

MINUTES
Town of Crested Butte
Regular Town Council Meeting
Monday, June 15, 2015
Council Chambers, Crested Butte Town Hall

Mayor Pro Tem Schmidt called the meeting to order at 7:01PM.

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

Mayor Huckstep was present via conference call for part of the meeting.

Staff Present: Town Manager Todd Crossett, Town Attorney John Belkin, and Town Clerk Lynelle Stanford

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

APPROVAL OF THE AGENDA

Item #2, Approval of Special Event Application and Special Event Liquor Permit for Big Mountain Enduro in Town Park from July 29 through August 3, 2015, was removed from the Consent Agenda.

It was decided Belkin would report on correspondence concerning Mosaic under Legal Matters.

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

CONSENT AGENDA

- 1) Approval of June 1, 2015 Regular Town Council Meeting Minutes.**
- 2) Approval of Special Event Application and Special Event Liquor Permit for Big Mountain Enduro in Town Park from July 29 through August 3, 2015.**
- 3) Approval of Special Event Application and Special Event Liquor Permit for Alpenglow on Elk on August 17, 2015 on Elk Avenue from 2nd Street to 3rd Street.**
- 4) Approval of Special Event Application and Special Event Liquor Permit for Black and White Ball on July 2, 2015 on 4th Street Between Elk Avenue and Maroon Avenue.**

5) Approval of Special Event Application for the Gunnison Car Show Breakfast Run on August 23, 2015 on Elk Avenue from 2nd Street to 5th Street.

Item #2, Approval of Special Event Application and Special Event Liquor Permit for Big Mountain Enduro in Town Park from July 29 through August 3, 2015, was removed from the Consent Agenda.

Michel moved and Ladoulis 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

Glo Cunningham and Shelley Popke representing the Crested Butte Mountain Heritage Museum

- Popke thanked the Council for approving the Black and White Ball.
- Cunningham also thanked the Council. She told the Council the event would be two weeks from Thursday. It was the Museum's biggest fundraiser.

STAFF UPDATES

Janna Hansen

- The foundation for the shade structure at the tennis courts was poured over the weekend.
- They would hold a grand opening party/tournament for the new tennis courts at the end of July. They were waiting for overnight low temperatures to be 40 degrees in order to complete the work.
- The Big Mine Master Plan would be going before BOZAR for overall conceptual review on June 22.
- There would be an informational meeting tomorrow at 5PM to discuss park funding.
- There was a new outfield fence on Gothic Field.
- There were back to back bookings at park pavilions on most weekends.
- Ladoulis wondered when they would hear answers to their questions from the last meeting on Big Mine. Hansen thought the Council wanted to hear back on July 6. Crossett explained the consultants would leave the sledding hill and skate park areas in bubble form. BOZAR was only considering the structures.
- Matusewicz asked if the food carts would go back to the area near the tennis courts. Crossett said the hotdog cart could go back on the corner once construction was completed. He added there would be Farmers' Market vendors who would be located at 6th and Elk.

Lynelle Stanford

- Attended liquor license training in Gunnison last Friday. There was an additional training being held for liquor license holders in Gunnison this upcoming Wednesday.

- Boom Town added a trade name, and they would be doing business under the name of Uba Crested Butte.
- Listed upcoming special events between this meeting and the next including: Ride the Rockies, Chainless and Fat Tire 40, the first Alpenglow in Town, and the 4th of July festivities.

Bob Gillie

- Was working on various projects.
- BOZAR was considering the Big Mine Plan.
- Assisted architects for the Center.
- Blocks 79 and 80 were gearing up.
- Finishing up the code requirements prior to issuing a permit for Anthracite Place.

Michael Yerman

- Informed the Council that Town Staff and Kimley-Horn would be meeting with CDOT to discuss the Red Lady intersection.
- After the initial kick off meeting they would be proceeding with the transportation plan.

