

MINUTES
Town of Crested Butte
Regular Town Council Meeting
Tuesday, September 5, 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 Barbara Green, 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

Michel stated that item #1 under New Business was removed from the agenda.

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) August 21, 2017 Regular Town Council Meeting Minutes.

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

PUBLIC COMMENT

David Leinsdorf

- Was present on behalf of Friends of Brush Creek regarding the proposal of 240 units.
- The Board of County Commissioners appeared to think they could sell the property, in which Town had an interest, without Town's or public scrutiny. He thought it had to go in front of the Council in a public meeting, and it seemed the County disagreed. He wanted Town to look into it.
- It was inappropriate to sell the property without public process.

Sue Navy

- She was organizing groups to coordinate another Slate River clean-up day.

- She recalled that Town funded the BBQ after the clean-up last year, and she hoped the Town could fund again this year.
- She invited all to participate.

STAFF UPDATES

Lynelle Stanford

- Reminded the Council of the review of the Town Manager on September 12th, the orientation/info session for Council candidates on September 21st, and the drawing for the ballot order tomorrow at 9AM.
- Mentioned upcoming special events.

Rodney Due

- Budgeted for an additional custodial position for the later part of the year. However, the need was great for a facilities maintenance position, and the salary for that position would be slightly higher. The person would help out with custodial and day-to-day maintenance.
- Foundation work on the building would begin on Monday.
- There would be a water outage on Maroon Avenue between 7th and 8th Streets for a service repair.
- Other projects were running on schedule.
- Merck questioned the location of the entrance to the Center for the Arts.
- Schmidt questioned the completion date for the bathrooms at the Four-Way, and Due thought they would be completed by the end of the month.

Janna Hansen

- Arbor Day would be celebrated on September 14th.
- Had been working with Rocky Mountain Trees for trees at the Pitas Lot.
- Accepting Recreation Supervisor applications until Friday.

Mike Reily

- The undersheriff, who assisted with Reily's transfer from Louisiana, retired.
- He had officers who attended crises intervention training with the aid of funding from the State.

Michael Yerman

- Crested Butte Hotel received its final BOZAR approval. Agreements would come before the Council.
- Asked that Council discuss under Other Business the scheduling of a joint meeting on September 28th at 6PM with the Mt. Crested Butte Council and CBMR to talk about paid parking. Michel confirmed that he meant they would discuss the meeting and logistics, not the addition of paid parking.

Dara MacDonald

- The Four-Way lot would not be surfaced with asphalt this year. Grading would likely begin next week.
- Referred to an email she sent last week on the Fair Campaign Practices Act, related to the potential ballot question.
- The County received the sketch plan for the Brush Creek Proposal. The County Attorney was drafting a purchase and sales agreement, which would be brought to the Council.
- Erica Mueller was spearheading the effort and committee to fill airline seats in January, and she was looking for a volunteer to serve on the committee. Merck said that he would serve, and the Council agreed.
- Mentioned that there had been discussions between neighbors and the Vinotok Council of moving the Vinotok fire in future years. The Vinotok Council expressed willingness to continue the discussion after this year's event.

PUBLIC HEARING

1) Ordinance No. 23, Series 2017 - An Ordinance of the Crested Butte Town Council Approving the Lease of a Portion of the Property at 308 Third Street to The Corporation of the Rocky Mountain Biological Laboratory at Gothic.

Michel and Schmidt recused themselves, and they left the room. Mayor Pro Tem Mason assumed the Mayor's seat.

Mason confirmed proper public notice had been given. MacDonald said there had been no changes from first reading, and there were no substantive changes to the lease. Mason asked for comments from both the applicant and public. No one was present who wanted to comment. The public hearing was closed. There was no further Council discussion.

Merck moved and Mitchell seconded a motion to pass Ordinance No. 23, Series 2017. A roll call vote was taken with all voting, "Yes," except for Michel and Schmidt who did not vote. **Motion passed unanimously.**

Michel and Schmidt returned to the meeting.

