

MINUTES
Town of Crested Butte
Regular Town Council Meeting
Monday, September 18, 2017
Council Chambers, Crested Butte Town Hall

Mayor Michel called the meeting to order at 7:00PM.

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 Sullivan, and Community Development Director Michael Yerman

Public Works Director Rodney Due, Finance Director Lois Rozman, Parks and Recreation Director Janna Hansen, Chief Marshal Mike Reily, and Town Clerk Lynelle Stanford (for part of the meeting)

APPROVAL OF AGENDA

Ladoulis questioned the reason for Executive Session related to Brush Creek and what would be talked about during the Executive Session compared to the open meeting. He suggested an item be added under Other Business to discuss Brush Creek issues.

Petito moved and Merck seconded a motion to adopt the agenda as amended. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

CONSENT AGENDA

- 1) September 5, 2017 Regular Town Council Meeting Minutes.**
- 2) Appointment of Election Commission.**
- 3) Fall 2017 Creative District Grant Award.**

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

PUBLIC COMMENT

Robert McCarter - 1251 Skyland Drive

- On steering committee supporting Friends of Brush Creek.
- They were in support of affordable housing.
- He hadn't met anyone who supported the project in density and size.
- He asked that the Council consider a public meeting.

- Friends of Brush Creek had been working on an alternative plan to use the parcel in a way they thought made sense.

David Leinsdorf - 3 Treasury Hill Road/Office at 215 Elk Avenue

- Disagreed with statement in the minutes from the last meeting that was made by MacDonald regarding that Town could be outvoted by other parties in the memorandum of agreement (MOA).
- MOA required a written agreement signed by participating parties.
- To change the uses of the property to free market housing required an amendment, which had not been brought to Town. No such amendment had been agreed upon.
- Didn't agree that parties could outvote Town.

Hunter Baker - 418 3rd Street

- He was at an impasse with Town and the Town's use of the lot (Pitas Lot) neighboring his house.
- The Town refused to re-plant trees in the area next to the property line.
- There had not been an application to BOZAR to change the purpose of the lot.
- The industrial activity would not be permitted in other areas of Town.
- He wanted to see mitigation across his property.
- Merck moved the item for discussion under Other Business.

Michael Werner - 81 Mulligan Drive

- Suggested public REITs and private REITs to provide housing for workers.

STAFF UPDATES

Janna Hansen

- Presented a thank you note from Pitkin for the Town Park playground equipment.
- Arbor Day was celebrated last week.
- Conducting phone interviews for the Recreation Supervisor position.
- Big Mine Warming House and Yelenick Playground design projects were moving along nicely.
- Irrigation had been turned off for the season.

Rodney Due

- They were searching to fill the position of Utilities Operator.
- Reviewed timelines for Transportation Center. It was scheduled to be opened the week of October 16th.
- The second half of the foundation work at Town Hall would continue next Monday.
- Snow fence would go up on the roof of Town Hall the week of the 2nd.
- Crew was prepping for paving at the Fire Hall.
- Mitchell mentioned the pothole at 4th and Maroon. Due explained the cause of the problem. He said it would be fixed with the paving of the Fire Hall lot.

Lynelle Stanford

- The orientation for Council and Mayoral candidates would be this Thursday at 6PM.
- The Jokerville Rededication ceremony would be on Friday, September 29th at 3PM.
- Mentioned upcoming special events.
- Staff would have a debrief meeting with the event organizers of Artumn to discuss issues that had occurred this year.

Michael Yerman

- The Center received the building permit.
- September 28th would be the discussion on paid parking and recommendations from the committee.
- Eric Treadwell would be moving to become the Short-Term Rental Inspector.
- Schmidt asked if there would be an update from the Center on their fundraising. MacDonald confirmed they would provide an update on December 4th.

Mike Reily

- The Marshals wanted everyone to have a safe Vinotok.

Dara MacDonald

- Would be in Glenwood for Community Builders to talk about housing next week.
- Town received draft sales agreement for the Brush Creek property. Council wanted to hold a public forum to help the Town with informing comments on the land use. They were looking to schedule the first week in October.
- Paradise Clean-Up would be on Saturday, October 21st.

NEW BUSINESS

1) Ordinance No. 24, Series 2017 - 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 2018; and Providing the Automatic Repeal Thereof Effective on the First Day of January, 2019.

