

MINUTES
Town of Crested Butte
Regular Town Council Meeting
Monday, December 19, 2016
Council Chambers, Crested Butte Town Hall

Mayor Michel called the meeting to order at 7:01PM.

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

Staff Present: Town Manager Dara MacDonald

Town Attorney John Belkin connected to the meeting via conference call for the Executive Session.

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

The agenda was amended to add two executive sessions. The first was also under C.R.S. Section 24-6-402(4)(e), developing strategy for negotiations, and/or instructing negotiators, relative to McCormick Ditch water rights. The second was for a conference with the Town Attorney for the purposes of receiving legal advice under C.R.S. Section 24-6-402(4)(b).

MacDonald agreed to email any direction Staff received from Council to the press.

Schmidt moved and Mason seconded a motion to approve the agenda with the addition of two executive sessions. A roll call vote was taken with all voting, "Yes," except for Ladoulis who was not yet present. **Motion passed unanimously.**

CONSENT AGENDA

- 1) December 5, 2016 Regular Town Council Meeting Minutes.**
- 2) Letter of Support for Gunnison County's Grant Application for the State of Colorado Noxious Weed Fund.**
- 3) Approval of Arbor Day 2017 Proclamation and 2016 Tree City USA Application for Certification.**

4) Resolution No. 43, Series 2016 - Resolutions of the Crested Butte Town Council Authorizing the Execution of Refuse and Recycling Collection and Disposal Agreement with Waste Management of Colorado, Inc.

5) Resolution No. 44, Series 2016 - Resolutions of the Crested Butte Town Council Approving the Services Agreement with the Crested Butte/Mt. Crested Butte Chamber of Commerce and Authorizing the Mayor to Execute the Agreement.

Schmidt removed item #5 from Consent Agenda, and it became #4 under New Business.

Merck moved and Mitchell seconded a motion to approve the Consent Agenda with the change to put #5 to New Business. A roll call vote was taken with all voting, "Yes," except for Ladoulis who was not yet present. **Motion passed unanimously.**

PUBLIC COMMENT

None

STAFF UPDATES

Lynelle Stanford

- Informed the Council they would need to reschedule the retreat that was planned for February 3.
- Staff would be meeting with the event organizer of Bridges of the Butte to discuss a location for their base camp.
- Referred to a letter in the packet in which a resident voiced concerns about his alley being used for the Alley Loop. Staff was working to remedy the issue, and the special event application would be before the Council on January 17.
- Had a request from the Crested Butte Art Market to use 3rd Street for their reoccurring event on Sundays. Staff did not agree to approve the new location.

Janna Hansen

- They were continuing ongoing efforts for avalanche mitigation at Big Mine. She stated they were still searching for a specialist to hire.
- They were having initial conversations regarding Big Mine to accommodate both hockey and Nordic with facilities.

Rodney Due

- Crews were busy with snow.
- There had been a water main break behind the Ginger Café.
- They were preparing to trim the banks on Elk to allow more room, but both a blower and dump truck were being repaired.
- Michel asked about closing parking on one side of Elk. Due stated the Marshals could always close one side or another.

PUBLIC HEARING

1) Ordinance No. 19, Series 2016 - An Ordinance of the Crested Butte Town Council Amending the Town Code to Adopt by Reference the 2015 Series of the International Building Code, International Residential Code, International Existing Building Code, International Energy Conservation Code, International Fire Code, International Mechanical Code, International Fuel Gas Code, International Plumbing Code, International Property Management Code, the 2014 National Electric Code and Various Elements of Chapter 18 Related to Construction Activities.

Michel questioned if there had been any changes from the last meeting. Gillie explained there had been a minor tweak regarding sprinklers and fire alarms. Michel confirmed proper public notice was given. There were no further questions for Staff. The meeting was opened to public comment. There were no comments from the public, and there was no Council discussion.

Schmidt moved and Merck seconded a motion to approve Ordinance No. 19, Series 2016. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

NEW BUSINESS

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 Making Such Other Recommended Changes to the Code in Connection Therewith.

Gillie told the Council that Staff had incorporated the changes the Council wanted from the previous meeting including the 180-day limit and zoning pieces. Michel explained the process for public comment.

Margot Levy - 118 7th Street; Unit G

- Thanked the Council and congratulated Petito.
- Issue was intertwined with community and affordable housing.
- Mentioned what other communities had done without failure.
- The CML website had a matrix with what other communities were doing.

