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TOWN COUNCIL MEETING MINUTES
THURSDAY, OCTOBER 20, 2011
Town Hall Council Chambers
12:00 P.M.

- I. **CALL MEETING TO ORDER** – Mayor Aragon, Council Member Cotton, Council Member Hart, Council Member Holt, Council Member Lattin, Council Member Pierce, Council Member Volger

- II. **LIQUOR LICENSE**
 1. **Liquor License Renewal – Cafe Colorado, 565 Village Drive Suite 1, Pagosa Springs**
 2. **Liquor License Renewal – Gringo Grill LLC dba Kip’s Grill & Cantina, 121 Pagosa Street, Pagosa Springs** – Council Member Volger moved to approve the liquor license renewals for Cafe Colorado at 565 Village Drive and Gringo Grill llc dba Kip’s Grill and Cantina, 121 Pagosa Street, Council Member Hart seconded, unanimously approved.

- III. **DELEGATIONS**
 1. **Pagosa Fire Protection District – Diane Bower** – Mrs. Bower, Fire Chief, gave an update on the District’s commitment to work with the Town and assured the Town Council that the fire district will diligently attempt to bridge the gaps with the town building department.
 2. **Pagosa Springs Nurturing Center – Liz Alley** – Mrs. Alley gave an update on the Center’s work; they are working on their non-profit status, as well as a strategic plan. The center works with families to build self-sufficiency and life skills. The center is also working with the Hispanic community to help these families prosper in the town.

- IV. **NEW BUSINESS**
 1. **Resolution 2011-11, Approving the State Trails Grant application submittal -**

Resolution 2011-11 formalizes support and authorization for the pursuit of a Colorado State Parks and Wildlife State Trails Program non-motorized recreational trails grant, for up to \$200,000, for the design and construction of an approximate 1 mile segment of the Town to Lakes Trail Project between Pinon Causeway and Piedra Road. PROST has allocated 1A funds in the amount of \$200,000, Archuleta County has allocated a \$125,000 CDOT grant as well as \$25,000 cash, PLPOA has approved a \$45,000 contribution, and the town is provided eligible in-kind services. The trail is for the south side of the Hwy 160. It will go from Village Drive at Pinon Causeway, across Hwy 160, and a route across the south side of the Hwy to Parelli and connect into the Aspen Village sidewalks and bike trail area, then up to the Harman Park Museum area and an upgraded crossing at Piedra Rd. Total cost is estimated to be \$675,000 with pavement would increase it to \$825,000. With this grant application of \$200,000, staff is looking into CDOT grant funding as well. County Administrator Schulte thanked the Council and town planner, James Dickhoff, for all the hard work on this project. Council Member Pierce asked about the easements, Town Planner Dickhoff explained that he has talked with all of the property owners and has had a

positive response; there will not be a delay in the application due to the easements. Town Manager Mitchem explained there are funds appropriated in 2011 for the engineering and easement costs. Council Member Volger moved to adopt Resolution 2011-11, which supports and authorizes the submittal of a Colorado State Parks and Wildlife State Trails Program non-motorized recreational trail grant for the Town to Lakes Trail, Council Member Hart seconded, motion carried with one nay (Council Member Pierce).

