

**MINUTES**  
**Town of Crested Butte**  
**Regular Town Council Meeting**  
**Monday, March 6, 2017**  
**Council Chambers, Crested Butte Town Hall**

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

Council Members Present: Jim Schmidt, Jackson Petito, Chris Ladoulis, Roland Mason, Laura Mitchell, and Paul Merck.

Staff Present: Town Manager Dara MacDonald, Town Attorney John Belkin, Planning Director Michael Yerman, and Building and Zoning Director Bob Gillie.

Public Works Director Rodney Due, Parks and Recreation Director Janna Hansen, and Deputy Town Clerk Betty Warren (all for part of the meeting).

**APPROVAL OF THE AGENDA**

Mayor Michel reported on three changes to the agenda:

- 1) Item number 2 under New Business was removed from the agenda which was a letter of support for the Space to Create.
- 2) An Executive Session was added for a conference with the Town Attorney for the purpose of receiving legal advice on specific legal questions under C.R.S. Section 24-6-402(4)(b).
- 3) A Letter of Support was added to the Consent Agenda for the Crested Butte Land Trust's grant fund request to the Laura J. Musser Fund for the Gunsight Bridge replacement.

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

**CONSENT AGENDA**

- 1) **February 21, 2017 Regular Town Council Meeting Minutes.**
- 2) **Resolution No. 9, Series 2017 - Resolutions of the Crested Butte Town Council Approving the Engagement Letter of Butler Snow LLP to Serve as Bond Legal Counsel in the Town's Proposed Loan from the Colorado Water Resources and Power Development Authority in Connection with the Town's Proposed Improvements to the Wastewater Treatment Plant.**
- 3) **Resolution No. 10, Series 2017 - Resolutions of the Crested Butte Town Council Approving the Award of a Professional Services Contract to SociumDigital for the Construction of a Website for the Crested Butte Creative District for an Amount Not to Exceed \$7,000.00.**

**4) Resolution No. 11, Series 2017 - Resolutions of the Crested Butte Town Council Approving the Map and Declaration of Green Drake Condominiums, Lots 27 and 28, Block 20, Town of Crested Butte, Colorado.**

**5) A Letter of Support for the Crested Butte Land Trust's Grant Fund Request to the Laura Musser Fund for the Gunsight Bridge Replacement.**

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

### **PUBLIC COMMENT**

None

### **STAFF UPDATES**

Janna Hansen:

- Reported that Jake Houston with GOCO Colorado said the Grant Committee had recommended the Town Park Playground Renovation Project for funding that would go before the GOCO Board for approval on March 23, 2017. If approved, the grant awarded would be \$350,000. She said, out of 62 applicants, the Town Park Playground Renovation Project was number 16.
- Hansen confirmed that the Big Mine Ice Arena would close on Sunday, March 12, 2017 for the season.
- Petito said that Town crews had cleared the sidewalks very well today, and it was the cleanest he had seen sidewalks and roads.

Michael Yerman:

- Reported that he would take the quarterly trip to the CDOT meeting in Montrose. The meeting was scheduled for Thursday, March 9, 2017.

Bob Gillie:

- Reported that the Building Department had additions to the number of houses and remodels for this year.
- He talked with Clark's last week, and they were still moving forward, but parking remained a challenge.
- There would be a BOZAR meeting on March 21, 2017 to discuss the 6<sup>th</sup> Street Station/Crested Butte Hotel project.
- He had talked to Wine House about a project there.
- He said he was still working on issues at the Transit Center and construction documents with Andrew Hadley. Hadley had to shift the building a bit to get it off the sewer line. He hoped to get that out to bid this month.

Rodney Due:

- Reported that he had lost one operator to Mt Crested Butte and said that the entire valley was transitioning related to water/wastewater positions.
- Related to the WWTP upgrades, he had six general contractors bidding.
- Due said that crews would pull snow banks tomorrow, March 7, 2017 on Elk Avenue.
- He said he would provide the number of truckloads hauled this winter at the next Town Council meeting.

Betty Warren:

- Pointed out that Nordic passes for the Council Retreat at the Yurt were at each person's place at the table. She reminded retreat attendees to have their tickets with them and in a visible location for their travel to and from the Yurt.

