



551 Hot Springs Boulevard  
Post Office Box 1859  
Pagosa Springs, CO 81147  
Phone: 970.264.4151  
Fax: 970.264.4634

**TOWN COUNCIL MEETING MINUTES**  
**THURSDAY, FEBRUARY 18, 2016**  
**Town Hall Council Chambers**  
**551 Hot Springs Blvd**  
**5:00 p.m.**

- I. **CALL MEETING TO ORDER** – Mayor Volger, Council Member Alley, Council Member Bunning, Council Member Egan, Council Member Lattin, Council Member Patel, Council Member Schanzenbaker, School Representative Thompson
  
- II. **PUBLIC COMMENT** – Mayor Volger explained the rules about public comment and said he wants to receive public comment regarding the possible 5<sup>th</sup> Street Bridge. He said the bridge is not on the agenda for public comment because the Town Council is still in discussion regarding the vested rights agreement. He said a public meeting will be held March 17<sup>th</sup> to hear from the public about the possibility of a 5<sup>th</sup> Street Bridge. Town Manager Schulte said in 2012 the original vested rights agreement with the Springs Partners was granted for 10 years with two possible options, Sketch plan A and Sketch plan B. The agreement reads the Town has the option to build a 5<sup>th</sup> Street Bridge connection according to Sketch plan A by 2017 or if the Town determines not to build the bridge the Partners can build according to Sketch plan B without the 5<sup>th</sup> Street Bridge. He said the Town Council has been in negotiations with the Springs Partners in order to possibly amend the vested rights agreement. The Partners have until 2022 to build a Sketch plan B development. Chrissy Karas said the Town should not be responsible to pay to build the bridge. She said to pave the Town Park parking lot. She said the Town infrastructure needs to be dealt with first. Ms. Julie Church is opposed to the public funding private property. She said the Partners is only doing it to increase the property for sale to others. She said the 1,800 residents will be saddled with debt. Mr. Bill Hudson said that 2/3 of the council have to vote to go into executive session, he would like the discussion held in public. He said there is due diligence and steps to developing a project. Ms. Lynn Dryburgh said Article 10 refers to TABOR but said a Lease/Purchase agreement allows governments to get around the TABOR requirement. She said there is nothing to stop the Partners to build the bridge themselves. She said the Town forcing taxpayers to carry the debt without a vote of the people is just wrong. Mr. Bruce Dryburgh asked to consider the evaluation of the bridge, slow down and complete due diligence. He said most Towns require developers to complete the access into the development. He asked the Council to put in a long term plan. Mr. JR Ford said the Town should pay a portion of the bridge. He said the downtown will benefit from the increased traffic flow. He said to wait until the income from the development can be proved and offset the costs with impact fees and sales tax income. The property is key to the downtown of Pagosa, but the businesses are what is needed in the community. Mr. Mike Heraty thanked the Town Council. He said the developers should be able to show the Town the reimbursement from sales tax from the installation of the bridge. He said there should be a feasibility study and traffic study for the proposed project. Mr. Dan Sanders is disappointed that the

Council would consider a 50/50 partnership with one developer and not with him who owns Aspen Village and was required to put in a Hwy light and ingress and egress into his development. He said it is hypocritical. He said the developers should be putting their own money in the development and the Town should put their money into affordable housing. Mr. Dave West is against the bridge at this time. Mr. Andre Redstone said the collaboration between private and public partnership is positive. He would like the Council to complete an economic feasibility study for the project.

