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**TOWN COUNCIL/COUNTY COMMISSION/STANLEY
LEVINE/CITIZENS BANK MEETING MINUTES
WEDNESDAY, AUGUST 8, 2007
12:00 P.M.**

I. CALL MEETING TO ORDER – Mayor Aragon, Council Member Atkinson, Council Member Cotton, Council Member Holt, Council Member Simmons and Council Member Steinert

II. OLD BUSINESS

1. County Property Acquisition - Mayor Aragon will conduct the meeting but will not participate in the discussion or voting due to a conflict of interest. Mark handed out a letter from Citizens Bank in regards to the purchase of the property across the street. There are some issues with the terms of the financing that we are trying to work through and with the bank on. One issue is the deed restriction that was placed by the original owner, we contacted him to discuss lifting these restrictions. There are also some issues with the zoning as far as the bank is concerned. Dan Aupperle is here representing the bank and Chris Miller is here as the Loan Officer. The zoning is currently governmental use which is consistent with the Hot Springs Blvd Master Plan. Dan stated that we are looking at a lease/purchase option where the bank is the actually buying the property then leasing it to the town. The lease would require an annual appropriation. This structure creates some concern with the bank in the instance that the town decides they no longer want to lease the land and quits making payments the property would go back to the bank which is where the issues where the deed restrictions and zoning become critical as the land may not be marketable by the bank to resale the property. They are not saying that the town would default on this but he has to look out for the best interest of their bank. The bank would like to see that the zoning stay the same until the town defaults then it would be zoned commercial at that time which would make it marketable for the bank. They have also worked out a way to get rid of the deed restrictions if it comes down to that. Council Member Simmons asked about rezoning and the public process. Tamra stated that it would go through Planning Commission and Town Council and would require an Ordinance to be adopted. Mark stated that per our attorney that contract zoning is difficult and may be illegal. We would have to ask him about the conditional zoning aspect and it will be very important that we get legal council on this. Council Member Atkinson asked about the appraisal process and where we were on that and the prepayment option. Dan stated there is not a prepayment penalty the way the lease is now but the terms of the lease are still subject to negotiations. The appraisal has been ordered and is in process and will be based on the current status of the property. We could ask for both the current value and perspective value do to the zoning and deed restrictions. Mark sees the conditional zoning and contract zoning as problematic and sees the only way to change the zoning is through our current process which would in turn have to change our Comp Plan, DTMP, and the Hot Springs Blvd Master Plan. The bank is saying the conditional zoning change would have to be passed before the bank would enter into this contract so they are assured this property will be marketable. Bob Campbell stated that their financial situation is still precarious. They are okay through the 1st week in September. They are in the process of trying to get a loan that will help them out but their recovery strategy is still hinging on the sale of the property across the street. If the town doesn't buy the property and no one else

wants to buy it with its current zoning they would ask for a zoning change to try to sale the property as commercial to anyone who wants it. Mayor Aragon opened this up to public comment. Cappy White owns hand crafted interiors and is here representing 30 other business and property owners downtown, he turned in a petition. They believe the \$1.2 million can be spent in better ways on the downtown area rather than the property across the street and he gave many examples. They believe these improvements would give a higher return than the purchase of vacant property. There has been a downward trend in the retail environment downtown. We need to work on building a community and take care of issues that have gone lacking before we go out on a limb with a big expenditure like this. Fred Schmidt stated that he agrees with Cappy's philosophy but also has some other concerns. The sense of community has changed into a sense of competitiveness. One example is impact fees the town and the county have different rates they have adopted. This is forcing people to decide between the county and the town due to economics. So he would like to see if we go through with this that the same impact fees be a contingency. The other issue is big box, the county still hasn't adopted anything. He would like to see joint community based facilities not competitive ones. Public comment was closed. Council Member Cotton said his motivation was to help the county get out of a rut and asked Bob Campbell what is going to happen in 2008 and the missing fund balances. Bob stated that they are still working on it and do plan to have a repayment schedule in future years to replace the funds which would be over a course of 10 years. They are expecting about \$2.1 million in additional property taxes in 2008 and 2009 and \$1.6 million of that is allocated to specific stuff due to Ballot Issue 1A that passes last year. They are not flush with money but in 2008 they believe that there are methods where they can operate in the positive and not in the negative. Council Member Cotton asked how critical is the land sale if you are okay back in 2008. Bob Campbell said they don't want to get through on borrowed money and it would still be in their plans to sale the Hot Springs property as it is still a part of their recovery though it isn't as urgent as it was when they first met with the town. Council Member Holt stated that we need to look at our needs 15 years down the road and he believes it would benefit the town to acquire the property. Bob Campbell stated that he thinks that this is a very fair price the town would be getting this for and it could be a real asset if the town rezoned it and sold it for commercial property to fund other projects down the road. Council Member Atkinson stated that rezoning is a major deal and there was a lot that went into the Hot Springs Blvd Master Plan and DTMP, and we need to get more input from the public before we make that decision. The bank would prefer a public process even if conditional rezoning is an option. Council Member Simmons stated that he thinks we need to discuss what can we ask the county for if they cannot commit to a facility across the street. This will be continued.

