

MINUTES
Town of Crested Butte
Regular Town Council Meeting
Monday, December 5, 2016
Council Chambers, Crested Butte Town Hall

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

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

Staff Present: Town Manager Dara MacDonald and Town Clerk Lynelle Stanford

Town Attorney John Belkin, Town Planner Michael Yerman, Parks and Recreation Director Janna Hansen, Finance Director Lois Rozman, Public Works Director Rodney Due, Building Inspector Astrid Matison, and Building and Zoning Director Bob Gillie (for part of the meeting)

APPROVAL OF THE AGENDA

MacDonald relayed a request from Staff to move item #3 in New Business to the beginning of New Business. Michel stated they would move the agenda item after Staff Updates and before the Public Hearing.

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

CONSENT AGENDA

1) November 21, 2016 Regular Town Council Meeting Minutes.

2) Regular Town Council Meeting Schedule for 2017.

3) Snow Management Guidelines.

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

PUBLIC COMMENT

Margot Levy - 118 7th St, Unit G

- Thanked Council and Staff for attending the Housing Needs Assessment meeting at the Center.
- She saw value to having data that supported suspicions.
- Suggested they should be looking at examples from other towns.

- Mentioned that Summit County passed and Eagle County rejected a sales tax for housing. A difference between the two was Summit County named projects and whom they would address.

STAFF UPDATES

Lynelle Stanford

- Reminded the Council of upcoming dates for the public officials' training, holiday party, and work session on Vinotok.
- Informed the Council of a security update that would require them to initially enter passwords on mobile devices.

Lois Rozman

- Sales tax for the month of October was down 15%.
- Schmidt pointed out that marijuana was down 65%, and Rozman said they were only missing one filer.

Rodney Due

- Had not yet received word from DOLA, but the competition for grant funds was fierce.
- He had spoken to Roger Grogg at GCEA to address lighting concerns at the bus stop in front of the Alpineer.

Michael Yerman

- Attended a TPR meeting on the 21st, and he heard a pretty warm reception on the roundabout. He told the Council it was about showing up for meetings and talking about the project.

Janna Hansen

- Holiday wreaths and lights were up.
- Crews were working at the ice arena, and they were hoping for a soft opening this weekend.
- The sledding hill was opened. There were additional signage and fencing incorporated on the southern slope that had slid in past years, and she was working with homeowners and hiring additional staff on avalanche mitigation.

Bob Gillie

- The concept review for 6th Street Station was continued, and they could expect ordinances from the process relative to the parking scheme and amendment to ROAH.
- Met with the Center for the Arts last week. They were starting on construction drawings with anticipation of breaking ground next spring.

Dara MacDonald

- Staff was looking at February 3 at the yurt for the Council retreat.
- The trash and recycling RFP would be due on the 9th.

- BOZAR approved the design of the restrooms at the Four Way.
- The new marshal graduated from academy today, and he would be sworn in at 11AM on Wednesday.

NEW BUSINESS

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.

Building Inspector, Astrid Matison, told the Council the relevant information was in her staff report. Ladoulis asked what was different from the last time they were adopted. Matison reported there were not a lot of changes, and there was nothing significant. She specified that sprinklers were not required in single-family homes.

Schmidt moved and Mitchell seconded a motion to set Ordinance No. 19, Series 2016 for public hearing at the December 19th meeting. **Motion passed.**

PUBLIC HEARING

1) Resolution No. 39, Series 2016 - Resolutions of the Crested Butte Town Council Adopting the Mill Levy for the Town of Crested Butte, Colorado for the Fiscal Year 2017, Beginning the First Day of January 2017 and Ending the Last Day of December 2017.

Michel confirmed proper public notice was given. Rozman affirmed there had been no changes from the previous time the resolution was presented. There was no public comment. The public hearing was closed. There was no Council discussion.

Mason moved and Ladoulis seconded a motion to approve Resolution No. 39, Series 2016. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

2) Resolution No. 40, Series 2016 - Resolutions of the Crested Butte Town Council Adopting the Budget and Appropriating Sums of Money for the Town of Crested Butte, Colorado for the Fiscal Year Beginning the First Day of January 2017, and Ending the Last Day of December 2017, Estimating the Amount of Money Necessary to be Derived from Revenue Sources, and Setting Forth the Total Estimated Expenditures for Each Fund.

Michel confirmed proper public notice was given. Rozman identified the only change as the increase of \$2K to the general fund for Council travel and education. Everything else

was the same as previously presented. Michel thanked Rozman for her hard work. There were no comments from the public, and the public hearing was closed. There was no Council discussion.

