

CITY OF STEAMBOAT SPRINGS
SPECIAL MEETING NO. SP-2006-12
THURSDAY, JUNE 15, 2006

MINUTES

Mr. Ken Brenner, City Council President, called Special Meeting No. SP-2006-12 of the Steamboat Springs City Council to order at 6:04pm, Thursday, June 15, 2006, in Centennial Hall, Steamboat Springs, Colorado.

City Council Members present: Ken Brenner Susan Dellinger, Towny Anderson, Loui Antonucci, Steve Ivancie, Kevin Kaminski and Paul Strong.

City Staff Members present: Wendy DuBord, Interim City Manager; Anthony B. Lettunich, City Attorney; Julie Jordan, City Clerk; Julie Franklin, Deputy City Clerk; Tom Leeson, Director of Planning Services; Doug Scherar, Police Officer; and Josh Carrell, Police Officer.

NOTE: All documents distributed at the City Council meeting are on file in the Office of the City Clerk.

CITY COUNCIL REVIEW TOPIC

1. Westland Mobile Home Park Relocation Assistance/Development of Distribution Plan.

Mr. Lettunich stated that on March 28, 2006 City Council approved the Development Plan for Riverwalk. Condition 1 of the Plan stated that the developer will make a \$1.5 million financial contribution to the City as public benefit for the vacation of the right of way (ROW). The timing of the need of the vacation and when the money would get paid was a question. It was decided that prior to the passage of the vacation ordinance the developer will provide the City with the money or a letter of credit; the money to be immediately available to the City to disburse for the preservation and production of affordable housing in the community (minus financial obligations not paid by mobile home owners). There was an assumption that the developer would move ahead with a Final Development Plan (FDP) prior to paying the money, but the developer may want to pay the money and seek the vacation prior to the FDP. Mr. Lettunich doesn't see a problem with this request.

Ms. Kathi Meyer, President of the Yampa Valley Housing Authority, gave a history of their involvement in this issue. She spoke to their recommendation regarding compensation as stated in their letter dated March 22, 2006. She

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stated that the Housing Authority will assist in the administration of the fund for a small fee, and any remaining funds would be deposited with the Housing Authority, the terms to be specified by Council.

The Yampa Valley Housing Authority (YVHA) recommendations as stated in the March 22, 2006 letter are as follows:

1. The schedule of 2003 actual values for each qualifying mobile home from the Routt County Assessor's Office would be the basis of the compensation.
2. Owner/occupants of mobile homes who owned their mobile home as of April 30, 2003 and who have continuously occupied the mobile home as their primary residence would receive 85% of their 2003 actual value.
3. Owner/investors, or those who do not live in their mobile home as a primary residence as of April 30, 2003 and who rent out their mobile home, would receive 30% of the 2003 actual value.
4. Any tenant who is, and has been renting a unit continuously since prior to April 30, 2003 would receive a one time amount of \$1,000.
5. Those who have accepted previous assistance and have transferred title to Mr. Cook are not entitled to any further payment.
6. Mr. Cook's \$250,000 is net of any unpaid rents, unpaid taxes, or liens on specific lots.
7. If the total amount of relocation assistance exceeds the original \$500,000 in accordance with the formula recommended by YVHA, then the balance should come from more funds provided by the City.
8. The relocation assistance may be used for any purpose, although the YVHA recognized that each household would still have housing expenses and it is their hope that relocation assistance would be used for securing housing in Routt County.
9. The YVHA recommends that the entire amount of relocation assistance reimbursement be deposited in a restricted account held by YVHA.
10. YVHA would expect to be reimbursed by the City an administrative fee of \$5,000 for determining eligibility and coordinating payments to qualified Westland residents.
11. Any remaining funds should be deposited with YVHA for housing purposes, the terms of which may be specified by City Council.

COUNCIL DISCUSSION:

Council Member Antonucci feels that putting any requirements on the use of the relocation assistance would be too difficult to enforce.

City Council President Brenner noted that the YVHA 's final recommendation was split regarding the earmarking and the payment amount. Ms. Meyer stated that

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some members would only support this if there was a restriction, and another felt that only owner/residents should be compensated.

Mr. Lettunich stated that the City has also recently received a request from Ms. Jill Brabec, the developer's attorney, that City Council consider payments be made to the mobile home owners prior to vacation of the ROW. The payments would be credited to the \$1.5 million. If the ROW vacation was not approved, the money would be forfeited.

Council Member Anderson stated that the risk for the City is to have a vacated ROW on an undeveloped, unsold property.

City Council President Brenner stated that accepting money up front, may give the appearance that Council would be more likely to approve the FDP.

Mr. Lettunich is also concerned with this expectation, and noted that the developer is requesting to have the ROW ordinance read on June 27 and July 18, 2006.

Council Member Strong stated that the longer the Westland tenants have to vacate the homes, the less pressure they have to find new housing. He feels that summer and early fall are better times to be looking for a home, and it seems they would have the need for those monies if the timeline were compressed.

