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TOWN COUNCIL SPECIAL MEETING MINUTES
THURSDAY, AUGUST 20, 2009
Town Hall Council Chambers
1:00 P.M.

- I. **CALL MEETING TO ORDER** – Mayor Aragon, Council Member Cotton, Council Member Holt, Council Member Jackson, Council Member Pierce, Council Member Weiler, Council Member Volger
- II. **LIQUOR LICENSES**
 1. **Liquor License Renewal – The Getaway LLC dba The Plaza Grille 27 Talisman Drive Unit B** – Council Member Pierce moved to approve the liquor license renewal for The Plaza Grille, Council Member Volger seconded, unanimously approved.
- III. **DELEGATIONS**
 1. **Karas Investments LLC – Request for a Letter of Support of a Solar Energy Plant in Ignacio** – This item has been postponed.
- IV. **NEW BUSINESS**
 1. **Recognition of Linda and Pat Parelli of Parelli Natural Horsemanship** – In 2005 Parelli Natural Horse-man-ship Inc named the Town of Pagosa Springs its corporate headquarters. The Town invested \$500,000 in infrastructure for the benefit of Parelli, in exchange Parelli agreed to create and maintain twenty-five (25) new full-time equivalent jobs to be compensated in an amount equal or greater 150% of the County per capita income. As confirmed by the Region 9 Economic Development District of Southwest Colorado, to date Parelli has added a total of 22 new jobs to its employment base. To acknowledge the outstanding contribution, a plaque has been produced to express the Town Council's appreciation to Linda and Pat Parelli and Parelli Natural Horsemanship. Mayor Aragon feels the Town is benefited economically as well as the international recognition Parelli has brought to Pagosa Springs. Mr. Pat Parelli explained that he met Mayor Aragon back in the 1986 on his way cross country, fell in love with Pagosa and after looking at several other areas made the move to Pagosa Springs. Mrs. Linda Parelli also fell in love with Pagosa Springs upon seeing the mountains and is always excited to come back to Pagosa Springs after traveling. Council Member Volger moved to acknowledge the value added to the culture and economy of our community by Linda and Pat Parelli and Parelli Natural Horsemanship, Inc. by renaming the street which the Parelli corporate headquarters resides as Parelli Way and renumber the corporate headquarters as 7 Parelli Way, Council Member Holt seconded, unanimously approved.
 2. **Economic Development – A Portfolio of Incentives** – Formal action of the economic development portfolio is scheduled for September 1st. The incentives include the expediting of development review and approval schedules, a 50% rebate of the Town's building permit fees, development fees and impact fees, a 50% rebate of the Town's portion of retail sales tax, a 50% rebate of lodgers tax, assistance with public infrastructure requirements, assistance with applications of state and federal economic development incentives, a buy local preference in procurement, and other assistance appropriate to achieve the Town's goals and priorities. For existing business owners, rebates might include a 25% of sales tax/lodgers tax rebate for completion of additional education and training. Maximum benefit is 25% rebate on the increase of retail sales taxes/lodgers tax for two years beginning the date of satisfactory completion of courses, or 25% rebate of retail sales taxes/lodgers tax in the first year after courses, 12% in the 2nd year, and 6% in

the 3rd year. Other rebates targeted for downtown businesses and outside of the downtown area are also included in this plan. Council Member Pierce would like to have the definition of “expansion of existing business” and a similar definition of the “downtown boundaries” and give the parameters of them using Hwy 160 as a reference point. Mayor Aragon opened this item to public comment. Mr. Bruce Hoch asked about the claw-back collateral. Town Manager Mitchem explained that if the business moves there are ways to get the money back, if the business folds there is probably no way to get the rebates back. Robin Carpenter with the Pagosa Candy Company asked about the businesses who have already taken the classes and about those businesses that don’t increase their sales due to the sluggish economy, Town Manager Mitchem said that the business owners who have already taken the classes might get credit for that class if the council agrees, as far as the increase of retail for the sluggish economy, he explained there will be no rebates unless there is an increase in sales. Mr. Mitchem suggests Ms. Carpenter speak with him about other ideas for economic incentives.