Mark Alling

- Council was supposed to represent him, and their constituency consisted solely of Crested Butte registered voters and dependents.
- He lived in a residential zone, which was not a B & B Zone.
- Units were run as commercial ventures in direct competition with B & Bs.
- He highlighted problems with dogs and parking.

Dale Kramer - 609 4th Street

- It was of utmost importance to find a solution.
- The sense of community kept him here.

- Unrestricted STRs jeopardized the community atmosphere.
- He enjoyed having neighbors.
- Put meaningful restrictions on STRs.

Mary Ellis - 122B Sopris

- Member of the STR committee.
- They agreed there was a point beyond which there would be too many STRs to maintain the integrity of the community.
- Most houses in her neighborhood were short-term rented.
- The committee agreed on a percentage.
- 180-day limit would do nothing to slow conversion of homes to STRs.

Steve Ryan - 75 Escalante

- Recognized the Council was in a tough situation.
- Talked to 17 business owners, and every single one was on board with the current path of 180 nights.
- Needed to consider that the sole source of income in other cities was not tourism.
- Ordinance No. 12 addressed parking issues and issues could be curbed.
- He thought Council was on the correct path with the limitation of 180 days.

Bobby Maxwell - Owner of a cooking store on Elk

- He could speak to both sides.
- Spoke about the frustrating aspects heard from full-time residents, and he didn't want a hotel town either.
- Had been in business for two years today, and he was starting to get a little nervous. They would have shut their doors if they didn't own the building.
- 90% of purchases were from people that lived greater than 20 miles away.
- He wanted to see business succeed.
- Be careful. Town revenue was affected.

Sue Navy - 324 Gothic

- Thanked all for putting effort into the decision.
- She did not want to have to say that she remembered when she used to have neighbors.
- A community needed residents, and the key word was community.
- Protect what they had and the value of the people that were the community.
- Needed a meaningful limit that was not 180 days.

Gaby Kellman - 1 Maroon

- All of the rentals said rent for vacation.
- She would like options that were more affordable.
- It was disheartening, and she would like to continue to have the opportunity to live here.
- Make meaningful steps forward.

Josh Egedy - 721 Red Lady

- Both he and his wife were in favor of meaningful regulation of STRs.
- Suggested they took a look at what Telluride had done.
- 180-day limitation was not meaningful.
- Preserve the community.

Kyleena Falzone - 222 Sopris

- She had 130 employees and two businesses in Town. She was 100% for community.
- Lived next to a vacation rental, and she didn't consider the renters to be strangers.
- She Airbnb'd a room in her home.
- She listed months her businesses bled money.
- Cautioned to be careful. She loved neighbors, but there had to be a balance with revenue.

John Hess

- It seemed there was a STR problem.
- Limit the number of out of town owned STRs.
- 180 (day limit) seemed way more than necessary, and it didn't accomplish anything.
- He knew the people in his neighborhood, and everyone checked in on everyone.
- If STRs had dominated, there wouldn't be Council people, department heads, BOZAR members, and artist and gallery owners.
- Do what it takes to maintain community.

Jim Starr - 323 Gothic Ave

- They got it right the first time, and they shouldn't ignore the citizens committee.
- Don't limit resident owners from renting.
- Don't turn residential neighborhoods into commercial neighborhoods.
- Asked them to consider the maximum number of nights per year as 75.
- Be reasonable on the cap. The 180-night limit was meaningless.
- Represent constituents who were the people who lived in Town.
- Consider core values for community.

Glo Cunningham - 324 Teocalli Ave

- Felt it was a strange way to move when citizens didn't understand what they were trying to accomplish.
- Disappointed they formed a committee, and they didn't listen to the committee.
- They couldn't move back from 180 nights. If 80 or 90 nights were not working, then they could raise it.
- Needed to talk about community and how community felt.

Dan Escalante - 29 Gothic

- Argued for a reasonable limit on STRs.

- Wanted to hear clear direction on what they were shooting to achieve.
- Keep the community intact.

Alex Fenlon - 307 8th Street

- Handed out a packet with graphs of trends in Crested Butte housing.
- There was data available, and it was easily found and cross-referenced.

Shay Wyckoff - Property Manager

- Wondered what happened if Council limited STRs and then there were nine months of empty houses.
- If homeowners couldn't afford to purchase, and property values went down, a local still couldn't come in and buy.
- The limit of 90 days was creating more of a problem than what they were trying to solve. They were proposing dark communities.
- If Council limited STRs, they would shoot a business owner in the foot.

Michel opened the meeting to Council discussion.

