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**TOWN COUNCIL MEETING MINUTES
TUESDAY, MAY 3, 2011
Town Hall Council Chambers
5:00 P.M.**

- I. **CALL MEETING TO ORDER** – Mayor Aragon, Council Member Cotton, Council Member Holt, Council Member Jackson, Council Member Lattin, Council Member Pierce, Council Member Volger
- II. **APPROVAL of MEETING MINUTES FROM APRIL 5, 7, 12 & 14, 2011** – Minutes were approved as read
- III. **LIQUOR LICENSE**
 1. **Liquor License Renewal – Pagosa Bar Inc. 460 Pagosa Street** – Council Member Volger moved to approve the liquor license renewal for Pagosa Bar, Council Member Jackson seconded, unanimously approved.
- IV. **DELEGATIONS**
 1. **Rich Lindblad and Ken Vickerstaff – Assessment of the State of Business in Pagosa Springs** – Mr. Rich Lindblad teaches a 12-week course in entrepreneurship for a new or existing business called Leading Edge for Entrepreneurs Program. He works with Region 9 to assist businesses in getting business loans through Region 9. He works to counsel small businesses in financial information for their business. Mr. Vickerstaff has worked in natural and organic goods industry; he suggests greenhouse cultivation in domes using the town's geothermal resource as a way to increase revenue. He suggests harvesting fish in a fish farm and greenhouses using geothermal heat in Pagosa Springs and brand the product with the GEO-Thermal label. He believes the Town can use the geothermal waters for infrastructure models to develop effective systems for greenhouse and fish farms. He said he has recently began a company called Geogrown Inc. and has submitted for a \$1million grant to the state for funding of a fish farm. Ms. Kirsten Skeeahan gave an update on the State of Colorado's Geothermal Working Group meeting in Denver April 28th. She said that the State, Colorado School of Mines and the Governor's office is behind the Town to develop the geothermal system for heating, business development and education. Commissioner Michael Whiting said the Town's geothermal is the future of the community and thanked the Mayor for his vision.
- V. **NEW BUSINESS**
 1. **2011 Downtown Sidewalk Improvement Initiative** - In 2010, Council approved budgeting \$40,000 to help address sidewalk improvements in downtown. These funds were to leverage matching funds from the 'to be formed' Downtown Business Improvement District. The DDA was formed as a town-wide Business Association and does not have the matching funds for a sidewalk program. Town staff proposed leveraging the \$40,000 with a 50% match from property owners adjacent to portions of sidewalk in need of repair, replacement or installation. Staff will identify portions that need replacement, the town will offer 50% match to the owner for the replacement or repair costs, and town staff will demo and remove the old sidewalk at no cost. Mr. James Dickhoff said the town's engineer along with a local arborist is willing to give time to identify the sidewalks with safety issues. Council Member Jackson

moved to approve the allocation of budgeted sidewalk funds for the proposed 2011 Downtown Sidewalk Improvement Initiative, Council Member Volger seconded, unanimously approved.

