

AGENDA ITEM #15d.

CITY OF STEAMBOAT SPRINGS

Regular Meeting NO. 2016-20

Tuesday, October 25, 2016

City Council Members present: City Council President Magill, Council Member Connell, Council Member Ford, City Council President Pro Tem Lacy, Council Member Crossan, Council Member Meyer, and Council Member Sloop.

Staff Members present: Gary Suiter, City Manager; Tyler Gibbs, Director of Planning and Community Development; Kim Weber, Director of Financial Services; Julie Franklin, City Clerk; John Overstreet, Director of Parks and Recreation; Chuck Anderson, Director of Public Works; Dan Foote, City Attorney; Cory Christensen, Chief of Police; Mel Stewart, Fire Chief; Winnie DelliQuadri, Assistant to the City Manager; Shelly St. Pierre, Interim Director of General Services; Jon Snyder, Water Distribution and Collection Manager; and Ben Beall, City Engineer.

PLEDGE OF ALLEGIANCE

Liquor Licensing Authority Meeting – After roll call, the City Council will adjourn and reconvene in their capacity as the Steamboat Springs Liquor Licensing Authority and follow the attached Liquor Licensing Authority agenda.

CONSENT CALENDAR - PLANNING COMMISSION REFERRALS:

- PROJECT:** Ski Hill Subdivision, Parcel B (T Bar). DP-16-14.
PETITION: 5 year extension of Conditional Use Permit.
LOCATION: 2045 Ski Time Square Drive
APPLICANT: John Holloway
PLANNING COMMISSION VOTE: Approved 4-2 on October 13, 2016.

City Council President Magill read the project into the record.

City Council President Magill disclosed that he works with the applicant at times and frequents the establishment. Council felt it was appropriate for City Council President Magill to remain seated.

Council Member Meyer voiced concern with approving this for five years without any additional upgrade or improvement to the property. She suggested a two year term and then have Mr. Gibbs do a review for an additional two years.

City Council President Pro-Tem Lacy asked what kind of criteria Mr. Gibbs would use for this review.

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City Council President Magill supports the Planning Commission's recommendation. There is inconsistency and subjectivity but what is the risk to the community for five more years? Council Member Meyer noted that staff advocated for two years.

Council Member Connell agrees with City Council President Magill and the Planning Commission; five years will give them certainty in their business plans.

City Council President Pro-Tem Lacy asked if in two years no change, would we say no? Council Member Meyer stated not now, but there may be redevelopment.

Mr. Holloway, applicant, noted that they sent out surrounding property owner notification and received no complaints or comments.

PUBLIC COMMENT: No one appeared for public comment.

CONDITIONS:

1. The temporary structure must be removed from the site no later than five years from the date of approval or when the lease between the business owner and land owner terminates, whichever is earlier, unless the temporary structure receives another extension.
2. The temporary structure approval will terminate if the restaurant/bar use is inactive for more than one year.
3. The temporary structure approval shall only be good for the use of the structure as a restaurant/bar.
4. Access for emergency vehicles through the parking area must be maintained at all times.

MOTION: City Council President Magill moved and Council Member Council Member Sloop seconded to approve the Ski Hill Subdivision five year extension of Conditional Use Permit with conditions 1-4.

The motion carried 5/2. Council Members Ford and Meyer opposed.

Council Member Meyer stated that she opposed because this is a land use decision.

2. **PROJECT**: Storm Meadows Club THS Condo Units 1 & 2. DP-16-15.
PETITION: Conditional use request to allow a single family home in the RR-1 zone district.
LOCATION: 2405 Storm Meadows Drive.
APPLICANT: Gary Burge, c/o Caryn Mielke, Steamboat Engineering and Architectural Design.
PLANNING COMISSION VOTE: Approved 6-0 on October 13, 2016.

City Council President Magill read the project into the record.

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He disclosed that he worked for Storm Meadows homeowners association two years ago and has a non-paying work relationship with Steamboat Engineering and Architectural Design. Council felt it was appropriate for City Council President Magill to remain seated.

