

MINUTES
Town of Crested Butte
Regular Town Council Meeting
Tuesday, January 17, 2017
Council Chambers, Crested Butte Town Hall

Mayor Michel called the meeting to order at 7:03PM.

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

Staff Present: Town Manager Dara MacDonald and Town Attorney John Belkin

Finance Director Lois Rozman, Town Planner Michael Yerman, Parks and Recreation Director Janna Hansen, Public Works Director Rodney Due, Building and Zoning Director Bob Gillie, and Town Clerk Lynelle Stanford (all for part of the meeting)

APPROVAL OF THE AGENDA

Mitchell wanted to discuss the Women's March planned for this Saturday under Other Business.

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) **January 3, 2017 Regular Town Council Meeting Minutes.**
- 2) **Resolution No. 2, Series 2017 - Resolutions of the Crested Butte Town Council Adopting a Policy of the Town Council Regarding the Leasing of Non-Residential Municipal Properties.**
- 3) **Resolution No. 3, Series 2017 - Resolutions of the Crested Butte Town Council Authorizing the Town of Crested Butte to Apply for a State of Colorado, Department of Local Affairs (DOLA) Energy Impact Program Grant for the Funding for the Construction of the Town's Wastewater Treatment Plant Improvements.**
- 4) **Resolution No. 4, Series 2017 - Resolutions of the Crested Butte Town Council Appointing Creative District Commissioners.**
- 5) **Fat Bike World Championships Special Event Application and Special Event Liquor Permit for Saturday, January 28, 2017 at Town Ranch, Parking Lot, and the Gravel Pit Area from 6AM to 7PM.**

6) Authorization for Mayor to Sign Audit Engagement Letter with Chadwick, Steinkirchner, Davis & Co., P.C.

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

PUBLIC COMMENT

Sue Navy

- Thanked Due and his crews for their amazing work, and she praised the fact that they remained friendly the entire time.

STAFF UPDATES

Rodney Due

- Crews were working steadily. Contractors and Town crews alike deserved applause. They were focused on widening and pulling pack off the streets. Michel echoed Navy's comment.
- Petito asked, on behalf of a constituent, how Due decided on the order of streets in which to widen and pull pack. He explained that they focused on emergency and bus routes, and then they considered how storm water flowed.
- Schmidt asked how the amount of snow stored at Town Ranch compared to '08, and Due said it was about the same so far.

Lois Rozman

- She would have a better idea on the snow removal budget in order to report at the next meeting. Michel confirmed Town had not tapped into contingency funds. Rozman explained the budgeting process for snow removal.

Janna Hansen

- Schmidt asked about hockey use this year compared to past years. She had an email in to request current numbers, and she hoped to provide an answer at the next meeting.

Bob Gillie

- They were starting to field requests on construction for next summer. There could be expansions to existing businesses. He expected a busy summer.

Michael Yerman

- The Space to Create application became live.
- With Fulmer's departure, they were having conversations about affordable housing. There would be an upcoming work session that would include a Space to Create aspect.

Dara McDonald

- She reminded the Council of the Parks and Rec crews' and the Marshal Department's contributions to snow management.
- There was a parcel called the Brush Creek Parcel. The intention of the purchase of the parcel was to use the land for affordable housing or transportation facilitation. There had been recent discussion around what to do with parcel, due partly to an unsolicited offer to purchase. They were gauging to determine if the entities who contributed to the purchase wanted to pursue the sale. Michel moved the discussion of the topic to Other Business.
- She would be gone the latter half of next week for the Colorado City and County Managers meeting.

PUBLIC HEARING

1) Ordinance No. 12, Series 2016 - An Ordinance of the Crested Butte Town Council Amending Chapter 6 of the Crested Butte Municipal Code to Include New Regulations in Article 6 Thereof for the Licensing of Vacation Rentals and Defining Vacation Rentals in Chapter 16.

