

MINUTES
Town of Crested Butte
Regular Town Council Meeting
Monday, February 1, 2016
Council Chambers, Crested Butte Town Hall

Mayor Michel called the meeting to order at 7:03PM.

Council Members Present: Jim Schmidt, Erika Vohman, Chris Ladoulis, Roland Mason, Laura Mitchell, and Paul Merck

Staff Present: Town Manager Todd Crossett and Town Attorney John Belkin

Building and Zoning Director Bob Gillie, Town Clerk Lynelle Stanford, Finance Director Lois Rozman, Town Planner Michael Yerman, and Parks and Recreation Director Janna Hansen (for part of the meeting)

APPROVAL OF THE AGENDA

Mason requested the addition of an 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) relative to Freeport-McMoRan and the transaction with the State, the Town, and the County after Legal Matters or after Other Business. Michel said it would be after Other Business.

Schmidt moved and Mason seconded a motion to approve the agenda as amended. A roll call vote was taken with all voting, "Yes," except Vohman did not vote. **Motion passed unanimously.**

CONSENT AGENDA

- 1) Approval of January 19, 2016 Regular Town Council Meeting Minutes.**
- 2) Approval of January 25, 2016 Special Town Council Meeting Minutes.**
- 3) Approval of Resolution No. 3, Series 2016 – Resolutions of the Crested Butte Town Council Authorizing the Grant of a Revocable License to John M. and Marlo C. Pulliam to Encroach into the Fifth Street Public Right-of-Way with Steps and a Walkway Adjacent to Lot 17, Block 12, Town of Crested Butte.**

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

PUBLIC COMMENT

None

STAFF UPDATES

Lynelle Stanford

- Mentioned upcoming special events including: Alley Loop, Fat Tuesday Parade, and Big Air on Elk. Also said they had received applications for summer events.
- Staff met regarding the locations of vendors. The proposed locations would be brought to Council at a meeting in the near future.
- Acme Dispensary opted to retain medical marijuana sales.

Rodney Due

- There had been over two feet of snow over the past couple of days.
- They had all hands on deck all day, and there were all five plows running during the night.
- They were preserving the banks on Elk Avenue for the Alley Loop.
- Both Michel and Mason recognized the crews for doing a really good job.

Tom Martin

- The Marshal's Office had towed 30 vehicles the last two nights, and he anticipated towing more tonight.
- Mason wondered if people had complained about large berms. Due answered that he had not yet checked his messages, but so far there hadn't been complaints.

Michael Yerman

- There would be an open house on housing on February 9 from 4PM to 7PM. Representatives from local banks would be present to discuss home loans. There would be presentations at 4PM and at 6PM.

Todd Crossett

- There was an issue of Elk Avenue becoming too narrow. Martin suggested that they close parking on the north side of Elk in the 100, 200, and 300 Blocks until crews were able to widen it. The Council agreed with Martin's suggestion.

NEW BUSINESS

1) Discussion and Possible Approval of 30th Annual Alley Loop & Pub Ski Special Event Application for the Pub Ski in the 200 Block of Elk Avenue on Friday, February 5, 2016 and the Nordic Marathon Route on Saturday, February 6, 2016 and Special Event Liquor Permit for the Beer Garden Located at 2nd Street and Elk Avenue on Saturday, February 6, 2016.

Michel asked which staff member handled the event. Stanford said there had been changes from the time the staff report was written. The applicant provided the necessary

certificate of insurance with the proper entity name and evidence of liquor liability coverage.

Vohman questioned the location of the beer garden at 2nd and Elk. She wondered why it wasn't located at the Nordic Center. Event organizer, Andrew Arell, said they wanted it to be located at the finish line, and they had relocated it from a previous location in front of the Post Office. He added that last year the finish line was at the Nordic Center, which was why the beer garden was there.

Merck moved and Mitchell seconded a motion to approve the 30th Annual Alley Loop & Pub Ski special event application and special event liquor permit with the following contingency: Must ensure emergency vehicle access across the course at all intersections. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

Arell told the Council the route would be different next year because the route depicted in the packet for this year was a change at the request of a resident.

2) Resolution No. 2, Series 2016 – Resolutions of the Crested Butte Town Council Approving the New Town-wide Affordable Housing Guidelines.

