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**TOWN COUNCIL MEETING MINUTES  
TUESDAY, SEPTEMBER 6, 2016  
Town Hall Council Chambers  
551 Hot Springs Blvd  
5:00 p.m.**

- I. **CALL MEETING TO ORDER** - Mayor Volger, Council Member Bunning, Council Member deGraaf, Council Member Egan, Council Member Schanzenbaker (5:21p)
- II. **PUBLIC COMMENT** – Mr. Bill Hudson read the transcript from the town council meeting recording prior to the September 17 executive session. He said he regrets how the process went and he hopes there is open dialog if an issue like this arises again.
- III. **CONSENT AGENDA**
  1. **Approval of the August 18, 2016 Meeting Minutes**
  2. **Liquor License**
    - a. **Liquor License Renewal – Side Street Sushi at 135 Country Center Drive #9 & 10**
    - b. **Liquor License Renewal – Ramon’s Restaurant at 56 Talisman Drive**
    - c. **Special Events Permit – Pagosa Springs Chamber of Commerce ColorFest Event September 16 & 17, 2016 in the Town Park Athletic Field**
    - d. **Special Events Permit – Geothermal Greenhouse Partnership Inc. fundraiser September 17, 2016 at Centennial Park Greenhouse lease site**
  3. **Hot Springs Pedestrian Bridge Sale Agreement** – Council Member Bunning moved to approve the consent agenda, Council Member Egan seconded, unanimously approved.
- IV. **NEW BUSINESS**
  1. **Appointing District 1 and District 3 Council Members** – The Town received two letters of interest. One from District 1 resident, Rebecca Anderson, and one from District 3 resident, Nicole DeMarco. These seats were recently vacated by Kathie Lattin and CK Patel. Ms. DeMarco had submitted a letter of interest for the at-large position that Council Member deGraaf was appointed to. Both appointments will serve until they expire time of April 2018. Ms. Anderson said the scope of the Town has changed and she would like to see a continued focus in affordable house for the younger goals. She is working at a few local businesses, she is also working for a company that sponsors Habitat for Humanity and the housing community. Council Member deGraaf moved to appoint Rebecca Anderson to the District 1 Town Council seat, Council Member Bunning seconded, unanimously approved. Ms. DeMarco said an integrated trail system is the item she would like to have implemented. Council Member Egan moved to appoint Nicole DeMarco to District 3 Town Council seat, Council Member Bunning seconded, unanimously approved. The council members were sworn in and seated at the dais.
  2. **Deferral of Impact Fees Request, 341 Harman Park Drive** – The applicant, Kelly Dunn, is requesting impact fee deferment for the development of an indoor climate controlled self-

storage facility at 341 Harman Park Dr. Mr. Dunn is requesting the \$70,414 impact fees for the proposed one-story self-storage facility be deferred for ten years. He is also proposing to build a 18,000 square foot building that could be used by the Town for recreational use until a later date when they convert it to additional self-storage units. He is requesting the impact fees for this second building of \$33,354 be deferred until the conversion to self-storage units is completed. The pickle ball players are very interested in the 2<sup>nd</sup> building for their use. Mr. Dunn said there are no storage units available in the area and believes additional storage is a public benefit. He said additional court time for pickle ball, volleyball and basketball, he said this would be a public benefit. He said their taxes will be a benefit to the Town. Town Manager Schulte said should the developer default, the impact fees would be filed against the property. Council Member deGraaf said meeting a need is good business, he said this may not necessarily a public benefit. Mr. Dunn said he could save money if they moved the project to the county who does not collect impact fees. Council Member Schanzenbaker would like a policy outlining a public benefit. Mr. Dunn said the planning commission said the fees could be deferred for 10 years at 3% interest. Council Member Bunning said the Town should encourage development in the Town and said deferring is better than waivers of fees. Mayor Volger said the government should support the private sector. Mr. Bill Hudson said the affordable housing group would like to ask council to add impact fee to pay for affordable housing. Attorney Cole said impact fees would be accessed as the project comes in, this project would receive the current fees. Mr. Andre Redstone said the Town is not a bank and he asked the council if they are ready to set precedence for the next request. Mr. Jim Garrett said a hospital is a public benefit, he said a hospital is different from this situation where a private company whose members may benefit. Council Member DeMarco said this should be based on a policy and not at on ad hoc basis. Council Member Egan moved to deny deferral of impact fee, Council Member Schanzenbaker seconded, motion carried with two nays (Council Member Bunning and Mayor Volger).