Todd Crossett

- Thanked Schmidt and Berkshire for attending the ribbon cutting for the Rec Path. Explained that one truckload of concrete didn't work out which resulted in the need to tear it up and re-pour. They had been challenged by weather. Schmidt wondered when they would complete the shoulders. Crossett said within the next couple of weeks.
- Crews were trying to get crack sealing done, which had been difficult with the cold and the rain.
- Chip sealing would be done by United on Friday and Saturday. It was part of regular maintenance.
- Elk Avenue was slated to be done on Thursday and Friday.
- The Ride the Rockies party would be on Wednesday.
- Reported there were about 170 volunteers to work on the Lupine Trail extension. It was spread out over two miles, and they built an epic trail over one weekend.
- Would be attempting to attend CML and CAST this week.
- Due was settled in and started work at his new job. First review for his position would be on June 26.

NEW BUSINESS

1) Discussion and Possible Direction for Staff to Work with Business Owners on Paving of a Half-block of Alleyway, South of Elk and from Third Street Westward Toward Second Street.

Eric Roemer, owner of the Wooden Nickel, was present at the meeting. He explained that alleys in Town were getting a lot of use, especially in the business core. He owned

his business for 34 years, and the mud was getting worse and worse. He said there were a high percentage of restaurants in the alley being discussed. It was becoming a battle to keep his restaurant clean. Roemer recognized that Town couldn't pave the alley. He was basically asking for permission. There was 800 feet of property on both sides of the alley, and he had received positive responses from 500 of the 800 feet. He didn't have support to do the entire alley, but he wanted to pave half of the alley from the Princess's property to 3rd Street. Crossett said that Town would pick up the cost of an engineer, which would be about \$2K, and it was in the Public Works' budget. Roemer felt the Town would need to get the engineering done at some point anyway. It would meet the Town's requirements for paving, and it would help businesses clean up. Crossett said there would need to be a concrete pan on the north side to make the drainage work. He said the street crew was in favor of it. As long as the elevations were correct, it would be easier for Town crews to maintain. Michel wondered if Town would be on the hook when the alley needed repair or replacement and if they would add it to the Street and Alley Fund's budget. Crossett said it would be an ongoing expense. He said additional expense could be incurred if they needed to access utility lines. Schmidt pointed out the Town wouldn't have to pay for ongoing mag chloride and grading. Matuszewicz asked if it would be the only paved alley in Town. Schmidt said the Post Office alley was paved, and Gillie mentioned the alley behind Eleven's building was paved, too. Matuszewicz wondered if BOZAR had been involved. Gillie clarified that BOZAR reviewed architectural plans. Schmidt said that when streets were paved they didn't go to BOZAR, either. Matuszewicz wanted the whole alley paved, if anything. He felt it was problematic to pave half of the alley. Roemer said the grading would take care of drainage for the whole alley. Crossett said it could be done from a practical standpoint.

Mason moved and Ladoulis seconded a motion to direct Staff to work with business owners and residential owners to pave no less than half of the Block 28 alley. A roll call vote was taken with all voting, "Yes," except Matuszewicz voted, "No." **Motion passed.**

2) Update on Trust for Public Land (TPL) Feasibility Memo and Possible Path Forward Regarding a Potential Parks Funding Initiative.

Crossett stated that TPL didn't recommend polling as a practical option because the population was under 4K people. They felt that local conservation matters generally did well in Colorado. Crested Butte was at 4% in both sales and use taxes, which were towards the upper end. An additional .5% would gain about \$350K in revenue. The estimated cost per household would be \$91, and 21% would be borne from Town residents. Ladoulis felt the impact to Crested Butte residents would actually be smaller. Schmidt said they would get a four to one return on investment. Ladoulis said they would be passing the burden to visitors. He asked how high they could drive sales tax before businesses were driven away. He asked what the implications were. Crossett said someone probably wouldn't drive to Gunnison to save .5%, but it would make a difference on large purchases, like vehicles. Ladoulis thought TPL would offer assistance, but the heart of why they would support or not support an increase was not answered.