Karl Fulmer, Executive Director of the Gunnison Valley Regional Housing Authority (GVRHA), presented to the Council. He stated they made changes to the guidelines based on Council comments. They added sections specific to potential new lot and housing development. They also combined the adopted guidelines with a property's deed restriction. Guidelines remained flexible over time. They were updated annually to accommodate income changes, they adjusted the maximum prices accordingly, and they could change some elements that were not working well. The master deed restriction was recorded against the property, and the deed restriction was linked to non-recorded guidelines. Fulmer stated that Gunnison County and the City of Gunnison adopted similar guidelines. Sharing guidelines reduced confusion and staff time. There were similarities throughout the valley and fewer misunderstandings. Additionally, the guidelines would standardize a system of deed restrictions throughout the valley, which should help promote transparency.

The basic parts of the guidelines outlined income and asset limits. Yerman specified the maximum income limit to qualify in the Gunnison Valley couldn't be over 200% of area median income (AMI). Fulmer outlined priorities for purchase. He listed qualifications for rental and ownership housing such as: a qualified applicant must work within Gunnison County at least 1500 hours per calendar year, and the applicant must use the residence as a primary residence. An applicant was required to provide documentation of employment, residency, income, and assets. Fulmer confirmed for Ladoulis that they didn't have a process for collecting information on retirement and business assets.

Fulmer reported that another aspect was maintaining eligibility. A person must remain a qualified employee, and the residence must have continued use as a permanent residence.

Regarding ownership, there was no re-qualification for income and assets or minimum occupancy (per bedroom). Michel questioned the incentive to move up the housing ladder. Fulmer identified the incentive as the limited appreciation on a deed restricted unit.

Schmidt wanted to provide housing for people that worked in Crested Butte. He questioned whom they were trying to help. Fulmer said there was an issue of narrowing employment too much. He thought they would be setting themselves up for failure, and it inhibited the effectiveness of the housing program. Ladoulis agreed with Schmidt. He said that Town should subsidize their own local workers. He suggested they kept track of a balance (between Crested Butte and Gunnison). Yerman said they were potentially taking away job opportunities at the college or hospital, and it wasn't in the spirit of the regional housing program. Michel said that certain employees received additional lottery picks. Yerman expounded that essential service providers received an additional pick. Ladoulis wanted a higher priority given to those who worked near where they lived. Yerman said the system was set up based on seniority.

The definition of essential service worker was discussed. Schmidt pointed out that essential service workers could live in Gunnison, too. Michel said there was an obligation to the entire valley, and it was hard to constrict up and down the valley. Fulmer pointed out that lower income people weren't as likely to pay for gas (to commute to Gunnison). Yerman said a friendly amendment could add Crested Butte Fire District and Crested Butte Community School to the definition of essential service worker. Schmidt said it would help.

Michel asked where the Council was. Mason was okay as long as the Fire District included CB South and Mt. Crested Butte. Fulmer reviewed the maximum sale pricing for ownership units. Ladoulis wanted to know how costs were calculated for re-sale. Fulmer said it was usually the consumer price index (CPI), which was 2.4 to 2.8%. Yerman specified it was up to 3% or CPI. Fulmer explained the valuation calculation. They also discussed the capital improvements policy, and Schmidt confirmed the limit was 10% of the original price. Fulmer said the limit promoted affordability over time.

Fulmer outlined the lottery chances. He also explained the GVRHA Board was the grievance board, and Town had two representatives. They also discussed the real estate transfer tax (RETT). Yerman said the RETT was to be split between the buyer and seller. Fulmer confirmed the RETT was based on the maximum sales price. Yerman also stated the Housing Authority acted as the broker, and their cost would be 2%.

Vohman moved and Schmidt seconded a motion to approve Resolution No. 2, Series 2016 approving the new Town-wide Affordable Housing Guidelines with the amendment to essential service provider adding Crested Butte Fire Protection District and the Community School to the definition of essential service worker. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

3) Request by Sixth Street Station LLC to Rezone Lots 1-5 and 28-32, Block 1 and Lots 1-5 and 28-32, Block 12 from B2 to T.

Michel reminded the Council to stay in zoning and not to get into architecture or parking. Crossett said it could become a quasi-judicial process, and they needed to focus on if they should re-zone the area in consideration and what was the appropriate zone for the location. Belkin further explained that re-zoning was a unique function. It was not a legislative matter, but they were not sitting in quasi-judicial right now. Belkin asked contractor and BOZAR Vice-Chair, Crockett Farnell, not to participate in the meeting because he would have caused himself to be disqualified. Belkin explained to Ladoulis it had to do with him being appointed to his position by the Council. Belkin said it was important that conflict issues came to him beforehand.