Merck agreed the data provided by Fenlon was alarming. He didn't want to rush. He wanted to be swayed by constituents. They were doing something, such as dealing with health and public safety. Schmidt saw the big problem was long-term rentals. He asked about dogs. Alling told the Council that the trend was pet friendly. Schmidt wanted to cut the limit down from 180 days to 120 days.

Michel brought forth the question of enforcement. He asked if the Council thought it was enough. Merck saw there were so many ways around regulations. Mason thought it was refreshing to hear the discussion of 120 days. He saw a trend, and if it continued they would see fewer homes owned by locals. The 180-day limitation put something in place that in ten years could stop an entity from buying blocks. He liked a limitation of 120 days. The 30-day rental would remain an option. Mason was not in favor of a percentage in neighborhoods. He thought Ordinance No. 12 had teeth. Michel clarified that a rental period longer than 30 days was not part of the STR discussion. Petit would be most comfortable with a number less than 100. He recognized that limiting STRs would not make more long-term rentals available. He would like to see an ordinance that discussed a percentage cap and explore caps that applied differently if a person lived here. Mitchell thought a limit of 120 days worked, but she had concerns about retail and property management. Michel pointed out that in addition to considering businesses, they also needed to make sure there were places for workers to live. It was a balance. He would err on the side of long-term locals and community. Ladoulis was for striking a balance. He could see supporting a number lower than 180, including 120 or lower. He pointed out the shrinking minority of homeowners in Town. Ladoulis's big concern was making a decision to protect the future from getting worse. He said to hold to 120 days or less, but he wanted meaningful data to know what a meaningful restriction was. Michel suggested a 90-day limit, and then April and November would be unlimited. They could use as a tool to help the economy year around. Mason said he could get behind it. Schmidt preferred a 120-day limit. They needed to look at long-term housing

and a tax on STRs to help fund long-term housing. Mitchell questioned the product in April. Merck was more in tune with the 120-day limit. There would be a reduction to beds in Town. Ladoulis thought that offering unlimited in April and November was meaningless. The question was between a 90-day or 120-day limitation. He preferred to come up with a number and not have an April/November bonus. He thought it would be favorable if a lower cap drove more 30 plus day rentals.

Michel polled the Council, and it was determined the majority agreed with the limitation of 120 days. MacDonald reminded the Council that the ordinance allowed STRs in the zone districts as recommended by the committee, which would replace the current language in the zoning code. Michel asked if anyone had concerns about the rest of the ordinance, and no one did.

Schmidt made a motion to set the ordinance for public hearing, but when he made the motion he stated it was Ordinance No. 19, instead of Ordinance No. 12. He made the amendment after the motion passed. The following motion is the motion with the correct ordinance number.

Schmidt moved and Merck seconded a motion to set Ordinance No. 12, Series 2016 for public hearing at the January 3rd meeting with the amendment of changing the language to 120 days where it currently appeared as 180 days. **Motion passed.**

2) Ordinance No. 20, Series 2016 - An Ordinance of the Crested Butte Town Council Authorizing the Purchase of 721 Butte Ave, Unit 1, Town of Crested Butte for a Purchase Price Not to Exceed \$105,000.00.

Both Schmidt and Petito recused themselves, and they left the room.

Yerman explained to the Council they could set the ordinance for hearing on the 3rd. The ordinance allowed Town to purchase the unit per the deed restriction. It wasn't anticipated as a budget item, and he hoped it would be cost neutral. Michel summarized that if the unit went into foreclosure, Town would lose an affordable unit.

Ladoulis moved and Merck seconded a motion to set Ordinance No. 20, Series 2016 to public hearing on January 3rd, 2017. **Motion passed.**

Schmidt and Petito returned to the meeting.

3) Resolution No. 44, Series 2016 - Resolutions of the Crested Butte Town Council Approving the Services Agreement with the Crested Butte/Mt. Crested Butte Chamber of Commerce and Authorizing the Mayor to Execute the Agreement.

Schmidt questioned the bathroom situation and hours of operation. Executive Director of the Chamber, Eliza Cress, said the bathrooms would be open during their hours of operation, from 9AM to 5PM. Schmidt stated they were public bathrooms, and there was nothing open at night. If Town had to expend money, he wanted to see them open longer.

MacDonald told the Council that Staff planned to install timed locks, but they could accelerate the timing. Cress said the bathrooms would need steel framed doors. MacDonald said the improvements were already budgeted for 2017. Merck requested sooner rather than later. MacDonald reminded it was budgeted for 2017. Schmidt had another question about sub-renting, and Cress confirmed the Chamber was not collecting from tenants. Cress explained the purpose of the agreement and that the lease expired in two years.