NEW BUSINESS

1) Bid Award of Town Hall Front Door Replacement Project.

Removed from the agenda.

2) Vinotok Special Event Application and Special Event Liquor Permit for September 22, 2017 in the 100 Block of Elk Avenue, Closure from 8AM on September 22 to 4AM on September 23 and September 23, 2017 in the 200 Block of Elk, Closure Starting at 5AM Throughout the Day, Then Rolling Closure on Elk During the Processional Starting at 7:00PM, and the Chamber Parking Lot Closed All Day September 23 Until the Clean Up is Concluded on September 24.

Stanford referred to three staff reports, from Reily, MacDonald, and herself that were included in the packet and confirmed the technical aspects for the application had been fulfilled to recommend approval. Reily affirmed there was a comfort level moving forward that they would construct the fire the same as the plan. MacDonald acknowledged there had been a trust issue, but the event organizers showed commitment to honor what was agreed upon last February around parameters of the fire. Staff was comfortable moving forward as proposed. She re-affirmed that Reily had full authority to stop the fire if there was any deviation from the plan, which was reiterated by Michel reading Section 4G from MacDonald's staff report. Petito questioned the disallowance of fire spinners as mentioned in Stanford's staff report. Michel confirmed there were no fire spinners.

Petito moved and Mitchell seconded a motion to approve the Vinotok special event application and special event liquor permit. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

3) Presentation by the Crested Butte Fire Board of Directors on a Ballot Question for the November Election.

Mike Miller was present on behalf of Crested Butte Fire. He stated that the difficulty of finding volunteers was a nation-wide trend. Additionally, they experienced a 45% decrease in their assessed valuation at the same time that they hired people. Miller explained that special districts did not receive sales tax revenue, and the current mill levy was not sufficient. He described what they would do with increased revenue.

Miller introduced Paul Hird, Jack Dietrich, Chris McCann, and Ric Ems. He proceeded to review the numbers that would be affected by the tax increase. Schmidt questioned if they were de-Bruced. Miller said they were not. Miller explained the boundaries of the territory that determined who could vote on the mill levy question. Michel asked for the reason it was so important. Miller referred to points he had made regarding volunteers. Hird summarized that they had to start hiring people, and it was becoming more and more difficult to retain volunteers. Hird also mentioned the ability to compete in hiring with departments that had larger budgets.

Mason asked how much they intended to bring in yearly with the mill levy increase and whether the 3.5 mill levy request had considered new projects that were being built. Miller thought it was hard to predict. Hird stated the new revenue would allow the EMS division to provide 24-hour coverage with advanced life support. They didn't know on the fire department side.

Merck was in complete support of the increase. Michel thanked them for their work and wished them luck with their proposal. Lastly, Miller reviewed who could vote in a special district election.

4) Review by Town Attorney Barbara Green of the Annexation Process.

Green referred to her memo in the packet and the reason for the agenda item. Town had a pre-annexation agreement with Cypress. Cypress would convey parcels to the Town, and the parcels had to be annexed. She explained what the County had approved. The public would be hearing at the concept annexation request, and once they were through the concept annexation request, the quasi-judicial part of the process would start. Green confirmed there would be two parallel processes, one of which was legislative and one would be quasi-judicial. There would be a full-blown public process in regard to the annexation. However, the essentials had been approved in the pre-annexation agreement.

Schmidt was concerned the process was front-loaded for the developer. Green acknowledged that Council had not yet agreed to extend water and sewer services. Yerman explained the process related to the VCUP within specific parcels. Petito asked if there would be covenants. Green reviewed agreements that had been made. She thought the County's approval appeared regular. Green elaborated that their approval was based on the extension of water and sewer service. Schmidt questioned the processes for annexing Avalanche Park, which Yerman explained. Green summarized that she wanted to clarify what the County had approved that was within the Town.

