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TOWN COUNCIL MEETING MINUTES TUESDAY, APRIL 3, 2007 5:00 P.M.

- I. CALL MEETING TO ORDER** – Mayor Aragon, Council Member Cotton, Council Member Holt, Council Member Middendorf, and Council Member Simmons (late 5:15 p.m.)
- II. APPROVAL of MINUTES FROM MARCH 6th and 14th, 2007** – The minutes were approved as read.
- III. LIQUOR LICENSES**
 - 1. Farrago Market Café – Liquor License Renewal**
 - 2. Squirrel’s Pub & Pantry – Liquor License Renewal** – Council Member Middendorf moved to approve the liquor license renewals. Council Member Holt seconded and the motion carried unanimously.
 - 3. Pagosa Springs Public Facility Coalition – Special Events (Community Dances/Fund Raising)**
 - 4. Humane Society – Special Events (Fashion Show)**
 - 5. Folkwest Inc – Special Events (Indie Fest)** - Council Member Cotton moved to approve the liquor licenses. Council Member Middendorf seconded and the motion carried unanimously.
- IV. DELEGATIONS**

Mike Branch – 2006 Audit - The financial condition of the town is excellent, we have more reserves than the required amount. Revenues were up primarily from an increase in sales tax and expenditures were down a little. We instituted the collection of impact fees and those are being tracked per his recommendation. The Geothermal account is back in the black and this is the best this fund has done in a long time. The Sanitation Fund is also doing well, we collected more revenue due to increase in fees and we sold quite a few taps. Mike said if there were any specific questions he would answer them at the next meeting. He did answer general questions. Mike said that we could work our accounts to be able to make the enterprise fund for the new treatment plant, and this is legit and practical per the Tabor Amendment.

9Health Fair Day Proclamation - Our Health Fair Day will be on April 7, 2007. Mayor Aragon read the proclamation for the record. The Health Fair will be held at the high school from 8:00 a.m. to 12:00 p.m.

V. NEW BUSINESS

- 1. Review of Planning Commission Actions from March 27th, 2007**
 - a. Whispering Pines Phase 11 Lot Consolidation (Public Hearing)** - This is located at 260 Eaton Drive. The Planning Commission did review this and recommends approval with 3 conditions. One condition has already been taken care of. Council Member Cotton moved to approve the lot consolidation with the conditions of the Planning Commission. Council Member Middendorf seconded, the motion carried unanimously.
- 2. Review of Historic Preservation Board Actions from March 15th and 22nd**
 - a. Resolution 2007-07 Appointing Members to the Historic Preservation Board** - This appoints Patti Selanne who will be replacing Brad Ash and Gary Fairchild in the alternate position. He has served on the board before in the past. Council Member Holt moved to approve Resolution 2007-07. Council Member Middendorf seconded, the motion carried unanimously.

b. Historic Business District and Local Landmark Design Guidelines AND Revisions

to Article 14 of the Municipal Code - The HPB has reviewed both of these and they will take an ordinance for adoption so staff recommends tabling until the April 18th meeting until we can get an ordinance drafted for adoption.