TPL also considered a marijuana excise tax. Of the 53 municipalities that allowed marijuana, 26% of them adopted an excise tax. Crossett explained there was not a cap on what they could tax, but they had to balance the elasticity question. Marijuana excise tax had a high passage rate. Assuming 5%, it would generate about \$115K annually, which was about 1/3 of what was needed. Furthermore, TABOR prevented Town from packaging two initiatives into one, and two separate ballot initiatives made it more difficult to pass one.

Crossett explained that they discussed the cause of the measure failing by three votes last election. It was generally agreed upon that not having anyone to carry it was the main reason. Not having any advocacy and failing by three votes was a pretty good sign about its ability to pass the next round. He also thought it would help to not have Whatever USA.

Michel questioned the number of registered voters being reported as 1480. He asked how Staff was planning on approaching the question of voters registered with addresses in Crested Butte. Crossett said he would come back with an answer. The County was working with the State, and there would be a plan brought to the Council. There were statutory limits to what could be done, and he anticipated a series of mailers.

Ladoulis reviewed the conservation spending election results history that was provided, and he wondered how analogous the examples were. He said Crested Butte was already at the upper end with 4% sales tax. Michel asked if Crested Butte was growing out of the problem. He thought Town was generating significant sales tax, and if the economy kept growing, Town would be fine. Rozman explained that the usage in parks has far outgrown the pace of sales tax. Park maintenance was covered by the Capital Fund, which received very little sales tax. The real estate transfer tax (RETT) was the bulk of the Capital Fund. Pete Curvin, Parks Supervisor, told the Council they have experienced a 600% trash increase since 2010. They spent almost \$5K on trash bags between Memorial Day and Labor Day. Crossett said that visitor numbers have exploded, which was seen in sales tax, but the parks didn't benefit. Ladoulis suggested the General Fund funded parks. Rozman said they had been putting some sales tax into the Capital Fund. However, with more projects came more employees, which came from the General Fund. Crossett commented that Crested Butte was competing on a world market. Hansen pointed out that the parks crew maintained Elk Avenue, from trash, lights, bike racks, and flowers. She felt that public perception and education were very important. Curvin further explained they program Elk just like a park. Crossett said the level of service that was provided in treating the main street as a park was not seen in an average town.

TPL indicated that ballot language made a significant difference, and they thought they could help improve it. They could also work with a committee to help disseminate information, and they encouraged Town to run informational meetings. Schmidt had offered to help with this aspect. CML had a more conservative stance on Town's involvement, but Staff could continue to work on it through July. The Council would need to pass a resolution by the second meeting in July for the first reading of the ordinance at the first meeting in August.

Ladoulis stated that they did not know if voters were misinformed, or if they failed to convince them. He didn't think they had learned more. His big questions were elasticity and if generated sales tax could be reconfigured around funds within the budget. Schmidt thought it would work quite well for parks into the future. Town had large reserves, which he questioned until there were record floods in Boulder, Estes Park, and Lyons, who went into \$100M of debt. He also thought Town would get an excellent return on investment (four to one). He reminded the Council to think of Elk Avenue as a park, including the snow removal provided on sidewalks. He said it was a palatable and great way to maintain parks.

Crossett told the Council that they would need to make a decision in July. Schmidt said that TPL felt strongly that two initiatives on the ballot would make it very difficult for both of them. Matuszewicz thought the marijuana tax should be included. He said it would pass easily, and he reminded the Council they had already missed out on \$100K. Matuszewicz was not in favor of the sales tax for parks but he recognized himself in the minority, so wanted to see them both on the ballot. Matuszewicz wanted Crossett to confirm that if the ballot initiative passed, Crested Butte would be the third highest sales tax rate in the state. Michel questioned consumer behavior and when it came to sales tax.

3) Presentation by the Town Attorney and Town Staff Regarding Options for Structuring the Center for the Arts' Facility Improvements Project in Town Park.

Mason recused himself and left the room for agenda item numbers 3 and 4.

