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TOWN COUNCIL SPECIAL MEETING MINUTES
THURSDAY, JULY 23, 2009
Town Hall Council Chambers
12:00 P.M.

- I. CALL MEETING TO ORDER** – Mayor Aragon, Council Member Cotton, Council Member Holt, Council Member Pierce, Council Member Weiler
- II. LIQUOR LICENSES**
- 1. New Beer & Wine Liquor License – Overlook Mineral Springs Spa LLC dba Overlook Hot Springs 432 Pagosa Street** – Council Member Cotton moved to approve the Beer & Wine Liquor License for the Overlook Hot Springs with option B license area, Council Member Pierce seconded, unanimously approved.
 - 2. Liquor License Renewal – Super America LLC dba Everyday Store 300 E Pagosa**
 - 3. Liquor License Renewal – Western Refining Southwest Inc dba Giant 2537 W Highway 160**
 - 4. Liquor License Renewal – City Market #38 755 San Juan Street**
 - 5. Liquor License Renewal – City Market #45 165 Country Center Drive** – Council Member Pierce moved to approve liquor license renewal for Super America LLC dba Everyday Store, Western Refining Southwest Inc, dba Giant, City Market #38 and City Market #45, Council Member Holt seconded, unanimously approved.
 - 6. Special Events Liquor Permit - Saint Patrick’s Episcopal Church 225 S. Pagosa Blvd**
 - 7. Special Events Liquor Permit – Humane Society of Pagosa Springs - Auction at Community Center 451 Hot Springs Blvd.** – Council Member Cotton moved to approve the special events liquor permit for Saint Patrick’s Episcopal Church and Humane Society of Pagosa Springs, Council Member Pierce seconded, unanimously approved.
- III. DELEGATIONS**
- IV. NEW BUSINESS**
- 1. Economic Development – A Portfolio of Incentives** – A pro-business and pro-development climate in the Town of Pagosa Springs is a prerequisite for economic growth and job creation. The following economic development goals and priorities are representative of those found in current Town planning documents and proposed by recent discussions with Town commissions/committees: 1) quality employment; 2) downtown revitalization; 3) preservation of a heterogeneous mixture of retailers and capture retail sales leakage; 4) attract lone eagles and high flyers; 5) expand/enhance tourist destinations; 6) attract high quality non-residential development; 7) post high school educational and training facilities; 8) business incubator facilities; and 9) support existing businesses. To promote growth in our community’s economy, the Town and Sanitation District joined with AEDA, Archuleta County, TTC, Town Planning Commission, and Pagosa Area Association of Realtors to endorse the waiving of building, planning and impact fees. Additional incentives are included including downtown development, job creation, increased retail sales, and increased tourist bookings. Council Member Holt has concerns on the lodgers tax rebate due to the central booking system and how to correlate increased bookings by participation in classes. Jennifer Green with the TTC said they may be able to achieve a way to show the increase of bookings aside from the central bookings system. Council Member Weiler suggests businesses stay open later in the evenings while tourists are in town and include a rebate for those that do stay open longer. Council Member Holt would like to return only the amount of the course to the businesses that have an increase in

sales tax due to the classes. Mr. Bart Mitchell explained the AEDA doesn't make any money on the classes and the fees go back to the instructors from Fort Lewis College or administration. Council Member Holt believes the rebate for downtown should be limited to 1 mile from the town limits. Town Manager Mitchem clarified the last meeting where the Council passed waiving impact fees; he explained he has gone to the school and fire district asking to attend their next meetings encouraging them to also waive their impact fees; however we are currently still collecting their impact fees. Council Member Holt agrees with the economic incentives with a few exceptions. Council Member Cotton feels if we remove the current businesses obstacles and let the businesses decide their own future. Council Member Pierce would like a work session to discuss these incentives. A work session will be held on Thursday the 30th of July at 12noon to discuss the incentive program. Mr. Sean McMullin would like the Town to move forward with more help to the developers which would in turn help other businesses.