MOTION: Council Member Sloop moved and Council Member Meyer seconded to approve the Storm Meadows Club THS Condo conditional use request to allow a single family home in the RR-1 zone district.

The motion carried 7/0.

STEAMBOAT SPRINGS REDEVELOPMENT AUTHORITY MEETING – AFTER THE PLANNING CONSENT CALENDAR, THE CITY COUNCIL WILL ADJOURN AND RECONVENE IN THEIR CAPACITY AS THE STEAMBOAT SPRINGS REDEVELOPMENT AUTHORITY AND FOLLOW THE REDEVELOPMENT AUTHORITY AGENDA.

AT THE CONCLUSION OF THE STEAMBOAT SPRINGS REDEVELOPMENT AUTHORITY MEETING, THE CITY COUNCIL WILL RECONVENE AS THE STEAMBOAT SPRINGS CITY COUNCIL AND PROCEED WITH THE FOLLOWING AGENDA:

COMMUNITY REPORTS/CITY COUNCIL DISCUSSION TOPIC:

3. West Steamboat Annexation – Water Discussion.

Mr. Anderson spoke to existing and future water infrastructure and noted that staff has provided four general alternatives for Council to consider. He reviewed the narrative that the applicant provided and noted that staff has provided a hybrid recommendation.

David O'Neill, Brynn Grey, provided a PowerPoint presentation reviewing the following: West Steamboat Neighborhoods; and challenges of building workforce housing.

Melissa Sherburne, Brynn Grey, spoke to: the Gateway neighborhood; the four issues being the water tank, the pressure release valve and booster valve, looped infrastructure and the issue of redundancy.

Mr. O'Neill spoke to the West Area Water Tank as a "has to happen"; it is a preexisting condition and the pressure release valve needs to happen. The looped infrastructure question is not an if, but a when. The cost of \$1 million up front is prohibitive and they propose to put in a dead end main and complete it before the second neighborhood is completed. The concerns are freezing, water quality and risk. There would be 5-7 years where the Gateway neighborhood would have a single line.

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With respect to redundancy, the \$16 million would benefit the west area and the whole community. It is in the plan regardless of whether they are here or not. They can't afford that. If 20% of the Gateway neighborhood were sold at market rate that could "chip away" at the \$16 million.

He stated there are 2 questions. Physically can the City provide the water? From a policy standpoint is it in the best interest of the community? For #1 he thinks yes. #2 is a complicated issue of how to balance competing interests to get this type of workforce housing.

Discussion took place relative, but not limited to: annexation of the whole parcel not just the first phase; waiving the City's Water Rights Policy; defining workforce housing; taking it to the voters; infrastructure costs to firm up the Elk River Water Supply and a future treatment plant; looped infrastructure; redundancy for the City; upstream storage; raw water rights portfolio; water conservation; equivalent residential units; House Bill 08-1141 and metro districts.

PUBLIC COMMENT:

Mr. Scott Wedel countered the argument for annexation regarding gaining control; the County won't stop an annexation if the community wants it. He voiced concern with the lack of water conservation.

Mr. Paul Stettner stated that their proposal would require the City to change the Water Rights Dedication Policy that states that new development bears an appropriate share of the cost to provide water and water supply, and dedication of water rights. There needs to be a water demand report and he stated that performance bonds would protect the City. He does not believe that citizens should be put at risk for this project. Additionally, Mt. Werner would not contribute any of their water rights to this.

Mr. John Wade stated that affordable housing is an important, county-wide issue but the City can't count on property tax for water or roads. He asked that Council challenge the developer to bring a better solution; this can't be at the City's risk. He would love to see this work.

City Council President Magill noted the need to renegotiate or get another proposal from the developer. He does not support this proposal.