Belkin referred to an email that Crossett sent. The Center agreed to the traditional ownership model, there was no presentation, and therefore no item number 3. Executive Director of the Center for the Arts, Jenny Birnie, went back to the board. They agreed for Town to own the structure and the land, and they received a 99 year lease. Crossett explained the fees in question were resident occupied affordable housing (ROAH) fees. He said that in June of 2012, the Council put in place an ordinance that exempted Town from the ROAH fees. In this ownership scenario the Center would not owe ROAH fees. Berkshire said the quandary was if Town was going to own the building while construction was taking place.

The discussion that followed was what the intention was of the ordinance. Michel thought the Town was doing its fair share for affordable housing, which was why Town was excluded from ROAH fees. Berkshire thought the only place he knew of Town being excluded was when Town was building affordable housing. He felt they were trying to interpret the ordinance to accommodate a project. It needed to be looked at and resolved, and it was important to have consistent policies and rules. He agreed with the 99 year lease. Schmidt said it was a matter of dedication; Town was essentially paying itself. Berkshire countered that Town should not evade the fees. He took issue with the ordinance. Matuszewicz said the fees should be paid into the Affordable Housing Fund.

Crossett asked the Council if the ownership model was acceptable for them to address the requested pledge. Michel pointed out that when the Center was granted a certificate of occupancy, the ownership would change over to the Town. He asked if they were willing to give up the benefit of the arts for around \$1M. Crossett reminded the Council there was an ordinance that addressed the issue, and it was not appropriate to retract the ordinance. Schmidt asked Belkin if the building was Town's when they poured or after they were done. Belkin said Michel was right. He further explained the exemption was created at the request of the Center. Town was exempt because Town was in the business of affordable housing. The Council made the policy call with what was going on, and they didn't get into the level of detail to when a title transferred. Crossett said that the ordinance extended beyond the Center, and it would apply to anyone else.

The Council was asked if everyone was happy with the 99 year lease. Belkin said that details would need to be worked into the lease. Schmidt wanted to see terms in the lease address the Center renting out additional space. Belkin warned them not to negotiate terms of the lease because pieces could evolve. He said the Council could approve and bring back a resolution that the pledge was contingent upon many requirements. Huckstep recommended they create a resolution to memorialize the decision that included reference to a 99 year lease as the way the Town preferred. Belkin confirmed it would be in the resolution. Huckstep hoped if anyone had concerns they would voice them. No one had issue with a 99 year lease.

4) Request from the Center for the Arts for a pledge of \$1,000,000.00 in Cash and In-kind Funding Contributions from the Town Council.

Michel asked Rozman if \$500K would come out of the budget next year and how onerous it would be on Public Works to absorb \$500K in in kind work. Rozman said they would have to balance it with all of the other projects. Michel asked if they could absorb the project. Crossett said they had to realize they were making this one a priority. He said Staff could do deliverables, but with this project in the pipe others would be pushed off. Crossett said they would have to budget for materials. Ladoulis recalled dipping into the reserves for Christmas lights. Crossett said this was a one-time expense. Ladoulis wanted to be clear they were dipping into reserves, which required that the Town's philosophy had to be changed. Crossett reiterated it was a one-time expense with a clear economic benefit to the Town. Christmas lights were an ongoing cost for operations. Rozman agreed that dipping into the reserves should not occur for ongoing expenses. She explained that the Sales Tax Reserve Fund had been building interest for many, many years, and Town had this money to do a project. Matusiewicz wanted to be cautious and take time to make the decision. He thought the Center was worthwhile, but there were other projects that didn't have the backing behind them like the Center. Michel was comfortable because of the economic impact the Center had. He thought it was a good investment. Birnie said although they had amazing fund raisers, they couldn't do it without the support of Town. She said the building needed to be replaced. Schmidt said Town was also making a large commitment with the land. He asked Birnie to express to their donors that the land was a very big contribution.

