

MINUTES
Town of Crested Butte
Regular Town Council Meeting
Monday, December 15, 2014
Council Chambers, Crested Butte Town Hall

Mayor Huckstep called the meeting to order at 6:15PM.

Council Members Present: Jim Schmidt, Glenn Michel, Roland Mason, Shaun Matusewicz, Skip Berkshire, and Chris Ladoulis

Staff Present: Town Manager Todd Crossett, Town Clerk Lynelle Stanford

Town Planner Michael Yerman, Town Attorney John Belkin appeared via Skype, Building and Zoning Director Bob Gillie, and Parks and Recreation Director Janna Hansen (all for part of the meeting)

APPROVAL OF AGENDA

Item #5 under New Business, Resolution No. 24, Series 2014 - Resolutions of the Crested Butte Town Council Approving the Final Plat of Redwell Townhouses, Town of Crested Butte, State of Colorado, was removed from the agenda. Item #1 on the Consent Agenda, Approval of December 1, 2014 Regular Town Council Meeting Minutes, was moved to the last item under New Business. Schmidt moved and Michel seconded a motion to approve the agenda as amended. A roll call vote was taken with all voting, "Yes." Except Mason, who was not yet present to vote. **Motion passed unanimously.**

PUBLIC COMMENT

Lyndsay McKeever – 88 Aspen Lane in Riverbend

- Wanted to introduce herself to the Council.
- Reported that she wanted to operate a pedicab service in Town.
- Said she had her own insurance and her own pedicab.
- Wanted to know timeline to start service.

STAFF UPDATES

Janna Hansen

- Mentioned the Big Mine Ice Rink had opened.
- Reported a great turn out for the meeting on the Big Mine Master Plan.
- Schmidt asked if there were fewer activities scheduled at Big Mine this year. Hansen answered that because teams have merged and there were fewer teams overall, there were Friday evening spots available for things such as special events. She said people have been happy so far.

Todd Crossett

- Said Ride the Rockies was planning on a stop in Crested Butte in mid-June. Berkshire asked if they would be here overnight. Crossett said they were working to schedule an overnight stay.
- Staff was working through logistics of the Big Mountain Enduro World Series taking place in Crested Butte the same weekend as the Arts Festival.

Michael Yerman

- Received GOCO Grant for Baxter Gulch.

NEW BUSINESS

1) Introductions and Opportunity to Ask Questions of Mundus Bishop, Consultant for Big Mine Master Plan.

Hansen introduced the Mundus Bishop Consultant Team. Tina Bishop, of Mundus Bishop, introduced herself and explained her company was the landscape architectural firm for the Big Mine Master Plan. Brian Nierman, also of Mundus Bishop, said he was the Project Manager and the point of contact. He thanked everyone for the feedback this evening. Mark Thornbrough was the Civil Engineer and in charge of the infrastructure for master planning. Nan Anderson, Architect with Anderson Hallas Architecture, thanked the approximately 43 people, who attended the community work session meeting, for providing great input.

Schmidt asked the consultants to keep the dollars realistic. He wanted cost estimates to be as accurate as possible. Hansen added they could allow for a healthy contingency.

2) Approval of Mayor or Town Manager to Sign Thank You Letter to the Gunnison Valley Housing Foundation.

Schmidt moved and Ladoulis seconded a motion to authorize the mayor to sign a thank you letter to the Gunnison Valley Housing Foundation. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

3) Approval of Mayor or Town Manager to Sign Thank You Letter to Town of Mt. Crested Butte.

Michel moved and Schmidt seconded a motion to authorize the mayor to sign a thank you letter to the Town of Mt. Crested Butte. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

4) Presentation by Chris Larsen of Mountain Express.

Huckstep explained that Larsen was not present, because it wasn't a requirement of the IGA between the Town and Mountain Express that he needed to verbally present to the

Council. Huckstep said the Council could express concerns to either Mason or Michel. Matusiewicz wondered about the busses related to bikes. Michel answered there were racks on the front of the busses and one on the back of the busses. He further explained they established a Four Way Express Bus last summer to accommodate bike capacity. He said "leave behinds" had gone down dramatically. They felt like it was successful, and they have addressed the bike capacity problem. Michel said they had funding in the current budget for the express bus to run again next year. He also mentioned the Mountain Express board members took the new bus to CB South where they had a ribbon cutting ceremony.

5) Gravity Groms' Requested Use of the Big Mine Ice Rink.

Huckstep addressed two issues of concern: the extension of Gravity Groms' lease at Big Mine Ice Arena and the request for certain changes in the lease agreement itself. He asked if there was anyone on Council who didn't want to see Gravity Groms as a tenant in the future. Berkshire clarified that he thought there were three issues: new multi-year lease, change in who manages them, and some sort of compensation for lost revenue as a result of Whatever. Huckstep focused on the concern of the public that there would be no lease. He asked if anyone on Council thought there should be no lease offered to Gravity Groms. Berkshire said he didn't see what they could do at this late of hour. He didn't see a reason to say no. Crossett explained that staff wasn't making a recommendation not to renew. Michel recognized the value that Gravity Groms brought to the youth of the community. He said it was an issue of how to interface the government with what their need was. Huckstep said there was no intent or desire to eliminate the lease for 2015. Matusiewicz said the public needed a chance to speak.