Michel explained the process for the meeting. McDonald stated that changes were generated from legal questions at the last meeting. Belkin described the changes such as: the vacation rental definition was tweaked and put in the land use section and a new use was effectively created with the definition of a rental. Michel affirmed the limit reflected in the packet was 120 days, and the green zone reflected on the map in the packet was the zone in which unlimited short-term rentals (STRs) were allowed. McDonald explained the background behind non-conforming uses and that they would create a new use that they intended to come into compliance over time. The non-conforming section was such that if the use were not undertaken for six months or more, people would have to comply with new limitations; however, as long as the use was maintained, they could continue to rent without limitation on the number of nights. McDonald further explained that zoning was related to the property and the license to the person. Belkin added that if the use were interrupted, then the non-conforming use would become subject to the 120-day limit. Mitchell questioned the term of six months. Michel stated the six-month term existed in the Code as written. Schmidt clarified that Zones B4, M, and T would be subject to the limitation. It was recalled that B4 was created in reaction to the horizontal zoning discussion. When the zone was B3, it would have fallen under unlimited, but it was not picked up in the section of the Code when it became B4. Schmidt confirmed with Gillie it was an oversight. Merck thought B4 could be added to the green zone.

Michel allowed questions from the public. Harvey Castro asked if there was a mechanism in place to know if people rented their places or not, and he asked if it was a calendar or start/stop period. McDonald explained there were tools that could be used to track rentals. Sales tax collection was also a mechanism. Jim Starr wondered how many units were grandfathered to allow unlimited rentals. McDonald answered there were currently about 199 units. Mitchell confirmed there were 56 in non-conforming zones. Starr asked about the exclusion of T Zone blocks, and McDonald said the way the

ordinance was drafted, short-term renting would only be permitted in Blocks 55 and 37 of the T Zone.

Michel opened the meeting to public comment.

Marcus Lock - Representing property owners

- Commented on process. He was disappointed he didn't see a red line or staff memo in the packet.
- He saw in the proposed ordinance that vacation rental use was not residential use. There was an existing law that stated it was incorrect.
- Cited rent control statute and the relevant provision.
- He referred to the map and properties that were outside of the green zone that were granted BOLT licenses.

Rob Fessenden - 17 Elk Avenue

- Was at the meeting to talk about the B4 Zone versus B3, and he explained the history of B3 becoming B4 related to horizontal zoning.
- He was told B4 would be exactly the same as B3.

Harvey Castro - 712 ½ Maroon

- People were shocked when they found out almost the entire town had unlimited rental capability, and he could see a citizen's initiative regarding it.
- The number of nights allowed needed to be as low as possible, and they needed to come up with a much smaller number.

Jeff Scott - Residence at 810 Elk and Business at 719 4th Street

- There would be impacts in either direction.
- He bought his house with the intention of living in a neighborhood.
- Lower the number to 30, 60, or 45 (nights). Consider going lower and then over time the number could be adjusted.

Mitchell Evans - 19 Elk Ave

- Houses in B4 were abandoned and empty, and nothing was going on there.
- He didn't know renting was illegal when their zone was switched to B4.
- Told the Council to do what was logical in a business zone.
- There was a big difference between single family residential and business residential.

Eric Davis - 311 1st Street

- Wanted to talk about the B4 zoning issue.
- To not put them in the green zone was totally wrong.
- It seemed like the place where they belonged.

Dale Kramer - 609 4th St

- Main reason he was drawn to Crested Butte was the sense of community.

- He suggested a limit of 60 or fewer rental nights.
- Once people lived in Crested Butte they understood what it meant to be a community.

Jim Starr - 323 Gothic

- Community needed to be protected the most.
- He suggested a limit of 45 - 60 nights.
- Cap the number of non-resident owners who could short-term rent.
- There were people moving to Town who didn't share the core values.
- If Town was sued over a cap, they had good allies.
- Keep the number low.

Nicole Blaser - 11 7th Street

- Referred to an email that she sent and thanked the Council for reading.
- She currently rented her home out for 170 - 190 nights a year.
- Her home qualified as her primary residence during a refinance.
- She described her volunteer and work history.
- In 2009, she was granted a license by Town to rent out her home. She had a finely balanced situation, and she described it as having the rug pulled out from under her.
- Consider exceptions for locals who lived here, or set a realistic timeline for those who needed to re-think major elements of their lives.

Kevin Hartigan - Owner of the Last Steep located at 208 Elk Ave

- He firmly believed in the community.
- He was curious as to why the tourist economy couldn't be embraced.
- Limiting or heavily restricting STRs was limiting his potential income.
- The 45-day limit seemed ludicrous to him.
- Wanted them to find a balance between strict regulations and something that had the possibility to support and encourage the fact that Town was a tourist economy.

Mark Solari - 117 Teocalli Ave

- He lived in the mobile home area of Town, and it was the last great neighborhood in Crested Butte.
- It was appalling to restrict people on what other people in Town were doing.
- Couldn't destroy something that someone had started because they didn't fall perfectly within the map.
- Wondered why they would limit in the Tourist district.
- Respect personal property rights of people who lived in Town.