VI. OLD BUSINESS

1. **Ordinance 761, (Second Reading) Amending Sign Code to Allowing Tourist Oriented Directional Signs** – On April 14, 2011 TC approved the first reading of Ordinance No. 761, amending chapter 21 of the Municipal code, article 6 of the land use development code, section 6.12 of the Sign Code, to allow Colorado Department of Transportation (CDOT) Tourist Oriented Directional signs (TODS) as an exception to prohibited off site signs, with the addition of language the Planning Commission recommended regarding eligible types of businesses for TODS to be as follows - 5. Eligible tourist oriented businesses for TODS are restricted to Service Businesses (defined as Gas, Food, Lodging & Camping), Cultural Businesses (defined as Drama, Amphitheater & Galleries) and Commercial Businesses (defined as Antique Shops, Farm Markets & Gift Shops). Council Member Holt moved to approve the second reading of Ordinance No. 761 Allowing CDOT approved Tourist Oriented Directional Signs with an approved Town sign permit and including changes to #5 clarifying eligible TODS, Council Member Volger seconded, unanimously approved.
2. **Geothermal Research Study – PSCDC** - On Monday, April 25th, the PSCDC Board of Directors voted to support the Geothermal Research Study and seek the Town Council's support for the PSCDC's financial participation (up to \$2,000) in the refinement of the Study work-plan. The PSCDC Board believes that it is important to address the work-plan's specificity that the Council indicated was lacking in the prior process. Therefore, the Board wants to facilitate the creation of a defined deliverables document for \$2,000 for the geothermal research study by the NREL group. This \$2,000 study plan will then give the Council the detailed deliverables, and this information can be used for an RFP if the Town decides not to sole source the study to the NREL group. Mr. Vickerstaff said the original concept by the NREL group was \$34,000 to research existing information and bring the information to the Town as a plan to move forward with using the resource. Commissioner Whiting said the BOCC has approved the \$2,000 for this plan and they support the sole source or RFP process once this work-plan is completed. Mr. Mike Davis believes there is not a risk to spend the \$2,000 for a work-plan that has the deliverables which would have the technical information for an RFP. Mr. Jerry Smith says that \$2,000 will provide a scope of work in which to define the current aquifer and this information is needed to expand for future businesses. Council Volger moved to approve the expenditure of \$2,000 for the work-plan, Council Member Jackson seconded, motion carried with three nays (Council Members Cotton, Lattin, and Pierce).
3. **Lewis Street Bid Results and Award** – Council Member Cotton recused himself from the discussion and left the room. The bids came in from \$1.3 to \$1.8 million and were lower than expected. Mr. Mike Davis with Davis Engineering reported the low bid came in from TC Pipeline of Monte Vista. Their bid was \$1.318 million using three contractors (TC Pipeline, Concrete Connection and Strohecker Asphalt). Mr. Davis explained a change order for engineering of the street drainage system will save money for the project but will increase the engineering costs by \$34,851.60. This increase is for current additional surveying and engineering costs of \$13,095 and an additional \$21,000 for an possible extended two-season construction timeframe. Council Member Holt moved to approve the engineering change order of \$34,851 60 and that the worst case scenario of the engineering costs be \$91,410.90, Council Member Pierce seconded, motion carried (one abstention, Council Member Cotton). Council Member Holt moved to approve awarding to TC Pipeline the Lewis Street project pending financing and to include authorization signed by the mayor granting the contractor permission to subcontract in excess of 50% of the contract price for the Lewis Street reconstruction project, Council Member Jackson seconded, motion carried (with one abstention, Council Member Cotton). The financing of the project is estimated to be \$1.5 million if street lighting is included that will be installed adjacent to the school, along with a contingency amount. Council Member Lattin moved to go forward with financing up to \$1.5 million for the Lewis Street project, Council Member Volger seconded, motion carried (with one abstention, Council Member Cotton).

VII. DEPARTMENT HEAD REPORTS

- 1. Parks and Recreation Department Report** – Basketball has ended and baseball has begun this spring. The parks crew is irrigating and fertilizing. A DOW grant application for new river features has made it past the first cut, Jim Miller and Chris Pitcher (Riverbend Engineering) will travel to Denver to present before the DOW board. The skate park RFP will be completed and advertised with a deadline of May 31, with hopes that construction will begin in June.
- 2. Community Center Report** – The rummage sale was a huge success. Cinco de May dance will be held May 6th. The capital improvements are coming along, still waiting on the PA system to complete the projects.
- 3. Planning Department Report** – The Historic Preservation Board is all set for activities during May for Historic Preservation Month. A \$3,500 grant award from the Certified Local Government will be spent on additional property designation plaques and the 2012 Savings Place conference. The planning department will be presenting the Greenways team plan for the Town to Lakes trail.
- 4. Town Tourism Committee Report** – Lodgers tax collections were up 6.93% in March 2011 compared to March 2010. Year-to-date collections are up 2.3%. March had a 47.7% decrease in fulfillment requests, visitor center traffic was up 10.9%. The RFI for Reservoir Hill Concession resulted in a response from a Durango-based zip line vendor.
- 5. Town Manager Report** – The Geothermal Greenhouse Partnership has applied for a USDA Specialty Crop Block grant for \$85,000 to fund a comprehensive feasibility study for the Geo-Beta test site (specialty organic crops). The grant awarding will be announced in September. Several Pagosans participated in the State of Colorado’s geothermal working group meeting in Denver April 28th. A geothermal briefing will be held May 11th at the Community Center to give highlights of the meeting.
- 6. Geothermal Report** – The geothermal RFP produced one proposal from the Hardin Group. The group met on Tuesday May 3rd to go over the proposal. The review of the RFP left several questions to be answered. Clarification with the Hardin Group is necessary before the contract can move forward.

VIII. Next Town Council Meeting May 19, 2011 at 12noon

- IX. ADJOURNMENT** – Upon motion duly made, the meeting adjourned at 7:12pm
Ross Aragón
Mayor