

MINUTES
Town of Crested Butte
Regular Town Council Meeting
Tuesday, August 5, 2014
Council Chambers, Crested Butte Town Hall

Mayor Huckstep called the meeting to order at 7:06PM.

Councilmembers Present: Jim Schmidt, David K Owen, Glenn Michel, Roland Mason, and Chris Ladoulis.

Staff Present: Town Manager Todd Crossett, Town Attorney John Belkin, Town Clerk Lynelle Stanford, Chief Marshal Tom Martin, Public Works Director Rodney Due, Finance Director Lois Rozman, Parks and Recreation Director Janna Hansen, and Town Planner Michael Yerman (all for part of the meeting).

Approval of the Agenda

Crossett added an Executive Session at the end of the meeting 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) after Other Business.

Belkin reversed item numbers 4 and 5 under New Business and also changed item number 5 to the first order of business under New Business.

Schmidt moved and Mason seconded a motion to approve the amended agenda. A roll call vote was taken with all voting, "Yes," except Owen voted, "No." **Motion passed.**

Consent Agenda

- 1) Approval of July 21, 2014 Minutes
- 2) Approval of Special Event Application for the Contractor/Vendor BBQ on August 20, 2014 at Alpine Lumber from 10AM to 2PM requiring ½ a block of Belleview Avenue to be closed from 4th Street to Alpine Lumber's front gate.

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

Public Comments

Steve Glazer

- Reported that there was a US Geological Service (USGS) stakeholders meeting. There were discussions of a water quality plan and water quantity monitoring programs. He said he had news that a federal agency comes bearing gifts that will present an opportunity to take over the gauge (potentially located in Coal Creek), and the Upper Gunnison District can cover the cost. There are two locations considered for the gauge. Their fiscal year ends October 1, and they are interested in getting it done in this year's budget. Glazer said they are asking for an easement permitting the government to utilize Town property. Glazer also asked the Council that in the budgeting process to consider adding \$2500 for next year to be a partner in O and M (operating and maintenance) of the gauge. USGS is offering to pay for part of the O and M, which they hadn't offered in the past. Glazer wants the easement process fast tracked in order to utilize the money by October 1.
- The Council instructed Crossett and Due to follow up to grant necessary approvals, which Due said would be handled with a licensing agreement.

Elliot Stern

- Reported to the Council that late last October or early November, the Crested Butte Parks Master Plan disappeared from the website. Informally, he spoke with former Parks and Recreation Director Jake Jones, and the website link has been dead for the past year. Stern felt that with the Town asking for a sales tax increase, the master plan should be available on the website and it would be appropriate to have the document for review. Also, Stern was unable to find a copy at the library. Hansen said she would follow up immediately to make the plan available.

Staff Updates

Rodney Due

- Will start the public process for the licensing agreement and make sure the location is appropriate in Coal Creek (in reference to Glazer's report on the gauge for Coal Creek).
- The Town has no obligation to install the gauge.
- Race officials for the Pro Challenge targeted repairs at the intersection of 2nd Street and Whiterock. The paving portion is going to cost \$3,200. It will cost about \$1,000 to \$1,500 to replace the valley pan, so the total will be \$5,000 to fix the intersection. It will be absorbed in the Public Works Department's budget, but Due wanted the Council to know that the repairs are being done now because of the upcoming event.

Tom Martin

- Reported to be very busy this summer. Arts Fest was a huge success, and the weather cooperated.
- He said there have been less than five bear calls this summer. There has been ample food in the backcountry. The young bears sprint out of Town when caught. He gave kudos to business owners, residents, and the weather.

Michael Yerman

- 50 people showed up for the Baxter Gulch trail workday. He reported the trail is dialed in to the river crossing. They are working on new alignment to move it closer to the river.
- Mentioned there will be an Avalanche Park overnight to complete more trail work in the area.
- Said the Youth Corp kids did fantastic job on their trail work.
- On September 25, Thursday night, there will be a second meeting to discuss the Transportation Plan. It is planned because Kimley Horn is available to come to town.

Janna Hansen

- Reported she received one proposal for the tennis courts project.
- There is an RFQ for the Big Mine Park on the website.
- Schmidt asked Hansen if the tennis court bid was in the ballpark. Hansen said since there is only one proposal the committee is meeting to decide if they want to move forward with the single proposal. Crossett added they are trying to get it in before the weather turns, but the Town has two full years, until June 2016, to complete the project.

