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**TOWN COUNCIL SPECIAL MEETING MINUTES**  
**THURSDAY, JUNE 23, 2011**  
**Town Hall Council Chambers**  
**12:00 P.M.**

- I. **CALL MEETING TO ORDER** – Mayor Aragon, Council Member Cotton, Council Member Hart, Council Member Holt, Council Member Lattin, Council Member Pierce, Council Member Volger
- II. **LIQUOR LICENSE**
  1. **Liquor License Renewal – Alley House Grille, 214 Pagosa Street, Pagosa Springs** – Council Member Lattin moved to approve the liquor license renewal for the Alley House Grille, Council Member Volger seconded unanimously approved.
- III. **NEW BUSINESS**
  1. **2010 & 2011 Building and Planning Fees** – Mr. Scott Pierce with the Building Department reported on building permit fees waived during the last two and one half years. 2011 year to date building permit fees waived is \$2,015 impact fees waived \$2,715, in 2010 the building permit fees waived were \$5,588 and \$1,479 of impact fees, in 2009 the permit fees waived were \$8,034 and impact fees waived of \$14,844. The planning department was also affected by the reduced fees from the rebates and waivers. The waived fees include land use development application permit fees of \$500 year to date, \$2,350 in 2010 and \$500 in 2009. Council Member Volger moved to continue the current fee reduction program through 2011, Council Member Holt seconded, unanimously approved.
  2. **Anti-Litter Campaign** - The Parks Department recently purchased 10 additional anti-litter signs for placement within the Town's park system to enhance the anti-litter campaign. The signs will be placed at the following locations: Yamaguchi Park (2), Town Park (2), Reservoir Hill trailheads/kiosks (3), South Pagosa Park (1), River Center Park (1) and Centennial Park (1). The Parks and Recreation department is holding an anti-litter slogan contest with prizes for the winning entry. Mayor Aragon would like to continue to be disciplined in addressing this program. The Parks and Recreation department was awarded \$104,358 in state funds from GOCO for the Yamaguchi Park restrooms. Mr. Carosello foresees building the bathrooms in 2011.
  3. **Ordinance No. 763, First Reading, Lewis Street Reconstruction Financing and Refinancing of the Ross Aragón Community Center** – After several weeks working with Wells Fargo Bank to attempt to secure the financing for the Lewis Street Reconstruction project and Community Center refinancing, Town staff with the advice of Counsel turned to All American Investment Group for financing needs. Their proposal leases to the Town \$1.5 million for the Lewis Street Project and another \$650,000 for the refinancing of the Community Center. The rate of 3.57% over 10 years with the ability to pay off early. Council Member Holt moved to approve first reading of Ordinance 763, Series 2011, an ordinance authorizing the execution and delivery by the Town of Pagosa Springs of a site lease between the Town as lessor and

an investor or financial intermediary to be identified, and, in connection therewith, a lease purchase agreement between the Town, as lessee, and such investor or financial intermediary, with respect to real and personal property for the purposes of financing certain road improvements within the town limits and refinancing the Ross Aragon Community Center; authorizing officials of the town to take all action necessary to carry out the transactions contemplated hereby and providing for related matters, as it relates to the latest submission of Ordinance 763 to council, Council Member Volger seconded, motion carried with one abstention (Council Member Cotton).

4. **Shade Enhancement for River Overlook** – The TTC is proposing a shade enhancement feature located at the Overlook Parking Lot area to host the volunteer ambassadors and encourage more people to stop and see what Pagosa has to offer. Council directed staff to move forward with including a shade enhancement for the river overlook parking area. Mayor Aragon expressed his gratitude to Mr. Norm Vance as an ambassador for the Town for a very long time.