City Council President Pro-Tem Lacy would be excited to get affordable housing but is concerned that we do not have all the pieces for a long range plan. We need the Elk River storage rights in place first. The current proposal has too much risk for the City, and no guarantees or performance bonds from the developer. The zero dollars for water rights is a non-starter for him, as well as the staff costs in the memorandum of understanding (MOU) (only \$10,000). It could be well over \$100,000 for this process. He is happy to partner but that is too low.

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Council Member Connell stated that there are some positives and it would be a shame if this did not work. He stated that he is more optimistic tonight than ever and is interested in the Steamboat Lake water storage opportunity. He stated that we are a family friendly community so we need housing, but we need some other financing mechanism to make it happen. He does not think the first two neighborhoods are too risky but we need a wide range of unit prices. There are other water options; there is a way to make this work with the absorption rate and some triggers.

Council Member Crossan agrees; she is optimistic even though there are many hurdles. We need to take care of upriver Elk River storage first. She is okay with only annexing the Gateway neighborhood first and doing it in phases.

Council Member Ford spoke to the West Steamboat Springs Area Plan and asked if this is something we want to happen if we can put all the pieces in place. He thinks it is a great opportunity and would like to figure out a way to do this.

Council Member Meyer stated that Council has the fiduciary responsibility to its citizens to not to put them in harm's way. There is opportunity here as well as risk. She is okay with continuing the discussion but noted that City needs to solve the redundancy issue no matter what. She does not want the City to bear the risk of a failed development. We are sales tax based and adding residential units puts a burden on all the City's core services. There are some solutions and she would like to see the developer modify the proposal to have more of a partnership and better risk sharing.

Council Member Sloop noted the need to address what we are trying to fix. She wants to be cautious and not jump in feet first. There needs to be a lot of assurances and asked that the developer trust the City and do a mini annexation. She wants a very phased approach; she wants the result but not the massive financial burden.

Mr. O'Neill reviewed the MOU speaking to: it is non-binding; 52 units a year max; the initial threshold; and the charge for staff time.

City Council President Magill suggested requiring a deposit of \$10,000 to bill against it and when it is gone we will need more. **UNANIMOUS CONSENT**

PUBLIC COMMENT: No one appeared for public comment.

GENERAL PUBLIC COMMENT

Ms. Tammy Havener, Family Development Center and Human Resource Coalition, thanked Council for the budget allotment. She spoke to how the funding benefits the community like Discovery Learning Center scholarships; the Newborn Network that serves 65 children; and the Childcare Network that provides referrals.

CONSENT CALENDAR: MOTIONS, RESOLUTIONS AND ORDINANCES FIRST READINGS

4. **RESOLUTION: A resolution reappointing the Municipal Court Judge and Deputy Municipal Court Judge and fixing compensation for both positions.**

City Council President Magill stepped down.

City Council President Pro-Tem Lacy read the resolution title into the record.

Council Member Meyer stated that staff has recommended to add health benefits; what is the cost of that and how many hours? Ms. Weber stated that the City is self-funded and it depends on the person's health. Full costs divided by employees is about \$12,000.

Council Member Meyer stated that makes a 50% increase to the Judge's salary.

Mr. Foote stated that the issue is that he needs to be salary so the City can withhold payroll tax. He clarified that this is only for the Judge, not for the deputy. The court meets twice a month for approximately 2-4 hours per session. There is some routine time to review documents, sign orders and have an occasional hearing.

Mr. Paul Sachs, Municipal Court Judge, clarified that it is an average of 25-30 hours a month.

Council Member Connell thanked Mr. Sachs for his service, noting that he has not received a raise and his wage is below market. He asked if he would prefer to be brought up to market or have a cafeteria plan?

Sachs stated that there are a few municipalities that do a hourly basis for the Judge. Most are contract, some have benefits some don't. He would prefer health insurance. There is an Internal Revenue Service ruling that he needs to be treated more as an employee and taxed.

Council Member Crossan suggested adjusting his salary and paying the market rate.

Mr. Foote estimated the average hourly rate to be \$250/hour. The City pays its hearing officer \$225/hour.