5) Resolution No. 56, Series 2017 - Resolution of the Crested Butte Town Council Submitting to the Registered Electors of the Town at the Election to be Held on November 7, 2017 a Ballot Issue and Title Concerning an Excise Tax on the Price Charged to any Person for a Vacation Rental and Using the Revenues for Affordable Housing Programs.

MacDonald provided background related to the agenda item. She stated that the County-wide measure did not progress, and the Council was prepared with Plan B. She reviewed history of multiple discussions on short-term rentals and that the topic of affordable housing had been intertwined with short-term rentals. They recognized the loss in long-term rentals that were available had been impacted by short-term rentals.

MacDonald stated the tax would be 5% of the vacation rental, and she explained how the amount that would be generated was estimated. There was a short discussion related to ROAH. Michel confirmed this tax would not affect the hotel base or the bed and breakfasts in Town. MacDonald, responding to Michel, explained the differences between a short-term rental and a hotel rental, such as that hotels were subject to commercial property taxes and IBC standards and that a vacation rental was a residential unit that was being short-term rented. Schmidt wondered if a whereas clause should be added to the resolution that referred to the fact that vacation rentals were taxed at a different rate than hotels. Green said it would be sufficient, if the Council approved tonight, to add a few words to the approval rather than to the resolution. MacDonald said it could be articulated for the record. There was a discussion around the definition of vacation rental.

Michel urged the Council and the community to support. Schmidt thought it was absolutely essential; it was for housing in this Town. It created a level playing field since

vacation rentals were not taxed like commercial. Petito identified that dedicated funding was the biggest problem for affordable housing. The tax would pay for demand on services and for the need for employees created by short-term rentals. Mitchell voiced her support. Ladoulis supported the source of funding. He wanted to define what they wanted to accomplish rather than leave as much open for interpretation later. The idea of having more workers in the community was something everyone could support.

Schmidt moved and Merck seconded a motion to approve Resolution No. 56, Series 2017 for the reasons stated above. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

6) Resolution No. 57, Series 2017 - Resolution of the Crested Butte Town Council Adopting Vacation Rental License Fees for the Fiscal Year 2018.

Yerman informed the Council the fee was meant to be equitable. It would be used to cover the operating inspection and collection regime. He estimated the total amount generated would be about \$160K a year. Ultimately, Staff wanted to provide great customer service. Yerman described costs and the proposed yearly fees. Ladoulis questioned the proportion of fees between the two license types. Michel confirmed that Yerman felt the fees were representative to the administration. MacDonald stated they had to show the nexus and validate the relationship. Yerman recognized there were substantial start-up costs. Merck thought people would drop out from the unlimited license if they had to pay \$1,500 to start and the fees were high. Ladoulis identified the differences between taxes and fees. His issue was the ratio between unlimited and primary residence license fees. Mitchell acknowledged it was a significant jump, but short-term renting had been at the wrong price for a long time. Yerman said a big aspect was the public notice. Mason asked the Council if anyone was concerned about someone who just wanted to rent out his or her home for 5 or 6 days. Yerman wouldn't want to raise the \$750 for unlimited, but they could drop the cost for primary residences. Mason would like to see the \$250 drop. Yerman said there was some play in the \$250. MacDonald said the fiscal impact would be small to reduce from \$250 to \$200. They would know more a year from now. Yerman explained the timing of when the fees would be due.

Schmidt moved and Mitchell seconded a motion to amend Resolution No. 57, Series 2017 to keep the \$750 for unlimited vacation rental licenses and set the primary residential vacation rental licenses for \$200. A roll call vote was taken with all voting, "Yes," except Merck voted, "No." **Motion passed.**

LEGAL MATTERS

Green listed items on which she had been working.

COUNCIL REPORTS AND COMMITTEE UPDATES

Jim Schmidt

- Mentioned the ceremony on September 29th for the dedication of the Jokerville site.
- Attended a CDOT presentation. He talked with them about the Brush Creek intersection. He said that they were reactive rather than proactive. He updated that CDOT would roto mill on 6th Street, after Due had talked to them.
- Attended Coal Creek Coalition meeting. They would start the project on the mine tailings at the Gunsight Bridge loop. They were selling firewood to campers and using the funds for the outhouses.