#### IV. OLD BUSINESS

1. **Regional Tourism Act Grant Application** - The RTA Grant opportunity, available through the Office of Economic Development and International Trade, is available to local governments to provide additional funding for large scale Regional Tourism Projects with the goal of significantly increasing out of state tourism. The funding for the Regional Tourism Act is available through a portion of increased state sales tax over a 5-year period for the submitting area. Council Member Pierce asked about the amounts proposed for the amenities and if the costs included operation. Ms. Green said a third party will be running most amenities and the operation costs are not currently factored into the costs. The list of nineteen projects proposed to be submitted in the grant may be cut back prior to submission. Some of the proposed items include Reservoir Hill enhancements, river features, riverwalk features, geothermal greenhouse project, Wayfinding and signage plan, ice skating pavilion, trails, hotel, and fairground enhancements. Council directed staff to continue researching the possibility of the grant application.
2. **Town to Lakes Trail** - The Greenways Team, Inc. recently completed their proposed "Town to Lakes Trail Master Plan" for the Trail System which identifies additional trail routes including recommendations for primary commuter trail routes and recreational trail routes. Staff's recommendation is to consider prioritizing the first phase of commuter trail segment between Piedra Road to Pinon Causeway. This would include pedestrian Crossing improvements at Piedra Road and Pinon Causeway and the use and connection of existing trail and sidewalk infrastructure in the Harman Park and Aspen Village developments. Funding possibilities for this project would come from a transportation enhancement funds from the Town and County, also 1A funds from the County. Mr. James Dickhoff, Town Planner, explained that if a property easement is deemed to be over \$5,000 then the uniform act is triggered and a consultant would need to be hired to negotiate the easement agreement. Mr. Dickhoff explained a topography map would need to be the next step. Council Member Pierce moved to approve the adoption of the "Town to Lakes Trail Master Plan" prioritizing the first phase of the trail project between Piedra Road and Pinon Causeway along the south side of Hwy 160 and proceed with engineering before moving into other phases of the project, Council Member Holt seconded, unanimously approved.
3. **Geothermal Heating System RFP Update** – In March the Town advertised an RFP for the replacement and expansion of the Town's geothermal heating system. Only one response was received, this by the Hardin Geothermal, LLC. After review of the proposal, additional information was necessary. In June, the town received information from Town legal counsel that project bonding requires 50% of the project costs. The Hardin Geothermal LLC is not comfortable with the 50% bonding requirements. Due to the responses received from the Hardin Geothermal LLC, the heating committee has recommended denying the Hardin Geothermal LLC proposal and move to look into other options for the Town's heating system. The Town has 120 hours of support from the State Governors office to look into a project and grant funding using the heating system. Council Member Pierce suggests looking into the Governor's Office offer and NREL assistance. Staff agrees with Council Member Pierce and believes there might

be cost savings to the town and the end user by researching other options. Council Member Pierce moved to deny accepting the Hardin Geothermal LLC Geothermal District Heating System RFP proposal and direct staff to proceed work with the States Governors Energy Office and the Renewable Energy Development team grant process, Council Member Volger seconded, unanimously approved.

4. **Geothermal Research Study** –In March, 2011 a geothermal research work plan was produced by Gerry Hutterer and Elaine Wood with strong community support. In May the Town Council agreed to support the research plan contingent upon refinement to the scope of work. The final scope of work for the geothermal resource assessment has been provided to Town Council. The scope of work includes, installation of measurement instrument on 8 existing geothermal wells and the main source pool, the collection of base data from the installed measurement instruments prior to testing aquifer, static testing of the aquifer, stress testing of the aquifer that would include pumping and dumping and pumping and re-injection. The deliverables include initial base data collection, static testing, pump and dump testing, and pump and re-injection back into the geothermal aquifer testing. The cost for this work is approximately \$32,000-\$35,000. The PGA, Pagosa Geothermal Advocates, have been very active in moving this project forward. Business plan development will be pursued if it is determined from the testing that the aquifer can be further utilized without harm to the existing well owners. Council Member Pierce met with the assessment group and says the group would like to move forward with having the attorney’s overview the work plan, include a hold harmless clause, discussion with the Water Board, and have the Town act as the fiscal entity. The assessment group, including Council Member Pierce along with Commissioner Whiting, Kirsten Skeeahan and others, is recommending moving forward with the assessment of the work plan. The county and town have approved \$15,000 each for funding by reducing the CDC’s appropriation for the 2011 budget. Council Member Hart asked about any historic well data available, Mr. Phil Starks said the previous data collected is of significant use, but the number of wells in use has changed and the usage has also changed, so data collection and possible additional testing is required in conjunction with the historic data. Staff will bring information to Council at the July 5<sup>th</sup> meeting.
5. **June Sales Tax Brief** – June sales tax received is down -4.98% compared to June 2010. Year to date sales tax revenues have increased .52% over the previous year. Town Manager Mitchem gave the Council an update of the projects the Town is pursuing.

V. **APPROVAL OF MAY FINANCIAL STATEMENT AND ACCOMPANYING PAYMENTS** – Council Member Pierce moved to approve the May financials and accompanying payment, Council Member Lattin seconded, unanimously approved.

VI. **NEXT TOWN COUNCIL MEETING JULY 5 AT 5:00PM**

VII. **ADJOURNMENT** – Upon motion duly made, the meeting adjourned at 1:23pm.

**Ross Aragón**  
**Mayor**