Additionally, Belkin stated that the Code of Conduct did not allow Aaron Huckstep, legal counsel for the proponent and former Mayor, to work for them within six months after leaving office or to come before the Council within 12 months of leaving office (on an issue for which action was taken while he was on the Council), unless the Council waived the requirements. He told the Council to consider if waiving made sense. Huckstep said that both he and Farnell participated in a meeting with Town Staff, and they had no intention to mislead or hide anything. Ladoulis questioned when Huckstep's relationship with his client formed. Huckstep said it was three or four weeks ago. Bruce MacIntire, developer of Sixth Street Station, said they chose Huckstep because they felt he shared values, but they were not greatly damaged by changing legal counsel. Crossett told the Council they had the ability to waive both requirements. Michel was not ready to waive the Code of Conduct; it governed the political arena well. Vohman agreed with Michel. Schmidt did not have a problem waiving both because Huckstep as Mayor did not delve into the project. Mason agreed with Schmidt, and Merck, Mitchell, and Ladoulis were all amenable to waiving both requirements.

Schmidt moved and Mason seconded a motion to waive the application of Section 2-4-100 C and D. A roll call vote was taken with Ladoulis, Schmidt, Merck, Mitchell, and Mason voting, "Yes," and Vohman and Michel voting, "No." **Motion passed.**

Gillie read from the Town Code to explain the process and the reason for the discussion. The zoning change was integral to the proposal as it was conceptualized. They wanted to know what the Council's temperature was to avoid wasting resources. Schmidt wondered why Council would make a decision on re-zoning as opposed to referring the question to BOZAR. Gillie explained the Code read it went to Council before BOZAR to ensure the Council would even consider.

Gary Hartman, Partner and Principal of Sunlit Architecture, presented to the Council. He stated the concept was to bring a boutique, locally branded hotel to Crested Butte. He listed members of their development team: Bruce MacIntire, Ken Stone, Aaron Huckstep, and Crockett Farnell. Hartman explained they were requesting a zoning change from the B2 to the T Zone to create a hotel including commercial, retail, lounge, three affordable housing units, and two parking lots. Hartman showed slides with the

conceptual design on the parcel from different perspectives. He reviewed benefits to the community such as: the protection of Elk Avenue vitality and the National Historic District, addition of full service hotel rooms within the Town, cohesive and integrated planning of the entire site, reduced traffic and improved pedestrian experience, public restrooms, heated waiting area for the bus at Teocalli, and a public conference facility. Hartman stated the idea was to have people storing their cars. Hartman also listed economic benefits including: increased job opportunities, significant tax revenue generation, and infusing Elk Avenue and the Town with dining, shopping and spending patrons.

Hartman reviewed the intent of the zoning in B2. He specified the allowed floor area ratio (FAR) in B2 was .5 by right and .64 including site amenities. Hartman reviewed setbacks and building heights allowed in the B2 Zone. Hartman then explained the intent of the T Zone. The FAR in the T Zone could be .66 by right and up to 1.0 with site amenities. Hartman said they were trying to get appropriate zoning for the proposed use. Hartman showed a map of available lots for future projects. He felt the current parcel had the lowest impact for their product compared to other parcels in Town, and other potential parcels would require similar zoning revisions. Hartman added that the zoning in B2 was encouraging people to drive to businesses, whereas their proposal was focusing on people accessing amenities on foot. Michel informed the Council that Anthracite Place was about 22,000 square feet, and he asked them to consider what the whole aspect could become.

Gillie told the Council that the zoning code and zoning districts were the land use code for Crested Butte, and they determined how Town would develop. He said the parcels in question represented significant undeveloped property in Town that had potential to affect how the highway frontage looked and felt. The B2 Zone was an auto access zone because it served people driving through Town, and it was targeted to be a mixed use zone. Hotel/motel uses were conditional uses allowed in the B2 Zone. The T Zone was one parcel back from highway frontage, and it wouldn't have the same impacts as B2. Gillie suggested they should consider carefully if they deviated from the plan of Town. Gillie explained the options in front of the Council including: they could refuse to consider, they could continue the discussion to a future date certain if they wanted more information, or they could refer to BOZAR with conditions. Gillie said the Council was really dealing with re-zoning, and they were trying to avoid spending a lot of time and energy to ultimately not have the re-zoning done. Vohman confirmed the project was dependent on the zoning change.