### **III. CONSENT AGENDA**

- 1. Approval of the February 2, 2016 Meeting Minutes**
- 2. Approval of January Financial Statement and Accompanying Payments**
- 3. Liquor Licenses**
  - a. Liquor License Renewal - Pagosa Springs Center for the Arts at 2313 Eagle Drive**
  - b. Liquor License Renewal – Riff Raff Brewing Company at 274 Pagosa Street**
  - c. Liquor License Renewal – Silver Dollar Liquor Store at 204 Pagosa Street**
  - d. Special Events Liquor Permit – Pagosa Springs Area Chamber of Commerce Car Show June 11<sup>th</sup> on Lewis Street**
  - e. Special Events Liquor Permit – Chimney Rock Interpretive Association Fundraiser June 25<sup>th</sup> at the Town Park on Hermosa Street**
- 4. Teen Dating Violence Awareness Month Proclamation** – Council Member Alley recused himself from consent agenda. Council Member Lattin moved to approve the consent agenda, Council Member Egan, unanimously approved. Mayor Volger read the teen dating violence awareness month proclamation. Ms. Cheryl Bowdridge thanked the Council for the proclamation.

### **IV. REPORTS TO COUNCIL**

- 1. Featured Department Head Reports**
  - a. Police Department** – Daily training bulletins are administered to each officer by Lexipol to keep current on Police Department Policy and Procedure. One full time position for a patrol Corporal is still open. A LEAF grant from CDOT and High Visibility Enforcement has been received, a total of \$7,200 will be used for overtime compensation for officers to conduct DUI enforcement. The new animal enforcement vehicle should be delivered in Spring 2016.
  - b. Planning Department** – The HPB has had discussions on sandwich board sign and Historic District survey. The elected Lindsey Smith has been named HPB Co-Chair for 2016, Peggy Bergon is the chair. HPB discussed how they could be more a part of the discussion regarding the future of the Courthouse Building, being the structure is one of the most prominent historic structures in the downtown district. The new associate planner, Rachel Novak, has joined the planning department team. Staff is planning on bringing the South 5<sup>th</sup> Street ROW dedication to Town Council in March. Archuleta County is considering an application for a proposed gravel pit operation 14 miles south on Trujillo Road. The Planning Director has identified a number of issues related to increased heavy truck traffic in residential districts, pedestrian safety and impacts to our Town road infrastructure. The Planning Commission has approved recommendations for Town Council's consideration, which will come to Town Council in March 2016. Public notification has been published for an appeals hearing from Wal-Mart on March 1, 2016, regarding the planning director's determination regarding the parking lot lights not complying with town codes. Wal-Mart has stated they are in the process of designing and manufacturing shields for the parking lot lights, however, due to public notification requirements it was necessary to publish the possibility that Wal-Mart will want to pursue this option based on Town Council's recent determination to only extend their request for extension till March 1, 2016. A Safe Routes to School (SRTS) infrastructure grant application has been submitted for sidewalk improvements within the north Pagosa residential neighborhood to provide connectivity to the Elementary School. Awards are expected to be notified in April 2016. The Planning

Director submitted a GOCO grant in November, with award notification expected in late March for the Springs pedestrian bridge replacement. Staff was recently notified that our grant application for the water works restoration project was not awarded. Staff conducted an Aerial Survey with hired contractor Olympus Aerial Surveying. The aerial survey will provide one foot interval topography mapping that can be utilized in planning future riverwalk trails. Staff is planning to sandbag the Rumbaugh Bridge to help reduce further erosion. The Heritage Brochure reprint is coming up and will incorporate any comments from the HPB.

2. **Sales Tax Brief** - December 2015 sales tax and the revenue continue to show an increase of +11.4% compared to December 2014. The collections year to date equals \$4,226,852 for both the General and the Capital Funds; this represents an 18% increase, or \$643,333.
3. **Lodgers Tax Brief** – The most recent lodging tax report shows a 14.77% increase in December over 2014. Nine of the twelve months resulted in the strongest collections in history. The year to date collections was up 5.3% compared to 2014. Visitor Center traffic in January was lower compared to other months. Group travel operators are planning to stop but overnight stay along with restaurant options for the large groups are still questionable. The Tourism Director will attend the Mountain Travel Symposium. Pagosa Springs will host the Southwest Tourism Summit in April 2016. John Ricks, former Associate Director of the CTO will speak at the SW Tourism Summit.