c. Historic Business District Boundary Amendment Request (Archuleta County

Courthouse) - This would remove the County Court House from the current Historic District they are also asking for demolition due to economic hardship. This was reviewed by the HPB while the moratorium was in place and had made the recommendation for approval of economic hardship. Since then the moratorium expired and was re-looked at with the same recommendation as they were not comfortable making the final decision even though it is given to them through the current Article 14. The HPB did recommend a denial of the boundary amendment. Sheila Berger, Special Project Coordinator for Archuleta County. She stated that they do understand that this is a touchy subject that the council has to deal with. However it states in the town code that if there are multiple lawful alterations to a building it could be taken out of a district at there is little original integrity left to the building. This building as been altered multiple times since 1928 and therefore the County Courthouse itself is not historic. Bob Moomaw – the County is here tonight asking the Council for help in responsible redevelopment of this site. They do currently have a buyer but it is contingent on this. If the sale does fall through the County will lose a substantial amount of money and would have to wait 3-4 more years to sale it. So he thinks it is to the benefit of both the town and the county to follow through with this sale. Mayor Aragon asked that if this was granted would they utilize the property they own across the street here. He stated he was for that personally but couldn't speak for the other Commissioners. Sheila Berger - There are also several health and public safety issues with the building. To renovate the building it would cost around \$4 million and wouldn't include the detention facility and the county offices would still be spread out all over they already pay a lot currently in rent. Tamra stated that since this was put into the district by ordinance it would need to be taken out by ordinance also so that would have to come back to the Council. Also our attorney stated that the economic exemption is not transferable with the property. We can approve the demolition through the HPB article 14 now and then in the future when they are actually ready to demolish the building they would have to get a demolition permit from the Building Department. Council Member Middendorf is worried about setting a precedent on this as there are other people looking at this also very closely. Council Member Simmons has concern that a building could be erected that doesn't fit the "look" of our downtown corridor. Tamra stated currently there is really nothing to protect this from happening if it is taken out. Council Member Holt stated that this is in our Comp Plan that will make it have to be compatible with our existing downtown. Shari Pierce stated that they did not take the fact it could be transferred so if that could be the case she thinks it should go back to the HPB so they can look at it again and take that into consideration. JR Ford doesn't understand the hardship here. If you use the definition you are using now everyone with a historic building downtown will have a hardship and they will all come down. If the county and future developer can prove hardship then every building is gone. Before you make this decision you should ask everyone in the district if they want out too, because they are the real hardship case. The county has more money then the rest of this will ever have, he thinks it is unfair to cherry pick to help out certain individuals. We either buy into a district or we don't. If we do believe in it keep it and if we don't get rid of the whole thing. Sheila Berger stated that no matter what the county is moving out of that building and do not have the funds to maintain the building so it will just sit there until someone comes along who has \$4 million to renovate it, if it doesn't deteriorate worse which it will most definitely will do. John Hundley this could be one of the single most catalytic project for this town. This is a site that represents a unique opportunity for us and can realize things we have seen in the Downtown Master Plan, and Comp Plan for the good of everyone. Shari Pierce this district was recognized in 2004 by ordinance and no one in the proposed district was against it at the time. Allowing one property out will set a precedent and it

will ultimately deteriorate. Angela Atkinson speaking on behalf of Bootjack Management, back in 2004 4 out of the 5 criteria to put the Courthouse in the district were based on the building being there. There are so many possibilities to put a great overall project on the whole site rather than looking at different guidelines right

adjacent to each other. Council Member Middendorf is worried about more vacant lots in downtown and he keeps hearing about all these different great plans but to date

we haven't seen any actual plans. Bill Hudson lives downtown a few blocks away

and bought an old home. It is expensive to keep up an old house and it is a lot of work.

It seems to him that we are talking around laws that are already in place, like the 180 day demolition permit and needing a redevelopment plan before that. How can this

body make these decisions now with those laws in place now? Tamra stated that the

demolition permit from the HPB and the demolition permit from the building permit

are very different and that is where the confusion is. So maybe Article 14 should be

demolition approval then they go through the demolition permit process with the

building department. Don Ford, Pastor of United Methodist Church also in the district,

they may want to ask to withdraw also or ask to be considered for economic hardship.

He agrees with JR Ford. Cappy White a downtown business owner, he disagrees with

Don Ford. The downtown is not vital right now and keeping the court house there isn't

going to insure vitality. Redevelopment is going to encourage there becoming vitality.