3. **Resolution No. 2009-19 – amending impact fee rebate dates** – The Council took the initial step of waiving the majority of building, planning and impact fees for eighteen months, and establishing a mechanism to rebate a portion of the sales taxes received on the purchase of building materials. Town and County staffs have concluded that several changes will make the Resolution more equitable to community residents and businesses and make the Resolution easier to administer. These changes in the Resolution 2009-19 amendment, addition of Whereas on the page 1, definition of a Resident, extension of completion date from 2009 to 2010 in section 3, clarifying date change, providing benefits for permits filed between January 1, 2009 and July 1, 2009, clarifying the Town’s role in collection of fees for other government entities, and making the Resolution amendment effectual. For projects where the permit was pulled between January 1st and June 30th, 2009, the monies spent on construction materials and hiring after July 1st will be eligible to receive a rebate. The Town will contact the other entities affected by the impact fee collection and ask them to join in the fee abatement. Council Member Pierce asked to have the definition of a resident in section 6 marked out since there is a definition of a resident already in Section 2(d). Council Member Jackson moved to approve the amendment to Resolution 2009-19, Temporarily Waiving Land Development Activity, Building and Impact Fees’ and Authorizing the Partial Rebate of Sales Tax Revenues, with the correction of the typo in the 6th WHEREAS and the deletion of the resident definition in Section 6, Council Member Pierce seconded, unanimously approved.
4. **June Sales Tax Brief** – June sales tax collections are down -8.23% compared to 2008. Year-to-date revenues are down -7.71% compared to 2008. Using resolution 2008-33 policy, the average sales tax collections over the past two months is -6.71% and -9.07% over the past three months. Although this would only put us in the 10% below 2008 budget expenditures, the staff has recommended maintaining the 15% expenditure reduction.
5. **Capital Improvement Plan Consultant** – The Town recognizes the need to be fiscally responsible in the development and implementation of municipal infrastructure/facilities and has identified a need to establish a programmed approach. The Town solicited proposals from licensed Colorado professional engineers, planners and consultant teams to provide consultation to the Town Council for the completion of a capital improvement plan. After review of fourteen proposals, the subcommittee and staff have selected Schmueser-Gordon-Meyer Engineers to complete the plan. An anticipated start date of September 1st and completion of November 1st in time for inclusion in the 2010 budget. Town Manager Mitchem explained the references on this company have come back positive. Mrs. Chrissy Karas cautions the Council to be careful of hiring people from out of town. Mr. Jerry Burgess and Jeff Simonson with Schmueser-Gordon-Meyer explained they service most of the western slope and are excited to be back working in Pagosa Springs. They will be dedicated and are confident they can complete this project by November 1st. Council Member Volger moved to approve the selection of Schmueser-Gordon-Meyer Engineers as the Town’s capital improvement plan consultant, Council Member Jackson seconded, unanimously approved.
6. **Review of August 20th Town/County Work Session**
 - Use Tax Ballot Issue – Allocation of Tax** - Council Member Jackson would like a clear message sent to the Commissioners from the Council, which he believes should indicate a May election would give the Council time to prepare and a May

election would focus just on this issue. Council Member Pierce supports Council Member Jackson's thoughts but wants to make sure that if this item gets put off until May the Council keeps working on it. Council Member Holt concurs with a May date and would like to include the possibility of sharing costs of the election with the County. Council Member Jackson moved to ask Town Manager Mitchem to prepare a statement to the County encouraging them to have a May election for the Use-Tax issue, Council Member Holt seconded, unanimously approved.

