

CITY OF STEAMBOAT SPRINGS
SPECIAL MEETING NO. SP-2006-16

TUESDAY, AUGUST 29, 2006

MINUTES

Mr. Ken Brenner, City Council President, called Special Meeting No. SP-2006- 16 of the Steamboat Springs City Council to order at 5:10pm, Tuesday, August 29, 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: Alan D. Mr. Lanning, City Manager; Wendy DuBord, Deputy City Manager; Anthony B. Lettunich, City Attorney; Julie Franklin, Deputy City Clerk; Linda Kakela, Director of Intergovernmental Services; Tom Mr. Leeson, Director of Financial Services; Susan Peterson, Recreation Supervisor; and JD Hays, Director of Public Safety.

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

DETAILED DISCUSSION WITH APPLICANT

1. One Steamboat Place Community Housing Plan.

City Council President Brenner clarified that there will only be discussion on this item, no decision will be made at this meeting.

Mr. Leeson provided Council with copies of the Base Area Design Planned Unit Development (PUD) standards and Inclusionary Zoning (IZ) ordinances.

He noted that the IZ ordinance is more specific and the PUD ordinance has different square footage requirements. He further spoke to the Annual Median Income (AMI) differences in the ordinances. He noted the need to clarify when a fee in lieu payment is due, by, or prior to building permit issuance. It was determined that the fee would be based on whatever calculations are in place at time the permit is pulled.

Mr. Jim Wells, applicant team, stated that they agree with submitting under the IZ ordinance. For the record, they agreed with calculating the fee at time the building permit is pulled.

Mr. Robin Schiller, applicant team, noted that they did consider more deed restricted housing as suggested by Council, however, they still think that rental

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employee housing is more appropriate for this site, rather than for sale housing. They propose to add to three employee units to the already proposed on site units, for a total of eight units on site. They have researched off-site building options and don't think they can be accommodated. They feel that a public entity is better equipped to build affordable housing off-site and they are still proposing to pay the fee in lieu. They would also like to propose providing a grant of \$50,000 to be used to administer the fee in lieu. This grant to be delivered when the building permit is ready to be pulled.

Mr. Lettunich stated that the grant could be handled as a modification to the normal fee in lieu, or as an alternative compliance method.

PUBLIC COMMENT: No one appeared for public comment.

COUNCIL DISCUSSION:

Council Member Anderson is skeptical of the value of the affordable housing units on site; given type of project it is and where they would be configured in the building. He feels the employee units make more sense, be in demand, and are more desirable. He questioned how to leverage the fee in lieu and does the fee give the City the opportunity to activate a Land Acquisition Fund (LAF).

City Council President Pro-Tem Dellinger voiced concern that it could potentially be three years before the City gets the cash. She feels that getting housing now would be more appropriate and questioned if the developer would be willing to pay early. Mr. Schiller stated that they anticipate paying the fee next spring or summer. However, if they were required to build off-site, it could be two years away. City Council President Pro-Tem Dellinger questioned if they could pay the fee by March, 2007. Mr. Wells stated that he would have to discuss that with his staff. He stated that if they had final development permit approval, it may be considered. City Council President Pro-Tem Dellinger questioned how the City can parlay the cash into a better situation than building the units at the base area.

Council Member Antonucci feels that the issue is lack of available land, and any cash will benefit community, working in conjunction with the Yampa Valley Housing Authority (YVHA). He noted the need to "kick off" the base

area redevelopment, and feels this is a very difficult site to develop. He feels there should be some affordable housing in the mountain area, though this may not be the appropriate site. The money may be better used elsewhere; the challenge is to take this money and leverage it to buy property.

Council Member Ivancie stated that this project will set an example, and questioned if the City does not require affordable housing here, where will it be

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required? He feels there should be some affordable housing on site and would like to see a proposal with some units provided.

Council Member Kaminski supports the eight employee housing units, but noted the need to “catch up.” This is not the place for “catch up” and he feels the project has done its job with the “keep up.”