Sue Navy - 324 Gothic

- Not happy about the green zone. It changed residential zones to de facto commercial zones.
- Once something was enacted it might encourage people to come live in their homes.

- Wanted to see meaningful limits.
- Community benefited from tough decisions.

Mindy Sturm

- People wanted properties to be opened to short-term renting.
- She pointed out green and white zones on the map. White zones were where locals lived.
- Slow down and understand what legislation would do and create.
- It was not fair to limit mobile home people.
- If they limited, they would create an elitist class.

Public comment was closed, and the meeting was moved to Council discussion.

Michel asked the Council about the B4 Zone. Ladoulis was okay with treating B4 like B3, for this ordinance. Schmidt, Mason, Mitchell, and Merck voiced agreement. Mason elaborated that B4 would have the same unlimited allowance as B3, but they still had to maintain renting. Schmidt wanted to leave the T Zone as permitted in the section. Michel clarified that STRs would be allowed in the T Zone, but they were subject to the 120-night limit or what the ordinance said. Mason had concerns of a new buyer coming in to purchase multiple plots of real estate to turn them into multiple units in the M and T Zones. He thought the rest of the ordinance made sense, but the days were putting something in that they could regulate. Schmidt wanted to leave them as printed. Mitchell added that they needed to take their time, and the T Zone was the Tourist Zone. She thought people could be grandfathered in and then the limit would be applied to new licenses. Merck agreed with the comments from Sturm and Solari. He was concerned about the people who needed to rent the most to supplement were the ones they were restricting the most. The rest of the ordinance was a good idea, but he didn't like the ordinance as it was written. Petitto wanted to see the Town all regulated under one regulation, and he thought a limitation on the number of buildings would be more effective. Ladoulis stated that the M and T Zones should be included with the same right to rent their residences, provided there was a meaningful cap.

Next, the Council discussed the cap. Schmidt shared that the short-term rental topic was the most difficult he had considered. It was not rent control; it was use control. He thought 120 days was the number on which he would settle. Mitchell would agree to 120 if everyone were grandfathered in. Petitto agreed with Scott's comment, that if the limit were 120 days now, it would never be any lower. To balance forces, he would prefer a lower number; however, it wouldn't preclude him from voting affirmatively on 120. Mason went between 90 and 120 days. He agreed with Hartigan's point that STRs brought business to Town. He was okay with 120 days, including in the T and M Zones. Ladoulis agreed with 120 days, and he explained possible consequences of going lower. Merck didn't see the number as being the magic to the ordinance. It was hard for him to pass, and he wasn't happy with the ordinance or the cap. Michel was in favor of a 90-day cap.

Michel reviewed the outcomes of the discussion: the B4 Zone would be treated the same as B3; M and T Zones would be covered under Ordinance No. 12 if passed with the limit the Council discussed; and he was hearing 120 for the limit on nights. No one on the Council voiced disagreement. Michel asked about the timeline. McDonald informed the Council that Staff would advise that they continue the ordinance to draft the language as discussed at the meeting.

Schmidt moved and Merck seconded a motion to continue the public hearing on Ordinance No. 12, Series 2016 to the February 6th meeting with the direction provided regarding the B4 Zone. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

NEW BUSINESS

1) Discussion and Possible Approval of the 31st Annual Alley Loop Nordic Marathon Special Event Application and Special Event Liquor Permit for Saturday, February 4, 2017 Located at Elk Avenue and 2nd Street and Pub Ski Proposed for Friday, February 3, 2017 with a Proposed Closure of Elk Avenue from 1st Street to 3rd Street as well as Closures for the Race Route through Saturday, February 4 at 4PM.

Stanford told the Council that nothing had changed from the time the staff report was written. Keith Bauer was present representing the event organizer. He explained that they surveyed participants last year, and the overwhelming response was people wanted to see more alley skiing. Bauer described the proposed route and a change with the kids' races that would result in clearing the streets about an hour earlier. There was no one from the public present to comment.

Merck moved and Mitchell seconded a motion to approve the 31st Annual Alley Loop Nordic Marathon special event application and special event liquor permit. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

2) Update from Chris Larsen, Transit Manager of Mountain Express.