Vohman wondered if they had done market research or had documentation that people would walk. She thought people who would be staying there would drive everywhere. Hartman said they would supply a shuttle, but they wanted to be mass transit friendly. Schmidt voiced concern about the setbacks, and he didn't think a zero setback (allowed in the T Zone) seemed appropriate. Gillie said that the B2 Zone anticipated gradual build out and not build out with a unified project. Certain things were integral to the B2 Zone, and parking was to be behind the buildings. Schmidt agreed that the location would work for access to the bus system.

Mason asked for a brief history on other zone changes from Gillie. Gillie said this proposal would be the largest re-zone of anything ever done. Mason recognized that parking in the B2 Zone was intended to be in the back of buildings. He asked about True Value and Clark's, both businesses that had parking in the front. Gillie said they were there before the zoning. Mitchell wondered who would pay to clean the public bathrooms. Hartman said they would. Merck confirmed they would apply for a liquor license for the bar. Ladoulis said they could build a hotel in the B2 Zone. He wondered if it would not work for their economic model. MacIntire confirmed, and he contrasted characteristics of a hotel versus a motel.

Schmidt asked Gillie what conditions he envisioned. Gillie asked what was it the Council liked about B2 that they wouldn't see in T. Crossett said good measuring sticks were: did it promote health, safety, and welfare; was it consistent with the goals and policy of Town's land use plan; and was it compatible with surrounding uses. Stone reiterated the design would promote foot traffic. Vohman appreciated the vision, but she wasn't sure she agreed it was needed. She said they didn't have employee housing figured out, and service was getting low. She was not on board with the re-zone. Mitchell thought the mass was overwhelming, but she needed more information. Merck thought it could add to the economy and that the mass could turn off BOZAR. He gave it an affirmative vote. Schmidt recognized there was very little accommodation in the T Zone. He thought zero setback was completely wrong. His inclination was to send to BOZAR with the condition of at least a 7.5 to 15 foot setback from all the streets. There was a short discussion about the conference center, and Gillie explained it was a requirement. Michel confirmed that Schmidt would recommend a zoning change to BOZAR with setbacks. Ladoulis told the Council to think of the neighborhood. He said if they didn't rezone, they would end up with attempts to operate businesses in the B2 Zone. He liked the idea of a hotel versus a motel or empty lots. He was not opposed to the zoning change in particular. He supported BOZAR looking at the proposal with no conditions. Mason thought it would be unique to have a hotel in Crested Butte. He thought having limited space for tourists in Town contributed to VRBO issues. He was okay with going to the T Zone, but massing could be an issue. He didn't have an issue with setbacks. Michel said zoning provided certainty. The cadence of the B2 Zone worked well. He strongly believed in the built environment, including lower massing on the streetscape.

Michel polled the Council, and all were agreeable to the proposed zoning change except for Vohman and Michel. Schmidt pointed out there were no setbacks on Elk Avenue, and plow space and snow storage were important. Michel thought that setbacks and massing should be left up to BOZAR. Schmidt countered it was not in the welfare of Town to have to take care of it. Ladoulis agreed to leave the setbacks up to BOZAR.

Belkin suggested the Council act by resolution to include Gillie's findings. Michel wanted to dispatch the item of business tonight. Huckstep thought a resolution looked like formal action and a motion seemed softer. He heard concern from Council they didn't want to send a mandate to BOZAR. There was a discussion of the timeframe for

the process, specifically concerning a 45 day stipulation, in which the applicant was flexible.

Merck moved and Mitchell seconded a motion to approve the request of Sixth Street Station LLC to rezone Lots 1-5 and 28-32, Block 1 and Lots 1-5 and 28-32, Block 12 from B2 to T. A roll call vote was taken with Schmidt, Merck, Mitchell, Mason, and Ladoulis voting, "Yes," and Vohman and Michel voting, "No." **Motion passed.**

Belkin realized they made a motion to re-zone. Schmidt said he thought they were just voting to send to BOZAR, and he wanted to reconsider. MacIntire added it wasn't a public hearing, and he understood the motion couldn't re-zone. Per Belkin, the previous motion was discarded.

The following motion supplanted the previous motion:

Merck moved and Mitchell seconded a motion to further consider their rezoning request and refer the request to the Board of Zoning and Architectural Review for its recommendation. A roll call vote was taken with Schmidt, Merck, Mitchell, Mason, and Ladoulis voting, "Yes," and Vohman and Michel voting, "No." **Motion passed.**

4) Request by Corey Tibljas of Two Plank Productions LLC and Big Air on Elk LLC, Event Organizer of Big Air on Elk, for \$3,000 of Monetary Support from the Town for the Event Proposed for March 5, 2016.

