

MINUTES
Town of Crested Butte
Regular Town Council Meeting
Monday, February 5, 2018
Council Chambers, Crested Butte Town Hall

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

Council Members Present: Kent Cowherd, Chris Haver, Laura Mitchell, and Paul Merck

Staff Present: Town Manager Dara MacDonald, Town Attorney John Sullivan, Town Attorney Barbara Green, and Community Development Director Michael Yerman

Parks and Recreation Director Janna Hansen, Finance Director Rob Zillioux, Town Clerk Lynelle Stanford, and Public Works Director Rodney Due (for part of the meeting)

Executive Director of the Land Trust, Noel Durant, attended Executive Session.

APPROVAL OF AGENDA

There was a request for the addition of an Executive Session to be held after the already scheduled Executive Session, for the purpose of receiving legal advice on conflicts of interest.

Merck moved and Mitchell seconded a motion to approve the agenda with the additional Executive Session at the end of the first Executive Session. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

CONSENT AGENDA

1) January 22, 2018 Special Town Council Meeting Minutes.

2) Amendment and Extension for Open Space Funding Agreement for the Trampe Ranch Conservation Easement Project.

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

PUBLIC COMMENT

Sue Navy - 324 Gothic Avenue

- Attended the Planning Commission's public hearing concerning helicopter access at Irwin. She asked the Council to weigh in at the continuation of the hearing.

Harvey Castro - 712 ½ Maroon Avenue

- He was at the meeting for the same reason as Navy.

- Eleven was unable to explain how many flights per day were proposed, the flight paths, and places of origin.
- They received input from the Division of Wildlife, but they focused on wildlife that was at Irwin, with no consideration for the wildlife over which they would be flying.
- It was important for the Town to get involved, especially considering the watershed ordinance.
- Schmidt moved the topic to Other Business to discuss the possibility of adding to a future agenda.

Mike Billingsley - 830 Elk Avenue

- Thanked Staff for work associated with the Brush Creek development.

STAFF UPDATES

Michael Yerman

- Mentioned the TPR meeting in Montrose on February 8th.
- Provided an update on the numbers of vacation rental licenses, related to the cap and the waitlist. He explained the process for people from the wait list to apply.

Janna Hansen

- BOZAR approved the Big Mine Warming House design.
- Thanked Rodney Due for the work done with the amount of snow for the Alley Loop.

Rodney Due

- Thanked his crews for their work on the Alley Loop. It was tight this year, and they did a great job.
- The department was losing the newest operator. They had picked up a new one.
- Schmidt questioned the hours put in by crews for the Alley Loop.
- Spoke with David Leinsdorf (related to comments from Navy and Castro). Irwin was proposing the helipad be located in an area that was already cleared. It did not call for an ordinance right now. They were willing to get a watershed permit, but they were not calling for ground disturbance.
- Would attend a conference next week.

Lynelle Stanford

- There would be a debrief meeting on the Alley Loop if it was necessary after speaking to Mike Reily.
- Asked the Council to discuss scheduling a joint meeting with the Gunnison Council in early March, to be held possibly at the Almont Resort.
- Reminded the next meeting would be on a Tuesday and wanted to confirm there would be a quorum.
- She would be scheduling a picture of the Council at the meeting on March 5th.

Dara MacDonald

- She would be gone for the meeting on February 20th. Due would fill in for operations while she was away, and Yerman would cover her position for the meeting.
- She thanked Haver, Cowherd, and Bob Nevins for their engagement and work on the Brush Creek letter.
- The Sheriff was interested in occupying the Old Rock Jail. Staff would bring an ordinance forward with the lease. Schmidt asked how much rent the Town would be proposing. He thought that they wanted to work with the County, and he acknowledged the need for County services at this end of the valley.

NEW BUSINESS

1) Presentation by John Norton from the Tourism Association on Upcoming Plans.

Norton thanked the Council for having him at the meeting. He explained that the Tourism Association (TA) put their chips into mountain biking in the summer, which seemed to have worked. Per Schmidt's request, Norton reviewed the starting point of work in his current position and the reasons he shifted focus to mountain biking. He expounded upon the TA's budget increase, now up to \$2M. Summers had been spectacular, but winters had not been. He reviewed figures from specific months. Norton didn't think they would turn around winters, responding to Schmidt's question. Schmidt wondered what the answer was to having too many bikers in the summer already. Norton countered that there were areas he rode where he saw nobody. He thought it would be a mistake to stop marketing summer. He stated the budget between winter and summer was about equal. Norton confirmed they could not use funds for capital improvements. Haver reiterated he heard the TA's focuses were on recreation, sustainable tourism, and economic development. He questioned the economic development aspect. Schmidt identified that stand up paddle boarding had exploded in recent years. Norton acknowledged Blue Mesa had been a challenge, and he outlined events they had organized.