Doug and Alexandra Hudson introduced themselves, and said they have been running Gravity Groms for the last three years during the summer months. They asked a few families to attend the meeting in an effort to keep it respectful and efficient. They wanted to state their support for Whatever USA and events. They were not at the meeting to express discontent about the event itself, just how it was managed. Gravity Groms was established in 2010 as a service to families from the north end of the valley. They reported to charge \$45 per child per day. Gravity Groms has grown substantially over the last five years. They were reportedly the majority childcare provider to school age kids in the north end of valley. D. Hudson added they had twelve families choose Crested Butte as their destination vacation in order to enroll in Gravity Groms. D. Hudson felt they were an important part of the community as an amenity for visiting families, too. D. Hudson said they began hearing of the demand for after school fall programs, in which they wanted to attract older kids. The solution was the air bag concept. Gravity Groms signed a lease agreement with the Town on May 5. If they had been brought into the discussion (Whatever USA), they would have stopped commission of the air bag. D. Hudson said they would have put an absolute halt on its production if they had known then what they know now. Had they been made aware of Whatever USA, they would have managed their way through the situation. D. Hudson said he knew the Town had hired Dano Marshall as a liaison in preparing for Whatever USA. As of August 10, they hadn't heard from or met with Mr. Marshall. They assumed at that time, a short vacancy

of the rink would be required. On August 11, they were told they would have to vacate for three weeks in September. They found themselves firmly in the nerd camp, marginalized and disenfranchised. D. Hudson reported that he had maintained dialogue with Chief Marshal Tom Martin, former Town Manager Susan Parker, and former Parks and Recreation Director Jake Jones. He reported to have only heard from Crossett days before the event when he said he was not inclined to renew their leases. D. Hudson asked the Council to consider a four-year lease agreement for Gravity Groms. D. Hudson said he would have a reasonable level of comfort going forward considering his perception of the Town Manager's disposition to their investment and the antigravity air bag park. He also asked the Council to consider changes in the verbiage of the lease, including changing oversight to the Mayor or Parks and Rec Director. D. Hudson also asked the Council to waive the lease fees for 2015. It wouldn't get them whole, but it would help them a lot. They were dealing with a serious cash flow situation. They barely broke even, but they wanted to support working families. D. Hudson believed the local population smitten with their brand, drove visitors to the brand, which then covered the margin. D. Hudson said that Crossett's staff report was the first time they had heard about the performance issues in writing. He felt a tenant could expect to be notified in order to correct the issues. They were very, very quick and effective at correcting issues. D. Hudson said he spoke to organizers of events held in the Big Mine Ice Arena, and no one had an issue with cleanliness or a mess left by the Gravity Groms.

D. Hudson continued and emphasized their focus on safety. He said if safety was satisfied, then liability was not an issue. He said that the take down of equipment was difficult and time consuming, but they tried to keep the area secure and safe. The air bag itself was secured, and they took down the stairways to the ramps making them unusable. In addition, the stairs were engineered. He said they signed a document that they would correct the stairs for next year, but he needed to know which standard to follow, International Building Code or ASTM.

D. Hudson said the Gravity Groms program was licensed childcare. They held a permit with BLM and had an operating agreement and concessionaire permit with CBMR. Hudson said they hadn't heard of any issues with CBMR, but he would circle back to confirm. In terms of compliance, he said they had licked the public works yard problem for good. He believed Mountain Adventures could have groups riding in no trespassing zones. He said they hammered it into their staff, and they wanted to correct any problems right away. As far as grass in Town parks, D. Hudson said they worked hard with both their staff and kids to keep off, but it was difficult. They worked closely with Chief Marshal, Tom Martin, and the Marshal's Office on compliance with traffic regulations, and he felt they would let him know right away of violations. He said riding around Town was the most dangerous activity that they do. D. Hudson added that kids were required to do push-ups if they ran through stop signs.

D. Hudson acknowledged the issue of Gravity Groms using the Nordic Center bathrooms. He said in three years they have never had a problem. This past summer, there were people who slept overnight for the Grand Traverse at the Nordic Center. He said they might have caused the clog that resulted in the bathrooms being closed. A child then

entered the closed bathroom and flushed the toilet that blew out through the line, as staff was working to fix it. Hudson assured the Council this situation would not happen again. In regards to animals in the facility, Hudson said as soon as they were notified, their dog spent the summer at home. Once they were told that they left the lights on overnight, it never again was a problem. Gardeners for the Town also complained of kids using their hose to jib, which has never happened again. D. Hudson said they were just trying to satisfy their duty to the kids. He said the partnership with the Town had become invaluable.