V. OLD BUSINESS

1. **Ordinance No. 743 (Second Reading) – Large Retail Development Process** – On January 2, 2008, the Town Council adopted a Downtown Master Plan, which outlines the vital importance of Pagosa Springs' historic downtown and the need to add compatible retail, services and restaurants. On February 3, 2009, the Town Council adopted Ordinance 735, creating a new Land Use and Development Code. Many of the protections afforded by Section 2.4.5 (Large Retail Development Permit) are present in other sections of the code. Unfortunately, the Large Retail Development Process existing in Section 2.4.5 of the Land Use Code excludes the Town of Pagosa Springs from competing for the placement of this retailer. The message received by the developer is that our community is anti-business. A strategically placed large retailer can be a benefit to the downtown retailers, while maintaining the extraordinary quality of life we all cherish. By repealing Section 2.4.5 the Town will advance the economic vitality of Pagosa Springs. Several of the sections of this part of the LUDC are represented in other sections of the Land Use Development Code. Town Manager Mitchem believes some of the sections need to be based on the current economic situation. The first reading was passed July 23rd, 2009. Council Member Weiler communicated that the Town is currently losing over \$2 million in sales to other communities. Council Member Volger agrees that keeping the small town character is understandable but believes, like Cortez, a big box is not going to change the character and quality of life. Council Member Jackson explained there are several of his constituents that support of this ordinance. Council Member Cotton is in support of repealing the large retail section. Council Member Pierce is okay with the big box concept, however is not okay with repealing this section because of the unconfirmed adoption of the user manual. She would like to modify this section to make it friendlier, but also to protect our community. Town Manager Mitchem explained the planning commission adopted the user manual just subsequent to the Council's adoption of the LUDC and it does have the force of code. Council Member Holt supports the repeal of the section, and feels the rest of the LUDC protects the community. Council Member Weiler agrees with Council Member Pierce to make the planning commission user guide part of the Council overview and effective at the highest level of comfort. Mayor Aragon opened for public comment. Mr. Bruce Hoch says he is not for or against it; he will survive and change as necessary. He believes there will be a gradual increase, not a huge jump. Mr. Matt Roan says there is a variance required for over 100,000 square feet in section 2.4.11 which refers to section 2.4.5, he suggests waiting to have section 2.4.11 changed at the same time. He would like to suggest the Council put it to a vote of the people. Mrs. Robin Carpenter suggests the people and the Town business owners vote on repealing this section. Mrs. Chrissy Karas says a big box built in the Aurora area has sat empty for 25 years. Pauline Benetti asked what has changed in the community to make the Council change the task force's decision that they spent many hours going over the community values. The economic downturn will have changed by the time a big box actually comes into the community. Mr. Morgan Murri representing seventeen business owners and the Grants who developed the Country Center shopping center, urges the Council to consider not repealing this section and promote growth that is sustainable and controllable. He suggests that there are many developers who have the funds to develop a large strip mall in the hopes that the economic situation will change. Mr. David Mitchem understands this item is a very emotional issue, the economy has changed, the standards of bank lending have changed and the chances of a shopping center that can not sustain itself the banks will not support. He feels the jobs are the number one issue with these changes. Council Member Holt says that his constituents have told him they would like a grocery store to compete with the current grocery store for lower prices to help the residents afford to live here. Council Member Jackson has also had many

constituents who have come to him requesting a big box be built in Pagosa Springs. Council Member Cotton says the hoops that businesses have to jump through to have a business over 40,000 square feet are so restrictive that no one wants to come here, this will remove the hoops, the control is still there to sustain commerce. Council Member Jackson moved to approve the second reading of Ordinance No. 743 repealing section 2.4.5 of the Land Use Code, Council Member Volger seconded, motion carried with one nay (Council Member Pierce). Council Member Weiler was excused at this time.