Merck moved and Ladoulis seconded a motion to pass Resolution No. 40, Series 2016. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

3) Ordinance No. 15, Series 2016 - An Ordinance of the Crested Butte Town Council Amending Section 13-1-150 of the Crested Butte Municipal Code to Increase the Monthly Service Charge for Sewer Service to \$35.50 Per Month Per EQR and Setting the WWTW Pretreatment Charge to \$13.75 Per Month Per Applicable EQR.

Michel confirmed proper public notice was given. There was no public comment. The public hearing was closed. There was no further Council discussion.

Merck moved and Mitchell seconded a motion to approve Ordinance No. 15, Series 2016. A roll call vote was taken with all voting, "Yes," except for Schmidt who had left the room and did not vote. **Motion passed unanimously.**

4) Ordinance No. 16, Series 2016 - An Ordinance of the Crested Butte Town Council Adopting Changes and Additions to the 2016 Budget and Appropriations Relative to the General Fund, Sales Tax Fund and Conservation Trust Fund.

Michel confirmed proper public notice was given. Rozman stated there were no changes from the last meeting. There was no public comment, and the public hearing was closed. There was no Council discussion.

Ladoulis moved and Merck seconded a motion to approve Ordinance No. 16, Series 2016. A roll call vote was taken with all voting, "Yes," except for Schmidt who had left the room and did not vote. **Motion passed unanimously.**

5) Ordinance No. 17, Series 2016 - 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 2017; and Providing the Automatic Repeal Thereof Effective on the First Day of January, 2018.

Michel confirmed proper public notice was given. Rozman affirmed there had been no changes. There was no public comment, and the public hearing was closed. There was no Council discussion.

Mason moved and Ladoulis seconded a motion to approve Ordinance No. 17, Series 2016. A roll call vote was taken with all voting, "Yes," except for Schmidt who had left the room and did not vote. **Motion passed unanimously.**

6) Ordinance No. 18, Series 2016 - An Ordinance of the Crested Butte Town Council Amending Section 11-1-60 of the Crested Butte Municipal Code to Include Requirements for the Issuance of Snow Management Permits.

Michel confirmed proper public notice was given. Due identified the only change from the previous meeting was that the Town Manager could grant an exception to alleys. The public hearing was opened, and there was no public comment. The public hearing was closed, and there was no Council discussion.

Ladoulis moved and Mitchell seconded a motion to approve Ordinance No. 18, Series 2016. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

LEGAL MATTERS

Belkin had been working with Senator Bennet's office and the Forest Service on the bill, which was undergoing changes. They would be travelling to Denver on Thursday, and he would provide a report sooner rather than later.

COUNCIL REPORTS AND COMMITTEE UPDATES

Jim Schmidt

- Thanked Due, Rozman, and Gillie for the Thanksgiving-eve luncheon.
- He attended the Housing Needs Assessment meeting

Chris Ladoulis

- He had conversations with hotels and the TA who indicated January would be way up relative to February.

Paul Merck

- Went to a Coldharbour meeting today. Things were coming along well. They worked to facilitate sustainable living practices and adopted a strategic plan. They collaborated with the MEMS program at Western. He confirmed for Michel he was the vice-president.

OTHER BUSINESS TO COME BEFORE COUNCIL

Ladoulis heard a reference to the Brush Creek parcel at the Housing Needs Assessment meeting. He suggested they could entertain a public-private partnership. Schmidt agreed it was a prime piece of land for a project like Anthracite Place.

Schmidt brought up the topic of combining condos to make one big condo. MacDonald said there was a list of discussion points for the retreat.

DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE

- Monday, December 19, 2016 - 6:00PM Work Session - 7:00PM Regular Council
- Tuesday, January 3, 2017 - 6:00PM Work Session - 7:00PM Regular Council
- Tuesday, January 17, 2017 - 6:00PM Work Session - 7:00PM Regular Council

Michel mentioned the retreat had already been discussed.

NEW BUSINESS CON'T

2) 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 understood the Council wanted more definition on how to regulate short-term rentals (STRs). He listed types of regulation: location, caps in certain locations, ownership, time (number of days a residence could be rented), and market regulation. He referred to the decision points he provided in the staff report.