Schmidt stated that obviously D. Hudson had a problem with the Town Manager. He asked if he was saying that he couldn't work with him. D. Hudson said he was not comfortable having his business hinge on Crossett's decisions. Crossett countered that that was not productive. Town staff needed these things to go well as custodians of public property. Crossett said if there were no issues moving ahead, it was perfect, but they needed to be enforced going forward. Ladoulis asked Crossett if the spirit of the contract in 2015 was similar to the one in 2014 up to July. Crossett said it was pretty similar, but there was the need to enforce a few things and make them clear in the contract. Crossett said they needed to determine what was realistic in securing the space, and there had to be a conversation about how they adequately secured it overnight. D. Hudson said they were really concerned, because they thought that a specific group of kids would try to figure out a way to use their equipment or vandalize it. He was impressed with the respect they have shown to the facility. While under construction, Hudson reported to have spent five nights in Big Mine Ice Arena to make sure nothing nefarious was happening. He reported that no one even came near it. They would do anything they could to secure the space and their equipment because they didn't want someone getting hurt. Crossett said they were probably looking at a fencing situation. Belkin added it was definitely an attractive nuisance for a lot of kids. He advised some level of break down or fencing.

Schmidt asked D. Hudson if he approached either Crossett or Hansen after Jake Jones left to indicate Gravity Groms wanted to use Big Mine in September. D. Hudson said he probably contacted the Town in the middle of July. At that time, he was working through a gray area, including details of construction, with building inspector Jerry Long. Hudson admitted they extended themselves too far by purchasing the air bag jump without a lease agreement in place. He thought Crested Butte was a friendly and casual place, and he thought understandings and agreements would roll once Jones left. He said Whatever USA was unfathomable until it came along. Crossett said it was communicated to him that Hansen told D. Hudson the lease extension might not be possible. Hansen's recollection was that she looked at the terms of the lease ending in August, and she wasn't aware of a possible extension. Hansen said Gravity Groms could come back into Big Mine later in September, but there was a two week window with Whatever in which they had to vacate.

Huckstep asked the Council how they wanted to address the situation. He asked if they supported Gravity Groms and if they wanted to see a lease in 2015. Most of the Council raised their hands and indicated, "Yes." Keith Bauer, Director of the Nordic Center,

spoke of the growth they have seen at the Nordic Center, and he mentioned they needed the entire warming house for the summer. He said they started the summer Grand Traverse. Also, the junior program was expanding and starting to grow, and they would love a place to do core workouts and stretching. In addition, their committees couldn't meet there in the summer with the current situation. He said it was a busy place, and they were all running out of room. Mason confirmed Bauer was speaking of the warming house building and not the Big Mine Ice Arena.

Huckstep said there were at least twelve people present at the meeting to support the Council instructing the staff to grant Gravity Groms a lease for 2015. D. Hudson added they just needed a space they could call headquarters. He said that whatever configuration was there for the wintertime, they could make it work for summertime. They would adjust and manage as long as they have time to work through issues. Huckstep suggested Council direct staff to begin drafting a lease. He said they probably couldn't decide on all terms, but it could be picked up at a later meeting. He said they could know that the renewal of the lease was happening, and there might be changes in the terms. Schmidt said he had no problem with starting to negotiate the lease, but he felt it unwise to have a lease longer than one year. In addition, he didn't want to micromanage by not having the Town Manager oversee the lease, but he said the Manager could put the oversight on other staff members. In terms of the request to waive rent, Schmidt said they were a for profit organization, and there were non-profits that would love a waiver of rent. Schmidt said they could possibly waive the requirement to pay the first and last month's rent upfront to assist with cash flow. Or, perhaps waive the damage deposit or last month's rent, but he said it was a terrible policy and not to do more than that. Michel agreed with Schmidt 100%. He didn't think they should micromanage, and they could work with the Hudsons on cash flow with what was required for deposit. He added everyone would like to have free rent. Ladoulis and Mason both said they also supported a method to assist with cash flow. Matusiewicz brought up their request for first right of refusal, and said it would be appropriate to allow them security. He wouldn't want another group to swoop in and perform similar services. Belkin cautioned against giving anyone first dibs on a public building. He said the distinction between Big Mine and other Town owned properties was that it's a multiuse building. Berkshire agreed with Schmidt. He said they didn't know what the Big Mine Master Plan could show, and until they knew clearly where it was headed, he didn't want to make long-term commitments. Huckstep summarized and said the Council had consensus on the term of the lease. They didn't want a change in oversight, and they didn't want to waive rent but were sympathetic to their cash flow issue. He said they would continue when there was a draft lease. Schmidt clarified on the cash flow issue and said if they were asking for first, last, and deposit, Town could just require rent for the first month. He felt it was a matter of trust with the damage deposit. Huckstep said if the first month's rent needed to be pushed back, let staff know, so they would know how to help. He then addressed the public and said the Council wanted to hear what they had to say, and they would still consider email comments, since the lease wouldn't be approved for at least another three weeks.

7) Review, Discussion and Possible Action Regarding Concept Annexation Request By Cypress Foothills LP for the Slate River Annexation, North of Butte Avenue, County of Gunnison (Continued).

Yerman explained at the last meeting Council was presented with the annexation and major subdivision review procedures. After they were through the conceptual review, they would meet as the planning commission. From the conceptual review, there were three stages of subdivision, in between BOZAR review and agency review. He wanted to alleviate concerns and wanted the Council to have a productive dialogue. The concept review application considered the dump; land use overall, including proposed commercial and residential; transportation; water and sewer issues. The dump, in particular, wrapped in a couple of items covered under the land use section. Yerman said the level of detail provided in their application exceeded the detail required by code.