Schmidt asked Birnie when the Council would see the Center's pro forma. Birnie said she had emailed it after the last meeting. Berkshire said it had to be reviewed by an independent entity. Ladoulis asked what would trigger the release of \$500K. Crossett said it would be a general pledge, and it would have to be mined out and brought back to Council. He told the Council that if the project failed to come together they weren't tied to it. Ladoulis said they wouldn't feel the cash impacts until later. Huckstep told the Council to take note of what had happened in Mt. Crested Butte related to the Mt. Crested Performing Arts Center (MCBPAC). He said that how this Council acted might be interpreted in a way they didn't intend. He asked to open up the discussion on how their decision would be interpreted by the public. He mentioned there was a joint task force between the Center and MCBPAC. Huckstep said they needed serious discussions of what arts looked like in the community. He felt it might be worthwhile to look at the policy and see if the use of funds out of the General Fund Reserve met policy requirements.

Crossett reminded the Council that they were deciding if Belkin should come back with a resolution. Schmidt said they had not made a significant donation to the arts for a long time. Rozman explained that \$1M was just under 8% of a \$13M project. With the ice rink, Town contributed at least 30%. Matuszewicz calculated the value of the land, plus \$500K in kind, plus \$1M in fee waivers. He said it was substantial, and there were other projects that needed funding. Michel reminded him that the fees didn't apply according to Town code. He encouraged the Council contribute \$500K in cash. Huckstep said Council could direct Staff to ask the Center to capture the value the Town was providing when they talked to potential donors. Ladoulis was having a hard time not only balancing but also selling to voters. It was hard to sell taking away money that could be spent on parks. Berkshire argued that park expenses were reoccurring and this was a one-time deal. Ladoulis then agreed with Michel and said they should fund in kind and with cash. Carol May, President of the Center's Board, said the Center gave back to the community. They appreciated the value of the land. They were asking the Town to invest. She mentioned their pro forma was vetted inside and out, and they would not overextend the Center. Council directed Staff to prepare a resolution for a pledge of \$1M in cash and in-kind funding contributions for the next meeting.

5) Update on Affordable Housing Issues: Accessory Dwelling Unit Regulation and Potential Summer Workforce Camping.

Crossett began the discussion by explaining that Staff had explored the option to establish summer camping at the gravel pit. They went about examining costs, and the biggest issue was sanitation. Crossett estimated there would be thirty sites. Considering showers, porta potties, and the expense of an attendant, the cost would be about \$550 to \$600 a month per site. Law enforcement was not concerned about traffic around the school, but they were concerned about other potential issues like noise, fires, and parties. They were concerned about issues the campground host could not be expected to solve. Crossett said there would be social as well as aesthetic impacts. Mason suggested the area could be on the regularly patrolled route of the marshals. Michel said he heard from constituents, and no one thought it was a good idea. He thought it was noble and well-

intended, but it would cause more problems than it would solve. It was too late to do it right now. He suggested they develop Avalanche Campground and work on existing affordable housing projects. Berkshire said there were rentals in Gunnison. He asked if Town knew actual numbers. Ladoulis felt it was worth considering if they could get it done in the next seven or eight days. Crossett said it would be closer to a month. Berkshire added it was a free commute on the bus from Gunnison. He agreed with Michel. Schmidt said it was pricier than he thought. He recognized that businesses couldn't find help. Ladoulis said he would rather work on Avalanche Park for the next year. Matuszewicz told the Council they were putting up artificial barriers. He suggested twenty sites and porta potties (instead of including shower facilities). He also mentioned a past deal with Gunnison Septic where Town received discounted rates for them to keep units in the Public Works yard. Huckstep reminded the Council they were talking about a budget adopted for 2015, and everyone was stretched thin. As a Council, they could not make the presumption Staff had unlimited capacity. He said they should push off until next season. Crossett said Staff had considered allowing people to park their campers on private property with the owners' permission, which would solve sanitary issues. Mason said they first discussed camping impacts to Town because people would camp in the forest, and they were making an effort to look at the bigger picture. Schmidt said he imagined charging \$200 or \$300 a month, but if they just had porta potties, people would use the Tommy V bathrooms. Michel suggested they engage other stakeholders in the valley for a regional solution. Michel said with Avalanche Park Campground they could do something tangible in the long term. Crossett asked what the focus was for Avalanche Park. He said it could be annexed. Mason summarized that camping in Town for this year was cost prohibitive, and the timing would not work.

