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TOWN COUNCIL MEETING MINUTES TUESDAY, AUGUST 7, 2007 5:00 P.M.

- I. CALL MEETING TO ORDER** – Mayor Aragon, Council Member Atkinson, Council Member Cotton, Council Member Holt, Council Member Middendorf, Council Member Simmons, and Council Member Steinert
- II. APPROVAL of MINUTES FROM JULY 3, AND JULY 19, 2007** – The minutes were approved as read.
- III. LIQUOR LICENSES**
 - 1. Giant Store #068 – Liquor License Renewal**
 - 2. City Market #38 – Liquor License Renewal**
 - 3. City Market #45 – Liquor License Renewal**
 - 4. Super America LLC – Liquor License Renewal**
 - 5. Ramon’s Restaurant – Liquor License Renewal** – Council Member Cotton moved to approve the liquor license renewals. Council Member Atkinson seconded, the motion carried with 1 abstention (Council Member Simmons).
 - 6. Folkwest Inc – Special Event Liquor License (Folk Festival)**
 - 7. Rotary – Special Event Liquor License (Fundraiser)** - Council Member Cotton moved to approve the special event liquor licenses. Council Member Holt seconded, the motion carried with 1 abstention (Council Member Simmons).
- IV. DELEGATIONS**
 - 1. Four Corners Folk Festival – Crista Munro** - To date they have sold about 600 tickets for offsite staying and about 800 that will be camping on site. She handed out a packet to the Council. They are selling tickets to a wide range of people from all over. They want to thank the town for their support and their help in continuing the event.
- V. NEW BUSINESS**
 - 1. Review of Recommendations from the Planning Commission**
 - a. Candelaria Lot Consolidation** - Lot 7-8 of Block 6, the Planning Commission has reviewed this and recommends approval with 2 conditions. Council Member Holt moved to approve the request with the Planning Commission conditions. Council Member Middendorf seconded the motion carried unanimously.
 - b. Lewis Building Condo Conversion** - 450 Lewis Street. The Planning Commission has reviewed this a few times and recommends approval with 4 conditions. Christina Langreview is an attorney representing the applicant. The applicant has some issues with the parking condition but is fine with the rest. His issue with the parking is that he was never told that in lieu of fees was ever an option. They are requesting the removal of the parking conditions that the Planning Commission has tied to this project. They believe they are unfair and inappropriate at this stage. They would like to put a disclosure in the CCnRs with regards to the offsite parking to the new owners making them responsible for it. They also have a problem with the fee in lieu of parking. They could not find any ordinance that allows the in lieu of fee for parking, and they believe without an ordinance being passed we cannot force this fee to be paid. They also don’t like that they are finding out about this possibility midway through the process. They don’t believe this is a proper condition to put on an applicant. Another issue with the parking condition is that they can’t find this in the town’s code either. What conditions

they did find were very ambiguous to them. Council Member Holt stated that in 2003 when they applied for their building permit they were required to have 13 parking spaces so this is not a new requirement this is already there and we are asking him to fulfill what he said he would in 2003. Planning Staff handed out a letter that was signed by the applicant in 2003 that dealt with the parking space requirement. He has a long term lease with the Community Methodist Church for these parking spaces. The in lieu fee would be in the instance that this lease was no longer available. Ideally we want to see the 13 stalls provided in an offsite location but the in lieu of fee was an option if real land and property were not an option. The applicant could also come forward with other options incase they lose the church parking. They also believe there are some inconsistencies on how parking is being dealt with, the Heritage Building just passed about 9 months ago and parking was never brought up. Council Member Holt moved that he continues to provide 13 spaces of offsite with who ever, but incase the 13 spaces fail to be existent or are terminated he must immediately come back to the town to proceed with a reasonable way to provide those spaces through negotiations. Council Member Steinert seconded. Council Member Simmons brought up that he is trying to sale these and won't be the final owner how do you deal with that. Council Member Cotton asked what are the penalties? Staff would recommend that there is some kind of annual renewal or obligation that the offsite contract is still good and valid. Council Member Holt withdrew his motion and this will be continued until a future meeting. There is a parking committee meeting at 12:00 p.m. on August 15th and this will be addressed then.

c. Highland Springs Preliminary Plan Extension Request - This is a 6 foot extension on their preliminary plan approval. The Planning Commission has reviewed this and recommends approval. This would still be in compliance with our comp plan. Council Member Cotton moved to approve the extension request. Council Member Simmons seconded, the motion carried unanimously.

