located outside the corporate limits of the Town.

I. The Home Rule Charter and Municipal Code of the Town of Crested Butte, Colorado (the "Code"), § 13-1-280(5) allows for extension of water service outside the boundaries of the Town by written agreement with the Town.

J. The *Amended Pre-Annexation Agreement* gives Cypress the right and authority to connect the East Parcel to the Town’s water system pursuant to §13-1-280 of the Code subject to certain terms and conditions, and to enter into a Water Services Agreement consistent with the *Amended Pre-Annexation Agreement*.

K. Section 7.6 of the *Amended Pre-Annexation Agreement* gives Cypress the right to use treated water from the Town for all indoor uses on the East Parcel, including all indoor uses within up to twenty-three (23) primary residences, up to twenty-three (23) detached accessory dwellings or buildings, and an owners’ complex and associated amenities to be owned by the homeowners association for the East Parcel, irrigation and landscaping of all of the 0.46 acre park to be owned by the homeowners association for

the East Parcel, irrigation and landscaping of up to 2,500 square feet per residential lot on the East Parcel, and all required fire flows.

L. Section 13-1-280 of the Code authorizes the Town to provide sewer services outside of the Town's municipal boundaries in certain circumstances; the East Parcel is located within the Town's Waste Water Service Area; and an Intergovernmental Agreement Regarding the Upper East River Valley Areawide 201 Facilities Plan to which the Town is a party contemplates that the Town may provide sewer services to properties within its Waste Water Service Area.

M. The *Pre-Annexation Agreement* sets forth certain, binding terms and conditions upon which the Town and Cypress agree that Cypress will be authorized to connect to the Town's sewer system.

The Town has determined that this Agreement and all covenants herein are necessary to comply with the Code and the Town's policies, and will allow the Town to recover its costs of providing such extraterritorial service and generate revenue. The final plans, and all attachments, addenda and exhibits thereto submitted to the County by Cypress and approved by the County have been relied upon by the Town in authorizing this Agreement.

N. The Town is not hereby representing that it is a regulated public utility, or holding itself out to the public in general as capable of or intending to provide water or sewer service extraterritorially.

O. The Town is willing to provide water and sewer service to Cypress on the terms and conditions of this Agreement.

AGREEMENT

THEREFORE, in consideration of the premises and the mutual promises and covenants contained herein, the Town and Cypress agree as follows:

1. Water Service to Project and the East Parcel. The Town hereby agrees to provide treated water service to the Project and the East Parcel as described in *Exhibit A, Final Plat for Slate River Development* subject to the terms and conditions of this Agreement, in such quantities and to the extent herein provided so as to serve the structures and uses authorized by Gunnison County including all indoor uses on the East Parcel, such indoor uses to include use within up to twenty-three (23) homes of 5,000 square feet, up to twenty-three (23) detached accessory dwellings or buildings of 750 square feet or less, and an owners' complex and

associated amenities to be owned by the homeowners association for the East Parcel; irrigation and landscaping of all of the 0.46 acre park to be owned by the homeowners association for the East Parcel; irrigation and landscaping of up to 2,500 square feet per residential lot on the East Parcel (such allowance not to be combined or cumulated); and all required fire flows (“Water Uses”).

1.1 Town is Sole Provider. Cypress understands that the Town will be the sole provider of treated water to the Project and the East Parcel, provided however, that the Town will not be required to supply water to serve more than the Project.

1.2 The gross water demand calculations are depicted on ***Exhibit B Gross Water Demand***. Fireflow provisions will be finalized prior to any building permit applications, and such treated water is further subject to all Town water-related ordinances and policies now or then in effect, and which are equally applicable to residents of Town.

1.3 Covenant Running with the Land. The recording of this Water and Sewer Service Agreement will constitute a covenant running with the land restricting the use of treated water delivered hereunder to the terms and conditions contained in this Water and Sewer Services Agreement, and to all Town ordinances and policies now or in the future in effect, which are equally applicable to residents of Town.