Michel confirmed the pre-annexation agreement was basically a gentleman's agreement. Yerman cited the example of the proposal to relocate the Fire Hall. For that to be considered, Town would allow them to deal with the Fire Department. The pre-annexation agreement would indicate, "yes", the Council was willing to consider use of Town property, and if they gave a "yes", these were some conditions.

Yerman began by stating the applicant was offering to remediate the old town dump. He said that the applicant would pay for it, and they have engaged Casey Resources. He asked if the Council wanted to allow them to remediate on Town's property. Huckstep said they couldn't know all the details right now, but he asked, if they did clean up the dump, what they expected from Town. Berkshire felt it was premature. They laid out the rough plan for how they would do it. He said generally, if they were going forward, it made sense to move forward with the dump. Ladoulis asked Berkshire if he was opposed to a multi-family structure being built on top of the site after the remediation. Berkshire answered, "No." Ladoulis said if it was better as a park, they should say that now. Cameron Aderhold, Vice-President of Cypress Equities, said that was where debris had been found. They felt like most of it was where the park was proposed to be. Huckstep checked with the Council and determined Berkshire was open to dump remediation and Ladoulis was open to it. Schmidt was also open to it, but felt that turning the Town public works land to housing did not work for him. He said an annexation should proportionally increase the public works land, instead of reducing it by 25%. Huckstep asked him to focus on remediation. He asked Schmidt if he was willing to consider remediating the dump. He said, "Yes, I suppose." Both Michel and Mason said, "Yes." Matuszewicz was against it.

Yerman continued and said the applicant asked if they should include the use of the land that was currently in Town limits. Town staff indicated the best use of Town land would be to create a park. With inclusion of the alley, the area would be large enough for a playing field. The first question issue posed by Yerman was the loss of the public works yard and the recommendation the applicant would conduct a facility master plan for the

area. It would help Town know what was needed moving forward. The Town certainly had needs, and the area was important to staff. A facility master plan would provide a third party view on what was required from that area. Ladoulis asked if the park space became a part of the parklands required, was Council allowing them to satisfy the park requirement using Town's land. Huckstep wondered if Council was okay with using Town owned property in the annexation. Mason said he was okay with conceptually including Town properties, and he also liked the idea of a master plan. He said he viewed that land as a lot more desirable with the annexation. He wondered if they were going to make changes or upgrade, what was the potential to move the buildings to a different location. Huckstep asked about moving Mountain Express or wastewater. Michel did not consider them to be sacred cows that could not be touched. Berkshire said this was the last annexation the Town would do. He wondered how much space Town would actually need. He said Gunnison could experience unlimited growth but Town could not. Crossett said it went back to the facilities plan. Schmidt reminded the Council that Due felt he would need more land in the future. He said it was easy to say, "let's move it somewhere", but he didn't know where to move it. For example, from Avalanche Park, it would cost more money every year to run equipment. He said the toughest thing was giving up the land. Huckstep attempted to summarize and said they could include Town land, but like Schmidt said, they didn't think there should be a reduction in public works. Yerman reiterated they could have a third party come in so it was known what was needed for the future of the yard and if there was an alternate location. From the staff's perspective this was a crucial part of the discussion. He said the process was different from the Big Mine Master Plan in regards to public involvement. The public works yard planning was a staff driven exercise. Huckstep said there had to be no loss in efficiency or net loss of service. Ladoulis said he wanted to see the space used as efficiently as possible. Yerman said that Due wouldn't allow the public works yard to slowly go away. Aderhold said the applicant was open to exploring a place to move the facilities. He thought Due was okay with them taking the space out as depicted. He said they could expand the area going into the park until a solution was found. He asked when in the process that happened. He said for the applicant to come in and take on the expense without really knowing where they were was a risk. Engineer for the applicant, Tyler Harpel, agreed it was a concern, but he thought Due was open to shuffling things around and making it more efficient. He said other towns were larger with smaller yards. He said he was not hearing from the Council that they were not willing to use Town land in the plan. Attorney for the applicant, Marcus Lock, said they recognized having to work with Town to enhance the efficiency of the area. Schmidt said the area had additional uses, including two large sewer ponds, bus garage, search and rescue, and the car impound lot.

Regarding parks and open space, Yerman explained that the idea of taking on more park space and maintaining it could present a problem, due to the park funding measure not passing. Mainly he wanted to know if the placement of the parks looked and felt okay. Matusewicz said he wanted to hear about the park in the northeastern part of the annexation. Aderhold answered it was an area out of the floodplain and wetlands, and they thought a less intense park use might be appropriate. They had the idea that a disk golf course might be good there. He said the main concern was the desire to not have too