Gene Crabtree stated why not ask the EPA to come through the Courthouse and ask for

an up or a down thumb. There is asbestos and mold, cracks and leaks. Bring them in

and we will all have an answer. Council Member Holt stated the most important point

is the county is moving period, do we want to deal with an unoccupied building for

who knows how long and he thinks we are losing site of that. Council Member Simmons moved to acknowledge that Ordinance 683 has expired. Council Member

Middendorf seconded, the motion carried unanimously. Council Member

Middendorf thinks there is a better solution than setting an economic hardship

precedent. Currently Article 14 has no criteria for economic hardship. This will be

taken care of in the revised Article 14 when it is adopted. Council Member Cotton

moved to allow the demolition permit as recommended by the HPB and conditional

upon the approval of our attorney to allow this to be transferable. Council Member

Holt seconded. Council Member Simmons still has concerns with setting a precedent

and agrees with Council Member Middendorf and thinks the transferability muddies

the issue. The motion carried with 3 in favor and 2 against (Council Members

Simmons and Middendorf). Council Member Holt moved to approve the removal

of the court house from the district. With the following conditions that the developer

submit a site specific redevelopment plan and agreement with the town insuring the

redevelopment of this property that will fit in with the DTMP and Comp Plan,

contingent on checking with our attorney that this will hold legally. Council Member

Cotton seconded. Council Member Middendorf believes this is premature since we are

still revising Article 14. The motion carried with 1 nay (Council Member Middendorf).

d. Economic Exemption from Ordinance No. 683 Request (Archuleta County Courthouse) - done above

e. Economic Exemption from Article 14 Request – done above

3. First Reading of Ordinance No. 688 – Adoption of Water Storage Impact Fee for

Non-Residential Construction -

This is adding the impact fee for the Water

Conservancy District for Non-Residential Construction based on the recommendation from

SJWCD. Windsor Chacey is a director on the SJWCD. Commercial construction brings

economic value but also brings workers and they need facilities and services so that

increases the needs for water. This impact fee is necessary to be able to offer those services

to the community. This also makes a greater need for more water to be stored. Council

Member Cotton moved to approve the 1st reading of Ordinance 288. Council Member

Simmons seconded, the motion carried unanimously.

4. Resolution 2007-08 Creation of a Pedestrian Improvement and Safety Task Force -

This is a result of our March 14th meeting discussion brought up by Council Member

Middendorf. This task force would report and inform the Council. We are looking at a 12

member task force that would be a combination of both town and county residents. Council Member Simmons moved to approve the revised version of Resolution 2007-08. Council Member Middendorf seconded, the motion carried unanimously.

5. **Resolution 2007-09 Affordable Housing Commitment** - This is reaffirming our commitment to affordable housing. Mark read it for the record. Council Member Cotton moved to approve Resolution 2007-09. Council Member Simmons seconded, the motion carried unanimously.
6. **Park and Recreation Commission Resolution Regarding Recreation Center/Open Space and Trails Task Force** - This is forwarded to the Council by the Park and Recreation Commission to start this task force unanimously. Mark read it into the record. Council Member Cotton moved to approve P&R Resolution 2007-02 recommendation. Council Member Holt seconded, the motion carried unanimously. We will bring back our own resolution in Town Council form for this.
7. **San Juan Historical Society Museum Lease** - There is an existing agreement between the society and Town Council that was created in 1974 and does not reference subject properties correctly. They would like this fixed then would like to expand the agreement to include the additional 2 lots that are not currently part of the agreement. So we need to start working on a new agreement that represents issues we face today like insurance requirements. Council said go ahead and begin working a draft lease up.
8. **Housing Solutions for the Southwest Impact Fee Waiver Request** - This is asking for a fee waiver on impact fees, building permit fees, and sanitation plant investment fees for this project. The waiver policy is explicitly for affordable housing projects. Council Member Holt thinks we need documentation that they meet the requirements before we act on this. Kim Welty – Housing Solutions is a 501 C3. This will be a senior living project being funded by the HUD program. This project will support low income senior citizens. She would be happy to give any other documentation the Council wants. There is also some other local support happening. If there is consensus from the Council we will bring back a resolution on this. Gene Crabtree, Chairman of Casa De Los Arcos. We can only charge 30% of a resident's income for these projects. So we are servicing the people who need help the most. With their project there is no sale of the property it will be turned over to HUD and it will always be for seniors. Right now they have a waiting list of 42 people for 22 units. Council Member Middendorf moved to approve the waiver of the town impact fees contingent on them meeting article 12 of our code. Council Member Simmons seconded, the motion carried unanimously.