2. **Discussion on Annexation real estate transaction fee** - This would be a new revenue source generated through the annexation process. This would be on real estate transactions after they have gone through the annexation process. There would be no up front costs this would happen after the property has been developed and sold. These revenues can be earmarked or not. Council Member Holt believes this would have a negative impact on our annexations. He doesn't want to put another tax with all our other fees going up. Council Member Cotton agrees with Council Member Holt. Council Member Simmons stated that we need to look at other revenue sources especially if we are going to continue spending the way we have and helping out the county. This could help in the future and we would be limited with what we can do with these fees like we are with the impact fees. Mark stated that we could earmark this for affordable housing and it might be more acceptable to properties if they knew it was going to a good cause.
3. **Resolution 2007-17 Verification of Eligibility to Annex Schlaefli Annexation** - Council Member Cotton moved to approve Resolution 2007-17. Council Member Simmons seconded, the motion carried unanimously.
4. **Ordinance No. 692 (first reading) Annexing Schlaefli Annexation** - This Ordinance Number needs to be changed to 696. The Planning Commission reviewed this annexation and recommends approval. Council Member Cotton moved to approve Ordinance 696 for 1st Reading striking from the annexation agreement Article 8.1 (j). Council Member Holt seconded, the motion carried unanimously.
5. **Ordinance No. 693 (first reading) Zoning Schlaefli Annexation** - This will make it a B-1 multiple use residential which the applicant agrees to. Council Member Simmons moved to approve 1st Reading of Ordinance 693. Council Member Cotton seconded, the motion carried unanimously.
6. **Ordinance No. 694 (first reading) Adopting Appendix M of IRC** - Council Member Holt moved to approve 1st Reading of Ordinance 694. Council Member Cotton seconded, the motion carried unanimously.
7. **Ordinance No. 695 (first reading) Scanga Rezone** - This is on Tract D of Piedra Estates. In June of 2006 we denied a rezone of this land, a lawsuit followed and what came out of that suit is that we need to rezone this property as the court determined in the suit.

Council Member Middendorf moved to approve the 1st Reading of Ordinance 695. Council Member Simmons seconded, the motion carried unanimously.

8. **Resolution 2007-18 Hickory Ridge Impact Fee Waiver Request** - This would be a 41 unit affordable housing project. If Council waives these fees they would also be waived for the Special Districts we collect for. Mayor Aragon has some concern that there is no evidence that there is a demand for this. Eric Calgaud is the representative of the builder making the request. Their financing request required a market study showing a need for this type of housing. Their market study shows that there is a definite need for this type of housing here in the community. They believe that the need exists now and will continue into the future as the community grows. CHAFA will not approve their financing if they don't think there is a need for this type of housing. Council Member Simmons moved to approve Resolution 2007-18. Council Member Middendorf seconded, the motion carried unanimously.
9. **Resolution 2007-19 Colorado Housing Incorporated Impact Fee Waiver Request** - There proposed project is 4 units. This is Phase II of the Overlook. Council Member Middendorf moved to approve Resolution 2007-19. Council Member Holt seconded, the motion carried unanimously.
10. **Rumbaugh Well Lease** - Jeff Greer is redeveloping a building he owns on Main that he will need Geothermal Water for and has obtained some water rights and would also like to get some rights from our Rumbaugh Well. We do have a history of leasing out some of our geothermal waters. If we do we will need to put this out for consideration by all people, and Mark believes it will spark some interest. This will take some metering and will involve some costs, who will foot this bill to get it up and going. Mark stated that this can be subject to the lease and dealt with there. At some point we need to put our right to beneficial use or the state could come back and put us on the abandonment list and this lease would satisfy that. Council Member Cotton said that we should pursue this. Council Member Holt moved for Mark to proceed to put this water out for lease. Council Member Simmons seconded, the motion carried unanimously.