much to irrigate and maintain while trying to reduce expenses. He said they were open to ideas. Matusiewicz said that with the development of Block 80, Town would lose the dirt jumps, which would work there. Huckstep asked the Council what they thought about the proposal giving credit for parks using Town land. Schmidt questioned if there were three parks spaces or four. He asked how the acreage matched up with the expected size of the annexation. Yerman said he would not know until the applicant had to provide a sketch plan. Harpel said when they first sat down with staff and didn't yet have a park on the Town dump area; they had more than what was needed for parks but not quite enough public open space. He thought the three parks would be larger than what was required by Town Code. Huckstep said they were in the ballpark without knowing a definitive number on the parks. He asked the Council if they wanted improved or unimproved parks, and if they gave credit to the applicant for parks on existing Town land. Matusiewicz said it depended on how close they were to the target. Ladoulis said the proposed park on the south wasn't on their land at all, and they probably wouldn't satisfy it. Mason said that without the Town owned space, they were still pretty close. Matusiewicz said if they're just at the line it's a different conversation than if they're quite far away. Aderhold said they might come up short on things but high on others. He said the dump was not a trade off for a park, but things needed to balance out. He said they were pretty close if not over the line on park credits. Schmidt said that in regards to improved or unimproved parks, if they wanted it to be a park, they had to irrigate. He said it was tantamount they used untreated water for irrigation. Yerman said irrigation also went into the water discussion, and they wouldn't get into finite detail, yet. Schmidt also felt there needed to be some kind of definition to keep people out of the wetlands. Yerman cautioned against putting fences around wetlands. It was mentioned that Town would collect the RETT on lots as they sold. Michel asked if there would be future revenue from transactions to help maintain parks. It was discussed what the ownership would be of these areas. Aderhold thought it would be transferred to Town. He also said they had considered an HOA for parts of the development. Lock said he would be curious as to what public preference would be for ownership of parks. He said HOA owning parks had a different feel. Michel suggested they ask Rozman if there would be future revenue to maintain the parks. Aderhold said they could have an impact study done early on to help answer these questions. They could get close enough to answer if the Town could maintain the parks with the additional revenue. Berkshire asked if Town needed more parks. He said to consider traffic and congestion. He wondered if they were asking for trouble by embedding a park in a sensitive area. Mason said the accessibility to the rec path was really good. Crossett said it was a connectivity issue, and staff expressed concern that the section on the east side of the river would look like an exclusive neighborhood. Ladoulis asked if there was a line or if it was clearly defined as open space versus a park. Yerman said that at the level of 100 units, they must have ball fields. They had proposed the location of a field near the wetlands, but staff pushed them in a different direction. Ladoulis would like to see more parks, but not bulldozed flat areas that needed sprinkling. Yerman said there was a demonstrated need for more playing fields. Matusiewicz suggested a small band shell for small community concerts.

Land uses, specifically commercial and residential, were discussed next. Town staff expressed concern with the lack of commercial property for cash flow through the mill

levy. Yerman asked the Council how they felt about the locations of proposed commercial areas. Michel said there had to be enough commercial within the development to serve the people that lived there. He wanted to decrease the emphasis on people needing to get into their cars to go to the grocery store. He felt businesses would be great assets for that side of Town. Schmidt said he completely disagreed with Michel. There was already a small store right across the street from the proposed development. In the past, they had talked about not stringing commercial development between the two towns. He felt it went against what was decided in the past and the wrong way to go. Schmidt brought up the bakery building, which has been empty for eight years. He said the worst urban planning was to string out the commercial properties as people drove into town. Huckstep questioned Schmidt if a new fire station would be considered commercial. Schmidt said a fire station was the only thing he would consider in the proposed southwest corner of Town. Mason would rather see something with the feel of retail. Berkshire would hate to see business creep up Gothic Road. He mentioned the need for the business equivalent of affordable housing for office space. He said a place for certain non-profits to go would be nice. However, he didn't like straight commercial space. Huckstep asked Berkshire if he was okay with the fire station. He said, "Yes." Matuszewicz was undecided. He questioned if the speed limit would remain 15 MPH up to Road B, or would it be 25MPH. Yerman said it would remain a county road, and the speed limit would be 25MPH. If the Town did not annex and maintain the road, the county set the speed limit. Mason added that if the fire station cannot move in to the proposed space, he liked the idea of the Center for Arts possibly relocating there, considering the cost of a remodel. Or they could use the area for other non-profits. Ladoulis was okay with civic use, but he wasn't categorically opposed to business use. He didn't want parking spaces to take over the view. Aderhold suggested medical offices would be a benefit and suggested having one area that would be all medical. He understood the desire to keep everything on Elk Avenue; so another idea was shared business spaces. Matuszewicz was completely in favor of the fire department, but said they could also use conference space. Yerman asked the Council if they were more amenable to only the bottom part of the parcel being commercial. Schmidt kept looking at the road and traffic. Everyone drove to the bakery, and it failed. He had a problem because they were stringing out commercial. He would rather see existing residential properties on Elk converted to commercial properties. Huckstep said they needed to know where other players stood with the notion of not expanding commercial properties between the two towns. Michel added that the Town of Crested Butte valued walkability, connectivity, and neighborhood contacts. If people had to drive they could not have those interactions. People would value the amenity to walk up the block to get coffee. Lock said that originally they proposed the lower commercial area as a cool mixed used development. They wanted to create a hub. At the concept, they were totally okay with taking the northern commercial area and making it residential. Yerman said the county had not weighed in. Huckstep summarized that civic use was good, and commercial use was mixed.