2. **Ordinance No. 743 - Large Retail Development Process (first reading)** – In 2005 the Big Box Task Force submitted its finding regarding the merits of large retail development. In response to these findings, the Town Council passed Ordinance No. 672 establishing a Large Retail Development Process in September 2006. This ordinance imposes strict requirements on retail developments exceeding 40,000 square feet. In May of 2006, the Town Council adopted a Comprehensive Plan which includes goals to support and attract businesses and industries; that will recruit small businesses and support local entrepreneurship; and contain a balance of businesses that provide services and shopping for local residents' needs and for tourists. Recently, the Town Manager has been contacted by representatives of a large retail developer who is seeking locations to place a particular "big box" store in Colorado. Unfortunately, the Large Retail Development Process existing in Section 2.4.5 of the Land Use Code excludes the Town from competing for the placement of this retailer. The message received by the developer is that our community is anti-business. The existing policy regarding large retail development is an impediment to economic growth and job creation. To enhance the economic vitality of Pagosa Springs, the Town Council should assess the merits of repealing Section 2.4.5 of the Land Use Code. Economic studies indicate that the Town is losing between 25% and 50% of retail sales to other communities. The loss of these sales is approximately just over \$2.2million in sales tax revenue on a conservative basis. Mr. Rick Bellis, with the County, says there are no big box requirements in the County. Council Member Holt would like and resolution, if we don't already have one, have an ordinance or resolution that refers to the land manual. Council Member Cotton agrees with Town Managers Mitchem's assessment of the current code regarding large retailers. Council Member Holt says he believes 40% of the town's sales is going to Durango, based on a recent study by the Town of Cortez. Town Manager Mitchem says there are several cities, including Durango, who has a vibrant downtown and a thriving suburban area as well. Ms. Cathy Keyes appreciates the incentive program the Town has come up with and is excited Town Manager Mitchem's is in Town and helping with economic development and is a business owner open to learning a way to bring vitality to the community. Mr. John Ramburg lives in Pagosa Lakes Ranch on the south side of Hwy 160 across from City Market. He would like the council to be very careful to not throw out things that have been previously done. Kirsten Skeeahan says her business sales are up because of keeping her values and she says she is collecting the leakage from other counties. Ronnie Zaday would like to stop the leakage and change the code. Mr. Lee Murphy also in Pagosa Lakes Ranch says the conclusion was already reached and it's that the Town wants to capture the revenues rather than an approach made with more caution. Mrs. Claudia Smith says the retail sale doesn't stay in the community nor does she feel the Town has the land to support a big box. Mrs. Mary with Old West Press would not like Pagosa Springs to look like any other city in America. Mr. Jack Freese of Capriccio Circle says Pagosa is a unique Town and once you lose that the money won't go up and the little people won't survive. Council Member Cotton says changing the code is only to make the door open to those who would like to come to our community and change the perception of anti-business community. Council Member Pierce would like to look at the revenue created, should a big box come into town, be put into the downtown businesses to create a better downtown. Council Member Holt says there are plenty of people who would like the big box and feels that it will help the average family raise their kids in Pagosa Springs. Mrs. Mary Seeley represents Stan Seligman who owns the

property across from City Market says the restrictions on the property are over the top and would like to see a Trader Joes in Pagosa. Mr. Michael Whiting believes there are a lot of businesses that would not meet our community values like a casino, the codes expresses a high community standard. He would like the Town Council to support the community standards and values that are in the land use code. Mr. Rick Bellis, Archuleta County, says we are trying to control leakage and would suggest to the Town identify the sources of leakage and what the Town, County, and businesses can do to control the leakage. Council Member Weiler says the last 12 months have showed a decrease in sales tax. He believes a vibrant local economy and honor the downtown traditional climate is foremost and that the 2010 will be just as bad as 2009 in sales tax revenues. He would like a land use development code that opens the doors to increased businesses and believes the current economy does not reflect on the economy in 2005. Mayor Aragon believes there will not be a big box built in Pagosa Springs and the studies show we don't have the population to support a large big box retailer. If a big box did ask to come in he would have to look at it once it actually becomes reality. Council Member Pierce suggests revising and having that discussion at the July 30th work session and include it on the August 4th meeting.