The next topic discussed was affordable dwelling units (ADUs). Crossett said Staff drew up a job description for a temporary position for \$12 an hour. They were willing to pull the trigger, but they needed to know the legal issues. Huckstep proposed they create an incentive for homeowners to rent their properties at affordable rates. The Housing Authority could arrange for property management services. Ladoulis was concerned they were jumping into the weeds with ADUs. They were talking about details but not tying them together. He wanted to stop anecdotal conversations. He was in support of gathering information and having a census done. Yerman said they held a really good regional meeting, and for a regional effort, they thought a needs assessment was important. However, the Council didn't want to put \$10K towards it. Ladoulis thought they needed a census. Huckstep said there were real issues they had heard for years that Town had a tough time enforcing ADUs. They were talking about a lot of problems in deployment: problems with enforcement and potentially picking a fight with some of the owners. He questioned the impact if it was successful. He wanted to know if they could force homeowners to rent at an affordable rate. Crossett said, "No." He pointed out that they would run into the law of diminishing returns.

Huckstep asked if the Council was talking about this issue because they didn't agree with Crossett's conclusions. Matuszewicz answered that they were to get a report from the Town Attorney on the legalities. Huckstep said if there was not a majority they didn't have to follow the path. Berkshire's objective was to get more data. Schmidt said that

the last time there was a question asked of Belkin on the legality of going up to residents' doors. Belkin said Staff could go to the door and conduct a survey. They couldn't peek into windows. Belkin thought it was important to understand how people had conditional uses put on their properties. He thought Gillie should explain the process. It was a deal that was made with the property owner when conditional uses were put on the property. The question was if they wanted to enforce when people were not complying with a contract. Belkin further explained that municipalities were experiencing difficulties enforcing through covenants. He said neighbors often assisted with upholding the system. Ladoulis recognized 100% compliance still would not solve the affordable housing issue. It guided how they dealt with Blocks 79, 80, and 76. Huckstep questioned using the community's money to invest in an admittedly small game. He suggested they come up with something that went beyond Town's borders. Schmidt thought every bit helped, and he thought it was worthwhile. He thought the only thing to do was cancel the certificate of occupancy on the building. Belkin said there were a number of options. They signed a contract with Town and if they were in breach, they were in breach. They were non-compliant with zoning, and it would play out in a transfer. The issue was of how much they could rent it for. Crossett said if someone was in breach, they were called out, and they would advertise rent for \$5K. Matuszewicz wanted the data, and Mason agreed. Mason felt 85% compliance was high. He wondered if it was legal to ask the property owner to provide a lease. Belkin said it was legal, but there was no obligation in the conditional use to provide a lease. Matuszewicz said it had been six weeks since Council brought this up, and they weren't getting questions answered. Crossett asked if this was the highest priority because if it was, they would have to drop other items. Matuszewicz didn't want to hear the same report three weeks in a row. Crossett said Staff pulled together a job description, came with answers, and was giving an update on where they were in the process. Ladoulis wanted to clearly answer how they would build out Blocks 79 and 80 by September. Huckstep asked the Council if they generally accepted that timeframe. Matuszewicz had wanted the job to be posted by this meeting. Crossett wasn't going to post a job description without knowing exactly what the person was going to do.

Huckstep asked how many ADUs were in the entire valley. How to get them on the market was the crucial question. He wanted something to happen that was beyond Town. Crossett confirmed the position would be advertised tomorrow, and the person would be paid out of the Affordable Housing Fund. The person hired would gather survey data, and it would be moved from there. Ladoulis's questions were: 1) How many units of livable space were in Crested Butte that were "lights out" second home owners? 2) How many were year round residents? 3) How many were rented? Ladoulis wanted more data that determined how Blocks 79 and 80 looked, but he didn't want to stop the process in Blocks 79 and 80. Yerman said that ship had sailed. Ladoulis said if they could get other municipalities to chip in for a needs assessment they would know the demand for Blocks 79 and 80, and they could come up with a regional housing solution. Schmidt asked the Council if they felt as strongly as Matuszewicz did. Berkshire saw no ambiguity concerning the Council wanting more information. They were looking for definitive data. Huckstep reminded them the Staff's capacity was limited. Crossett told the Council something would need to be dropped if they wanted this at a high level of