Michel stated there were several zones where unlimited STRs were allowed by Code. MacDonald said they could change the Code, which would cause non-conforming uses that would be reduced through attrition over time. Michel referenced the letters sent to the Council concerning the economy and how investments were affected; they did not receive any letters in favor of caps or limits. He thought it was about more than recognizing personal economic gain, and it was about building a community. Michel proposed a 90-day cap. Ladoulis didn't want to portray that the second homeowner community was not appreciated or doing anything wrong. At some point there could be a tipping point, and he wondered if they were willing to take the next step. He articulated that there was concern the community was lessened when primary residents did not occupy homes. Schmidt saw real problems with business use in residential areas such as with parking and garbage collection. Michel recognized the big question to be whether the Council wanted a cap on the number or cap on the number of nights. He asked if there was a tipping point when residential neighborhoods turned into hotels. Mitchell had concern they were overstepping the bounds of private property rights. Mason wanted to know how many nights that houses were actually being rented in the community. There was the question of what they were trying to accomplish. He didn't have a problem with what was going on right now. Mason wanted to see a cap close to 180 nights. They needed to look at when a house became a commercial business. Merck agreed it was hard to implement a cap without good data. However, they needed to address public safety. He was not willing to vote on a cap or a number until they looked at it closer, but he wanted to move forward with public safety constraints. Ladoulis didn't know the number. Michel countered that a 180-day cap was worthless. They would lose the fiber of residential neighborhoods. He thought a limit of 90 days was a fair compromise.

Ladoulis could foresee a proliferation of sub 90-day rentals. Michel tallied four votes for the 180-day cap. Schmidt agreed with Michel that 120-180 days didn't make sense, and any limit was difficult to enforce. Michel saw the chance to reign in the number of STRs, but he reiterated the majority favored the 180-day cap. Mason reaffirmed that 180 days was his tipping point of a home becoming a business. Michel valued true residential neighborhoods. Schmidt did not want a limit because it was too difficult to enforce.

Next, the Council discussed if there were any zones where STRs would not be allowed. Gillie listed zones that the committee recommended were off limits: B1, C, B2, T, R2A, P and AO. It would be allowed in Blocks 55 and 37 of the T Zone. Mitchell asked if a person in the B Zone would get roped into the 180-day limitation. MacDonald said that Staff wanted direction from Council. Michel confirmed no property with a deed restriction could be rented out as a STR. The Council agreed no affordable residence could be short-term rented.

Michel asked if the Council wanted to have a penalty for exceeding the number of days. Gillie added the question of a two-year suspension on people who violated the cap. Mason favored a hard fine and a two-year suspension. Schmidt agreed. Michel summarized the Council wanted a two-year loss of license and monetary fine per night a property exceeded the limit.

The Council needed to decide if they wanted to address room rentals differently than other full unit STRs. Schmidt was leaning towards allowing unlimited room rentals in primary residences because of the control of someone being there. However, if there were more than two rooms, then it was a B & B and not a house anymore. Ladoulis thought the area of permitted use was hard to define. There was discussion on the iterations of renting rooms. Gillie suggested they could be considered the same as other STRs and capped at 180 nights, but the variation was there was someone on site who could manage and control the impacts of renters. Michel summarized room rentals would be treated equally to other STRs.

Michel asked if anyone present from the public wanted to comment.

Dan Escalante - 29 Gothic

- Wanted to speak to multi-dwelling units. Having neighbors made a community.
- Was concerned by turning bastions of local work force housing into total motels.
- Do something to protect strongholds.

Kate Seeley

- Wouldn't care if they put on a 180-night cap (on room rentals).
- Renting helped to supplement.
- She was usually there with her lights on.
- Biggest problem was houses that had gone dark.
- Suggested the idea of a land trust for people instead of land.
- The whole town could be hotels.

Mike Linehan

- Asked if parking and the number of people who could stay in a given house at any given time were addressed in the regulations. Michel told him they were in the ordinance.

Michel closed comments from the public.

There was a brief discussion on to whom people would appeal. Ladoulis said it would be the typical appeal process through the manager. MacDonald clarified the appeal process would be for denial or suspension of a license.

MacDonald recapped what she heard from the Council:

- Limitation of 180 nights.
- Address non-conforming uses.
- Limit zones consistent with the committee's recommendations.
- 2-year suspension and fine of \$1K per night for exceeding the limit.
- Treat room rentals the same as vacation rentals.

Merck moved and Mitchell seconded a motion to continue the first reading of Ordinance No. 12, Series 2016 until the December 19th meeting and direct Staff to make the changes that Dara reviewed. **Motion passed.**

3) Resolution No. 42, Series 2016 - Discussion and Possible Action Regarding Proposed Amendment to Pre-Annexation Agreement with Cypress Foothills, LP.

Yerman reviewed three changes made from feedback at the last meeting: 1) In Section 7.3, Town was ensured and given priority to the first six acre feet of water from Coal Creek; 2) Staff had concerns with the ownership of the wetland areas. No individual lot owner would have ownership, and it would be governed by an HOA; 3) Council wanted to see design work on the signs.