V. OLD BUSINESS

- 1. Reservoir Hill Plan** - Town Council tasked the Town Tourism Committee to develop a business plan for possible recreational amenities on Reservoir Hill. The Reservoir Hill Task Force designed the project to provide needed infrastructure and additional recreational amenities with the goals to increase tourism in Pagosa Springs and Archuleta County by (1) increasing lengths of stay, (2) converting a larger percentage of first time visitors into repeat visitors, (3) increase number of day trip visitors from competing tourism communities in the area and (4) attracting new visitors to the community. By developing and linking enhanced year-round recreational opportunities, the project seeks to create an epicenter of recreational, cultural and artistic opportunities in Pagosa Springs. The environmental impact to Reservoir Hill is less than 3.5 acres of the Town-owned 110 acres. A projected 50% increase in overnight visitation, the Town would see an increase of at least \$300,000 annually in sales tax revenue, plus an additional \$100,000 to \$200,000 increase in lodger's tax collections. The proposed amenities include an amphitheatre, chair lift, tethered hot air balloon, observation tower, zip line, alpine coaster, restrooms, and a spray-ground that would be located in a downtown park using geothermal heated water. The estimated profit from the proposed amenities is \$1.5 million annually, after labor and services for these amenities; the net profit to the Town is estimated at \$178,000 annually. Mr. Mark Weiler explained the voters request to impose a lodger's tax creating the town tourism committee (TTC). This plan is a year's worth of work to increase tourism and he compliments the brilliant work of the TTC and encourages the council to support the plan. Mrs. Mary Green does not support the commercialization of the town's little mountain. Mr. Rich Lindblad, executive director of the Community Development Corporation of Pagosa Springs, commends the work completed by the TTC. He said Pagosa Springs is a tourist community and supports moving forward with leadership like the TTC has provided. Mrs. Lisa Reeve thanked the TTC for the great work on this plan. She explained the bottom line is jobs for the community in every age group not just with the proposed amenities but the local businesses that will be staying open later and be busier. Mr. Bill Kinsley says he supports development on the hill for the local kids like his four boys. Mr. Thad McKain thanked Mr. Jerry Jackson for the presentation and Ms. Jennifer Green, Tourism Director, for all her hard work. He feels the development would be a great opportunity for this town. Mrs. Joan Slavinski is the owner of Sunetha Property Management and believes there is a real need for these amenities to the town and believes the development will not destroy the area. Ms. Mary Joe Coulehan, Director of Chamber of Commerce and Visitor Center, is excited about the vision and forward motion of the plan. Mr. Dutch English owns a local business in town and is excited to see the town moving forward. Mr. Cappy White, local business owner, said the lack of the visual impact on the hill is important; he encourages professionals to assist in solidifying the final visual concept. He would like to encourage improvements to the downtown main street businesses as well as moving forward with the hill idea. He is interested in the financing costs and believes the town's needs to be top notch. Council Member Volger has been in the community since the 1970's and is excited to see the community grow and provide opportunities for the younger generation to stay in the area to raise their families. Council Member Pierce confirmed the approval of the conceptual plan and agrees to move forward with public input and would like to look into necessary amenities. She challenged the CDC to look for companies who would provide these amenities and not require the town to take on the responsibility of these amenities. Council Member Lattin grew up in

Pagosa and has raised her kids and is excited to walk to these new amenities with her grandkids. She thanks the TTC staff and committees for all their hard work, and is in total support of the development plan. Council Member Bob Hart, as chair of the TTC, supports the plan. Town Manager Mitchem explained there will be minimal expenditures at this time and information will be brought to council after public input and options become available. Council Member Cotton moved to approve the conceptual development plans for additional recreational amenities on Reservoir Hill and allow the TTC and staff to pursue funding options, Council Member Holt seconded, unanimously approved.

2. **October Sales Tax Brief** - In October, the Town of Pagosa Springs' sales tax revenue decreased by **-1.97%** or **-\$5,705** compared to October, 2010 (base on August retail sales). Year-to-date (January through October) sales tax revenue reflects an increase of **+4.22%** or **+\$103,444**. If the audit related increases are excluded, the Town's year-to-date sales tax revenue reflects an increase of **+.65%** or **+\$15,921** when compared to the same period in 2010. No changes in expenditures are required.