priority. Huckstep encouraged everyone to look at this technical problem and HR challenge to work together to find a way to move forward. Ladoulis thought that a needs assessment could provide data to guide Council through housing decisions. Yerman said they needed regional collaboration. When they were asked previously about participating in a needs assessment, Council said they knew there was a problem. Berkshire said it was worth reconsidering; he thought a needs assessment would be valuable. Mason said that two weeks ago there was more urgency and now they were talking long term regional planning. He wanted to pursue getting more information on ADUs. He still thought there was urgency. Huckstep countered that a needs assessment could be done community wide, and it would make a bigger difference than eighteen units. Schmidt asked Staff to find out how much money the County needed for the needs assessment for the next meeting. Crossett said the position would be posted online and in the paper this week.

6) Ordinance No. 2, Series 2015 – An Ordinance of the Crested Butte Town Council Authorizing the Sale of Town-owned Real Property Legally Described as Lot 10, Block 77, Town of Crested Butte for No Less than \$350,000.00, Establishing the Bid Process for Accepting Offers on the Property and Directing Town Staff to Remove all Affordable Housing Restrictions on the Property in Connection with the Sale.

Yerman reminded the Council of the budget discussions on affordable housing. Without the sale of the property, the budget could end up -\$83K trying to go vertical on Blocks 79 and 80. Ladoulis wondered if the current plan meant they would be receiving money for the sale of lots, or if they would need to invest. If they sold lots instead of building, they would generate money. Yerman explained that the success of creating a neighborhood came from many people building homes as opposed to hiring a developer. He also said they would have to adjust zoning for higher density units. Ladoulis asked when they would discuss it. Yerman said there would be a community conversation in September once the infrastructure was completed. There were a considerable number of people who wanted to be on the list, and many people wanted to provide input. They needed to engage a local bank and the USDA, who would offer buyer education classes. They also needed to discuss potential rentals. Rentals were hard due to TABOR because Town couldn't build a rental and incur debt.

Ladoulis said they had contemplated waiving fees for the Center, they were about to sell a unit and waive affordable housing on a lot, and they were building out Blocks 79 and 80 in a particular way and closing the book. Negative \$83K was the bottom line. Ladoulis said they had to make better decisions in the future. Crossett said they had conversations months ago in budget discussions. Ladoulis said they were making all of these decisions independently. Schmidt said there were no shackles concerning Blocks 79 and 80; stub in for a duplex was the same as for a four-plex. Ladoulis felt backed into a corner concerning Blocks 79 and 80. Berkshire said they couldn't wait until the eleventh hour, and there were basic process problems that needed to be handled. Berkshire reminded the Council that 25% of Town's housing was affordable housing. John Wirsing, a citizen present at the meeting, said that selling the lot on the open market would not fit the neighborhood. He said they needed to stop progress on Anthracite Place

because Town could not afford it. They were trying to pay for things after the fact. They had to make hard decisions to plan for the future. Huckstep felt it would be nice to have set up this issue they discussed last fall in a different manner. It was important to take note, learn, and look back at discussions. He encouraged the Council to move forward.

Matuszewicz reminded the Council of the Center for the Arts discussion. They had a fund with \$700K (Sales Tax Reserve Fund). They could split the balance in half. Then, they would not need to take the lot permanently out of affordable housing. It would never go back to being an affordable unit, and there were a finite number of them.