Council Member Strong noted that he has wavered between the fee in lieu and obtaining units. He feels that the on-site versus off-site debate can only be answered by building some units and finding out.

City Council President Brenner feels that the intent of the IZ ordinance is for the applicant to solve by providing housing. He does not support a fee in lieu, and feels the units can be built on-site or off-site. He feels that the people buying affordable housing are either a couple or an individual, not a family, and a mix of housing is needed. He feels that any housing at the base area should be considered on-site housing, and any off-site housing should be located south of 3rd Street.

City Council President Pro-Tem Dellinger noted that if the Housing Authority has a project at same time and there are the correct size units at the mountain, maybe they could be parlayed into an existing project at the base area.

Council Member Anderson voiced concern with the on-site units and that there may never be a “community.” He feels that on-site housing may work in the Ski Time Square or Après Ski Way area, but not in Gondola Square.

Mr. Leeson noted that at this point, the applicant will need to present a proposed Community Housing Plan, and staff will schedule a future agenda time.

PUBLIC HEARING - GENERAL BUSINESS

- 2. SECOND READING OF ORDINANCE: An ordinance submitting to a vote of the electors of the City of Steamboat Springs at a Special Election to be held Tuesday, November 7, 2006 a ballot question authorizing the issuance of bonds in amounts up to \$18,000,000 for the purpose of constructing a Recreation Center and authorizing the imposition of a new property tax with first year revenues of up to \$1,600,000, the proceeds of which shall be dedicated to servicing the bond debt; and submitting a ballot question authorizing the imposition of a new property tax with first year revenues up to \$545,000, the**

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proceeds of which shall be dedicated to defraying the operating and maintenance costs of the Recreation Center; fixing ballot titles; and establishing an effective date.

This item was postponed from the August 22, 2006 City Council meeting.

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

City Council President Brenner disclosed that he rents space at Health and Recreation, and stepped down.

Mr. Steve Jeffers, Bond Counsel, provided a PowerPoint presentation highlighting the following: poll findings voters in the City of Steamboat Springs; satisfaction ratings; specific quality of life ratings; recreation center: awareness and preferred method for paying; concept "vote" on City Recreation Center; specific ballot votes on recreation center options; recreation center vote: smaller \$3.9 million version; recreation center operations tax vote; recreation center user fee impact; recreation center facilities and amenities; recreation center location; most important factor in recreation center vote; and impact of school bond property tax increase on recreation center vote.

Council Member Kaminski left the meeting at approximately 6:15pm.

Mr. Jeffers pointed out that there was 65 percent support of the concept of building a recreation center, however, the user fees need to be assessed.

Council Member Anderson questioned moving forward concurrently with the school bond ballot issue. Mr. Jeffers feels that this is a good time to go into an election for this type of a facility, because it is a general election and

there would be a better turn-out of proponents. The school district bond issue will have a negative effect, however, he feels it is still a winnable campaign.

Council Member Anderson questioned if the recreation center question could erode support for the school bond issue. Mr. Jeffers clarified that this is possible.

City Council President Brenner returned to the meeting.

EXECUTIVE SESSION: For the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and/or instructing negotiators, under C.R.S. Section 24-6-402(4)(e); and to discuss the purchase, acquisition, lease, transfer, or sale of real, personal, or other property interest under C.R.S. Section 24-6-402(4)(a).

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MOTION: Council Member Strong moved and Council Member Ivancie seconded to adjourn Special Meeting SP-2006-16 at approximately 6:45pm for a conference with the City Attorney for the purpose of receiving legal advice on specific questions under C.R.S. Section 24-6-402(4)(b); and to discuss the purchase, acquisition, lease, transfer, or sale of real, personal, or other property interest under C.R.S. Section 24-6-402(4)(a); The motion carried 6/0. Council Member Kaminski had previously left the meeting.

MOTION: Council Member Strong moved and Council Member Antonucci seconded to come out of executive session and reconvene Special Meeting SP-2006-16 at approximately 7:10pm. The motion carried 6/0. Council Member Kaminski had previously left the meeting.