Lois Rozman

- Sales tax for June is up 7.4%. Rozman said it was a record June for Crested Butte.
- She said every month this year but April has been record setting.
- Overall, sales tax is up 10% for the year.
- Asked the Council if they are still in support of the effort with Mt. Crested Butte on the Growing Winters program. The Council agreed they were still supportive.
- Ladoulis asked if Rozman would report on sales tax for the three licensed retail marijuana establishments. He said there is curiosity in how the segment is doing. Rozman said she would give the Council a lump number for all three establishments for July in the first part of September.

Lynelle Stanford

- Reported the Cemetery Committee met, and there was discussion of tombstones that had degraded. The committee will request funds in the budget to work on repairing tombstones that may pose a safety risk.
- Currently working on a liquor license transfer for Maxwell's.

Todd Crossett

- The budget process has begun.
- Has worked on the job description for the Deputy Clerk. The position will be advertised next week. This will be the first time Town will be fully staffed since he's been here.
- Starting informational meetings on parks and rec funding. He and Hansen will be doing a presentation for Rotary later this month and will be presenting to any other organizations that may request it.
- VCUP comments are in and looking good.
- There was a Vinotok meeting today, and generally speaking, Crossett reported staff has been putting in a lot of effort with special events.
- Owen questioned Crossett when an upcoming major special event might be coming before the Council. Crossett answered they are shooting for the August 25th meeting. It is currently being worked through on a staff level. Owen wondered if that would be enough time for public input.
- Schmidt asked Crossett if there is a property being considered for annexation. Crossett said there was a meeting with the new owners of the Foothills project on the old dump north of Town. Belkin said if the property was already annexed and they were presenting a land use proposal, it would be a quasi-judicial process. But since it is already an annexation, there is a major legislative component. It is a major negotiation element. The decision will need to be made by the Council on how they want to treat it.
- Mason asked if there are any new developments or updates on Caddis Flats. Crossett answered that the tax credits are being sold through this month. The goal was to have them sold by the end of August. The market rate is higher than the original estimate. There may be a process that is brought in front of the Council. He originally thought it was administrative, but now something might have to go on the ballot. Owen has a housing authority meeting tomorrow and may have an update.
- Owen asked if there was an indication from the VCUP comment letters that were in from multiple agencies. Crossett said his impression is that the state is going to be taking a look at them with multiple groups. He said they are very thoughtful and have good feedback. Crossett said he did not have an indication of how the decision will go. He said they are going to be looser with their timeframe to make sure they process it and understand.

Public Hearing

1) Ordinance No. 7, Series 2014- An Ordinance Amending the Subdivision Exemption Criteria Contained in Chapter 17, Article 3 of the Crested Butte Municipal Code.

In his staff report, Yerman recommended to pass the ordinance. Huckstep confirmed that nothing has changed since the last meeting and the staff report. There was a clause added

for the Council to bless the agreement and due diligence for putting in new streets which will apply to zoned and platted lots.

There were neither public comments nor further Council discussion.

Michel moved and Schmidt seconded a motion to approve Ordinance No. 7, Series 2014. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

2) Ordinance No. 8, Series 2014 – An Ordinance Submitting to the Registered Electors of the Town of Crested Butte at a Special Election to Be Held on November 4, 2014, the Question of Whether the Town of Crested Butte Should Increase Taxes by Up to \$400,000.00 in the Fiscal Year Commencing January 1, 2015 and Ending December 31, 2015, and by Whatever Additional Amounts Annually thereafter, by Imposing an Increase to the Town's Sales Tax and Use Tax Rates by 0.5% (i.e., from 4.0% to 4.5%), with Said Increase in Sales Taxes to Provide Revenue for Parks and Recreation Facility Maintenance and Parks and Recreation Capital and Programs and Said Increase in Use Tax to be Applied as it Always has been under the Crested Butte Municipal Code; Setting forth the Ballot Title; and Providing for the Conduct of the Special Election.

Public hearing opened. It was confirmed there were no changes from the time of Rozman's staff report. The proposed recommendation is to keep the sales and use tax at the same rate and to adopt Ordinance No. 8

Public hearing closed, and there was no further Council discussion.