Council Member Sloop stated that \$100/hour less taxes is "insanity". He is not asking for a raise; he just wants health care.

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PUBLIC COMMENT:

Mr. Scott Wedel stated that health benefits are better for him than cash.

Council Member Meyer stated that it would be very helpful to have an update from Municipal Court so council can be more informed (what's working well and what needs to be improved). Mr. Sachs stated he would be happy to do that.

MOTION: Council Member Sloop moved and Council Member Ford seconded to approve a resolution reappointing the Municipal Court Judge and Deputy Municipal Court Judge and fixing compensation for both positions.

Discussion during the motion:

Council Member Connell supports this but as a "one off deal" and not for other part time employees. He thinks it needs to be looked at again in 2 years.

Council Member Crossan asked that contract renewals to be brought to Council six months before they expire, not when it needs to be done.

The motion carried 6/0. City Council President Magill stepped down.

City Council President Magill returned to the meeting.

5. **FIRST READING OF ORDINANCE: An ordinance revising the Revised Municipal Code Sections 25-201, 25-203, 25-216, 25-218, 25-219, and 25-220 relating to City water and wastewater service rates and tap fees as they apply to the City and its wholesale customers, Mt. Werner Water and Sanitation District, Tree Haus Metropolitan District, and Steamboat II Metropolitan District; providing an effective date and repealing all conflicting ordinances.**

City Council President Magill read the ordinance title into the record.

City Council President Magill stated that he is looking to see this "lengthened out a little more", like six years.

City Council President Pro-Tem Lacy asked how that would affect the City's bonding ability. Ms. Weber stated it would mean cash funding and not issuing bonds; or decrease spending on infrastructure improvements and push stuff out.

PUBLIC COMMENT:

Mr. Scott Wedel stated that this structure has a very high base fee and low per gallon fee and does not discourage consumption. He suggested looking at other communities in the semi-arid west for a lower base fee and very aggressive water conservation program.

Mr. Snyder spoke to some aggressive tier rate structures and noted that staff did look at comparables that were included in the rate study. City codes would need to be changed for more aggressive rules on watering lawns etc.

Mr. Scott Wedel further spoke to water regulations in California.

Ms. Weber stated that this plan has a built in conservation rate, based on the conservation plan Council has adopted.

Council Member Meyer would like to consider if the rate structure goes far enough to encourage water conservation.

Mr. Suiter stated that this is designed to encourage conservation in the basic tiered structure with not too much of an impact on budgets and not be too aggressive politically. If it were to be more aggressive, it needs to come from Council, not staff.

MOTION: Council Member Crossan moved and Council Member Connell seconded to approve an ordinance revising the Revised Municipal Code Sections 25-201, 25-203, 25-216, 25-218, 25-219, and 25-220 relating to City water and wastewater service rates and tap fees as they apply to the City and its wholesale customers, Mt. Werner Water and Sanitation District, Tree Haus Metropolitan District, and Steamboat II Metropolitan District; providing an effective date and repealing all conflicting ordinances.

The motion carried 6/1. City Council President Magill opposed.

PUBLIC HEARING: MOTIONS, RESOLUTIONS AND ORDINANCES

6. SEOND READING OF ORDINANCE: Seventh Supplemental Budget Appropriation of 2016.

City Council President Magill read the ordinance title into the record.

City Council President Magill noted that this is for flushable toilets and T box upgrades and asked if they could do half of each.

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Mr. Katie O'Hara, Golf Committee member, was present. She stated that they need a specialized crew to install T boxes and it makes sense to do them all at once. And they save on shipping by getting the toilets all at once. The T boxes are in next year's budget and the toilets need to be ordered now.

Council Member Meyer asked if there will be an increase in the per round fee over 5 years. Ms. O'Hara stated that that is not included in this ordinance but they probably will increase fees and have done so every year.

Council Member Connell asked if the Committee has visited other golf courses that have these toilets. Ms. O'Hara stated that there is only a couple in Colorado and they have not. Council Member Connell suggested they do so and ask about winter conditions.