Chris Ladoulis

- He would report regarding the Parking Committee at the next meeting.

Roland Mason

- They did not have a quorum for the RTA meeting. They discussed that there were only three direct flights into Gunnison. It was up in the air what would happen with airline bookings. They relied on the Houston market. He explained promotions they were running.

Paul Merck

- There was a lot of talk about the Conservation Corp. Private businesses were coming together to sponsor portapotties and trashcans at trail heads.

OTHER BUSINESS TO COME BEFORE THE COUNCIL

Yerman informed the Council that Interstate Parking presented to the (parking) committee concerning paid parking. The committee wanted the audience of the Council, the Mt. Crested Butte Council, and CBMR to listen to solutions as related to paid parking. The committee didn't want to make a recommendation to the Council for which there would be no support. The user experience was paramount for both municipalities to participate. Ladoulis stated it was an educational process. The work session would be at 6PM on September 28th. Michel confirmed the committee recommended the presentation.

Schmidt brought forth Brush Creek. Crested Butte asked for public meetings to shape what would go there. He thought they needed to make comments on the proposal to be certain it followed the County's LUR rules. He wanted to see the contract when Town received it. Green recalled that the Town Council voted to approve the proposal submitted by Gatesco for how the parcel would be developed. She described the make-up of the subcommittee that selected the Gates proposal to bring back to their respective bodies. She updated the Council on processes that were happening. Green explained that the County was the sole owner of the property, and the Town was a party in the memorandum of agreement (MOA). There were no other public processes other than the communities accepting the proposal. The Council approved proceeding in negotiations. MacDonald said the purchase agreement would become public to direct negotiators. Green said they were meeting tomorrow to understand. The applicant submitted an application for sketch plan approval. The Town could make official referral comments

that were part of the record. Green said nothing had happened since July. MacDonald affirmed that Town could be outvoted by the other parties. Green said they would look at if the applicant fulfilled the County's criteria. Green explained the content of the MOA. It did not require consensus. The County would be seeking assent to the purchase agreement. Michel summarized that the Council was aware and concerned about the Brush Creek Parcel, and he asked Staff to be vigilant in monitoring the process. Mason questioned if any aspect of the process would be quasi-judicial to the Council. Ladoulis recognized potential traffic impacts. Green acknowledged that this developer did not ask for subsidies from the community. Schmidt recalled past emphasis on parking that had now changed to housing.

Mason recalled there was a vending machine at the Four-Way. He asked if one would go back in the completed transit center. MacDonald said they did not intend to replace it. The Council did not direct Staff to pursue.

Petito brought up Sue Navy's request for funding for the BBQ after the Slate River clean-up day. Ladoulis thought it was a wonderful idea for the grant cycle. MacDonald confirmed Council had exhausted the discretionary fund.

DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE

- Monday, September 18, 2017 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, October 2, 2017 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, October 16, 2017 - 6:00PM Work Session - 7:00PM Regular Council

Michel reminded the Council of the parking meeting, manager review, and possible budget workshop for the 26th.

EXECUTIVE SESSION

Michel read the reason for Executive Session:

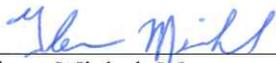
For a conference with the Town Attorney for the purpose of receiving legal advice on specific legal questions under C.R.S. Section 24-6-402(4)(b) on the water and sewer agreement with Cypress Foothills, LP.

Schmidt moved and Merck 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 9:35PM. The Council returned to open meeting at 10:06PM. Mayor Michel made the required announcement before returning to open meeting.

ADJOURNMENT

Mayor Michel adjourned the meeting at 10:07PM.



Glenn Michel, Mayor



Lynelle Stanford, Town Clerk (SEAL)