Schmidt moved and Mason seconded a motion to approve Ordinance No. 8, Series 2014. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

New Business

- 1) Ordinance No. 10, Series 2014 – An Ordinance Amending Chapter 6 of the Crested Butte Municipal Code to Add Regulations Respecting the Creation of an Entertainment District in which Common Areas for the Consumption of Alcohol May be Operated by a Promotional Association.

Huckstep said it was worth the Council talking about the major special event more openly. He said in looking back at his notes, the larger community has known since last April 2014, when the Council was willing to entertain the concept. He compared the impacts of the proposed event to the Arts Festival in the way of road closures, pedestrian flow on Elk, and entertainment. Huckstep cited concern of closing off of Elk to citizens and visitors and how it may exclude minors from this particular area. The Council would have a hard time approving if there is consideration of closing Elk Avenue to citizens. Huckstep said the Town is not endorsing any brand.

Owen added that it has not been before the Council, except as a concept. He said he hoped tonight would have been the night of the public hearing, but he said it seemed as

though staff will be ready to present on August 25th. Crossett said it depends on getting everything from the applicant. He confirmed the Town has not approved it in secret, and the Council strongly agreed that the event has not been approved. Belkin said the application has not been submitted, and it has to come before the Council in a public hearing

Schmidt asked if there is a concept that minors will not be allowed on Elk Avenue. Belkin said the applicant does not feel that involving minors makes a lot of sense. Crossett said the Town wants to keep Elk open to the greatest extent possible. The question was posed if an entertainment district speaks to the allowance of minors. Belkin said, yes, they are allowed; however, this particular event does not want minors comingled with what they do. He reiterated there is no application yet, but they want to provide additional activities to include children. Schmidt asked about a 19 year old that might need to go to the post office. Owen stressed again that there has been no approval. Belkin said the Council would talk in greater detail and get into incremental issues during the hearing on August 25th.

Belkin said the Town is able to require as part of the contract that the event pays for the set up of the entertainment district, insurance costs to make it turn key for 2015, inclusive of security. A big issue is if they pay for security for two or three events, pilot it in 2014 and a couple more in 2015. Then the promotional association does not need to pay for it. If businesses determine they do not want it, they can let it lapse. Huckstep asked if there was support from business owners. The Town on behalf of the event, to explore potential participation of businesses, has contracted Dan Marshall. Marshall said he has reached out to nearly every bar and restaurant on Elk Avenue. He is now moving beyond to 3rd Street. He said everyone he has talked to gives a thumbs up. Marshall reported that in face-to-face conversations with owners and managers, everyone sees it as a great way to use the entertainment district as a pilot project. Business owners like that the sale of alcohol originates on the side of the business.

Joel Lewis, who owns the Talk of the Town, said he appreciates the Council looking into an entertainment district. He thinks it is a great thing for Town. He said the only negative he has heard is that everyone should be involved, not just those who are older than 21. He does not want to take away from family's experiences in Crested Butte. He suggested restricting access on Elk during a certain timeline, such as 10PM to 2AM, but it should be full access other than that.

Andrew Canale, representing Teocalli Tamale, said the owner is interested in becoming a part of the promotional association and the opportunities that it might provide.

Kyleena Falzone, who owns multiple restaurants in town, said she is in favor of the event. She said an entertainment district opens up a lot of possibilities of other things. She said to allow the event on Elk and allow families to stay on the sidewalks. She said she is all in all in favor of the entertainment district.

Jeff Scott, resident of Crested Butte, said that he likes the idea of the district. His biggest concern would be security and how we as a small community can make sure that we contain such special events if they grow to different magnitudes. If things do grow, he wondered if we have support to manage the community.

Noel Adam, owner of Zacchariah Zypp and Company, said that in his 42 years in town, when events happen that close off parking to downtown, his statistics show that when parking spots are eliminated, his sales drop 50 to 70 percent. He said that is the only variable that he can really find. People that come to shop want to be close to their cars. He said that in big cities, people drive around for 30 minutes just to find a parking spot 2 minutes closer to their destination. It was said that Yerman would add Adam's comments to the discussion of the Transportation Plan.