Council Member Antonucci stated that at the rate that real estate is increasing in price, the longer the residents are delayed the harder it will be to purchase anything.

Council Member Kaminski clarified that this money is not enough to purchase real estate in the City.

Council Member Anderson stated that although Council Member Kaminski's comment is true, the developer isn't required to provide this money; therefore what is happening is extraordinary.

Mr. Jim Cook, Riverwalk Steamboat, LLC, stated that the reason they offered the money early is because summer is the easiest time to move, they are not concerned with the FDP. He stated that he is opposed to having strings tied to the relocation funds; people should be able to use the money how they like. As far as money for owners and owner/investors, he feels that people who have rented their units out for a long time have an investment, and investments can be risky. He would rather see the money go to the primary residences.

PUBLIC COMMENT:

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Mr. Peter Lewis feels that all owners of trailers should be paid 100% of the previous assessed value. They are not making profit; they are just trying not to take a loss. However, he stated that a lot of people have worked on the current Housing Authority proposal and he feels that it is the best thing to accept it. He wants to use the funds for housing, but noted that it won't get him very far. He feels that it is not as important to receive funds sooner, as it is to know as soon as possible that the funds are coming.

Ms. Christina Allevato is thankful for the compensation package, stating that it is more than they expected to get. She feels it is fair that YVHA split the money, half to the YVHA and half to the tenants. She stated that there are people are trying to sell their mobile homes, and she is donating hers to an Indian reservation. She feels that the compensation should be handled on an individual basis and noted that she would like to stay in her home as long as possible.

Mr. Mark Freirich feels that the compensation should be based upon a formula that makes logical sense. He stated that Colorado Revised Statutes states that mobile home leases are perpetual as long as rent is paid on time. He feels that the City is a partner in the Riverwalk development and questioned how far it is willing to go to accommodate the needs of the residents of the park. He feels that both owners and owner/investors will lose significant investments in their homes. The question is how to compensate those who have to relocate. He does not support any restrictions on the use of the relocation funds. He feels they should be paid 100% of the 2003 assessed value plus 5%, and should be able to stay in their homes until May 15, 2007.

Ms. Sherry Phillips appreciates this compensation and asked that Council consider the proposal to expedite the process this summer because it is the best time to move.

Mr. Raymond Uhl stated that the funds won't go far in Routt County and does not support any restrictions on the funds. He feels that the relocation funds should be assessed on an individual basis because people have different situations, and that any funds below the \$ 500,000 should go towards the owner occupied units.

Mr. Dan Woycio feels that mobile homes are a necessary affordable housing, although it is better to own the land under them. He feels the relocation assistance should include the cost of moving the trailers.

Ms. Lisa Ciraldo-Freese feels that all owners should be equally compensated. However, if not, then all owners as of April 30, 2003 should be equally compensated.

Ms. Bobbi Hodge feels this "taking" borders on eminent domain, and the residents deserve fair compensation. She feels it is time to stop developers from "ripping off" the less affluent individuals in the community.

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Ms. Susie Moran feels that everyone should receive 85% of the assessed value and there should be no restrictions on the money.

Mr. Willard Marshall noted that the law states that if someone's property is taken, they should be justly compensated. He stated that 85% will not replace their housing.

Ms. Olivia Lucero feels that all owners should be equally compensated.

Mr. Michael Freese voiced concern that this situation is driving the property value down for other mobile home owners in the community and questioned if they will they lose their homes as well.

Mr. Raymond Uhl questioned if there is a conflict between the YVHA's need for funding and their need for compensation.

Mr. Eric Skinner noted that renting out their mobile home was the only way they could work towards buying something else. He feels that all owners should be equally compensated.

The following questions were posed for Council discussion:

1. Is Council in favor of some kind of distribution from the money from Riverwalk Development? **UNANIMOUS CONSENT:** Yes.
2. Who should distribute the money, City Council or the YVHA? **UNANIMOUS CONSENT:** Council needs more information, this can be decided later.
3. Does Council support only the relocation assistance offered by the Developer? **UNANIMOUS CONSENT:** No.
Does the \$4,000.00 offered from the developer count against the \$250,000.00. Per Mr. Lettunich, no.
4. Does Council support the proposed plan submitted by the YVHA in March 2006? **UNANIMOUS CONSENT:** It is a good place to start.
5. How much money, \$250,000.00, \$500,000.00, or more? Council Members Ivancie, Antonucci and Kaminski support no less than \$500,000.00. Council Member Anderson questioned option 3, more, in an aggregate amount. Council Member Strong voiced concern because this is vacating a public ROW with benefit going to a small number of people, however he supports \$500,000.00 as a starting point. City Council President Pro-Tem Dellinger stated that other mobile home residents in the community will not have this opportunity;

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she would like to see a public benefit that stops this from happening again and affects a change. With that said, she supports \$500,000.00. City Council President Brenner agrees with Council Members Dellinger and Strong and supports no more than \$500,000.00.