Schmidt moved and Merck seconded a motion to approve Resolution No. 44, Series 2016. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

4) Update and Approval of Council Boards, Committee and Temporary Committee Assignments.

The Council reviewed the list of boards, committees, and temporary committee appointments. Petito was appointed as an alternate to the Crested Butte/Mt. Crested Butte Chamber of Commerce. Petito was also appointed to the Gunnison Valley Housing Foundation. Merck agreed to be an alternate for the Gunnison Valley Land Preservation Board. Ladoulis was appointed to DOLA Region 10. The One Valley Prosperity Project evolved into the Community Builders Taskforce, in which Michel serves. Merck replaced Schmidt on the Creative District Commission. All of the other existing appointments remained the same.

Schmidt moved and Petito seconded a motion to approve the Council boards, committee and temporary committee assignments as we went through. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

LEGAL MATTERS

None

COUNCIL REPORTS UPDATES AND COMMITTEE UPDATES

Paul Merck

- He would attend his first meeting for the Center on the 11th.
- Coldharbour was working hard. He would report on the strategic plan at the next meeting.

Roland Mason

- The Mountain Express meeting went quickly.
- There was a new small bus on the condo loop.
- The senior bus had been driving around, but it had mechanical issues.
- Ridership was down for November.
- He missed the RTA meeting.

Glenn Michel

- He attended the RTA meeting. The big discussion was on the late night bus. The board was looking at ways to proactively get ahead of the results of sickness on the bus. Merck added there had been similar issues with the late night taxi.
- He attended the Community Builders Taskforce meeting with MacDonald. They decided that the OVPP wouldn't write letters as OVPP, but participants could write letters if there was an issue they supported. MacDonald added that they also discussed budget, but they didn't have final numbers.

Merck left the room.

- They were transitioning the OVPP website to a website that consisted of ongoing concerns. The other budget item was tracking impacts from the OVPP project and whether efforts were having an effect.

Merck returned to the meeting.

- MacDonald continued to explain that last year the Town committed \$6K, and she would expect they would ask for about double. Schmidt was not a fan of OVPP. He wanted to see a report of results and what was to be expected in the future. MacDonald anticipated that the Community Builders Task Force was planning to report back to the community in May, but she could ask for a preliminary report.
- Michel would travel to Ketchum, ID for the CAST meeting.

Jim Schmidt

- Planes couldn't get in with the snow.
- There was a Creative District meeting the other day. The focus was on public art for next year.
- They had a housing meeting last week. They received nine applications from consulting firms to find a new director. He wanted to keep things moving along with Fulmer's departure.
- There were four applications from people waiting to move into Anthracite Place.

OTHER BUSINESS TO COME BEFORE THE COUNCIL

Merck figured the bathroom situation (at the Chamber) was resolved.

DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE

- Tuesday, January 3, 2017 - 6:00PM Work Session - 7:00PM Regular Council
- Tuesday, January 17, 2017 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, February 6, 2017 - 6:00PM Work Session - 7:00PM Regular Council

Michel informed the Council that he and MacDonald were meeting to determine when the facilitator could do the retreat. MacDonald mentioned the upcoming work sessions for January. She told the Council that Mike McBride, CEO of GCEA, wanted to give them the opportunity to try driving electric vehicles before the work session if it was not snowing on January 3.

EXECUTIVE SESSION

Merck moved and Mason seconded a motion to go into Executive Session for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and/or instructing negotiators, under C.R.S. Section 24-6-402(4)(e) relative to transactions with Freeport-McMoRan and McCormick Ditch Water rights and for a conference with the Town Attorney for the purpose of receiving legal advice under C.R.S. Section 24-6-402(4)(b). A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

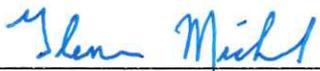
The Council went into Executive Session at 9:43AM. Belkin and Attorney Scott Miller were connected via conference call. Due and Miller left at 10:14PM. Yerman left at 10:44PM after the update on Mt. Emmons.

Council returned to open meeting at 11:05PM. Mayor Michel made the required announcement before returning to open meeting.

Schmidt moved and Merck seconded a motion to direct the Town Attorney and Staff to work with CIRSA on representing the Town and to prepare for defense of the litigation filed against the Town and the Town Manager by Marcus Lock on behalf of Sopris 715 LLC and Christopher Mize. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

ADJOURNMENT

Mayor Michel adjourned the meeting at 11:08PM.



Glenn Michel, Mayor



Lynelle Stanford, Town Clerk (SEAL)