Dara MacDonald:

- Reported that she had emailed Council on the Brush Creek RFQ (Request for Qualifications) released today by Gunnison County for targeting developers interested in partnering with the ownership group for mixed use development housing. This would be residential housing with a recreational component. She said it did not specify how many deed restricted units at this time, but was speaking more generally.  
Schmidt noted that the verbiage on the county's website did not emphasize that this was intended to be a mixed income project. MacDonald would speak with Matthew Birnie to amend that language.
- Commercial leases were sent to all but four of non-residential tenants. She said they were there to negotiate, not trying to hurt anyone, but would work with them.
- There would be a joint meeting with the Board of County Commissioners on March 28, 2017 from 10:00 a.m.-12:00 p.m. in Council Chambers.
- She reported on the Broadband meeting last week. Phase I efforts were almost complete with Montrose and Delta as the towns first on the list for Broadband to those areas, then efforts would begin for Gunnison, Ridgeway, and Ouray. She reported that Monarch to Poncha had not been funded this year, but they could request funding going forward. There would be a meeting with Mt. Crested Butte, Region 10 folks, and their engineers to get into the details about how we would address things up here. Gunnison Electric was receptive to begin the conversation to run fiber on some of their poles, but that would be a board discussion on their part. They would need to get fiber to some of their substations.
- There would be a CAST legislative meeting early Thursday morning, March 9, 2017 in Denver.
- MacDonald reiterated that Cottonwood Pass would not reopen this year. The county was moving ahead with that project. Chaffee County would be in discussion with the feds, in hopes they would be in construction in 2018, but that was not certain, so Cottonwood Pass could be closed longer than expected.
- The Gunnison Valley Regional Housing Authority would like to hire Magellan Strategies related to the 2015 RTA ballot issue. They were looking for sustainable funding for the Regional Housing Authority and the potential of a ballot issue in

November. They were reaching out to other entities for funding for that effort. The total cost for Magellan Strategies was \$24,500, but they would be looking for \$6,000 from each governmental entity. MacDonald asked Council if they would have interest in pursuing a \$6,000 funding effort. MacDonald said that the \$6,000 could come out of the affordable housing fund. Michel said the issue would be discussed during Schmidt's committee update.

- Reported on water court applications (McCormick Ditch and Cypress Annexation), and updated Council that the period for entering objections had expired. She said there had been five opposers in water court; therefore, the process would continue to a referee who would take a look at this over the next couple of months.
- Reminded Council and John Belkin of the Town Council retreat this Wednesday, March 8, 2017.

### **PUBLIC HEARING**

**Mayor Michel confirmed that proper public notification had been given.**

**1) Ordinance No. 3, Series 2017 - An Ordinance of the Crested Butte Town Council Amending Chapter 16, Articles 16 and 21 of the Crested Butte Municipal Code to Include Requirements for Mechanical Parking Lift Systems, to Credit the Use of Private Property Parking for Public Parking in the "T" Zone District and to Exempt Parking Square Footage and Access to Such Parking from Resident Occupied Affordable Housing Requirements.**

Gillie reported that nothing had changed. Gary Hartman of Sunlit Architecture, said he attended the Town Council meeting to answer any questions. He said what was shown in the meeting packet was not the same, as they were now working with City Lift. He said that did not fundamentally change anything. Ken Stone stated that these units were all underground, all had pans under them, and were designed for ice, salt, and various weather conditions. He reported that larger SUV's would fit as well as large vehicles with roof racks.

Mayor Michel opened to Public Comment.

No one from the public was present to comment.

Mayor Michel closed to Public Comment and opened to Council Discussion

Schmidt mentioned that there was a high percentage of vehicles with roof racks, bicycles, and skis on top. Hartman described the dimensions of spaces and clearance. Mitchell noted that there was a riverbed in the area; however, Hartman said that hydrology studies had been performed for 10 years related to that issue. Michel said this sounded like a good solution for a challenging problem. Gillie suggested a contingency should be included that all civil engineering would be reviewed by staff. If a third party was needed, one will be accessed to review all the issues.

Schmidt moved and Mitchell seconded a motion to approve Ordinance No. 3, Series 2017. A roll call vote was taken with all voting, "Yes". **Motion passed unanimously.**

### **NEW BUSINESS**

#### **1) Ordinance No. 4, Series 2017 - An Ordinance of the Crested Butte Town Council Approving a Loan From the Colorado Water Resources and Power Development Authority; and Authorizing the Execution of a Loan Agreement and a Governmental Agency Bond to Evidence Such Loan.**

Due said the process was to address the requirements for a loan, and he was making the request to set for hearing at the next council meeting, dated March 20, 2017.

Schmidt moved and Mason seconded a motion to set Ordinance No. 4, Series 2017 for Public Hearing on March 20, 2017. **Motion passed.**

#### **2) Authorization for the Town Manager to Sign the Application for Space to Create.**

This item was removed from the agenda per Mayor Michel's announcement.

#### **3) Discussion and Possible Direction to Staff Regarding Vacation Rentals.**

Let the record show that Michel and Mitchell recused themselves and left the room. Roland Mason, Mayor Pro Tem, continued the meeting.

Mason continued the discussion related to vacation rentals. He had asked staff to give the Council questions and to give direction on caps and green and white zones.

Belkin asked the Council what issues they were trying to fix or address. Schmidt said in the previous meeting there was discussion to grandfather everyone in, and asked if that could be done. Schmidt stated that the concern was that Town was becoming a hotel.