Rozman explained the ordinance was ahead of budget to allow business licensing to coincide with short-term rental licensing and that it allowed Town to maintain the fee collected. She reviewed history related to TABOR.

Schmidt moved and Merck seconded a motion to set Ordinance No. 24, Series 2017 for public hearing on October 2nd, 2017. **Motion passed.**

2) Ordinance No. 25, Series 2017 - An Ordinance of the Crested Butte Town Council Amending the Design Guidelines of the Town of Crested Butte for Accessory Dwellings in Front Yards.

Yerman reviewed the origination of the agenda item and details of design guidelines. Michel proposed a change in the wording of the title to use dwelling instead of building. He articulated the reason the Council was approving was for the public good. Michel wanted to communicate that Council expected the units to be viable units. It was agreed that building would be changed to dwelling throughout the document.

Petito moved and Ladoulis seconded a motion to change the title of the ordinance amending the design guidelines of the Town of Crested Butte for front yard accessory dwellings in certain residential zones and setting it for public hearing on October 2nd. **Motion passed.**

3) Ordinance No. 26, Series 2017 - An Ordinance of the Crested Butte Town Council Authorizing the Lease of Various Town Residential Properties (Units 2 and 3, Town Ranch Apartments, 808 9th Street, Crested Butte Colorado) to Various Town Employees.

MacDonald affirmed there were two new leases for employees to be approved by the Town Council by ordinance.

Ladoulis moved and Merck seconded a motion to set Ordinance No. 26, Series 2017 for public hearing on October 2nd. **Motion passed.**

4) Approval of McCormick Ditch Water Purchase Agreement.

Yerman reminded the Council of the deal with the annexation to gain the water rights in McCormick Ditch, and he explained the details. The remaining water had been offered to the Town for \$50K. The Town could have been potentially called out of water in a drought year and would benefit from having additional rights that would assist with controlling the ditch. Town would hold the majority, but it would not guarantee all 18 historic consumptive uses.

Mason moved and Merck seconded a motion to authorize the entry into a purchase contract for the McCormick Ditch Water and authorize the expenditure of \$50,000 for its purchase. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

5) Presentation by Hilary Henry on Carbondale to Crested Butte Trail Plan.

Hilary Henry updated on the Carbondale to Crested Butte Trail. Town Staff had been working with partners to finalize the alignment on the ground between Anthracite Creek and Erickson Springs. Michel questioned the funding. Henry said they would build the trail with volunteers and perhaps a trail crew. The construction and planning on this side would be minimal. She elaborated upon the costs to Pitkin County. Henry told the Council they would be kept updated.

6) Resolution No. 58, Series 2017 - Resolutions of the Crested Butte Town Council Approving a Water and Sewer Service Agreement for the Slate River Development with Cypress Foothills, LP.

Yerman explained that the agreement defined the usage of water for future homeowners. He elaborated there was a disagreement on how the 5,000 square foot restriction on primary structures and the 750 square foot restriction for accessory structures in the County portion of the development were measured. Yerman listed and described differences in how FAR (floor area ratio) was measured in Town compared to the IRC (International Residential Code). He called the Council's attention to exhibits provided that weren't included in the packet.

Michel asked if Staff had talked with Cypress about the 5,000-foot restriction. Yerman said the Staff assumed they would use the Town's calculation when the agreement was made between the Town and Cypress. He recognized intricate details were not hammered out. Michel questioned the importance. Yerman said that when Town adopted the regulation and guidelines, they were to create efficiency in design, but also to minimize massing.

Yerman acknowledged there had to be some type of plan review that went through Town. Michel asked Yerman to explain background on the agenda item. He outlined agreements and what Town gained from them. Through the County planning process, the County directed the applicant to come back to Town for water. There were items that made the development comparable to a Town user of water. Michel recognized it was a great amenity for the developer to have access to Town sewer and water. Yerman responded to Merck's questions pertaining to massing, view corridors, and water usage and efficiency.

Cameron Aderhold, Vice-President of Cypress Equities, introduced himself. He told the Council that the restriction would impact the design. He described issues that potential homeowners would have between the Town and County's FAR calculations. He presented an option to the calculation that would entail a fee, instead of forcing the homeowner to re-design. It would discourage massing, and it softened the conflict between the two FAR calculations.