Chris Larsen provided the annual report on Mountain Express to the Council per the IGA. He referenced reports and the budget in the packet that were approved by the Board of Directors. He reviewed highlights such as: ridership continued to be strong; there were no route changes; summer was becoming stronger every year; and bicycles were down this year. Financially, Mountain Express was really strong, and he described improvements and purchases they were considering. The fleet was getting newer and newer. Mason congratulated Larsen and the staff for getting people around during the storm cycle.

3) Ordinance No. 1, Series 2017 - An Ordinance of the Crested Butte Town Council Authorizing the Lease of Various Town Residential Properties (Units 1, 2 and 3, Town Ranch Apartments; 808 9th Street; 812 Teocalli Avenue; 814 Teocalli Avenue; and 19 9th Street, Crested Butte, Colorado) to Various Town Employees.

Mason moved and Merck seconded a motion to set Ordinance No. 1, Series 2017 for public hearing at the February 6th regular Town Council meeting. **Motion passed.**

LEGAL MATTERS

None

COUNCIL REPORTS UPDATES AND COMMITTEE UPDATES

Jim Schmidt

- Attended a Housing Authority meeting. Paula Swenson was named the temporary Executive Director. They hired a firm for the search for a permanent director. They would be holding a retreat to discuss goals.
- He commended the RTA drivers.

Jackson Petito

- He would attend his first Housing Foundation meeting tomorrow.

Roland Mason

- He attended a short RTA meeting on Friday. American Airlines out of Dallas was doing well, but the other flights into Gunnison were behind.
- Reported on the numbers carried by RTA for the year and for December. They were at capacity, which was where they wanted to be.

Laura Mitchell

- She would head to Delta for the Scenic Byways meeting.

Paul Merck

- Attended a Center for the Arts meeting. They were moving along great, and he was excited to be on the board.
- He spoke informally to the Senior Marketing Director from DIA, and he heard Allegiant was considering flying into Gunnison.

OTHER BUSINESS TO COME BEFORE THE COUNCIL

Mitchell brought up a request from women who wanted to do a peaceful march on Saturday. McDonald confirmed that it would not be considered a special event because there was not time for the process, but people had the constitutional rights to assemble and express themselves. The Marshals would help with safety. Mitchell thought it would be a calm walk.

McDonald mentioned the potential sale of the Brush Creek Parcel during Staff Updates. Schmidt's perception was that it seemed like the County thought it was a great idea to sell. He recalled it was meant for housing or a transportation hub. Land was the most valuable thing and most difficult to get; he could not imagine with what they would

replace it. Ladoulis wondered if Town could buy the County's share. Michel stated that selling would be contrary to what the needs assessment uncovered. He agreed it was alarming. Michel summarized the Council wanted it to remain available for the use it was intended. McDonald pointed out that if it was marketed, there was the expectation for affordable housing. Yerman added that substantial infrastructure would be needed. McDonald said the question was if Council wanted to pursue putting out a RFP that would be specific to needs. Michel wasn't prepared to talk about how they would develop it. Mason suggested that a public-private relationship might be needed. Ladoulis said they could signal they were open to discussion rather than selling it off. McDonald brought up another question asking the willingness of the Council to fund an appraisal of the property. Schmidt thought it seemed far ahead of any planning process. Mitchell saw an uphill battle with shareholders. McDonald said she could update the Council on what a RFP would look like. Yerman acknowledged that no stakeholders wanted to skip the public process.

DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE

- Monday, February 6, 2017 - 6:00PM Work Session - 7:00PM Regular Council
- Tuesday, February 21, 2017 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, March 6, 2017 - 6:00PM Work Session - 7:00PM Regular Council

Schmidt asked about the retreat. McDonald explained the facilitator's schedule was tied up. Ladoulis preferred they didn't wait until March. Schmidt wanted an opportunity to talk to each other. It was decided to first do a retreat without a facilitator to discuss goals and objectives, and the Council directed the Town Manager to organize.

EXECUTIVE SESSION

Michel read the reasons for 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 (i) Center for the Arts; and (ii) transactions with Freeport-McMoRan, Inc. and 2) 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).

Schmidt moved and Ladoulis 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 10:02PM. Council returned to open meeting at 11:17PM. Mayor Michel made the required announcement before returning to open meeting.

ADJOURNMENT

Mayor Michel adjourned the meeting at 11:17PM.

Glenn Michel

Glenn Michel, Mayor

Lynelle Stanford

Lynelle Stanford, Town Clerk

(SEAL)

