

MINUTES
Town of Crested Butte
Regular Town Council Meeting
Monday, January 6, 2020
Council Chambers, Crested Butte Town Hall

Mayor Schmidt called the meeting to order at 7:11PM.

Council Members Present: Will Dujardin, Candice Bradley, Chris Haver, Mallika Magnier, Laura Mitchell, and Mona Merrill

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

Town Clerk Lynelle Stanford, Public Works Director Shea Earley, Finance Director Rob Zillioux, and Community Development Director Michael Yerman

Schmidt mentioned the preceding work session on the empty house tax.

APPROVAL OF AGENDA

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

CONSENT AGENDA

- 1) **December 16, 2019 Regular Town Council Meeting Minutes.**
- 2) **Resolution No. 1, Series 2020 - A Resolution of the Crested Butte Town Council Designating the Town of Crested Butte's Three Official Public Places for Posting Town Council Meetings and Other Important Items.**
- 3) **Alley Loop 2020 Nordic Marathon and Pub Ski Special Event Application from January 31, 2020 to February 1, 2020, Closing the 0, 100, and 200 Blocks of Elk Avenue Beginning on January 31, 2020; 1st Street, from Whiterock Avenue to Maroon Avenue, and the West Side of 3rd Street, from Whiterock Avenue to Elk Avenue, Beginning on February 1, 2020 and Special Event Liquor Permit for February 1, 2020 at 2nd Street and Elk Avenue.**
- 4) **Resolution No. 2, Series 2020 - A Resolution of the Crested Butte Town Council Approving the Snow Removal Reimbursement Covenant Affecting Block 76 Lots 1-6, Town of Crested Butte According to the Replat of Block 76, Paradise Park Subdivision Recorded in the Real Property Records of the Clerk and Recorder Gunnison County, Colorado on February 22, 2019 at Reception No. 658805.**

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

PUBLIC COMMENT

Kent Cowherd - 901 Teocalli

- He did not see mention of continuing discussion on the Vail deed restriction program on the list of future agenda items.
- He encouraged the opportunity for Space to Create spaces to be allowed in the annexation.
- He saw new laundry machines going into the Hostel Laundromat today.

STAFF UPDATES

- Schmidt confirmed that Town owned the building the Fire Department was now occupying, and the building would be returned to Town once a new one was built.
- MacDonald asked to solidify the time for Tuesday, February 25th that the retreat planned for the morning would start. The Council discussed the duration of the retreat. Merrill thought it would be good to extend the retreat if it was productive. The Council agreed with the plan for a facilitator in the morning and a discussion on goals and priorities in the afternoon.
- MacDonald confirmed, responding to Schmidt, that the Regional Representative to the Division of Housing was scheduled for the work session the first meeting in February.
- Schmidt confirmed the Town was collecting the cigarette tax.
- Dujardin pointed out the InDEED program was not added to the budget. MacDonald said it was a later in the year project before budget.
- Stanford brought up the request from National Geographic to film in Town on Saturday, January 18th. No one on the Council voiced an objection.

EXECUTIVE SESSION

Schmidt read the reason for Executive Session: for a conference with the Town Attorney for the purpose of receiving legal advice on specific legal questions under C.R.S. Section 24-6-402(4)(b) regarding The Center for the Arts contract.

Mitchell moved and Dujardin seconded a motion to go into Executive Session. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

The Council went into Executive Session at 7:23PM. The Council returned to open meeting at 8:07PM. Mayor Schmidt made the required announcement upon returning to open meeting.

PUBLIC HEARING

1) Ordinance No. 39, Series 2019 - An Ordinance of the Crested Butte Town Council Approving the Lease of a Portion of the Property at 606 Sixth Street to The Center for the Arts.

Schmidt read the title of the ordinance and confirmed proper public notice was given. MacDonald noted the prior discussions about the lease had been about the lighting, and Section 10 of the lease was modified to resolve Council concerns about the lighting in particular. The Center asked for a longer term than what was proposed in the draft lease. MacDonald acknowledged the Council received legal advice during Executive Session on lease terms.

Schmidt opened the public hearing.

Joel Benisch

- The Center found itself in a difficult position because it did not have assets. Donors and lenders would be receptive to donating and/or lending if the lease term would be longer. A 30-year lease would replace a 100-year lease and that made it more difficult.
- He elaborated on financial details related to their request for a longer lease term.
- The Center needed an asset against which to borrow.
- He thought The Center would lose the lease if they did not meet requirements and MacDonald corrected him. She clarified there would be a five-year review based on specific aspects of the operation.
- Sullivan affirmed the lease could not be assigned.
- The Center used future pledges as collateral for a bridge loan. Schmidt wondered if they would catch-up. Benisch stated pretty much all pledges had come in, and they had not borrowed.