Cypress's attorney, Marcus Lock, highlighted the reasons the calculation was an important issue to Cypress. The Town wanted to apply the calculation within the zoning provision, rather than the municipal utilities section of the Code. Also, the properties were in the County. The problem existed because the lots were located in the County, and the County would use its methodology. If they used something different, they had homeowners taking into account three different methodologies. They were talking about a water and sewer service agreement, which was the context in which it was being negotiated. The pre-annexation agreement required that the sewer connection agreement be substantially similar to agreements used in the past. They were concerned there was an impact on developability and marketability. Cypress asked Town to compromise with them, including on the section of the Town Code applied for the measurement.

Michel expected floor area to be calculated the same way as Town. He thought Town's calculation was one of the great geniuses of Town. He stated Cypress would measure the way they did in Town if they wanted Town water and sewer extended. Petito suggested that they design around the most stringent standard. Michel clarified they were concerned about the built environment, the Crested Butte vernacular, that was valued greatly. He confirmed they were at an impasse. Ladoulis recognized the spirit of the Town's measurement was to keep the mass smaller. He asked them to help keep the mass smaller, and there might be a more Town-friendly design. Michel told them Council could approve the resolution if Cypress agreed to the 5,000 square foot measurement as calculated by the Town. Aderhold agreed to calculate according to Town's requirements. Michel confirmed with Sullivan that he agreed with moving forward with approval.

Merck moved and Mitchell seconded a motion approving Resolution No. 58, Series 2017, Resolution of the Crested Butte Town Council approving a Water and Sewer Agreement for the Slate River Development with Cypress Foothills, add in section 4 of the water and sewer agreement under plan review the sentence, structure size shall be evaluated in accordance with the methodology for determining square footage set forth in Section 16-1-20 of the Town Code and also add two exhibits, Exhibit B, Gross Water Demand, and Exhibit A, a plat map of this development. A roll call vote was taken with all voting, "Yes," except Petito voted, "No." **Motion passed.**

LEGAL MATTERS

Michel asked MacDonald about the meeting on the mine. MacDonald explained they were working to re-engage discussions on the evaluation of the site, plans to go forward, and how Town could support. They did not think the withdrawal would be forthcoming.

COUNCIL REPORTS AND COMMITTEE UPDATES

Paul Merck

- Updated on the Creative District. They launched a new website, which included a blog feature. District would be partnering with the Center for the Arts with an interactive exhibit at the entrance to the Center. They published a walking map for the District and funded a mural inside of KBUT.
- Working with Cold Harbour to get ORE type of involvement.
- The Center was moving along well.

Roland Mason

- Attended a Mountain Express meeting. Ridership was up 14% YTD. They had three new busses for this winter.
- CB South service would run again. Michel confirmed CB South contributed financially.
- Schmidt questioned the service to Gothic. Mason said it had stopped for this year. He reported on ridership numbers for the year.

- Mason mentioned the RTA's CNG bus. It was determined that the fuel was causing misfires. They would try to adjust software.

Chris Ladoulis

- Attended Tourism Association meeting. They were taking focus away from print media to digital. They had intentional radio silence in July and August. He suggested they update the Council. Michel agreed communication was good.

Jackson Petito

- He would attend a Housing Foundation meeting this week.
- He took ownership of lack of attendance at Parking Committee meetings.

Jim Schmidt

- He reminded the Council of the Jokerville ceremony. There were concerns with parking.
- Attended a Housing meeting. There was discussion on the issue not making it on the ballot. There was a suggestion by Jennifer Kermode that the County list the Housing Authority as a referral agency on the Brush Creek parcel.

Paul Merck

- Attended skate park event, and it was done very well.