Yerman explained they were proposing up to 115 units in 75 lots. The density was less than previously proposed annexations. He asked if Town had the ability to do a rental project, would they want to reserve the right for higher density, if it was for affordable

housing. Schmidt had no problem with a high-density unit. He suggested interspersed affordable housing, like in the Verzuh annexation. Housing would also allow for accessory dwellings on site. It was asked if the 115 unit count included accessory units. Aderhold answered that unit count was not counting accessory dwellings. Schmidt said it was valuable to look at the Verzuh and accessory dwellings. Michel mentioned the possibility of micro lots in addition to affordable housing requirements. Huckstep asked Michel how he felt about the density. Michel said, "Good." Ladoulis would like to explore higher density, including a more equal distribution of density from east to west. Mason was fine with the density. Matuszewicz questioned lot sizes. Yerman said that would be answered with the sketch plan. Berkshire shared the desire to see affordable housing integrated. It was determined the Council agreed that the density could be increased for affordable housing.

Regarding affordable housing, the applicant proposed fulfilling the requirement by actually constructing the units. The Council was asked if they had any other thoughts on the consideration of a multi-family project for rentals. Matuszewicz was willing to let the applicant build some units, but he wanted to see some lots available. Aderhold said they would have some local affordable housing on the east side. They thought higher density housing made the most sense on the west side, because it was more walkable to Town. Mason also wanted the potential for accessory dwellings to count towards their affordable housing requirements. Schmidt had a problem with lots getting too small. If they became too small, they were not functional. Mason mentioned Ruth's Road lots were smaller, and they seemed good sized for affordable housing. Berkshire said the scale of the Ruth's Road lots was proportionally smaller but not glaringly so. Huckstep said the outcome was the Council came up with a mixed bag of micro lots deemed acceptable.

Related to the school land discussion, the application proposed the school requirement was fulfilled with affordable housing, instead of land. He said on 1/3 of an acre they could probably fit a small daycare. He said the school could also accept payment. Yerman cautioned that the school board should make a recommendation.

Matuszewicz returned to the topic of affordable housing and said he took the strong line of not a giant unit but interspersed affordable housing. Aderhold said they were trying to get feedback if the numbers were flexible for deed restricted versus local housing. Yerman said that deed restrictions that required people to have lived here for x number of years haven't brought the price down enough. Huckstep agreed with Yerman on the difference between an AMI restricted unit that has an appreciation cap compared to one without the appreciation cap that doesn't move. Huckstep would like to eliminate local housing. Berkshire said with the Verzuh annexation they started putting on the price cap. Yerman said there were nine qualified applicants for the house that was raffled on Friday, and there was an 80% AMI cap on that unit. There would be an opportunity to talk about it when they looked to develop Blocks 79 and 80. He sympathized with those trying to sell units because of where they sat with appreciation caps. Aderhold asked if there was flexibility, and the Council said, "Yes."

Next to discuss were roadways, transportation, and the grid plan compared to the natural plan. The wetlands would dictate engineering. Public Works had serious trepidation of putting workers in ditches with gas lines and water lines next to the sewer lines. The grid plan allowed for separation of utilities. Harpel said that water and sewer were going into the roadway, and electric and gas were not on the same side of the road. With the looped system, it was one big loop. Water and sewer were in the roadway, and electric and gas were in the right of way. With the grid plan, water and sewer were going around, and they would still have to loop gas and electric around the outside. Harpel said Town already had water down the roads and sewer through the alleys, so he didn't see the advantage of having the alley on one side. Huckstep saw three issues: wetlands – if they chose the grid, they would have to accommodate by accepting some impact to the wetlands setback; utilities; whether or not the grid helped to uphold the feel of Town. Harpel said there was more pavement in the grid and more run-off. Berkshire felt the natural option transitioned to the more rural Moon Ridge interface. Treasury Hill was much smaller, but was not the grid. Berkshire could go either way, but he leaned towards the natural plan because of the transition. Matusiewicz voiced a real fear is that it became an exclusive area of Town, like an enclave. He was strongly in favor of the grid. Mason was on the fence. For him, it depended on lot size. Ladoulis thought the grid looked contrived and would only be appreciated from the air. Michel thought it should be the grid. It was the identity of Crested Butte, and he wanted to create something that was a part of rather than separate from. Schmidt did not know why a grid was more or less exclusive. He thought more important was the lot size. He was leaning towards the natural plan. Huckstep asked if there was a difference in the unit count between the two. It was about the same. Aderhold said an overriding theme was keeping it consistent with the character of Town. Gillie added that lots in Town were narrow on the road and the long dimension was at a right angle to the road. He said that with the natural plan, lots were wide on the street and narrower, front to back, which was a different look. He would need totally new zoning to deal with different lots, which were not consistent with what Town has now. Harpel said they had more square lots with the natural plan. In looking at the last application, they received a strong push for the grid system. Then, they came with a grid plan. The public pushed back and said they were impacting wetlands. Harpel said they could make either work. Gillie saw they could maintain a wetland buffer within the lots with the grid plan. Schmidt had a problem with a second bridge, proposed on 10th Street. Bridges were ridiculously expensive, and he would rather have the benefits go somewhere else in Town. Lock said they really wanted to reach a consensus between the Council and the applicant. He didn't want dichotomy to result in a delay. They liked the natural plan but didn't feel real strongly. Harpel said it was not a huge difference between the plans. He said it was maybe a five to ten percent difference. Mason said the public would have a lot of interest in preserving the wetlands; the closer they could adhere to setbacks, the better. Ladoulis agreed with Mason, and he felt more comfortable about the natural plan. Michel was definitely for the grid plan. Schmidt was leaning towards the natural plan. Berkshire recalled a lot of pushback regarding the wetlands on the last annexation, and he was leaning towards Schmidt. Matusiewicz said they could deal with the wetlands through a building envelope, and he was strongly in support of the grid plan. Huckstep agreed with the natural plan and saw it making sense.