Jenny Birnie

- Reported on the history of donors and the one that desired a longer lease.
- They were just talking about the term of the lease.
- Benisch reminded they had a clear ability to steadily raise money every year.

Merrill asked Sullivan to elaborate on management details in the lease. Schmidt questioned why the lease term was changed from 50 years to 30 years. MacDonald recognized an amendment in 2017 that allowed the construction to start, and a new lease would be executed upon completion. Haver wondered if it was worth revisiting to find an option in which Town would feel more comfortable.

The discussion became focused on recourse. Mitchell's trust was eroded, but for the survival of the operation and non-profit, she was willing to do a 50-year lease with a 49-year renewal. Benisch stated the Town could transfer ownership of the building to The Center. Schmidt would propose a 50-year lease with ten-year renewals after 50 years. Sullivan explained the typical recourse on a breach of a lease. Dujardin related to what Mitchell said with the trust issues. He asked if they were serving the people of the Town or the donors. He thought the lease terms would be fine as drafted.

The Council discussed term details and continued discussing recourse. Schmidt listed the options: someone could make a motion to change the terms of the lease, or the Council could continue the public hearing to the next meeting, including setting up a specific

committee to meet with Benisch. Dujardin was confused why there was a trust issue with donors; it was more of a trust issue that The Center would be run responsibly. Benisch told the Council that donors perceived their gifts to be to the Town. Dujardin said it was extremely unlikely the Town would hold the 10-year renewals above their heads. Magner asked how the Town of Crested Butte benefitted from a longer lease. The discussion turned to the eviction process. Haver asked for a recommendation on how to improve the lease for all parties involved. Sullivan would find out how long the term could be. Sullivan said the Council could approve the lease as is, and The Center could then ask for ratification. Schmidt suggested they continue the discussion and have the committee meet.

Kent Cowherd

- If the Town's concern was to ensure the financial success of The Center, it seemed best to extend the term for the best opportunity for success.

The public hearing was closed.

Mitchell moved and Haver seconded a motion to continue Ordinance No. 39, Series 2019 to the January 21st, 2020 meeting. A roll call vote was taken with all voting, "Yes."

Motion passed unanimously.

Magner and Merrill volunteered to be on the committee to meet with The Center.

2) Ordinance No. 43, Series 2019 - An Ordinance of the Crested Butte Town Council Authorizing the Partial Release of the Town's Option to Repurchase Townhouse Units Constructed on Block 76, Lots 1-6 and Block 77, Lot 10, in the Paradise Park Subdivision, Town of Crested Butte, Gunnison County, State of Colorado.

Schmidt read the title of the ordinance. He confirmed proper public notice had been given. Yerman said the first closings would be happening tomorrow. The ordinance released the option for the Town to buy, and it cleaned up title work in anticipation of closing. The master deed restriction would be in place. There were no comments from the public, and the public hearing was closed.

Mitchell moved and Haver seconded a motion to approve Ordinance No. 43, Series 2019. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

3) Ordinance No. 44, Series 2019 - An Ordinance of the Crested Butte Town Council Authorizing a Potable Water Agreement for Lot 8, Trapper's Crossing at Crested Butte, Gunnison County, Colorado.

Schmidt read the title of the ordinance, and he confirmed proper public notice had been given. Earley asked that the Council continue the public hearing, due to some recent comments from the Turnbills. Schmidt opened the public hearing. No one from the public chose to speak. The public hearing was closed.

Haver moved and Bradley seconded a motion to continue Ordinance No. 44, Series 2019 to January 21st. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

NEW BUSINESS

1) Ordinance No. 1, Series 2020 - An Ordinance of the Crested Butte Town Council Approving the Lease of 815 Gothic Avenue to Mel Yemma.

Schmidt read the title of the ordinance. Zillioux stated the units were intended to be employee rentals in Paradise Park. Zillioux described each unit and specified the rent amounts.

Dujardin moved and Haver seconded a motion to set Ordinance No. 1, Series 2020 to public hearing at the January 21st Council meeting. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

2) Ordinance No. 2, Series 2020 - An Ordinance of the Crested Butte Town Council Approving the Lease of 817 Gothic Avenue to Jackson Morgan.

Schmidt read the title of the ordinance.