2) Presentation by Finance Director Rob Zillioux on the 2017 Financial Summary.

Zillioux summarized the focus of his presentation would be on 2017 local sales tax revenue, trends, and projections. It was a strong year that helped to build reserves. Summer continued to be the main revenue generating part of the year, and the shoulder season in the fall had grown. November and December brought down the year-to-date tax growth. He expected first quarter revenues to be down from last year. He reviewed specific percentages related to segments of the Town's revenue base. He pointed out that some mail order companies had been paying local taxes, but Amazon had not. Zillioux drew the Council's attention to the macroeconomic environment. Revenue was healthy; however, Town was eating into reserves this year and could not continue on the same pace. He mentioned revenue related to short-term rentals and the licensing of them.

3) Ordinance No. 2, Series 2018 - An Ordinance of the Crested Butte Town Council Authorizing the Release of Land Use Conditions and Restrictive Covenants.

Yerman stated that two businesses had moved, and he explained the reason the change was being acted upon by ordinance. It would clean up the title to the building. He added that it had been approved by BOZAR.

Mitchell moved and Merck seconded a motion to set Ordinance No. 2, Series 2018 for public hearing at the February 20th meeting. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

4) Review of Red Lady/135 SH Intersection.

Yerman reviewed history on the direction Staff had received regarding the intersection. He broke down the expenses. After hearing public comments and being conservative related to sales tax, the Staff recommendation would be to proceed with the entrance to the school but not with the roundabout. The entrance required a different process compared to the roundabout, which would represent a cost savings. Schmidt would like to see the sidewalk moved to the north side of Red Lady Avenue due to the conflict at 7th and Red Lady. Yerman said they could consider a sidewalk on Belleview. The Council asked for more information before making a decision. There was a discussion on proposed sidewalk locations. Haver wanted to see the options. Cowherd thanked Yerman for his work done in the past. He thought that if the roundabout led to a domino effect, affecting the later intersections, it was not the best solution for Town. Merck questioned the perimeter trail. Yerman explained costs of the trail.

Chris Myall - 711 Red Lady

- He witnessed the daily traffic around the school.
- He cited the calming effect of a roundabout.
- The turn lane was a great beginning, but the corner would need to be addressed eventually.
- A roundabout made sense.
- He described traffic patterns to consider.

John Hess

- He suggested a stop sign at Red Lady to slow down traffic.
- He didn't think a roundabout was a good idea.

MacDonald suggested they engage the school to modify behavior. Merck agreed they needed to change behavior to reduce the number of people using the intersection.

Haver moved and Merck seconded a motion to proceed with just the design and construction of the school entrance, delaying on planning on the intersection at this time, to look at sidewalk options in the area, and to talk to the school about traffic and movement. A roll call vote was taken with all voting, "Yes," except Mitchell voted, "No." **Motion passed.**

5) Discussion of the Contract to Buy, Sell and Develop Real Estate for Essential Housing, Between Gunnison County and APT Brush Creek Road, LLC.

MacDonald told the Council that they had the latest agreement to purchase the land included in the packet. She reviewed two outstanding points of disagreement: 1) locally imposed deed restrictions and financing and 2) the ability for the Town to exercise the repurchase option should the County decline. The County determined they would not make the changes suggested by the Town. Green explained that attorneys draft according to the worst-case scenario. She thought it was the County's belief that of course they would exercise an option. Town had not been involved in negotiations with the developer. Green identified they were trying to make the best of the title being transferred before the approvals were in place. Schmidt had seen deed restrictions released. Green concurred that she had not seen a private financier agree to a deed restriction surviving foreclosure. HUD would consider taking a second place to deed restrictions because it furthered their goals. Gatesco had not decided what kind of financing they would use. Green outlined the idea of requesting the County rezone the Brush Creek parcel so it could be used only for affordable housing and transit and not be affected by foreclosure. Green recognized the other legal issue was the property was being conveyed for significantly less money than it would be sold for if the developer were not providing affordable housing. Green further explained HUD financing, in response to Haver's questions. Green thought there were ways to discuss negotiating an agreement with the County.

Schmidt asked if anyone from the public wanted to comment.

Bob Pannier

- He explained the three different levels of HUD financing programs.