Ladoulis asked if the lot could be sold with the deed restricted for local housing. Huckstep pointed out that the last six or eight lots that had been developed were slow to sell. Yerman said if they wanted to see a deed restriction on the lot, they could give direction for him to examine what sales they could expect and how they could incorporate a duplex. Schmidt told the Council that two people could set the ordinance for public hearing, or they could do what Yerman said. Wirsing said that vacant lots were the first that sold. Mason suggested it be sold as a vacant lot with the minimal deed restriction. Ladoulis agreed. Yerman told the Council there was difficulty in zoning with a front and back unit with a duplex lot. Berkshire questioned what the minimum deed restriction was. Yerman said there would be no cap on the sale price, but 80% of the buyer's income must be earned in Gunnison County. Ladoulis wanted to see a duplex with two units. Yerman said that the deed restriction would drop the minimum bid price. Yerman said he would come back with something that had a restriction. Schmidt thought it was worthwhile. Huckstep asked when Yerman needed an answer. Yerman was concerned about burning summer months because it would be hard to show the lot in the winter. Huckstep said that someone could make a motion to continue the discussion to July 6. Schmidt advised that Staff should provide alternative lot sizes and different deed restrictions.

LEGAL MATTERS

Belkin referenced a letter from Mosaic's attorney, which was in response to the decision to slurry coat Elk. They wanted to agree to pay for it and offer it as a settlement. Belkin recommended that he send a response refuting items in the letter. He said that Elk needed to be fixed, and if didn't work, Town would come back to them. Belkin suggested they reject the offer. Crossett stated it wasn't a reason to settle. The Council agreed that Belkin should send the letter to respond to Mosaic's letter.

COUNCIL REPORTS AND COMMITTEE UPDATES

Glenn Michel

- Announced there would be free beer and food at Mountaineer Square for the One Valley Prosperity Project meeting. They would be unveiling vision statements.

Roland Mason

- Would be attending a Mountain Express meeting on Thursday.

- He would be going to Chicago to represent the RTA in a meeting with United to discuss winter service.

Jim Schmidt

- The Cemetery Committee met. They discussed Adopt-a-Grave. They would be getting estimates on six to eight stones to stabilize, and he expected they would spend the \$5.7K that was budgeted. The emphasis was to repair stones that were about to fall down instead of ones that had already fallen.
- Met with Mason and Rozman about summer grants. There were seven applicants. The budget was \$17K, and they divvied out \$1.2K short of the total amount allotted. Mason listed entities that were awarded grants.
- Mentioned that Kerry Donovan and Representative Millie Hammer were in Town. Senator Gail Schwartz and Representative Roger Wilson were also in Town.

Berkshire mentioned a move afoot in the State to turn Federal lands over to the State. He mentioned that Club 20 was an advocate of the plan, including County Commissioner Phil Chamberlain. Berkshire wanted to see a resolution opposing it. Crossett said Crested Butte would be devalued if Federal lands were lost. Schmidt would work up a letter for the next meeting. Belkin asked if they had the facts to write a well-crafted letter. He suggested they obtained more information.

OTHER BUSINESS TO COME BEFORE THE COUNCIL

None

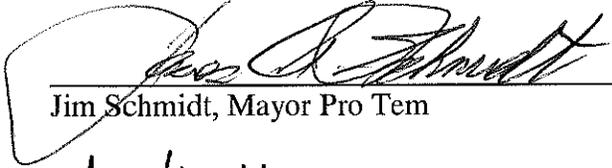
DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE

- Monday July 6, 2015 – 7:00PM Work Session – 8:00PM Regular Council
- Monday, July 20, 2015 – 7:00PM Work Session – 8:00PM Regular Council
- Tuesday, August 4, 2015 – 7:00PM Work Session – 8:00PM Regular Council

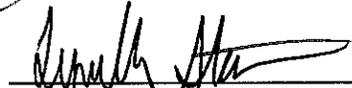
Mason said he would prefer that annexation discussions took place on off Mondays from Council meetings. Schmidt agreed. Crossett said the next meeting agenda consisted of: ballot initiative, lot sale, annexation, and the Center for the Arts. The plan was to leave Big Mine in bubble form. Schmidt asked if they should discuss the annexation on Monday, June 29. Belkin said it wouldn't be ready. Schmidt said they could pick something up for a work session on June 29, including the VRBO study if it came back in time.

ADJOURNMENT

Mayor Pro Tem Schmidt adjourned the meeting at 11:56PM.



Jim Schmidt, Mayor Pro Tem



Lynelle Stanford, Town Clerk (SEAL)