The Council conferred on trails and the possible extension of 8th Street. It was discussed if they should plat and therefore extend utilities. Harpel said they would cut off the pond wetlands if 8th Street went completely straight. The pond wetlands were not jurisdictional wetlands. The requirement would be to extend utilities to the property line or parcel. They would be looking for a 60-foot dedication and responsibility to extend water and utilities. Ladoulis liked rights of way and easements, but not laying pipes that may never be used. He said, yes, on dedication, and no for laying the lines. Schmidt presented concerns that the easement was indicating they wanted the land to be developed. Matuszewicz said it signaled forward thinking, not that they wanted it. Berkshire agreed with Ladoulis: "Yes, on easement, and no, on utility extensions."

Concerning the alleyway behind Poverty Gulch, if they didn't include the alley as part of the park, there was not enough space for a playing field. Berkshire wondered what kind of field was proposed. Yerman said there was a design that would fit, including the alley, a soccer field for players under 12 years old. It could be a full field but also broken down into two fields. Crossett said usage trends indicated the fastest growing sport was soccer. Mason asked if Due weighed in on eliminating the alley with respect to snow storage. Yerman said Due was aware. Michel wondered what the reason was for even having an alley. Schmidt said there was no reason for the alley because Poverty Gulch functioned without it. Ladoulis asked if eliminating the alley would preclude certain usages. Staff thought if the area became home sites instead of a park, they would need an alley.

The Council considered what rules should be applied to the 6th Street Corridor and Gothic Road. They discussed sidewalks and street lights. Matuszewicz mentioned the speed limit seemed important to maintain the feel of Town. Berkshire felt that a residential addition needed a sidewalk on one side of the street, and they should extend the lights. Yerman stated these were key details when Gunnison County made their judgment. The bridge right above the annexation was slated to be done within two years. There was potential the county wanted Town to maintain, and snow removal became an issue. The question was posed if Town had to maintain and resurface the road, what would it mean to the applicant. All Council members were in favor of a sidewalk.

Trails, including a pedestrian path to the cemetery, were contemplated. Harpel said it was really steep, and they would need stairs to the cemetery. Schmidt reported the Cemetery Committee would like to see that people could walk to the cemetery. Huckstep said access to the cemetery was of concern. Berkshire felt that a Nordic trail didn't seem realistic. Yerman confirmed Berkshire was not opposed to a summer trail. Michel saw future potential for 8th Street, and that there could be an easement for people to get to the Slate River corridor to allow connectivity. He would also hate to see trails where no dogs were allowed. Aderhold asked if there would be issues with the trail crossing the wetlands to get to the rec path. Ladoulis said they would have to look at the impact to the wetlands. Schmidt asked if they imagined a sidewalk or a dirt footpath along the river. Michel could envision standard crushed gravel. Berkshire stated it should be wheelchair accessible.

Next, Council explored water and sewer and if they wanted system upgrades instead of water rights. Matusiewicz said Town probably had enough water rights. He was happy to look at a creative solution, like affordable housing. Berkshire was in favor of using untreated water as a watering mechanism. Huckstep confirmed that with using gray water in parks, Berkshire would consider system upgrades in lieu of water rights. Berkshire said he would consider system upgrades, but it was not an either or proposition. Mason wanted to know more. Ladoulis was open but wanted to consult with water experts before deciding. Michel thought it too early to make an informed decision. Huckstep said it was more a question if Council was even willing to consider it. Schmidt said it appeared Town had enough water rights. He asked if Town needed another pod in the treatment plant. Untreated water for parks was another thing to include.

The tipping point on the wastewater treatment plant may soon be reached. A performance analysis would determine if Town had additional capacity. It would take \$1.2M to \$1.8M if it was determined it needed to happen, and the sewer fund didn't have debt capacity. If Town accepted this application, the state might require the Town to begin engineering. The applicant would assist in the cost of engineering if their application became the trigger point. Mason questioned the timeframe from engineering to actual building. Harpel answered it would take five years, or in crunch time, it could take a couple of months. He said the state was usually pretty flexible if they were moving forward with engineering. The Council wondered at what point, if Town was triggered by the state, would engineering be required. Staff strongly recommended it be addressed in the pre-annexation clause. 90% of the approval process was done during preliminary planning. The Council wanted to know what stage in the approval process was the pre-annexation agreement. Belkin said it should be addressed in the pre-annexation agreement. Lock said if they were the cause of the state telling Town that engineering was required, they would take that into account. Yerman advised that according to the state permit, by annexing more property into Town, they would be hitting the threshold when the state required engineering to start. Aderhold wondered how they could do that without knowing the density of what they were proposing. Harpel said the trigger point was at 80% capacity to start engineering and at 95% capacity Town should start construction. He said it was a moving target right now, and they were not sure where Town was until the performance evaluation. According to flows, Town was at 95%, and it seemed to the Council that they may have to move on to building right now. Yerman said that Due said to take time to get the performance evaluation completed. If the performance evaluation determined that Town was at 85% capacity, they would have to start engineering. Schmidt felt if Town had to do engineering and new infrastructure, he wondered why other citizens should have to pay. Yerman explained that per their application, they had to submit flows and a full system evaluation. However, a clause in the state permit said that by accepting the application, the annexation could be a trigger point. He asked if Council wanted the pre-annexation agreement to have a clause for the engineering piece. Schmidt asked if they didn't have to do the annexation, why should Town pay.