VI. **OLD BUSINESS**

1. **County Land Acquisition Discussion** – This will be tabled until the Noon meeting tomorrow.
2. **Recreation Center Feasibility Discussion** - Council Member Middendorf agrees that we need to be cautious in regards to the recreation center, but this has been shown as a high priority and a need by surveys and studies. We have been working on this since 2005 and have always had positive support. Council Member Middendorf moved to use the \$25000 that is in the 2007 budget for Recreation Director that will not be hired this year to be used for architects to continue this process so we can understand the issue better and then allow the voters to vote or not. Council Member Simmons seconded. Council Member Cotton did some of his own analysis and came up with that the town would have to subsidize a major deficit maybe as much as \$900,000.00, and therefore is not feasible. The 1% sales tax increase will only cover the debt service, we will have to pay for operations and maintenance. Council Member Atkinson stated that we have to look at the full study we can't just compare to Durango. We have to get more information as Council Member Middendorf is saying, she also agrees with Council Member Middendorf on reallocating the \$25,000 to get more information so we can make a more informed decision. Council Member Holt stated that we need to sit down and make priorities before we commit to anything with all the projects we have going. Council Member Cotton thinks all discussions on a Recreation Center should be stopped period it is the wrong time. Council Member Simmons feels that this needs to be explored as an option and agrees with more study so we can make an informed decision. Council Member Steinert feels we should continue looking at it and not just stop the process. This is something that is important to a lot of people and we should do more study on it. A citizen of the county spoke out in favor of a recreation center and its draw for new families and tourism. Jerry Jackson stated that he wonders do you really know what the citizens of the Town of Pagosa Springs wants? Have you talked to your neighbors and other citizens to see what they want? Are you representing the citizens and working for the Town of Pagosa Springs, we are not here to

represent the County or the citizens of the County. With the way the economy is now, is the time right. He is urging the Council to take a step back and look. Council Member Middendorf stated he has talked to many citizens and they are all in favor so far. The motion carried with 3 nays (Council Member Holt, Cotton, and Mayor Aragon)

VII. DEPARTMENT HEAD REPORTS

1. **Town Manager Report** - Sales tax are up 4.51% YTD we budgeted 7% in 2007. We are hoping that June and July numbers are strong and will put us in at our budgeted amount. We will be discussing our future CMAQ projects at tomorrows meeting. TTC website should be up and running in September which they feel is a big accomplishment. There is currently an at large seat open on the board that they will be advertising for. Our mid month meeting will be on August 16th at noon.
2. **Planning Department Report** - We are hoping to get the final draft of the DTMP from Winter and Company by the end of August. The Planning Commission would like to have a work session with Council to discuss policy related issues. On August 21st there will be an open house at 6:00 p.m. at PLPOA on the Parks/Recreation/Open Space Master Plan.

VIII. APPROVAL OF BILLS – Council Member Cotton moved to pay the bills. Council Member Holt seconded, the motion carried unanimously.

IX. ADJOURNMENT – On a motion duly made the meeting adjourned at 7:31 p.m.

Ross Aragón

Mayor

**PAGOSA SPRINGS SANITATION
GENERAL IMPROVEMENT DISTRICT MINUTES
TUESDAY, AUGUST 7, 2007
7:32 P.M.**

- X. CALL MEETING TO ORDER** - Mayor Aragon, Council Member Atkinson, Council Member Cotton, Council Member Holt, Council Member Middendorf, Council Member Simmons, and Council Member Steinert
- XI. APPROVAL of MINUTES FROM JULY 3rd, 2007 MEETING** – The minutes were approved as read.
- XII. DELEGATIONS: None**
- XIII. NEW BUSINESS** - Request for a Variance from Gary Thompson. Our rules and regulations do not allow for shared service lines for multiple reasons. We have granted variances in certain instances. In this scenario there is some cost in a line extension so these 2 property owners have come to an agreement to share the line and work on maintenance. They want to get this project tied up fairly quickly. Council Member Cotton stated that these things scare him, if we do something like this it will have to be a part of both of their deeds. As far as the Sanitation District is concerned it is a private line all the way up. They would still have to pay their plant investment fees. Council Member Simmons is concerned about setting a precedent. From Phil's perspective it could go either way. Council Member Cotton said if we do this the agreement needs to be written very carefully. The Council has approved one of these before. Staff was directed to come up with a hold harmless agreement to the Town then they can do it if acceptable to Council, Staff and Legal Council
- XIV. OLD BUSINESS**
- Update on New Treatment Facility Planning** - We have been granted our \$2 million from the state. Mark was in Meeker defending our grant request and he received 3 full funding and 2 partial recommendations so we could possibly get up to \$750,000 worth of funding. We asked for \$1 million. The plant is going to stay in its current location.
- XV. DEPARTMENT HEAD REPORT**
- Supervisor Report** - Everything is functioning without any problems right now.
- XVI. APPROVAL OF BILLS** - Council Member Cotton moved to pay the bills. Council Member Simmons seconded, the motion carried unanimously.
- XVII. ADJOURNMENT** - On a motion duly made the meeting adjourned at 7:43 p.m.