2. **Any Other Business That May Come Before the Council** - AEDA represented by Bart Mitchell gave the council a letter last night and is here in regards to that. They want to try to put together a process and a plan that will tell us what key industries we want to start pursuing and getting ready for. The process will take 3 months. The entire process will cost \$2000 and they are asking the town and the county to help out and if they will DOLA will give another \$2000 match. Council Member Cotton moved to fund the \$2000. Council Member Holt seconded, the motion carried unanimously.

CMAQ 2008/2009 projects need to be identified to spend the monies on, we have \$167,000 to spend next year and about \$288,000 the year after. Council Member Holt stated that to his knowledge all the streets in town are paved with the exception to those in Piedra Estates. He would like to make a decision on where we want to spend these CMAQ monies so we can send that decision to the state. He would like to see the next 2 fiscal years committed to paving in Piedra Estates. Council Member Simmons asked about some key alleyways. Mark believes we should be able to pave alleyways that have high traffic and the state said if we can justify traffic counts they may consider letting us spend the money on the alleys. Before this it has always been a straight no. We have to have our proposed projects into the state by August 31st. Mark believes we can get an extension on that date if we need to and if we want to do the studies on the alleyways. Jim Kelley asked if the town is saying that there is no money available other than grant monies for paving.

Mark stated that we do have a paving budget that we use on project roads but we have a bunch of roads that need work and could take up our whole budget. The Town Council needs to sit down and do a capital improvement plan that deals with our priorities. Ruben Mesa lives on Majestic Drive in Piedra Estates, they thought that there were going to get 1600 feet on alternating roads until it was finished. Their streets are truly dusty and are really major streets for more than just residents so they are asking for the Council to look at them and do their streets even if it is sections at a time. Mark stated there was never any money promised to more of those particular streets. Mayor Aragon stated that he would like to commit to these streets and do as much as we possibly can. So by consensus they told Mark to do an analysis on these roads and see what we can do for them. Maryann Duram stated that remember CMAQ money is for dust abatement, this is a huge issue in Piedra Estates and doesn't believe this is an issue on the alleys. There is also a huge commercial usage on their roads not just residential.

Strategic Planning Session – Council Member Atkinson stated that since she has been a new Council Member she realized that she doesn't have a good feeling for where we are and what are the priorities and we need a capital improvement plan. She would like to have a Strategic Planning Session to be facilitated by Ken Charles of DOLA to help with all of these things. Mayor Aragon stated that we have talked about many of these things multiple times but then we don't do anything, we need to provoke some participation from staff. Mark stated that everything we have been working on is all connected and how do we start and make sure that everything falls in line with all of our plans. Mayor Aragon stated then we need to start connecting these things and get things done. Council Member Simmons thinks a meeting to look at our goals and our budget will be helpful. We keep getting new requests for money everyday and we need to see where we stand. Council Member Atkinson will get with Ken Charles and then the rest of the Council to getting a date set for the meeting and it will be sooner than later as budget season is here.

III. ADJOURNMENT – Council Member Simmons moved to adjourn. Council Member Atkinson seconded, the motion carried unanimously. The meeting adjourned at 1:45 p.m.

Ross Aragón
Mayor