Tibljas reported that Big Air had been exceedingly successful in event growth and safety. He stated that \$3,000 would provide extra safety and barricades for the snowmobile lane. He thought the snowmobiles were the highest risk. Another part of his request was funding for the safety manager, which wasn't built into his budget. Tibljas said he also had to come up with funds for previous requests, such as a solution for the traffic flow bottle neck in front of Pitas and the reduction in the demand on Town Staff the day of the event.

Crossett told the Council the money would come from the Council's discretionary funds. He reminded them Town contributed \$16,000 to \$18,000 worth of in-kind work every year. He agreed with Tibljas there had been consistent progress; however, Staff had tried to steer event organizers into the community grant program's process.

Ladoulis questioned the allocation of funds, which Tibljas explained. Vohman questioned why the particular safety manager, Eric "H" Baumm, had been appointed. Tibljas said he had no problem working with him, and Tibljas thought he was a great counterpart for Town. Crossett said the focus of the safety manager was to make sure the safety plan was implemented. Ladoulis asked Belkin if the Town was taking on risk by having the safety manager employed by the Town as a contractor. Belkin said he preferred a contract between the safety manager and the event organizer; otherwise he would be a vendor to Town. Schmidt suggested they could take funds from those they would disburse in the spring. He, too, didn't quite understand why the Town employed

the safety manager. Ladoulis suggested the Town provide \$2,000. Michel disagreed. He said they were rewarding event organizers for coming in out of line and for not going through the grant process. Mason agreed with Michel. Merck, Mitchell, and Vohman agreed with Ladoulis.

Ladoulis moved and Merck seconded a motion to fund the Big Air on Elk event for \$2,000 from the Spring Service Grant Cycle. A roll call vote was taken with Schmidt, Merck, Mitchell, Ladoulis, and Vohman voting, "Yes," and Mason and Michel voting, "No." **Motion passed.**

LEGAL MATTERS

None

COUNCIL REPORTS UPDATES AND COMMITTEE UPDATES

Jim Schmidt

- Ken Salazar would be the first speaker at the Public Policy Forum on June 22.

Erika Vohman

- After witnessing the people in Nicaragua experiencing drought and famine, which was linked back to climate change, she wanted more of a commitment to reducing the carbon footprint.

Paul Merck

- The One Valley Prosperity Project (OVPP) hired a consultant to help with organization. There was a focus group on each topic.

Laura Mitchell

- Attended a Mountain Express meeting. They were keeping their budget in line. However, they had a slight overage, so they were doing an amendment.
- They sold busses, and they also received a grant for a bus.
- They were going to install cameras in the rears of busses.
- Mitchell became the secretary.
- Attended OVPP meeting in Vohman's absence. They learned from contractors it would cost \$200 a foot to build affordable housing.

OTHER BUSINESS TO COME BEFORE THE COUNCIL

Schmidt noted that there was a 10 to 20% reduction in the crash rate for bicycles at roundabouts.

Ladoulis requested the Council's CML newsletters be emailed as opposed to receiving paper copies in the mail.

DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE

- Monday, February 1 and Tuesday, February 2, 2016 – Council Retreats from 11AM to 5PM.
- *Tuesday*, February 16, 2016 – 6:00PM Work Session – 7:00PM Regular Council
- Monday, March 7, 2016 – 6:00PM Work Session – 7:00PM Regular Council
- Monday, March 21, 2016 – 6:00PM Work Session – 7:00PM Regular Council

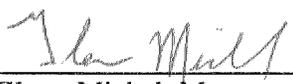
EXECUTIVE SESSION

Michel moved and Mason seconded a motion to go into 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) relative to discussions with Freeport-McMoRan and the State of Colorado about Mt. Emmons and the wastewater treatment plant located on the property. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

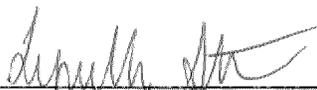
Council went into Executive Session at 10:12PM. Council returned to open meeting at 11:08PM. Mayor Michel made the required announcement before returning to open meeting. No action was taken.

ADJOURNMENT

Mayor Michel adjourned the meeting at 11:10PM.



Glenn Michel, Mayor



Lynelle Stanford, Town Clerk (SEAL)