## V. NEW BUSINESS

1. **Request from PAGWAPA for Additional Funding for Exploratory Well Drilling** - The Pagosa Area Geothermal Water and Power Authority (Authority) was created with the purpose of exploring for geothermal resources and possible development of those resources. The ownership of the Pagosa Waters LLC is: Town 40%/ County 40% / Pagosa Verde 20%. The DOLA grant funds still available are approximately \$1.4 million dollars. PAGWAPA is request the partners invest an additional \$45,000 to match the funds one for one more well to gather more information. This well would be drilled at 2,600 feet and at a diagonal that could possibly be used as a production well. This would include the assumption that the wells costs are approximately \$745,000, the Pagosa Waters current funds are approximately \$75,000, and the partners split the investment 40% Town / 40% County / 20% Pagosa Verde. If approved by the partners, a request to DOLA would include changes to the grant. This would include a 75% split and advance the funding instead of on a reimbursement basis. The well would be drilled at TG1 on the Levine property. Council Member Lattin said she has asked for budgetary documents and hasn't received it; she is uncomfortable giving more funds when she hasn't received the original budget compared to expenditures to date. Mayor Volger said they have a lot of data but feel this well could give the concrete data that might attract investors. Mr. Mike Alley said Ken Charles with DOLA is supportive of continuing the drilling to show something for the money spent. Council Member Egan said there is risk involved, but the Town has \$260,000 invested to date and \$44,000 to prove is not too much more. Council Member Schanzenbaker said this is the next step to determine the science and this well shows the best chance to determine the likelihood of getting hot enough water for electricity generation. Council Member Alley would like to prove something by investing this additional amount, if not proved he would stop in funding the project. Mr. Bill Hudson said he has not seen any data about what was found. He said TG1 is the only successfully drilled hole. He is upset about risks to taxpayers for a private exploration. He said if there is no water, they are drilling a dry hole. Council Member Schanzenbaker moved to approve the Town's participation in further well drilling and allocating an amount not to exceed \$45,000 with the following contingencies: 1. DOLA provides 75% of the cost of the well estimated at \$559,000; 2. the County contributes an amount not to exceed \$45,000; 3. Pagosa Waters contributes \$75,000; 4. Pagosa Verde contributes \$23,000; 5. DOLA advances the

funding instead of it being on a reimbursement basis, Council Member Bunning seconded, motion passed with one nay (Council Member Lattin).