Mitchell moved and Haver seconded a motion to set Ordinance No. 2, Series 2020 to public hearing at the January 21st Council meeting. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

3) Presentation by Kent Cowherd on Ideas for Affordable Housing.

Cowherd offered supplementation to possible ideas. He acknowledged the proposed sites were difficult sites, and the County owned one site. He identified the zoning of the proposed sites. One of the biggest problems was the parking requirement. Reducing the minimum square footage was another way to gain more units. Cowherd pointed out the area near Poverty Gulch. He reviewed locations on his list, entitled "Legend of Locations," including a brief description of each one. He wanted to open discussion on where Town could maximize opportunities within current boundaries.

Mitchell asked Earley what he thought of the locations, related to snow storage areas. Earley said anything was possible, but some locations would require drastic changes to the snow removal plan. Mitchell suggested that Yerman look at Cowherd's proposal. MacDonald said several of the locations were viable and already designated for affordable housing. Some could be more easily looked at than others. She commented on points made by Cowherd, including the point regarding square footage and that the Council could look at the parking requirements.

LEGAL MATTERS

Sullivan reported they worked over the holidays with Sam Light of CIRSA on revised language for the library lease, including insurance requirements. They provided the updates to the Library District, and their initial reaction was not positive. The people from the Library District were going to huddle, look at the language, and get back to Sullivan. Sullivan elaborated upon indemnification and insurance.

COUNCIL REPORTS AND COMMITTEE UPDATES

Laura Mitchell

- She was trying to work with the County on details with the new Mountain Express building. She was reminded that Alpine Lumber bought Whetstone Industrial lots. She anticipated them moving out of Town.

Mona Merrill

- She met with Jenny Birnie, in order to attend their next board meeting.

Will Dujardin

- They had a Mountain Express meeting. They decided to go in on one of the units in the six-plex in the mobile home park for an employee unit.
- The numbers over break were up over two weeks, but the actual holidays were down a little bit. He listed ridership numbers. YTD ridership was up 3.5%.

Jim Schmidt

- MacDonald and he met with Tim Baker.

OTHER BUSINESS TO COME BEFORE THE COUNCIL

MacDonald brought up scheduling the empty house tax discussion. Magner confirmed it would be a work session for the Council to clarify how they would proceed. Dujardin would prefer scheduling for February. He wanted to prioritize getting more specific. The Council considered discussing the empty house tax at the retreat, and Mark Reaman disagreed with the idea. Magner thought the retreat should be overarching. She wanted the second homeowners to participate (in the empty house tax discussion), so it was not appropriate for the meetings to be in a month such as May. The Council decided on Monday, February 10th from 6PM to 8PM for the work session.

Haver was concerned about how and whom they would be charging. Magner said to look a little more broadly, to identify what they were trying to fund and the relationship of the impacts a vacation rental had on the community. Haver's first concern was why it was the second homeowner group. MacDonald stated they needed a rational nexus to the number of second homes in a community and affordable housing. Haver's question was whether there was a breaking point where the tax did not pay for itself. Merrill thought it was important to have the discussion, but she worried it would take a lot of their time. She wanted it to be more positive and more inclusive. Dujardin said they had to be able to figure this out.

There was a discussion around increasing property values and whether the property values helped the community. Dujardin thought they could identify thresholds. Dujardin wanted the Council to discuss how they could do better outreach. He thought it would be good to commit to something and that it would be nice to get an answer on having the annexation shovel ready.

The Council talked about transportation to the meeting in Mt. Crested Butte.

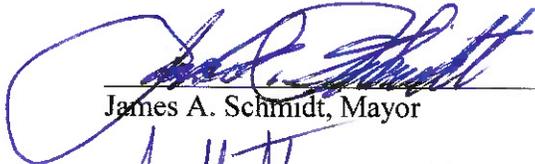
Merrill suggested agendas be posted on Facebook and Dujardin agreed.

DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE

- *Tuesday*, January 14, 2020 - 6:00PM Planning Commission Meeting
- *Tuesday*, January 21, 2020 - 6:00PM Work Session - 7:00PM Regular Council
- *Monday*, February 3, 2020 - 6:00PM Work Session - 7:00PM Regular Council
- *Tuesday*, February 18, 2020 - 6:00PM Work Session - 7:00PM Regular Council

ADJOURNMENT

Mayor Schmidt adjourned the meeting at 10:23PM.



James A. Schmidt, Mayor



Lynelle Stanford, Town Clerk

(SEAL)