1.4 Limitations of Provision of Water Service. This Water and Sewer Service Agreement is for the supply of treated water service as herein described and no expansion of uses, connections, or water service beyond those set forth herein is in any way authorized by this Water and Sewer Service Agreement. The Town is not by this Water and Sewer Service Agreement representing its ability to provide treated water service to any use or structure except as provided herein. Cypress understands and agrees that the Town’s water supply is dependent upon sources from which the supply is variable in quantity and quality and beyond the Town's reasonable control; therefore, no liability will attach to the Town under this Agreement on account of any failure to accurately anticipate availability of water supply or because of an actual failure of water supply due to inadequate runoff, poor quality, failure of infrastructure, drought, or other occurrence beyond the Town's reasonable control. The Town agrees that it shall not treat actual or potential water users on the East Parcel any differently than it treats actual or potential water users within the Town’s municipal boundaries, except as set forth herein.

1.5 **Raw Water for Outside Uses.** Cypress understands and agrees that the Town will not provide any raw water for irrigation or other uses, unless and until the Town and Cypress agree to the terms for such use. Nothing in the Amended Pre-Annexation Agreement or the Pre-Annexation Agreement will prevent Cypress from seeking separate, additional raw water if it desires. Any and all raw water use on the East Parcel will be in accordance with Colorado water law governing the appropriation and use of water, provided, however that if Cypress seeks to change or develop any additional water rights or supplies, the Town may take such actions as it deems appropriate to protect its own water rights and supplies so long as any such actions are consistent with the Town's obligations under the Pre-Annexation Agreement and the Amended Pre-Annexation Agreement. There will be no cross-connections of Cypress's raw water supplies or infrastructure to the Town's treated water system. All backflow prevention devices shall be installed and inspected according to Town Code. Cypress or a subsequent lot owner ("Lot Owner") will demonstrate in its plans, to the satisfaction of the Town, and be responsible for, the proper installation, maintenance and testing of required backflow prevention devices and for assuring that unprotected cross-connections, structural or sanitary hazards do not exist on the East Parcel. Cypress's water systems (for both treated and raw water) will be available for inspection as provided in the Code, to authorized Town Representatives to determine whether cross-connections or other structural or sanitary hazards exist, and to confirm that no treated municipal water is being used for outdoor irrigation or aesthetic purposes other than as provided herein.

1.6 **Property Rights in Water.** All water furnished under this Agreement is provided on a contractual basis for use on the East Parcel as described in and pursuant to this Agreement, and all property rights to the water to be furnished hereunder are reserved to the Town. Water service provided under this Agreement does not include any right to make a succession of uses of such water, and upon completion of the primary use of the water on the East Parcel, all dominion over the water provided reverts completely to the Town. Subject to the prohibition against waste and any other limitations on water use imposed in this Agreement, Cypress will have no obligation to create any particular volume of return flow from the water furnished under this Agreement. Cypress agrees to cooperate with the Town in measuring and reporting return flows to the extent such

measuring and reporting are required by the Colorado State Engineer or his agents.

2. Sewer Service to the East Parcel. Cypress shall abide by the Town's rules and regulations governing use of the Town's sewer systems just as if the sewerage facilities extension were located within Crested Butte except as otherwise set forth herein. Nothing contained in the Town's rules and regulations, however, shall limit Cypress' rights and obligations under this Agreement.

2.1 The Town agrees to provide sewer service and facilities to all indoor uses on the East Parcel.

2.2 No Individual Sewage Disposal Systems are allowed on the East Parcel.

3. Tap Fees, Availability Fees, Service Charges. Subject to the following subsections, all tap fees, system development fees, availability fees and service charges, now or later in effect, and equally applicable to residents of Town, for treated water service or sewer service will be assessed and determined utilizing the Town's applicable fees and rates at the time of application for a building permit for the structure for which service is sought. No water or sewer service will be provided to any structure or park absent payment of the appropriate fee and charges.

3.1 Such fees and charges shall be paid to the Town at the time of building permit submittal to the County.

3.2 The Town Public Works Department will determine scheduling of all physical taps or connections to the main lines, which scheduling will be done in accordance with then applicable Code, rules, regulations, standards and policies of the Town.