6. Should all the money be distributed for relocation assistance, development of affordable housing, a combination, cash payment above the \$4,000.00 offered by the developer, or some other purpose?
UNANIMOUS CONSENT: There shall be no restrictions on the relocation assistance.

Council Member Anderson suggested that any balance be dedicated to the purchase of land to develop a mobile home park. Council Member Ivancie supports the remainder going in that direction but would like to help people own the land under the mobile home. City Council President Pro-Tem Dellinger does not support specifically identifying mobile homes because they are hard to finance.

7. Should there be different distributions to the unit owners for various ownership situations, owner occupied unit versus leased/rental unit?

Council Member Kaminski stated that if they are looked at separately, all the situations would need to be broken down, he suggested looking at a graduated schedule.

Council Member Ivancie feels that the priority should be the people who are being displaced from their homes, then comes the investor who is not being displaced, and then the renter. He supports the YVHA proposal.

City Council President Pro-Tem Dellinger stated that it may not take that long to figure out the specific resident needs and suggested a graduated schedule.

Council Member Antonucci stated that a graduated schedule is not necessarily "black and white."

Council Member Anderson feels that investments are a risk and feels that owner occupied homes as of April 30, 2003 should be compensated as an owner.

Council Member Strong supports the YVHA proposal and is against looking at this on an individual basis. He would support looking at a graduated schedule but does not support compensating owners who have rented their units for 10 years.

City Council President Brenner supports the YVHA proposal and agrees with Council Member Strong.

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UNANIMOUS CONSENT: The sooner the better for residents to receive compensation.

8. Should there be different distribution to the unit owners for various ownership situations, relocating within Steamboat Springs/Routt County versus outside the immediate area? **UNANIMOUS CONSENT:** No.

The following question was also posed: Is Council comfortable with receiving the funds prior to approving the FDP?

Council Member Strong feels there is some perceived conflict but the public benefit outweighs this perception.

City Council President Pro-Tem Dellinger would rather have cash than a letter of credit. Mr. Lettunich stated that the letter of credit is cash after the second reading of the vacation ordinance. Mr. Cook clarified that this is his understanding.

MOTION: Council Member Strong moved and Council Member Ivancie seconded to approve the Yampa Valley Housing Authority recommendation, with right of way vacation ordinance readings on June 27 and July 18, 2006, relocation funds to be plus or minus \$500,000.00; **FRIENDLY AMENDMENT:** Council Member Anderson offered the following friendly amendment: owner occupied units as of April 30, 2003 to be compensated as owners; **FRIENDLY AMENDMENT:** City Council President Brenner offered the following friendly amendment: cap at \$500,000.00 plus or minus a 10% graduated formula for investor and utilize the YVHA to "tweak" the numbers if they get above \$550,000.00; **FRIENDLY AMENDMENT:** Council Member Strong offered the following friendly amendment: go in a straight line from January 2000 at 30% to April 2003 at 85%. The motion carried 6/1. Council Member Kaminski opposed.

Discussion during the motion:

Ms. Meyer suggested attaching a graduated schedule as an exhibit to the ordinance at first reading.

Mr. Lettunich clarified that with the formula established by the YVHA, the City could accept advance payment from the developer to begin dispersal, to be credited to the \$1.5 million, less deductions.

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Council Member Anderson acknowledged Ms. Christina Allevato and Ms. Bobbi Hodge for championing the rights of mobile home residents. He also acknowledged Mr. Cook for this significant contribution to these residents.

MISCELLANEOUS ITEMS

Council discussed a letter from the Steamboat Springs Health and Recreation Association regarding paying for the directed City Council facilitation.

City Council President Brenner stepped down and left the meeting.

Council Member Strong questioned if Council wants to continue with the facilitation and be responsible for the cost. Council felt it is important to facilitate between the Parks and Recreation Commission and Health and Recreation because a better understanding is needed. A major portion of the cost for facilitation will come out of Parks and Recreation budget and the City will pick up the balance.

MOTION: Council Member Strong moved and City Council President Pro-Tem Dellinger seconded to approve the City paying for the facilitation. The motion carried 6/0. City Council President Brenner had previously left the meeting.

ADJOURNMENT

MOTION: Council Member Strong moved and Council Member Antonucci seconded to adjourn Special Meeting SP-2006-12 at approximately 8:22pm. The motion carried 6/0. City Council President Brenner had previously left the meeting.

MINUTES PREPARED AND RESPECTFULLY SUBMITTED BY:

Julie Franklin

Julie Franklin, CMC
Deputy City Clerk

REVIEWED AND RESPECTFULLY SUBMITTED BY:

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Julie Jordan

Julie Jordan, MMC

City Clerk

APPROVED THIS 18th DAY OF July, 2006.