Residences were becoming lodges, and he asked how much hotels could be limited.

Merck said that anyone could invite friends to stay, which would include cars parking in numbers and increased noise in the area. Petitio added that if friends were invited, there would not be advertising. Mason agreed with Schmidt and reiterated that we did not want our town to turn into a hotel, and that there were parking and noise concerns. He suggested something that looked toward the future. The ordinance addressed some immediate concerns, but now was the time to begin to act. He wanted staff to look at the ordinance, as it might not be the right solution.

Petito said that residents wanted to live in a residential neighborhood and not a hotel area.

Merck noted the increased growth, congestion, and traffic in town. Mason discussed the idea of a cap above what was currently in place; therefore, no unconditional uses, and they would not have to grandfather in. Once the number was hit, it would be done. He said the debate had divided Town. Ladoulis raised the question of how to regulate to achieve balance, and said that was the problem to be solved. He said it was about zone, primary use, grandfathering, and number of days.

Schmidt's suggestions were:

- A cap of 35% in permitted zones.
- B-1 zone would be for long term renters.
- B-4 zone would allow unlimited vacation rentals as long as licensing was in place.
- Grandfather in business licenses in prohibited zones, but there would be no more permits issued in those prohibited zones.

Mason said it was safe to say that Council did not want to make the percentage lower than it was currently. He said he would be willing to entertain percent and zones and spoke about what to direct staff to do. He suggested putting a cap above what was currently in place, and said he was not talking about grandfathering in or unconditional uses. He said they could rent as many days as they wanted, and that there would be "x" amount of permits related to the number of structures.

Mason opened to public comment:

Steve Ryan – 75 Escalante:

- Ryan stated that the current regulations on parking and noise were good. He said to keep it simple going forward, and that Mason's proposed plan was good.
- He suggested that policy should move density around and that monitoring of parking and noise would quell lots of fears.
- The type of visitors was changing in Crested Butte. It was more Front Rangers and Boulder residents, and when people visit from close by, there might be six people who come and each drove their own car. Visitors coming from closer locations would add to trash and increased traffic. He suggested the possibility of a 5 night minimum stay and percent cap on licenses in town.

Jim Starr - 323 Gothic:

- Reiterated that the problem to solve was the loss of community.
- Starr suggested grandfathering in existing, cap it, and review in 3 years.
- Encouraged Council to allow owner occupied to rent short term.
- He asked Council to consider limiting the number of days.
- He said there must be adequate parking.
- Starr thanked Council for their efforts and said this was a good process.

Nicole Blaser -11 7<sup>th</sup> Street

- Thanked Council for allowing all points of view to be considered.
- She said that she had close friends on the other side of this issue but considered her viewpoints to be on both sides.
- She stated that she had a life built around her house as a rental.
- She moved to Crested Butte in 1999, lived here full time, and occasionally in other areas.
- She was an active member of the community, volunteer, etc.
- Blaser offered her long term financial plan as to how she made her living.
- She spoke about how she had to take out a second mortgage for a remodel to continue renting.

- Currently, her license and use were legal.
- She said she had vacation rented to neighbors for family visits.
- She liked Mason's idea and would like to see grandfathering in people such as herself.
- She was understanding on both sides of this issue, but made her living on the rental of her property.
- She said she was in the white zone
- Thanked Council again for all the work they had put in related to this issue.

Susan Eskew - 201 Gothic:

- Eskew said she believed the market corrected itself, and that we were now a Front Range market.
- She spoke about the three day minimum and noticed a greater impact with trash.
- She had rented in the past and currently to visitors from Texas and Oklahoma.
- Eskew suggested that when you rent for 30 days, it was a different clientele that can afford that amount of time.
- Crested Butte was a good model for Front Range visitors and said they were part of the community.
- Thanked Council for their time.

Mason closed the meeting to public comment.

Further Council discussion ensued. Mason directed staff to draft an ordinance to address the following:

- Cap vacation rentals in the zones where currently permitted. Capping at 28%-35% was discussed and 35% was the final proposed starting point.
- B-1 Zone would remain in place for long term renters, but vacation rentals would not be allowed in the B-1 Zone.
- BOLT units currently licensed could get vacation rental licenses. If they do not renew their licenses within the green zone, those units would operate under the cap. This would not allow for property transfer.
- Allow B-4 Zone to have unlimited vacation rentals with proper licensing and add to the green zone.
- Not open up additional licenses in the white zone. Vacation rentals would not be allowed in the white zone, but existing units would continue if the unit was rented at least one time per year.
- Grandfather in business licenses for vacation rentals in prohibited zones, but then no more permits to be issued in those zones.
- Once licenses reached the maximum number, create a lottery system or waiting list for units applying after that maximum number of licenses have been issued under the cap.
- There would be not limits on the number of nights.
- Licenses would not be transferable.