VI. DEPARTMENT HEAD REPORTS

1. **Parks and Recreation Department Report** - This year's soccer season concluded Oct. 13; youth volleyball for ages 9-12 begins Oct. 17 and will run through mid-November. This year's volleyball program includes 100 participants, up from last year's total of 89. The parks crew has been winterizing summer equipment and preparing winter equipment for the upcoming, snow-removal season. A portion of the larger, older Ponderosa pines and spruce trees on Reservoir Hill have recently been treated with beetle repellent as a precautionary measure, and future treatments of old-growth trees on the hill will continue, budget permitting. Wet weather last week slowed construction of the Yamaguchi Park restrooms, the Yamaguchi Park skate park is 70% complete, the project is still on schedule and should be completed before the end of the month. Council Member Pierce suggests getting the Parks and Recreation Commission involved in the Reservoir Hill plan.
2. **Town Tourism Committee Report** - Lodgers tax collections were up in August 2011, as compared August 2010, with an increase of 7.74%, or \$3,230.49 August 2011 was by far the strongest August on record, reflecting a 23.5% increase over 2007. Year to date in 2011, lodgers tax collections are up 4.22% over 2010. August 2011 saw a 42% decrease in fulfillment requests for printed materials versus August 2010; traffic in the Visitor Center was up 4.46% in August, as compared to 2010. Texas remains at the top of the states requesting fulfillment requests. Facebook fans are now close to 3,600. Four representatives Panquitch, UT made a trip to visit Pagosa Springs to learn more about what we were doing to attract tourists. Integrating the marketing efforts will be a focus of 2012.
3. **Planning Department Report** - Ecosphere Environmental and Davis Engineering are currently finalizing documents for submitting Army Corp of Engineers 404 permit application. Staff prepared and submitted a GOCO River Corridor Concept Paper on October 14, 2011; we will know the results of the paper in December. The Governors Energy Office (GEO) will be providing a REDT report in the near future related to the Town's Geothermal District Heating System. The contractor, TC Pipeline, will complete the 100 block of Lewis Street before the end of Asphalt season. TC pipeline will remobilize in early spring 2012 to begin construction on the 200 block and will fully mobilize during the 2012 summer school break to begin and complete construction in the 300 block before school resumes in late August 2012. The new vehicular directional sign project at North Pagosa Blvd is a little behind schedule, anticipated completion is October 28th. Staff continues to work with some well owners regarding the well owner agreement for the placement of monitoring equipment. Staff anticipates installation of well monitoring devices before winter for base line data collection during the winter and aquifer testing in the spring. A meeting with the School of Mines resulted in geophysical engineering research plans for the near future. Ms. Lisa Reeve commented on the limited parking in the downtown area, and to consider additional parking options for new

businesses. The Town to Lakes Trail project is moving forward with the adoption of Resolution 2011-11 approving the submission of a State Trails Grant. Mayor Aragon commented on the non-descriptive name of the trail and suggests Town to Pagosa Lakes Trail to give the trail a descriptive context. Town Planner Dickhoff explained the current plans (Comprehensive and Parks, Open Space and Downtown Masterplan) reference the section as the Town to Lakes Trail, but that a name change is certainly appropriate and perhaps a competition would be a good avenue to decide on a suitable name.

4. **Geothermal Department Report** - The startup of the heating system had several breakages. Six breaks last year and so far only three breaks in the system this year. Staff is working on a major leak in the court house main feed line, the section is leaking 8,000 gallons a day on that section of line, and repairs in the \$6,000 to \$9,000 range are imminent. The lines at the Methodist Church on Lewis Street require some repair as well. Mr. Whittington inquired about a pump system to supply additional GPM to the Springs Resort, staff is looking into options for pumping the effluent waters.
5. **Town Manager Report** - On October 6th, approximately fifty people attended the Colorado Geothermal Working Group meeting in Pagosa Springs. Staff from the Governor's Energy Office, as well as the national experts, complemented our community for its commitment to fully utilizing our geothermal and other natural resources to become more self sufficient and to promote economic growth. On October 7th and 8th, over two hundred people attended the 4th Annual Colorado Entrepreneurial MarketPlace meeting on in Pagosa Springs. The MarketPlace educational tracks included: agriculture, technology, finance, marketing, business development, and community development, as well as tours at Growing Spaces, Parelli Natural Horsemanship and Shy Rabbit Contemporary Arts. Greg Lopez of the US Small Business Administration and Mikal Belicove of Entrepreneur Magazine were keynote speakers at the MarketPlace. The recent firefighters training convention helped fill a shoulder tourism season.

VII. APPROVAL OF SEPTEMBER FINANCIAL STATEMENT AND ACCOMPANYING PAYMENTS – Council Member Holt moved to approve the financial statement and accompanying payments, Council Member Volger seconded, unanimously approved.

VIII. NEXT TOWN COUNCIL MEETING WEDNESDAY, NOVEMBER 2, 2011 AT 5:00PM

IX. ADJOURNMENT – Upon motion duly made, the meeting adjourned at 1:55pm.

**Ross Aragón
Mayor**