OTHER BUSINESS TO COME BEFORE THE COUNCIL

Ladoulis didn't think the optics were good that they were discussing Brush Creek in Executive Session to presumably instruct negotiators. He didn't know what they were negotiating. Michel agreed they had to listen to constituents to inform how they approached the issue as leaders. They would discuss scheduling a meeting to open the topic up to the public for the Council to listen. Petito was encouraged by the public engagement. He appreciated when people presented alternatives. Schmidt thought the offer was seductive to the County. He was having problems reconciling going forward. He agreed they needed to have Executive Session to learn options for moving forward. Michel hoped it gave solace they would schedule a meeting for the public to speak and express concerns. Mason wanted to shed light on what the Council's role was, but it made sense to go into Executive Session to learn proprietary information. Michel said the goal at the public meeting was to inform their opinions. Ladoulis questioned the purpose of the Executive Session that was scheduled for tonight. MacDonald explained the land use process. There was also the sale of the land, which they would discuss in Executive Session. The purchase and sale agreement was different from the entitlement. They wanted to talk about the appropriate provisions and the Town's role for options if it didn't go forward. The discussion tonight was not about entitlements. Ladoulis saw a problem if the County wanted to move before the public meeting. Merck agreed it was important to be as transparent as possible. The ship had not sailed. He encouraged people to stay involved. Michel said they would do what the Town could do, but the real process to engage was with the Gunnison County Planning Commission.

Michel allowed David Leinsdorf to speak:

David Leinsdorf

- What concerned them was the lack of transparency.
- He heard concerns about the project from Councilors.
- He asked them to record the MOA that would make Town a player in the sale.
- Slow down the process of negotiating the sale.
- They were trying to empower the Council to be a player.

DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE

- Monday, October 2, 2017 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, October 16, 2017 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, November 6, 2017 - 6:00PM Work Session - 7:00PM Regular Council

MacDonald said they were looking at October 4th or October 5th for the Brush Creek work session. She was looking for Council feedback on scheduling and the venue. Schmidt preferred the 5th at the Center. Staff would propose that Staff present, giving Council a chance to take in comments after the presentation. It was decided to hold the work session at the Center for the Arts on October 5th at 6PM. Michel confirmed it would be a work session, and public would be allowed to speak to inform the Town of Crested Butte's opinion moving forward.

OTHER BUSINESS TO COME BEFORE THE COUNCIL CON'T

The Council returned to the discussion of the usage of the Pitas Lot. Merck recognized a homeowner wasn't satisfied with the process around the property. He wondered if they could come to an agreement to come to some aesthetic solution. He could work with Baker to fix the problem to plant a few more trees. MacDonald reminded the Council the Town purchased the lot for snow storage and parking. It was approved in the budget to pave the lot for parking. Town significantly reduced the pavement on the property and reduced parking, already. Town replanted trees on the property. Staff looked at the possibility of planting more trees, which would inhibit snow storage because of snow shed from the roof. Town would lose snow storage space to allow trees on the property line. Town offered to build a fence, which Baker did not want. Schmidt wanted to see a staff report and pictures of what had happened. Michel recalled the cost of the parcel and the source of money used to purchase the lot. Michel said they did the greater good a disservice. The Town owned the parcel and bought it for parking and snow storage. Town did go above and beyond. Michel recognized they already conceded half of the lot. Merck wanted to be as transparent as they could be. Mason thought from what was originally planned to the configuration now was a good compromise. Mitchell was

hearing that Baker wanted a better neighbor. Ladoulis recapped history of the issue. It wasn't worth second-guessing themselves, and he was not willing to second-guess Staff.

Mason suggested Baker have input:

Hunter Baker

- Saw a doubling of the impact on his house.
- He wanted some mitigation.
- His studio was vibrating from a water truck.
- The Town engaged very well on parking. They didn't have a meeting on the planting scheme.
- Keep trucks further away, plant trees, and he would accept a BOZAR approved fence.
- Town was using property out of compliance with zoning regulations. It was an industrial activity.

Mason confirmed the things they were doing were allowed. The sounds of snow removal were part of living in Town. Ladoulis said sometimes they had to let Staff work it out. Petite admired a citizen coming in seeking regress. The Council did not take action.

EXECUTIVE SESSION

Michel read the reason for 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) regarding the sale of the Brush Creek Parcel.

Schmidt moved and Mason seconded a motion to go into Executive Session. A roll call vote was taken with all voting, "Yes," except Ladoulis voted, "No." **Motion passed.**

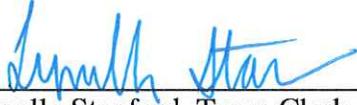
The Council went into Executive Session at 9:49PM. The Council returned to open meeting at 10:49PM. Mayor Michel made the required announcement before returning to open meeting.

ADJOURNMENT

Mayor Michel adjourned the meeting at 10:50PM.



Glenn Michel, Mayor



Lynelle Stanford, Town Clerk (SEAL)