3.3 Cypress and Lot Owners understand and agree to its obligation to pay to the Town an availability fee according to Code 13-1-160 for each building site and the park during the period of time in which the building sites are not connected to the Town water and sewer lines. The availability of service fee charges will commence and begin to accrue at the time of acceptance of water and sewer system infrastructure. Cypress and Lot Owners understand that the Town is under no obligation to reimburse these or any applicable fees.

3.4 Pursuant to Section 13-1-280 of the Code, tap fees for water and sewer service on the East Parcel will be one and one-half times

(1.5x) per EQR of the in-Town rate as of the date of building permit application for such lot seeking service. The one-half times (1.5x) per EQR multiplier will not be subject to change, however, such in-Town rate for tap fees will be amended by the Town from time to time.

3.5 Monthly service fees for water and sewer service on the East parcel will be two times (2x) per EQR of the in-Town rate pursuant to Section 13-1-280 of the Code. The (2x) per EQR multiplier will not be subject to change, however, such monthly fees will be amended by the Town from time to time.

3.6 Tap fees for the 0.46-acre park shall be paid prior to installation of any service lines to serve the park.

3.7 If the East Parcel or any part thereof is annexed at a later date, all water and sewer 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.

4. Plan Review. Cypress and Lot Owners agree to submit building permit plans to the Town for review prior to or concurrent with application to the County. The sole purpose of the review by the Town will be to evaluate compliance with the following limitations of development (“Limitations”), which are set forth in the Pre-Annexation Agreement and Amendment to the Pre-Annexation Agreement. Such Limitations concern (a) structure size; (b) landscape area; and (c) restrictions on solid fuel burning devices. Permits to tap into water and sewer utilities will not be issued by the Town until compliance with the Limitations has been confirmed by the Town. Such approval shall not unreasonably be withheld. Structure size shall be evaluated in accordance with the methodology for determining square footage set forth in _____.

5. Fire Hydrants. Until the conveyance of the common elements on the East Parcel to the Aperture Homeowners Association, Inc. (the “Association”), Cypress shall be responsible for ensuring that all fire hydrants located on the East Parcel are sufficiently clear of snow at all times to be usable by the Crested Butte Fire Protection District. Then, upon the conveyance of the common elements on the East Parcel to the Association, the Association shall become responsible for ensuring that all fire hydrants located on the East Parcel are sufficiently clear of snow at all times to be usable by the Crested Butte Fire Protection District.

6. Termination by Agreement. Except as provided to the contrary herein, this Agreement will only be terminated in writing by mutual agreement and the term of this Agreement will continue until such termination.

7. No Regulated Public Utility Status. The parties agree that by this Agreement the Town does not become a regulated public utility compelled to serve other parties similarly situated. Cypress agrees that neither it nor their successors in interest will at any time petition the Colorado Public Utilities Commission to acquire jurisdiction over any water rate set by the Town.

8. Default

8.1 The following conditions, occurrences, actions or inactions shall constitute a default by Cypress, each of them, under this Agreement: a material breach of any term, condition or requirement contained in this Agreement or any exhibit hereto which remains uncured for more than the time period allowed herein.

8.2 The Town may not declare a default until written notice has been given to Cypress, and Cypress has not corrected such failure or breach within thirty (30) days after receipt of notice from the Town specifying such failure or breach, except that if such failure or breach is not capable of being cured within such thirty (30) day period, Cypress shall have such additional time as may be reasonably required as long as Cypress is diligently attempting to correct the same.

9. Town's Rights Upon Default. In the event of a default by Cypress, the Town shall have the following rights and remedies:

9.1 The Public Works Director may stop performance under this Agreement until an agreement on compliance consistent with the terms of this Agreement and the Code has been reached.

9.2 The Town may exercise all rights it may have under law and in equity, including, without limitation, the right to bring suit against Cypress for injunctive relief, for specific performance of this Agreement, to recover damages for the breach by Cypress of this Agreement. All remedies may be applied concurrently and not to the exclusion of any other remedy.

10. Interest. Any sum which is required to be paid by Cypress to the Town under this Agreement and which is not timely paid shall accrue interest at eighteen percent (18%) per annum, or the highest rate allowed by applicable law, whichever is less, commencing as of the date such sum becomes due and owing.