Molly Murfee, event organizer of long time special event, Vinotok, said she has a lot of thoughts and comments probably reserved for 25th hearing. She said it feels awkward for a lot of us that haven't been talked to and what it means and what kind of money is involved. She hopes the Town is not going through the process of making special exceptions. She said the application for Vinotok is arduous which is put on for the community. She thinks that making a special entertainment district sounds good, but she hoped it was not a special exception for a certain event.

Dennis Hall, a long time local resident, has concerns that he said are probably best addressed at public hearing. He said the timing seems rushed. For a hearing to occur on the 25th, that is only 10 days to do a whole lot of stuff before the event. The applicant is going to have to come in with substantial paperwork. He asked questions such as: Who's doing the ID checking? Who's doing the security? If it's an outside outlet, he said he sees red flags. How about the timing? He asked the Council if it seems quick to do all of that in 10 days. Huckstep said on the 25th they expect something that does not have loose ends to be wrapped up. Huckstep said the staff has reviewed it. Crossett confirmed that staff is processing information to be able to get a recommendation. He said if staff does not feel okay, it will not be recommended. Hall said the non-disclosure bothers him.

Michel said downtown business owners are enthusiastic. He views the entertainment district as a great amenity. However, there are residents that are very near the potentially created entertainment zone. Folks choose to live downtown, but that's where he'll struggle.

Owen said he is concerned about the timing of it as well. He can understand and can see the potential benefits beyond this major special event. The Council further discussed if the district that is being created is the appropriate size and if it includes enough areas. In the example of Vinotok, it would be great for people to buy a beer from Kochevar's and take it down to the fire. Ladoulis asked the Council if they're trying to promote business or consumption. If they're supporting business, then the current perimeter is appropriate.

Ladoulis moved and Schmidt seconded a motion to set Ordinance No. 10, Series 2014 for public hearing on August 25, 2014. **Motion passed.**

- 2) Resolution No. 10, Series 2014 – A Resolution Creating an Entertainment District Authorized by C.R.S. 12-47-301.

Resolution is required in conjunction with Ordinance No. 10, Series 2014, so this item is continued to August 25th.

Schmidt moved and Mason seconded a motion to continue Resolution No. 10, Series 2014 until the August 25, 2014 meeting after the Public Hearing. A roll call vote was taken with all voting, “Yes.” **Motion passed unanimously.**

- 3) Discussion and Possible Approval of Special Event Application for the Gore-Tex Grand Traverse Mountain Run & Bike on August 15th and 16th, 2014. The pre-race racer check-in and expo are on August 15th from 10AM to 6PM at the Chamber and Chamber parking lot. August 16th is race day, with the run starting at 6AM on Elk Avenue in front of the Brick Oven and the ride starting at 9AM at the same location.

Schmidt had concerns about no parking on Elk, and he asked the event organizer if they needed the entire block closed off. Keith Bauer, who was representing event organizers, said they need the entire 200 Block of Elk for vendors to set up tents in the street, along with a sponsor arch going up across Elk Avenue. Schmidt asked if it was possible to allow parking on the west end of the block to 2nd Street. Huckstep said it is an all or nothing type of decision. Martin said the Marshal’s Office tries not to close off half blocks, and the post office would still be accessible.

Michel moved and Owen seconded a motion to approve the Grand Traverse Mountain Run & Bike special event application. A roll call vote was taken with all voting, “Yes.” **Motion passed unanimously.**

- 4) Discussion and Possible Action Regarding Event Funding Agreement between the Town of Crested Butte and QPC LOC for the 2014 U.S.A. Pro Challenge Pro-cycling Race Host Event.

Huckstep recused himself from the meeting, and Schmidt moved to mayor pro tem.

Belkin said the agreement gave funding to the LOC (local organizing committee), and the agreement is memorializing the granting of the funds. He further said that it ties together the race agreement. He said it makes sense to have an agreement, and it states that money is being given for the following purposes: it indemnifies, specifies getting insurance policies, and an audit provision. Owen asked if the typos will be corrected, and Belkin answered, “Yes.” In addition, Huckstep’s name on the agreement was changed to Schmidt’s name in order for him to sign the agreement.