- Coordinate with Ordinance No. 12, Series 2016 and correct the 30 days or less verbiage.

Michel and Mitchell returned to the meeting and Mayor Michel returned to the Mayor's seat.

### **LEGAL MATTERS**

- Working with Barbara Green and David Baumgarten on an agenda and conversation with the County on Mt Emmons.
- Working with the Center folks on construction documents.
- Working on condo property consolidation to bring to Council next meeting.

### **COUNCIL REPORTS UPDATES AND COMMITTEE UPDATES**

Jim Schmidt:

- Attended the Housing Authority retreat, which was facilitated by Marv Weidener. The retreat yielded a three page document which addressed wider goals and not exactly a strategic plan. He said that staff members, Michael Yerman and Dara MacDonald had attended as well.

Schmidt reported that the retreat attendees came up with four basic strategies:

- 1) Introduce Housing Authority to the County.
- 2) Work with private developers and foster partnerships. He said that land costs were too high in Crested Butte to have builders commit to affordable housing projects, and therefore, this would have to be land Town owned and a partnership as with Brush Creek.
- 3) Find a permanent funding source for housing in the County.
- 4) Set up blueprint/pipeline of what plans there were for the County.

Schmidt said he was disappointed with the document, as it was focused on broader goals instead of specific strategies, but that the discussion at the retreat had gone to the meat of things. He said that any housing project was good for everybody.

Schmidt spoke about the possibility of providing a donation to the Housing Authority related to building and not for operations. He raised the question about an option to commit to a 5 year funding total of \$62,500 per entity for the Housing Authority. Crested Butte was currently at \$55,000, Mt Crested Butte's portion would go up considerably, and Gunnison's would decrease. He said it was a reasonable thing to do, as this was an annual budget allocation. MacDonald gave the thumbs up to funding \$6,000.

- Schmidt said reviewing for the position of Director of the Housing Authority would begin Tuesday, March 14, 2017. They hoped to hire by the end of March or first part of April.
- Brush Creek project was moving ahead and that the goal of their strategic plan to facilitate 200 units in the next 5 years.

Chris Ladoulis:

- Attended Tourism Association meeting a few weeks ago. The organization was looking at targeted branding on how the association operated and was very professional. They were much more focused than in years past. He said he was anxious to talk with RTA representatives and TA to see how they could work together. There would be another meeting in a week.

Roland Mason:

- Attended an Air Command meeting on Friday with RTA and CBMR. Western State had been invited, but Dr. Salsbury could not attend. There would be a meeting Friday on RTA related to that discussion to include service next year, and how service performed this year. There were not final numbers, as it is only March, but summer was strong, January was better than last year, and February was not as good. The Dallas market performed very well with approximately 17,000 seats.
- Hired Director's Assistant, Anthony Poponi, to help Scott Truex with public relations and outreach for RTA.
- Mason reported that he would be gone next week.

Paul Merck:

- Reported that there would be a Center For The Arts meeting next Wednesday (same day as the Retreat), and that he would meet with Ed Schmidt, President for The Center Board of Directors, to get him up to speed.
- Nordic Center had a great Gothic Tour. He said 104 registered, 77 participated due to cold weather conditions, and 66 finished.

### **OTHER BUSINESS TO COME BEFORE THE COUNCIL**

Michel spoke about the Greater Thompson Divide and the Thompson Divide Protection Bill that Senator Bennet reintroduced. The bill would protect more than 172,000 acres in the Thompson Divide as well as surrounding areas. It would prevent future leasing and provide compensation for Thompson Divide leaseholders. The area included had expanded greatly, and encompassed a lot of land west of Kebler Pass to the Paonia Reservoir. He would like to see Council entertain the idea to bring HCCA in to speak to Council and form a letter of support. He suggested Council might form a letter of support as soon as they get more information. He said, at that time, Council would instruct MacDonald to work with Matt Reed on a letter of support.

### **DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE**

- Monday, March 20, 2017 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, April 3, 2017 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, April 17, 2017 - 6:00PM Work Session - 7:00PM Regular Council

**EXECUTIVE SESSION**

Schmidt moved and Mason seconded a motion to go into Executive Session for a conference with the Town Attorney for the purpose of receiving legal advice on specific legal questions under C.R.S. Section 24-6-402(4)(b).

A roll call vote was taken with all voting, "Yes". **Motion passed unanimously.**

The Council went into Executive Session at 9:18PM. Council returned to open meeting at 10:02PM. Mayor Michel made the required announcement before returning to open meeting.

**ADJOURNMENT**

Mayor Michel adjourned the meeting at 10:03PM.

  
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Glenn Michel, Mayor

  
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Betty Warren, Deputy Town Clerk (SEAL)