11. No Third Party Beneficiaries. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Town, on the one hand, and Cypress and its successors (specifically the homeowners association for the East Parcel and the owners of lots within the East Parcel), on the other hand, and nothing contained in this Agreement shall give or allow any such claim or right of action by any other third person. Any other person shall be deemed to be an incidental beneficiary only.

12. Attorneys' Fees. If any dispute occurs in connection this Agreement or the documents provided for herein or related hereto, the substantially prevailing party in such dispute shall be awarded all reasonable attorneys' fees, as well as costs and expenses, including expert witness fees, incurred in such dispute.

13. Indemnification. Cypress agree to indemnify, defend and hold the Town, its elected officials, officers, employees, agents, attorneys, insurers and insurance pools harmless from and against all liability, claims, damages and demands, on account of injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever, that arise out of or are in any manner connected with Cypress' and/or their agents, representatives or contractors' negligence or intentional misconduct or Cypress' failure to comply with any term or condition of this Agreement Cypress agrees to investigate, handle, respond to and provide defense for and defend against any such liability, claims or demands at the sole expense of Cypress. Cypress also agrees to bear all other costs and expenses related thereto, including, without limitation, court costs and attorneys' fees, whether or not any such liability, claims or demands alleged are determined to be groundless, false or fraudulent.

14. No Waiver. No waiver of any provision of this Agreement shall be deemed to constitute a waiver of any other provision, nor shall it be deemed to constitute a continuing waiver unless expressly provided for by a written amendment to this Agreement signed by both the Town and Cypress, nor shall the waiver of any default under this Agreement be deemed a waiver of any subsequent default or defaults of the same type. The Town's failure to exercise any right under this Agreement shall not constitute the approval of any wrongful act by Cypress or the acceptance of any Improvements.

15. Relationship to Pre-Annexation Agreement and Amended Pre-Annexation Agreement. The Pre-Annexation Agreement, the Amended Pre-Annexation Agreement and this Agreement shall be read together and reconciled to the greatest extent possible. In the event of an irreconcilable conflict between this Water and Sewer Service Agreement, on the one hand, and the Pre-Annexation

Agreement and Amended Pre-Annexation Agreement, on the other hand, the Pre-Annexation Agreement or Amended Pre-Annexation Agreement, as applicable, shall control.

16. Recordation. This Agreement shall be recorded by the Town in the official real property records of the Clerk and Recorder of Gunnison County, Colorado, and Cypress shall pay the Town the costs and expenses thereof upon demand.

17. Immunity. Nothing contained in this Agreement shall constitute a waiver of the Town's governmental immunity under any applicable State or federal law.

18. Personal Jurisdiction and Venue. Personal jurisdiction and venue for any civil action commenced by either party to this Agreement shall be deemed to be proper only if such action is commenced in the District Court of Gunnison County, Colorado. Cypress hereby expressly waives their right to bring such action in or to remove such action to any other court, whether state or federal.

19. Code Changes. References in this Agreement to any provision of the Code or to any Town or other governmental standard are intended to refer to any subsequent amendments and/or revisions to such Code or standard. Such amendments or revisions shall be binding upon Cypress or Lot Owner, unless otherwise stated herein.

20. Non-assignability. Neither this Agreement nor the rights and obligations contained herein may be assigned by Cypress without the prior written consent of the Town, provided however that the rights and obligations set forth herein shall be binding upon and a benefit to all successors to any interest in the East Parcel.

21. Notices. Any notice required or permitted hereunder shall be in writing and shall be sufficient if personally delivered, mailed by certified mail, return receipt requested, or sent by facsimile, addressed as follows:

If to the Town:

Town of Crested Butte
 Attn: Town Manager; Public Works Director
 507 Maroon Avenue
 P.O. Box 39
 Crested Butte, CO 81224
 (970) 349-5338

Fax: (970) 349-6626

With a copy to:

Town of Crested Butte
Attn: Town Attorney
507 Maroon Avenue
P.O. Box 39
Crested Butte, CO 81224
(970) 349-5338
Fax: (970) 349-6626

If to Cypress:

Cypress Foothills, LP
Attention: Cameron Aderhold
8343 Douglas Ave., Suite 200
Dallas, Texas 75225
Facsimile: 214-283-1600
cameron.aderhold@cypressequities.com

with a copy to:

Cypress Foothills, LP
Attention: Brian Parro
8343 Douglas Ave., Suite 200
Dallas, Texas 75225
Facsimile: 214-283-1600
brian.parro@cypressequities.com

with a copy to:

Law of the Rockies
Attention: Marcus J. Lock
525 North Main Street
Gunnison, Colorado 81230
Facsimile: 970-641-1943
mlock@lawoftherockies.com

Notices mailed in accordance with the above provisions shall be deemed to have been given on the third business day after mailing. Notices personally delivered shall be deemed to have been given upon delivery. Notices sent by facsimile shall be deemed to have been given at the time the transmission is received. Nothing

herein shall prohibit the giving of notice in the manner provided for in the Colorado Rules of Civil Procedure for service of civil process.

22. Severability. It is understood and agreed by the parties hereto that if any part, term or provision of this Agreement is held by a court of competent jurisdiction to be illegal or in conflict with any law, state or federal, the validity of the remaining portions or provisions hereof shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part, term or provision held to be invalid.

23. Modification. This Agreement may be modified or amended only by a duly authorized written instrument executed by the parties hereto.

24. Construction. None of the provisions of this Agreement shall be construed against or interpreted to the disadvantage of either party hereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured or dictated such provisions.

25. Further Assurances. The parties shall execute and deliver, or cause to be executed and deliver as the case may be, all other appropriate supplemental agreements and other instruments, and take any other action necessary to give full effect to this Agreement and the transactions contemplated herein.

26. Counterparts. This Agreement may be executed simultaneously in two or more copies, each of which shall be considered an original for all purposes and all of which together shall constitute but one and the same instrument.

27. Paragraph Headings. Paragraph headings are inserted for convenience only and in no way limit or define the interpretation to be placed upon this Agreement.

28. Binding Effect. This Agreement and the terms, provisions and requirements contained herein shall be binding on the parties hereto and their heirs, representatives, successors and assigns, shall run with title to the East Parcel and shall forever bind all persons and entities having any right, title or interest in and to the East Parcel, or any parts thereof, their heirs, successors and assigns and their tenants, employees, guests and invitees.

29. Governing Law. This Agreement shall be interpreted in accordance with the laws of the State of Colorado.

30. Incorporation of Exhibits. The attached *Exhibits A* through *C* inclusive, are incorporated herein by reference and are material parts of this Agreement.

31. Recitals. The Recitals herein are considered material provisions of this Agreement by the parties.

Index of Exhibits

Exhibit A: Final Plat of Slate River Development approved by Gunnison County

Exhibit B: Gross Water Demand

IN WITNESS WHEREOF, the parties have entered into this Agreement effective as of the Effective Date set forth above.

TOWN:

TOWN OF CRESTED BUTTE,
a Colorado home rule municipality

By: _____

Glenn Michel, Mayor

ATTEST:

[SEAL]

Lynelle Stanford, Town Clerk

OWNERS:

By: _____

_____, _____

STATE OF _____)

) ss.

COUNTY OF _____)

The foregoing Water and Sewer Service Agreement was acknowledged before me this ____ day of _____, 20__ by Glenn Michel, Mayor of the Town of Crested Butte, a Colorado home rule municipality on behalf of said entity.

Witness my hand and official seal.

My Commission expires:

Notary Public

STATE OF _____)

) ss.

COUNTY OF _____)

The foregoing Water and Sewer Service Agreement was acknowledged before me this ____ day of _____, 20__ by

_____.

Witness my hand and official seal.

My Commission expires:

Notary Public

Exhibit A
(Final Plat Slate River Development)

Exhibit B
(Gross Water Demands)

October 2, 2017**Consent Agenda**

Resolution No. ?, Series 2017 - Resolutions of the Crested Butte Town Council Approving the Contract for Use of the Big Mine Ice Arena by Gunnison Valley Hockey Association for the 2017/2018 Winter Season.

October 16, 2017

Update from the Chamber on Summer Grant Reporting

November 6, 2017

Snow Plan

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
- Special Events
- Double Basements
- Slate River Update
- Weed Update from Parks and Rec

September and October work sessions are reserved for budget.