Marcus Lock and Cameron Aderhold were present representing Cypress. Lock showed a slide denoting red lined changes to the amended pre-annexation agreement, and Aderhold showed a slide with the property that would be owned by the HOA around the wetlands.

Schmidt called attention to Section 7.6 of the amended pre-annexation agreement, addressing treated water service. He wanted to discuss enforcement. He asked if it would be the responsibility of the marshals to enforce. MacDonald said the greatest stick was the ability to turn off the water. Schmidt asked if the marshals' enforcement needed to be added to the agreement. Yerman expected that Town would turn off the water if they were violating the agreement. Lock added that obligations and restrictions under the agreement would also be incorporated into the protective covenants, and there would be two layers of enforcement. Yerman outlined the process again. They would write a letter, give them time to comply, and if they didn't, then Town could turn off the water. Belkin recognized the situation was different. Mitchell suggested a limit on the number

of gallons that could be used. MacDonald reminded they were paying a higher rate for water. Belkin said they had what they needed in the ordinance.

Schmidt referred to Section 9.5, and he asked what the other permissible recreational uses were. He wanted to know what were they trying to ban. Lock stated that the language had not changed, and Town would end up with two park spaces if approved. They had delayed specifying in order to allow the easement agreement to be drafted. Schmidt did not understand what particular activities would be banned or allowed. Aderhold envisioned they would work together. Michel said the Council would like to see the area as a true public benefit. Aderhold showed slides of proposed site plans. He told the Council they intended it to be an area that the public could use. They incorporated signage into the bridge, and they showed a slide depicting it. Michel thought they were going in the right direction, and no one on the Council disagreed.

Schmidt questioned the sign on Gothic Road. Yerman said it would be temporary until the parcel was annexed. A wayfinding sign would call out the name of the subdivision.

Schmidt recognized Town would be dealing with the HOA in the future. He asked if they imagined prohibiting dogs and fishing. Lock couldn't imagine why they wouldn't allow fishing. Cypress didn't have intent to tell people they couldn't step in the bottom of the river; however, dogs off leash would be the most problematic issue. Michel explained that dogs off leash would be complaint driven.

Mason moved and Merck seconded a motion to approve Resolution No. 42, Series 2016. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

APPOINTMENT AND SWEARING IN OF NEW TOWN COUNCIL MEMBER

Michel explained the method and point system for voting and what would happen in the event of a tie. He gave each candidate a chance to speak to the Council.

Gabi Prochaska

- Described her history of residency.
- She was a language teacher at the Academy, and she was involved with the Community School.
- Started the elementary school soccer program.
- She was on the board of the Meridian Lake Homeowners Association.
- Being on Council meant being a part of the process of which she had been on the other side.
- Recognized the issue of balancing Town as a place to live and economic viability. The tensions would continue forever.

Laurel Walker

- Thanked the Council for serving.
- She was interested because of her passion for the community, and she summarized passion.

- Could bring her experience with real estate.
- Would bring a balanced view to the table.

Tracy Smith, who had also submitted a letter of interest, was not present at the meeting.

Jackson Petito

- Stated the Town would be in good hands with any candidate.
- He is a lawyer in Town, business owner, and program director at KBUT.
- He was aware of where they had been.
- He saw changes after being gone, but it was still a magical place.
- Even though things had changed a lot, relative to other places they had not.
- His priority would be to make it easier for people to raise a family here.
- He had the ability to step back from personal interest.

Kent Cowherd

- He made the American dream happen here, and it was alive and well in Crested Butte.
- Had experience being on a board.
- Served as president of all volunteers at the Fire Department.
- He is a licensed, professional architect.
- Listed what he thought were the three main issues.
- Had a broad background of people with whom he related.
- Ready to dedicate and commit.

Glo Cunningham

- Was so thrilled to be so excited to put her name in for consideration.
- She would really like to fill the seat.
- Been on a variety of boards, committees, and government entities.
- Was involved in 35 non-profits.
- Full loaf of bread of knowledge.
- Connected to the history of Town.
- Honest, respectable, and a lot of integrity.
- Could listen to facts and people.

Merck reviewed the process for voting, and the Council completed their ballots. Stanford calculated the scores according to the system described by Michel. Jackson Petito obtained the most points.

Schmidt moved and Merck seconded a motion to appoint Jackson Petito to the Council. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

Stanford administered the oath of office to Petito.

ADJOURNMENT

Mayor Michel adjourned the meeting at 10:08PM.

Glenn Michel

Glenn Michel, Mayor

Lynelle Stanford

Lynelle Stanford, Town Clerk (SEAL)