- 2. Ordinance 841, First Reading, 1855 West U.S. Highway 160 Rezone** - The Town received a complete application requesting the re-zoning of 1855 West U.S. Highway 160, from Agricultural/Residential (RA) to Mixed Use Corridor (MU-C), from Kraig Lorenzen of Sawmill Creek Ranch Timber and Cattle Company. Staff believes there are no negative impacts anticipated on public health, safety or general welfare. Once the property is approved for a development, the southern secondary road along the Hwy 160 corridor will be required to be installed. The MU-C rezoning request is consistent with adjacent zoning to the east and on the north side of the Hwy. Staff believes the proposed re-zoning is consistent with the Comprehensive Plan and LUDC. Mr. Lorenzen doesn't have any plans to develop the property. He said the zoning changed in 2009 and he didn't realize and therefore didn't have an opportunity to decline the zoning change. He said he is paying 2/3 times the amount the surrounding properties are paying. He is hoping to attract investors to the property. Ms. Holly Hasenbuhler said there doesn't need to be increased commercial lots. The commercial property at Rob Snow Rd is an eyesore and this property is beginning to be an eye sore with old cars and appliances dumped. She said the buffers from commercial are not enough and there is a negative impact on the residents. The canyon in the property has water and attracted by bears and wildlife, she said a trail there is not advisable. Ms. Kathy Ruth said Goldmine Drive does not touch this property and there is not an easement to Mr. Lorenzen property. She said there would be great impact on Goldmine Drive and accidents will increase at Hwy 160. The run off down the canyon is major and shouldn't be impeded or drainage impeded. Mr. Andre Redstone said he didn't receive notice of this change. He is in support of re-zoning to encourage commercial and mixed use corridor development. He is concerned for future access to the property. Mr. Bill Hudson said change requests in zoning usually come with a conceptual plan. Town Planner Dickhoff said this is changing the zoning back to the zoning prior to the 2009 rezoning plan due to the property owner being unaware of the zoning change. The Town uses the current Archuleta County Assessor's office to make public notification. Mr. Andre Redstone said he owns the property next door and has also not received notification. He would like an understanding of how this zoning change will affect his property. Town Manager Schulte said there are various steps to notifying property owners including posting on the property and notifying by mail with the best available resources. Council Member Alley moved to approve the first reading of Ordinance 841, an ordinance of the Town of Pagosa Springs amending the Official Zoning Map regarding property known as 1855 West U.S. Highway 160, Council Member Schanzenbaker seconded, motion carried with one nay (Council Member Egan).
- 3. Ordinance 840, First Reading, Dedicating Public Utility Easement in Hilltop Cemetery** - The Planning Department has received a request from La Plata Electric Association, Inc. to correct a previously recorded inaccurate easement for a utility line installation La Plata installed in 2014 to service the PASWD water tank within the Hill Top Cemetery. The previous recorded easement contained an incorrect legal description for the easement and was specific to La Plata Electric instead of a general easement for use by all utility providers recognized by the Town. Council Member Bunning moved to approve the first reading Ordinance 840, an ordinance of the Town of Pagosa Springs dedicating a public utility easement within the Hill Top Cemetery within the corporate limits of the Town of Pagosa Springs, Council Member Egan seconded, unanimously approved.

## VI. EXECUTIVE SESSION

**Revision to Springs Partners 10-Year Vested Right Agreement Pursuant to C.R.S. Section 24-6-402(4)(e) Determining Positions Relative to Matters that may be Subject to Negotiations,**

**Developing Strategy for Negotiations, and Instructing Negotiators – 8:09pm Council back from short**

recess. Council Member Schanzenbaker said the public is aware of the issue and would like to have this item in public session. Town Manager Schulte said the counter proposal submitted by the Springs Partners would be a public document. Council Member Egan agrees to not go into executive. Council Member Alley said the Springs Partners have not been invited to discuss this counter proposal in public and would like to ask them to attend prior to moving forward. Council Member Lattin moved to table this item, Council Member Egan seconded, unanimously approved.

- VII. PUBLIC COMMENT** – Mr. Bill Hudson said that Jason Werby was instructed to contact the council members individually in regards to a green cross. When Mr. Hudson asked about that action Town Manager Schulte replied by email stating that was not the correct instruction. He said that the executive meeting with the Springs Partners was not right and asked the Council to allow the public to decide by election the fate of the 5<sup>th</sup> Street Bridge. Mr. Andre Redstone said the Heritage Brochure is filled with grammatical, syntax, spelling errors and filled with historical nonsense and dribble. He said the Town Council should review it before a legal action is taken against the Town due to the information printed against his ancestors. He asked the Navajo Nation to hold off acting upon the vulgar document until he had a chance to ask the Council to correct the document. Bruce Dryburgh said it is up to the Council to go into the executive session and asked the Council to stay on the subject. Council entered short break.
- VIII. COUNCIL IDEAS AND COMMENTS** - Council Member Bunning asked why the Town doesn't draw attention to the local athletic achievements by the schools. He said the booster club has raised the funds for an electronic message sign at 8<sup>th</sup> Street that would direct people to the high school and events. Council Member Bunning will speak with the booster club regarding the sign. Council Member Schanzenbaker would like an update on the Heritage Brochure.
- IX. NEXT TOWN COUNCIL MEETING MARCH 1, 2016 AT 5:00 PM**
- X. ADJOURNMENT** – Upon motion duly made, the meeting adjourned at 8:21pm.

**Don Volger**  
**Mayor**