Council Member Crossan asked how many years the company has been in business and what is their repair record?

MOTION: Council Member Sloop moved and City Council President Pro Tem Lacy seconded to approve the Seventh Supplemental Budget Appropriation of 2016.

The motion carried 7/0.

PARKS AND RECREATION COMMISSION REPORT

A written report was provided.

PLANNING COMMISSION REPORT

No report was provided.

PUBLIC HEARING – PLANNING COMMISSION REFERRALS

- 7. PROJECT:** DP-16-05 Alpiner Lodge Conditional Use. (Bessey/Gibbs)
PETITION: Extension of October 31, 2016 deadline
LOCATION: 424 Lincoln Avenue
APPLICANT: 420 Lincoln LLC c/o Chris Paoli

City Council President Magill read the project into the record.

Council Members Lacy and Connell stepped down.

Mr. Foote also stepped down.

Council Member Sloop asked about extending to the end of the month instead of the 16th? Mr. Gibbs stated that staff has been working with applicant on these improvements for quite some time and felt this was appropriate. They are trying to prepare the property to house ski workers.

MOTION: Council Member Sloop moved and Council Member Ford seconded to approve extending the extension of the deadline to November 30, 2016.

The motion carried 5/0. Council Members Lacy and Connell stepped down.

Council Members Lacy, Connell and Mr. Foote returned to the meeting.

REPORTS

8. City Council

Council Members Ford, Meyer and Crossan provided written reports.

City Council President Pro-Tem Lacy spoke to the Mainstreet Retail Study noting that it has a lot of interesting information and good recommendations on land use.

9. Reports

a. Agenda Review:

- 1. Regular Meeting November 1, 2016.**
- 2. Regular Meeting November 15, 2016.**

Council reviewed the above agendas.

10. Staff Reports

a. City Attorney's Update/Report.

- 1. Butterfly/Arnold Barn Update.**

Mr. Foote stated that we are coming to a decision point and there are questions about the structure and who to name as the defendant in the lawsuit. The "Save the Barn Committee" may be producing some information so he would like to postpone Executive Session to November 15, 2016. **UNANIMOUS CONSENT.** He further noted that he may have a potential conflict because of his wife's real estate listing in Wildhorse.

b. City Manager's Report.

Mr. Suiter provided a written report. He further gave kudos to City staff for winning three awards in the "Best of the Boat" competition (best daycare, best local garden, and second place for the best golf course).

He stated that for the community survey he would like to use same steering committee model as last time. He needs to have two Council members participate. City Council President Pro-Tem Lacy and Connell volunteered.

He noted that he would like to speak to the Free Summer Concert Series Committee about having a Wednesday or Thursday concert. **UNANIMOUS CONSENT.**

With respect to downtown Christmas lights he has been working with Ms. Lisa Popovich and Christmas Decor. It would be \$35,000 for turnkey lighting. He is suggesting asking Mainstreet to split the cost.

Council Member Meyer asked what the 2-3 year plan is.

Ms. Popovich stated that \$35,000 is what we can do immediately and the contract with Christmas Décor is year to year. The power source will be coming from a different place, not the trees. It will have to drop from above from the businesses. She stated that she will do her best to raise the money for the difference; this is why we need a Business Improvement District (BID).

Council Member Ford asked if this is time sensitive. Ms. Popovich stated yes; they need to get the lights up and the contractor has other projects. She needs to find the power sources as well.

Mr. Dustin Lindahl, Christmas Décor, stated that Ms. Popovich will do the power work and they will provide the lighting. There will only be lights in trees where there is power.

Mr. Suiter stated that if there is an issue he will come back to Council and recommend ending the contract. He noted that there is \$60,000 in the City Manager contingency fund.

Mr. Lindahl added that the service will include tree trimming. They do basic shaping so that the trees are out of the way of plows and cars. They will need to be trimmed annually.

Mr. Overstreet clarified that the Parks staff does trim the trees annually.