Mitchell moved and Cowherd seconded a motion to request that the County rezone the Brush Creek Parcel so that the property cannot be used for purposes other than affordable housing and transit (as defined by the MOA) that would not be affected by foreclosure. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

Mitchell moved and Merck seconded a motion to disapprove proceeding with the contract as drafted because it does not take adequate steps to protect the intended use of the property for affordable housing in perpetuity; and does not allow for other partners in the original acquisition of the property to exercise the option should Gunnison County choose not to. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

6) Letter to Gunnison County Planning Commission for the Sketch Plan Public Hearing for the Corner at Brush Creek Application.

MacDonald updated that the subcommittee had been working to draft the letter to be submitted in advance of the public hearing on the sketch plan application. Then, she

asked how the Council wanted to approach the verbal points to be addressed at the meeting. Schmidt read a statement concerning the property and recounting the Town's position regarding the situation. MacDonald described changes to the letter from the last meeting, specifically changes to the formatting. One point that had been incorporated was the aggregate building size and how it related to the LUR. Cowherd concurred that they rearranged the letter to focus on compatibility. Haver thanked the Staff in creating something clear and digestible. They wanted to stay focused on the LUR. Cowherd stated the project as proposed was not compatible with the surrounding area. Merck thought it was good to ask questions, and he approved of the letter.

Schmidt asked if anyone wanted to comment.

Bob Pannier

- He commended the Council and Staff. It was a wonderful letter. He conveyed his gratitude.

Schmidt recognized the Town of Crested Butte had done more than any other agency as far as affordable housing. He said the project was way beyond scale. Haver drew the Council's attention to points they had discussed to bring up verbally at the public hearing. He asked for consideration in discussing the common practice of affordable housing being located near transportation; there was no infrastructure for services for the project; there were no utilities; and all area plans discussed in-fill development rather than sprawl. Schmidt pointed out they had five minutes to present. Cowherd clarified how they would use the time allocated for public comment. Yerman suggested they add what Town was doing for affordable housing to the opening statement.

Mitchell moved and Haver seconded a motion to send this letter of comment to the County Commissioners and Planning Commission. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

LEGAL MATTERS

None

COUNCIL REPORTS AND COMMITTEE UPDATES

Laura Mitchell

- Met with someone from the Nordic Council on fundraising \$2M for the warming house.

Paul Merck

- Went to the Colorado Communities Symposium on climate change. Town was right in line with what was going on in other communities. The idea was to keep pushing the efforts. Town was affected by population density. Other communities were seeing the same things.

- The structural steel for the theatre had been put in at the Center for the Arts, and the new parking lot surface had been poured.
- February and March were busy months for winter programming.
- Met with the Adaptive Sports program. They had their busiest month in the 30-year history. Mentioned an upcoming event next week.
- Fat Bike Worlds went well. A new trail for fat biking had been opened on Snodgrass.

Jim Schmidt

- The museum hosted a video about the Jokerville Dedication. It was quite well attended.
- He went to the mayor/managers meeting. The college made a presentation about trying to increase enrollment, which was the easiest way to increase business in Gunnison. The problem was that there were no places for people to live.
- Met with two students and their advisor. They wanted to know how dedicated the Town was to getting renewable energy. Schmidt thought Town needed to step-up.

Kent Cowherd

- Went to training for elected officials that he recommended to the others.

OTHER BUSINESS TO COME BEFORE THE COUNCIL

Schmidt asked if they should add discussion on the helipad at Irwin to the next agenda. Mitchell and Merck agreed. MacDonald asked what Staff should provide. Schmidt requested the application to the County. MacDonald offered to provide a comment letter for the Council's consideration.

Schmidt brought up a meeting with the Gunnison City Council in Almont. MacDonald said they were looking at early March at lunchtime. Mitchell preferred a Monday or Wednesday.

DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE

- Tuesday, February 20, 2018 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, March 5, 2018 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, March 19, 2018 - 6:00PM Work Session - 7:00PM Regular Council

Affordable housing would be the topic of the next work session.

EXECUTIVE SESSION

Schmidt read both reasons for the Executive Sessions: 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 a potential land acquisition discussion with the Land Trust and the second Executive Session will be for the discussion of legal advice regarding conflicts of interest.

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

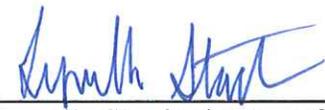
The Council went into Executive Session at 9:29PM. The Council returned to open meeting at 11:01PM. Mayor Schmidt made the required announcement before returning to open meeting.

Durant departed at 9:56PM, and Yerman departed at 10:15PM.

ADJOURNMENT

Mayor Schmidt adjourned the meeting at 11:03PM.


James A. Schmidt, Mayor


Lynelle Stanford, Town Clerk (SEAL)