2. Skate Park – Request from Parks and Recreation Commission for funding assistance

– The Town Parks and Recreation Commission motioned by Commissioner Jon King to request funding from the Town in an amount not to exceed \$3,000 for costs associated with the environmental and geotechnical evaluation of the new skate park site in Town Park. As a secondary part of his motion, Mr. King indicated the Skaters' Coalition for Concrete would release funds from its enterprise account to cover the balance of the costs if his request for Town funds is honored. The 2009 budget has no line item for the funds requested by the commission and due to the current strain on the budget, Town staff does not concur with the commission to approve this expenditure at this time. Council Member Jackson says he has several constituents say they were opposed to having the skate park in the Town Park location. Town Manager Mitchem says the Recreation department does not have the funds to spend and the reserve funds are where the money would have to come from if the Council agrees to the request. Tom Carosello explained there is money in the enterprise fund the Town is holding for the skaters coalition and the costs for the site evaluation is approximately \$6,000 plus additional money for engineering and design, drainage, etc. at a later time. Council Member Holt thinks the town park is a good location for the skate park. Council Member Volger supports the request to move from the reserve funds for this \$3,000. Council Member Pierce suggests the coalition approach PROST who has already allocated money to this project and ask PROST to pay for this item. Mayor Aragon believes there is a lot of opposition to putting the skate park in the Town Park, he suggests cutting into the hill next to the powerhouse to maximize the Town Park area. Mr. Chris Hinger says there is a facility-use agreement between the Town and the school district which they use on a daily basis. He feels the park area has been reduced significantly over the years and this would again reduce the area. He doesn't want to put the school children into a situation with skaters and would like to look at other areas to put the skate park. Mr. Bruce Hoch explained the last weekend's skate competition was attended by a few hundred people and there were a lot of younger kids and parents in attendance. Mr. Charlie Hoch says the competition raised \$1,402 and believes the town park site and geothermal heating would attract year round skate boarders. He says the 8th Street Park is rotting wood and a new athletic park would attract athletes and keep the wrong crowd away. Mr. John King says the Town Park has 86,000 square feet of usable space, the skate park design requires 8,500 square feet. He explained that he asked the Town Council rather than PROST for the money to get the Council behind the skaters, but will go to PROST next for the funds. Mrs. Joanne Irons says the Pagosa Youth Center is excited about getting the skate boarders a place to have and would like it near the Youth Center in Town Park. Mr. Todd Shelton says the Town Park is wrong location; he will not let his own son go to the skate park because he is scared to be there, he thinks putting this park in the main downtown area would create more problems. Mrs. Robin Carpenter says she has had encounters with skate boarders on the Main Street and when she asked them to stop, her business was vandalized. She says she doesn't want the skate park in Town Park. Mr. Bruce Hoch Jr. says skate boarding does not magnetize bad behavior and believes there are bad apples everywhere and in every sport. He thinks people will come to watch the skate competitions as they would watch other athletic activities. Mr. Jim McQuiggin asked for a commitment from the Town Council for a site for this skate park, or his family might have to take back their \$10,000 donation. Chief Jim Saunders said he supports the skate park kids but needs the support of the skateboard kids to police themselves. Council Member Holt moved to dedicate the northeast corner of the Town Park to the skate park providing the geotechnical tests come back in a positive light, Council Member Volger seconded, motioned and second withdrawn. Mrs. Melissa Gamble says due to the current economic situation she doesn't feel using \$3,000 from reserves is an emergency and a good thing to do. There was additional discussion on choosing another site. Council Member Jackson moved give a letter of support for PROST to request \$3,000 at the September 14th

meeting, Council Member Pierce seconded, unanimously approved. Mr. Bruce Hoch said he will give the \$3,000 the coalition has requested from the Town if the Town Council will vote to give the Town Park location to the skate park at the September 1st meeting.

- VI. Approve July Financial Statement and Accompanying July Payments** – Council Member Cotton moved to approve the July financial statement and accompanying July payments, Council Member Pierce seconded, unanimously approved.
- VII. Next Town Council Meeting September 1, 2009 at 5pm**
- VIII. ADJOURNMENT** – Upon motion duly made, the meeting adjourned at 4:05pm

Ross Aragón
Mayor