PUBLIC COMMENT:

Ms. Linsey Dillenbeck, FM Light, stated that in the unscientific poll in the newspaper 75% said that the City should pay for the lights. Lincoln Avenue is our “main drag” and our “bread and butter” and the retail and restaurants provide a lot of sales tax. There is lots of money for the City in taxes that comes in from Lincoln. She compared this to how much money we have been putting in on Yampa and asked if the City is willing to back this every year? This is what taxes are for.

Council Member Sloop asked why Council is choosing which streets to light up year round? We light Yampa year round.

Council Member Ford stated that we heard from Mainstreet that they are reconsidering another BID. Two have failed; the most recent one because it was intertwined in the Urban Renewal Authority. The City is making huge investments in downtown improvements on Yampa and Oak, but there is not much going to Lincoln. Locals enjoy the lights as well and he is not sure that Mainstreet could raise the money to meet us half way right now. He supports funding the full \$35,000 with the understanding that Mainstreet will work on another BID. Also, Council has \$10,000 in its contingency. He wants to move forward.

Council Member Sloop asked about the costs for year-round lights. Mr. Lindahl stated that he requires a 10% deposit to leave up year round. Otherwise it is the same price. There is quite a bit more wear when they are up year round.

Mr. Suiter reiterated that the direction is to light Lincoln year round with the City paying the full \$35,000. **UNANIMOUS CONSENT.** City Council President Pro-Tem Lacy noted the need to get a commitment for a future funding mechanism.

Mr. Suiter continued his report by noting that the Howelsen Hill LIDAR will be starting soon and that staff has extended the request for proposal deadline for ski area operations and maintenance. Staff will be sending it out to all resorts members of the National Ski Resort Association.

Further notes:

1. Staff will be working on a new sound system for the Community Center.
2. Work on the Elk River Road/US40 intersection will begin summer of 2017 and there will be significant traffic delays.
3. The Yampa Street utility changeover is targeted for November and there will be electrical outages from midnight to 5am on a specific date.
4. Après Ski Way village paving will begin next week.
5. Police and Fire calls continue to increase.

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Discussion on terminating the City's Associated Governments of Northwest Colorado (AGNC) membership: City Council President Magill spoke to grants we get from them. Mr. Suiter stated that the City does not need to belong to two COG's. City Council President Pro-Tem Lacy noted that they got us in the enterprise zone; would this put that in jeopardy? Ms. DelliQuadri stated that it is the Economic Commission that makes that decision and not being a member probably would not impact that. But it would impact them "going to bat" for us. Although there is not much of that; it is mostly a standard process.

It was also noted that the AGNC distributes funding for the Council on Aging and the Visiting Nurses Association.

UNANIMOUS CONSENT: Discontinue the City's membership.

EXECUTIVE SESSION

To discuss the topics set forth below. The specific citation to the provision or provisions of C.R.S. §24-6-402, subsection (4) that authorize(s) the City Council to meet in an executive session is set out below. The description of the topic is intended to identify the particular matter to be discussed in as much detail as possible without compromising the purpose for which the executive session is authorized:

1. C.R.S. 24-6-402(4)(b) Conferences with an attorney for the local public body for the purpose of receiving legal advice on specific legal questions and C.R.S. 24-6-402(4)(e)(I) Determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators. This item pertains to acquisition of real property.
2. C.R.S. 24-6-402(4)(b) Conferences with an attorney for the local public body for the purpose of receiving legal advice on specific legal questions. This item pertains to potential enforcement action relating to the Butterfly/Arnold Barn.

The above Executive Session did not take place.

ADJOURNMENT

MOTION: Council Member Crossan moved and Council Member Meyer seconded to adjourn at 9:43pm.

The motion carried 7/0.

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MINUTES PREPARED, REVIEWED AND RESPECTFULLY SUBMITTED BY:

Julie Franklin, CMC
City Clerk

APPROVED THIS ____ DAY OF ____, 2016.

DRAFT