City Council President City Council President Brenner noted for the record, that if any person who participated in the executive session believes that any substantial discussion of matters not included in the motion to go into the executive session occurred during the executive session, or that any improper action occurred during the executive session in violation of the Open Meetings Law, that person should state his/her concerns for the record.

No concerns were indicated.

City Council President Brenner stepped down and left the meeting at 7:10pm.

GENERAL PUBLIC COMMENT

Ms. Elizabeth Black, Yampa Valley Housing Authority, questioned Council's intent on the Westland relocation payment program, regarding providing 85 percent relocation assistance to owner occupants, regardless of how long they have owned the unit. She voiced concern that this may come in over the \$550,000. **DIRECTION:** Ms. Black to work with the City Manager and report back to Council via memo with a number, using the 85 percent.

At this time, Council returned to the second reading of the Recreation Center ballot question ordinance.

Ms. Michele Caragol, Citizens for a Community Recreation Center, noted that the group has worked very hard and feels this is a good time to put this item on the ballot. They do have concerns with the school bond question, however they do not feel in competition with it.

Mr. John Weinman supports the proposed facility, but would like to keep in mind possibly bringing in other users in the future.

Ms. Traci Welsh spoke to the proposed location, noting that Ski Town Park was thought to be the best site at first, but they do not think this site is viable because

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of the demolition of ball fields, limited room for future expansion, and limited parking. She feels the Curci-Turner site is the best option because it has ample space, room for expansion, there are no access issues, parking is adequate, there is no additional cost to the City, there is trail linkage, and there is a “green building” option.

Ms. Judy Zetzman, Ad Hoc Committee, recommend changing the ballot language to sales tax for both questions. She stated that the group is aware that they will need to do a lot of fund raising.

Mr. John Weinman thanked Mr. Jeffers and the polling firm for their work and stated that he does have a concern with the \$18 million expenditure cap.

PUBLIC COMMENT:

Mr. Paul Stettner questioned where the funding will come from if the project doesn't pay for itself.

Mr. Lanning stated that the options would be to reduce other programs, or take the money out of reserves.

Mr. John DeWardt questioned the financial capacity of the community. He feels this is not a clearly defined project and voiced concern with the numbers going over budget.

Mr. William Jones feels that it is inappropriate to put this item on the ballot when the details are not clearly defined.

Mr. George Rescoe feels that the City needs to take the steps to ensure everyone understands where the recreation center fits in.

Ms. Judith Travis voiced concern with the potential loss of open space, noise, and traffic, if the Curci-Turner site is selected.

COUNCIL COMMENT:

Council Member Anderson questioned if the group has letters of intent for the fundraising. Ms. Shannon Lukens stated that they do not. Council Member Anderson questioned if there is agreement on the memorandum of understanding. Ms. Pat Carney stated that the Steamboat Springs Health and Recreation Association (SSHRA) Board has agreed in concept to limited leisure and fitness, but nothing specific yet. The concept is there and they are willing to figure it out.

Council Member Antonucci voiced concern with the timing and has questions regarding the price and accuracy of operations. Ms. DuBord stated that the Ballard-King study is where the numbers and square footage came from, however there has not been additional evaluation of those numbers.

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Ms. Peterson stated that Ballard-King provided a program list and conceptual cost for Core 1 and Core 2. This varies in square footage, and construction and non-construction costs, and is conceptual. Council Member Antonucci voiced concern with overlap of uses and competition with Steamboat Springs Health and Recreation Association (SSHRA).

Ms. Carney clarified that the proposal has no fitness and has limited leisure.

Mr. Lanning read letter into the record from Mr. Taylor voicing concern with authorizing financing so early in the process. If operating revenue were off, it could add obligation to the City's General Fund.

Council Member Anderson questioned cost recovery and the fact that the City already "has water." Ms. Peterson noted that this needs to be added to

the questions that need to be answered. Ms. Carney clarified that the fitness portion of Steamboat Springs Health and Recreation Association (SSHRA) is what allows them to stay in existence.