OLD BUSINESS

VI. DEPARTMENT HEAD REPORTS

- 1. Town Manager Report -** Sales tax is up almost 4% YTD. We are looking to recommence our CMAQ projects as soon as weather permits. Cemetery Road should wrap up quickly and Great West will be started soon with a 90 finish period. Enhancement Riverwalk project should have about 43 days remaining on that project and the developer is anxious to get that wrapped up. La Plata Electric has been undertaking a lot of 3 phase power improvements and we have been working with them to get all our 3 phase underground in our parks. We missed our window on the River Restoration project before the spring thaw so it will have to be done in the fall. The TTC would like to address Council at our April 18th meeting and give them updates on multiple issues. The Police Department has been working on drug enforcement and have had quite a few arrests and have seen some success in all their efforts. We have a great Police Department who take their jobs very seriously. They have also working very well with the Sheriff's Department. Bootjack Management is bringing in a consultant on gateways and signage, they are looking at May 9th or 10th so please check your schedules and get with Deanna to let them know if those dates work for you, it will be about a half day presentation.
- 2. Planning Department Report -** May is Historic Preservation Month. We have received a final document for the Downtown Master Plan and it will hopefully be coming to public review and back to the council very soon.

VII. APPROVAL OF BILLS – Council Member Cotton moved to pay the bills. Council Member Simmons seconded and the motion carried unanimously.

VIII. ADJOURNMENT – On a motion duly made the meeting adjourned at 7:35 p.m.

**Ross Aragón
Mayor**

**PAGOSA SPRINGS SANITATION
GENERAL IMPROVEMENT DISTRICT MINUTES
TUESDAY, APRIL 3, 2007
7:36 P.M.**

IX. CALL MEETING TO ORDER - Mayor Aragon, Council Member Holt, Council Member Middendorf, and Council Member Simmons

X. APPROVAL of MINUTES FROM MARCH 6TH AND 14TH, 2007 MEETINGS –
The minutes were approved as read

XI. DELEGATIONS: None

XII. NEW BUSINESS

Supervisors Report - We did have an ammonia violation. This is something we have very little control over. The aeration we are adding will hopefully help address this. All the inclusion and annexation agreements were mailed out and we are starting to get some of those back.

XIII. OLD BUSINESS

Update on New Treatment Facility Planning - We got a letter from the state regarding our loan approval for \$2 million that we had reported before. Also there is a letter from our Auditor Mike Branch and he went over that earlier also. We are in the middle of a rate survey on our fees and plant investment fees. Our consultant recommends us keeping track of our reserve funds a little bit differently. She recommends splitting them into maintenance funds and capital improvement funds so we will be working towards that. The \$2 million funding is for our current location and will remain if we stay there. If we do move to an alternative location we will have to go back through the review process and a full environmental assessment at that location. This risk is if other projects come in that time there is a prioritization issue. They have told us we are a very high priority due to some of our non-compliances but it is still a risk. Mark recommends going ahead with the negotiations. Mr. Levine can't close on this property until June of 2007 so we can't have a for sure until he actually closes on the property. Council doesn't want to see this drawn out much longer as we have been working on this for a while now. The waiting might be worth it with our growth moving out that way. We don't want to make a decision that we might regret in 5 years. Council gave Mark direction to see if Mr. Levine and his partner could close earlier and we could start some of the studies we need to do and hope we don't waste our money, but we have to have a time when we just go with our current site. Mark will report back on this at our April 18th meeting. Council thinks we should have a final answer no later than our June meeting.

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

XV. ADJOURNMENT – On a motion duly made the meeting adjourned at 8:03 p.m.