Yerman summarized what he understood the Council had identified as revisions to application:

- Design - the direction was to go with the natural proposal and to eliminate the commercial block on the north and possibly leaving the one to the south.
- Council was split on the natural plan versus the grid plan, but the natural won out.
- Council was in favor of punching the extension of the right of way on 8th Street, including moving the trail up on the NE and connecting the Cemetery. They wanted to make sure dogs were allowed.

Lock thanked Yerman for the positive feedback they received. He said the application reflected their incorporation of the feedback, and the concept was good as it could be. He thanked multiple council members who recognized they had a budget. They really appreciated the direction on the grid versus natural plan, and he assured the Council they wouldn't ignore their concerns. He asked the Council to pass a resolution that said they were in favor of review, subject to the following, a pre-annexation agreement that addressed the following comments... With respect to the scope of the pre-annexation agreement, comments were to set expectations of other parties. Lock said to plan these meetings and to set a timetable with the goals going forward. Huckstep said the Council had to have the discussion of what should be included in the pre-annexation agreement. Schmidt said he did not want to have six to seven hour meetings. Berkshire said they would defer to Yerman as the ringmaster to tell them what they needed to cover at each meeting. The Council took no action.

Matuszewicz moved and Mason seconded a motion to continue the concept annexation request agenda item to the next regular Town Council meeting on January 5, 2015. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

8) Approval of December 1, 2014 Regular Town Council Meeting Minutes

The minutes from December 1, 2014 showed that Matuszewicz voted, "Yes," in favor of the snow plan, which was incorrect. Matuszewicz voted, "No," and therefore it was not a unanimous vote as indicated by the minutes.

Mason moved and Schmidt seconded a motion to approve the December 1, 2014 regular Town Council meeting minutes as amended to reflect Matuszewicz's "No" vote to approve the snow plan. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

LEGAL MATTERS

None.

COUNCIL REPORTS AND COMMITTEE UPDATES

Roland Mason

- Rode the 9AM Mountain Express bus to CB South. There were eight people that boarded to go skiing.

- Attended an RTA meeting. They hired Magellan Strategies to gain input on where people stand with the potential tax increase for RTA. He suggested it would benefit Town to do something similar to help pass the sales tax increase. It would give a good idea of where people were with questions. He recommended Town look at hiring Magellan or a similar company.
- Also mentioned, the late night bus was driving into CB South, and plowing was a concern.
- March airline seating is down. There are more seats on the market, and less sold this year compared to last year. They are working on strategies to get people to book airline seats for March.

Chris Ladoulis

- Attended a Tourism Association board meeting on Tuesday.
- They submitted proposed bylaws to the County Commissioners.
- Towns will be involved in the selection committee. They are looking at a more marketing oriented, professional board. A core issue was the size of the board.
- It was decided that the Executive Director would end her tenure December 31.

Glenn Michel

- Attended a Mountain Express board meeting. They will offer expanded summer bus service two additional weeks into September.

Jim Schmidt

- Said they needed to replace David Owen on the Housing Committee and Scenic Byways Committee. It was confirmed that Berkshire would replace him.
- Town Christmas party was great.

Aaron Huckstep

- Mayor/Manager meeting was on December the 4th.
- Community Foundation could potentially serve to help Town work through the community grant program. Said they could get Pam Montgomery to assist with the selection committee. He was not sure what the cost was, but it was an interesting discussion.
- The lack of knowledge between communities, including CBMR, of how discretionary money was spent was brought up.

OTHER BUSINESS TO COME BEFORE THE COUNCIL

It was mentioned the Western Student Government Association provided \$2,500 to support the late night bus.

Matusiewicz added they set the world record for the most skiing Santas. There were over 750 Santas, and Crested Butte could appear on the front page of the Denver Post.

DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE

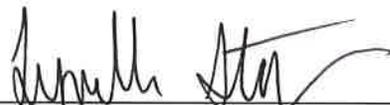
- Monday, January 5, 2015 – 6:00PM Regular Council Meeting
- *Tuesday (Due to MLK Holiday)*, January 20, 2015 – 6:00PM Work Session 7:00PM Regular Council Meeting
- Monday, February 2, 2015 – 6:00PM Work Session 7:00PM Regular Council Meeting

ADJOURNMENT

Mayor Huckstep adjourned the meeting at 11:14PM.



Aaron J. Huckstep, Mayor



Lynelle Stanford, Town Clerk (SEAL)