Council Member Antonucci questioned if having a recreation center at the Curci-Turner site add trips to the Hilltop Connector, and if a traffic study is needed. Ms. Peterson stated that this has not been addressed.

Council Member Strong voiced concern with putting a question on the ballot that is a conceptual question, with a fixed dollar amounts. He feels that 56 percent is a marginal approval rating to put a tax item on the ballot, and when you add in the school bond issue and the user fees, that rating is even lower. He supports moving forward with a ballot question in 2007.

Council Member Ivancie voiced concern that the community would have to choose between this and the school bond issue. He feels this is not the right time to move forward.

Council Member Anderson applauded the efforts of the groups, and agrees with Council Member Strong regarding the poll numbers. He feels the proposal is too conceptual and site development costs are needed. He noted that the most urgent need is the teen center, and he believes Council will address this need immediately. He does not support putting this question on the 2006 ballot.

Council Member Antonucci stated that after the concerns with the Tennis Bubble project, Council decided not to fund anything until hard numbers are available. He feels that without concrete operation costs, people will not support this. He feels it is prudent to take a step back, sort out the issues, identify what want to build, and work in harmony with Steamboat Springs Health and Recreation Association (SSHRA).

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City Council President Pro-Tem Dellinger feels that there is the commitment to continue working on this and to have the ability to get this passed in a year. She urged the groups to not put off the fund raising efforts.

MOTION: Council Member Strong moved and Council Member Antonucci seconded to deny the second reading of an ordinance submitting to a vote of the electors of the City of Steamboat Springs at a Special Election to be held Tuesday, November 7, 2006 a ballot question authorizing the issuance of bonds in amounts up to \$18,000,000 for the purpose of constructing a Recreation Center and authorizing the imposition of a new property tax with first year revenues of up to \$1,600,000, the proceeds of which shall be

dedicated to servicing the bond debt; and submitting a ballot question authorizing the imposition of a new property tax with first year revenues up to \$545,000, the proceeds of which shall be dedicated to defraying the operating and maintenance costs of the Recreation Center; fixing ballot titles; and establishing an effective date. The motion carried 5/0. City Council President Brenner and Council Member Kaminski had previously left the meeting.

CONSENT CALENDAR - GENERAL BUSINESS

3. RESOLUTION: A resolution calling a Special Municipal Election to be held Tuesday, November 7, 2006.

City Council President Brenner read the resolution title into the record.

This item was pulled from the Consent Calendar for further discussion.

Council Member Strong questioned and Mr. Lettunich clarified that this item is not needed if the recreation center ballot item is not moving forward.

MOTION: Council Member Ivancie moved and Council Member Strong seconded to deny the resolution calling a Special Municipal Election to be held Tuesday, November 7, 2006; The motion carried 5/0. City Council President Brenner and Council Member Kaminski had previously left the meeting.

4. RESOLUTION: A resolution adopting amended by-laws for the Yampa Valley Airport Commission.

City Council President Brenner read the resolution title into the record.

This item was pulled from the Consent Calendar for further discussion.

Council Member Anderson would like to see the redlined version of the by-laws.

MOTION: Council Member Anderson moved and Council Member Strong seconded to approve items 3 and 4 of the Consent Calendar; a resolution calling

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a Special Municipal Election to be held Tuesday, November 7, 2006; and a resolution adopting amended by-laws for the Yampa Valley Airport Commission; The Motion carried 5/0. City Council President Brenner and Council Member Kaminski had previously left the meeting.

ADJOURNMENT

MOTION: Council Member Strong moved and Council Member Ivancie seconded to adjourn Special Meeting SP-2006-16 at approximately 8:40pm. The motion carried 5/0. City Council President Brenner and Council Member Kaminski had previously left the meeting.

MINUTES PREPARED AND RESPECTFULLY SUBMITTED BY:

Sabrina Archuleta
Sabrina Archuleta
Acting Deputy City Clerk

REVIEWED AND RESPECTFULLY SUBMITTED BY:

Julie Jordan
Julie Jordan, MMC
City Clerk

APPROVED THIS 12 DAY OF October, 2006.