Council Member Cotton moved to approve first reading of Ordinance No. 743, repealing section 2.4.5 of the Land Use Code, Council Member Holt seconded, motion carried with two nays (Council Member Pierce and Mayor Aragon)

3. **May Sales Tax Brief** – May's sales tax revenues declined -3.53% compared to May 2008. Year-to-date sales tax revenue is down -7.58% compared to 2008. The average sales tax collections over the past two months is negative -9.91% and over the past three months is also negative -7.42%. Unless instructed otherwise by Council or until the formula triggers a higher reduction, Town staff will maintain the 15% expenditure reduction until we receive the July revenue figures in mid-September.

4. **Review of July 23rd Town/County Work Session**

CDOT – Hwy 160 Access Management Plan – The Town will get with the County Planning staff to go over the plan map.

Recycling – The Town and County will look into building a new Recycle Center for the community.

Roadside Vendors was not discussed; Mayor Aragon said that a huge fee for these vendors is not a way to encourage business. Council Member Cotton agrees with Mayor Aragon. Council Member Holt says the Town needs to monitor the paying of sales tax by these vendors.

Funding of Park and Recreation Programs – More discussions will occur at the next Town/County work session in August.

- V. **OLD BUSINESS**

- VI. **Approve June Financial Statement and Accompanying June Payments** – Council Member Cotton moved to approve June financial statement and June payments, Council Member Holt seconded, unanimously approved.

- VII. **Next Town Council Meeting August 4, 2009 at 5pm**

- VIII. **ADJOURNMENT** – Upon motion duly made, the meeting adjourned at 2:15pm

Ross Aragón
Mayor

**PAGOSA SPRINGS SANITATION
GENERAL IMPROVEMENT DISTRICT SPECIAL MEETING
MINUTES
THURSDAY, JULY 23, 2009
Town Hall Council Chambers
12:00 P.M.**

- IX. CALL MEETING TO ORDER** – Mayor Aragon, Council Member Cotton, Council Member Holt, Council Member Pierce, Council Member Weiler
- X. NEW BUSINESS**
1. **Milford Property Inclusion Ordinance No. 08 (Series 2009)** – The Milford property has petitioned for inclusion into the boundaries of the district which includes 22.42 acre property located on Hwy 160 directly across from Majestic Drive. The sanitation district will receive additional revenue from property tax. Council Member Pierce moved to approve the first reading of Ordinance No. 08 (Series 2009), including 22.42 acres into the Pagosa Springs Sanitation General Improvement District, Council Member Holt seconded, unanimously approved.
 2. **Discussion on Lagoon Sludge Removal (information provided at meeting)** – Mr. Phil Starks says the engineers are against removing the sludge at this time due to trash seeping in and clog the fix film option. We currently have 2 million gallons of sludge and the prices at this time are \$109,000-\$120,000. Replacement of the valves would cost approximately \$30,000 that will come out of reserves and a budget amendment will be completed in August. Council Member Cotton moved to authorize the manager of the district to dig up and replace the valves and amend the budget for this cost, Council Member Pierce seconded, unanimously approved. CWRPA is open to letting the District keep the \$2 million dollar loan for lagoon modification at the 1.875% interest rate. Town Manager Mitchem spoke with a group on Wednesday that may open the door to other innovative ideas to financing the treatment plant. The DOLA grant is up in the air if it can be retained, however they are being helpful and asked us to keep the \$2 million dollar loan and discuss with DOLA about the interest rate and repayment.
- XI. APPROVE JUNE FINANCIAL REPORT AND ACCOMPANYING JUNE PAYMENTS**
– Council Member Cotton moved to approve June financial report and June payments, Council Member Holt seconded, unanimously approved.
- XII. Next Board Meeting August 4, 2009 at 5:00pm**
- XIII. ADJOURNMENT** – Upon motion duly made, the meeting adjourned at 2:35pm