Michel moved and Owen seconded a motion to authorize the mayor pro tem to execute the agreement in its current form with corrections, including changing Huckstep's name to Schmidt's name. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

- 5) Ordinance No. 9, Series 2014 – An Ordinance Amending and Replacing the Affordable Housing Guidelines for Paradise Park Subdivision, Blocks 77 and 78 Contained in Appendix N, Part VII of the Crested Butte Municipal Code, Applicable to Block 77, Lot 4, Unit B Only; and Amending and Replacing the Affordable Housing Guidelines for the Town Ranch House Contained in Appendix N, Part IV of the Crested Butte Municipal Code.

This ordinance applies to the property the Town recently purchased. The deed restriction the way it would read allows capital improvements, and Yerman thinks it is important to have it back in there. Huckstep said it is more of a housekeeping item. Yerman said a second ordinance would set the price of the unit. He reported the electricity was turned back on and things worked. He said the objective is to keep the price affordable. The price will be set by the ordinance, and once it is passed, people can be qualified for the unit. Qualification will take at least 60 days. The second ordinance will be presented soon once Yerman gets a list of things that need to be done, but he felt it prudent to keep the process moving forward.

Schmidt questioned capital improvements and the fact other projects have been limited. He wondered if capital improvements exceed the purchase price, if people can get it all back. Yerman said he maintains an approved capital improvement list.

Schmidt moved and Mason seconded a motion to set Ordinance No. 9, Series 2014 with the replacement of Exhibit A for public hearing on August 25, 2014. **Motion passed.**

Legal Matters

None

Council Reports and Committee Updates

Owen

- Attended a West Elk Loop Scenic Byway meeting.
- Said in regards to the Keystone Mine VCUP , the committee decided to send a letter. He confirmed the letter would be in the next Council packet.

Schmidt

- The Cemetery Committee discussed restrictions on sizes of monuments. They decided that nothing be built beyond the height of the existing tallest monument. The situation is the same with fences, in that no fence can be built taller than any

existing fences. There was some concern of the use of elements, such as people cannot use plastic for fences. It becomes difficult defining the use of composite materials. The goals being longevity of fences and looking to preserve monuments that are falling over. A lot of monuments that are crumbling don't have family to maintain. Schmidt estimated it would take \$10,000 or \$15,000 for that project, in addition to fixing fences.

- Mason questioned if it is the Town's responsibility to fix monuments. Schmidt said the thought is to contact families, but there are a fair amount that haven't been looked at, and the talk is about stabilizing more than anything.

Huckstep

- Senator Udall is in Gunnison next Tuesday. There are meetings involving the sage grouse.
- Next Thursday is mayor/manager meeting.
- Pro Challenge is in two weeks. He has sent two emails requesting information regarding VIP tickets, and he wanted to be clear that if councilmembers haven't responded, they do not want VIP tickets. He said to let him know the sooner the better, or he will presume people do not want tickets unless he is told otherwise.
- Story in CB News of ORE investigation for embezzlement. Town has given money to ORE. Huckstep directed Belkin and Crossett to check if the Town should attempt to collect restitution.

Other Business to Come Before the Council

Owen mentioned that with the major special event he is hoping for a public hearing on the 25th of August. He requested information be available the week before. He voiced concerns with timing and letting the public know. Belkin said the expectation was always that they would be having a discussion on the omnibus contract tonight. He said he is hopeful it can be ready by the 25th, but putting information out piecemeal did not seem better. Owen wants the information to be made available to the public, so people can come to the meeting on the 25th prepared. He requested there be some kind of notice in the paper, and he does not want it reported after the fact. Ladoulis asked if staff can be directed to send a letter to the paper on Tuesday the 19th. Crossett said the staff has enormous lift to get this done. They are trying to deal with the concerns of being overrun with people. He liked the idea of a notification that says make sure you show up. He also does not want it presented piecemeal. He said the notice could be something that says to show up on the 25th for details on an event occurring in early September.

Schmidt mentioned the upcoming Public Policy Forum.

Executive Session

Schmidt moved and Mason seconded a motion to go into Executive Session for the purpose 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).

A roll call vote was taken with all voting, "Yes," except Owen voted, "No." **Motion passed.**

Council went into Executive Session at 10:02PM and returned from Executive Session at 12:01AM. Mayor Huckstep made the required announcement upon returning to the open meeting. No action was taken.

Adjournment

Mayor Huckstep adjourned the meeting at 12:03AM.



Aaron J. Huckstep, Mayor



Lynelle Stanford, Town Clerk (SEAL)