3. **Ordinance 848, First Reading, South 8<sup>th</sup> Street Financing Authorizing Ordinance** – In July, the Council approved moving forward with financing the S. 8<sup>th</sup> Street Project through a lease purchase mechanism, specifically a Public Offering in the amount of \$2.685 million that included the refinancing of the Lewis Street Project. Ordinance 848 authorizes a site lease, a lease purchase agreement, the issuance of Certificate of Participation (COP) in the amount not to exceed \$2.8 million and authorizing the Town officials to carry out the transaction. Additionally, the Town may consider looking into increasing the last A2 rating in order to assist in marketing the COPs and save approximately \$35,000 in interest costs. Mr. Troy Bernberg with UMB said AAA is the highest and BBB is the lowest rating. He said the A2 issuer rating does give the town some credit as a borrower, however this is not an active rating since is has not been monitored. The COP rating would drop that A2 one notch, he feels strongly that the Town will fall within the A category based on the cash position and annual debt profile. The cost for a rating review is around \$12,000. The annual debt payment for this lease purchase is approximately \$170,000 for 20 years. Mr. Bill Hudson said the Colorado Constitution and TABOR amendment reads that the council is not allowed to create a multi-year financial obligation. He said the attorneys write up ordinances to get around requiring a vote of people to create a multi-year financial obligation. Mr. Bob Cole said the courts in Colorado is charged with interpreting the Constitution and have determined these types of purchases are not illegal or unethical. Council Member Bunning moved to direct staff to pursue securing an investment grade rating for the Town of Pagosa Springs and appropriate funding from General Fund Reserves in an amount not to exceed \$12,000, Council Member Schanzenbaker seconded, unanimously approved. Council Member Schanzenbaker moved to approve first reading of Ordinance 848, Council Member Bunning seconded, unanimously approved.

## V. OLD BUSINESS

1. **Ordinance 847, Second Reading, Revised Marijuana Ordinance** – Ordinance 847 amends previous regulations for marijuana businesses in Town limits. During the first reading of

Ordinance 847 the Town Council had consensus to limit the amount of time to get a license for six months, limit the number of facilities on the east and west end of 14<sup>th</sup> Street to three, extend the hours of operation to 9pm, and require retail stores to have four pounds of flower/bud and shake/trim available for sale. Archuleta County will be changing their ordinance to allow one more grow operation in the county. Mr. Jason Werby said the Town might need to address the grow operations in Town limits; but that right now there are not many buildings for grow operations. Council Member deGraaf moved to approve the second reading of Ordinance 847, Council Member Egan seconded, unanimously approved.

2. **Resolution 2016-13, County Courthouse Location** – During the August 18 meeting, the Town Council directed staff to prepare a Resolution indicating the Town Council’s preference for County justice and administrative operations facilities to be located in the downtown area. This resolution recognizes the Town Council’s goal to value the downtown as the heart of the community. Council Member deGraaf said the Council may make their preference known, but that the County acts in best fiscal interest of the residences. Mr. Bill Hudson said the swap with the Springs Partners has fallen through, and so downtown construction would cost \$28 million dollars. Council Member Schanzenbaker moved to approve Resolution 2016-13, Council Member Bunning seconded, unanimously approved.

- VI. **PUBLIC COMMENT** – Mr. Mark Weiler asked about the interest rate and length of the bonds, he said capital improvements should be financed over its useful life.
- VII. **COUNCIL IDEAS AND COMMENTS** – Mr. deGraaf said most other towns have the yellow cones showing pedestrian cross walks and he would like the Town to have them. Town Manager Schulte will follow up on the option for these cones. Council Member Egan would like to budget to pave the Town Park parking lot. Council Member Schanzenbaker read his thoughts about ethical responsibility for public service. He said staff needs to help guide the council toward the best ethical practices.
- VIII. **NEXT TOWN COUNCIL MEETING SEPTEMBER 22, 2016 AT 5:00 PM**
- IX. **ADJOURNMENT** – Upon motion duly made, the meeting adjourned at 7:08 pm.

**Don Volger**  
**Mayor**