



TOWN OF MOUNTAIN VILLAGE
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TOWN OF MOUNTAIN VILLAGE MINUTES OF THE FEBRUARY 19, 2015 REGULAR TOWN COUNCIL MEETING

The meeting of the Town Council was called to order by Mayor Dan Jansen at 8:30 a.m. on Thursday, February 19, 2015 in the Mountain Village Town Hall, 455 Mountain Village Town Hall Boulevard, Mountain Village, Colorado.

Attendance:

The following Town Council members were present and acting:

Dan Jansen, Mayor
Cath Jett, Mayor Pro-Tem
Dave Schillaci
John Howe
Michelle Sherry
Marty McKinley
Jonette Bronson

Also in attendance were:

Jackie Kennefick, Director of Administration/Town Clerk
Susan Johnston, Deputy Town Clerk
Nichole Zangara, Community Relations Manager
Laila Benitez, Community Relations Assistant
David Reed, Town Attorney
Jim Mahoney, Assistant Town Attorney
Chris Hawkins, Director of Community Development
Kevin Swain, Finance Director
Julie Vergari, Chief Accountant
Chris Broady, Police Chief
Sue Kunz, Human Resources Director
Corrie McMills, Human Resources Coordinator
Steven Lehane, Director of Cable & Broadband Services
Randy Kee, Building Official
Dawn Katz, Director of Mountain Munchkins
Finn Kjome, Public Works Director
Dave Bangert, Forester
JD Wise, Plaza & Environmental Services Manager
John Vise
Kerri Vise
Dave Doemland
Dan Garner
Rube Felicelli
Stefano Canclini
Julie Pinson
Debbi McIntire
Deb Gesmundo
Jill Partanen
Blake Builder

Aurelie Cannella
Tami Huntsman
Roz Strong
Bob Delves
Lyn Gruss
Susanne Connolly
Brian Kanaga
Scott Pittenger
Richard Child
Jolana Vanek
Dylan Henderson
Brad Larsen
Mark O'Dell
Michael Martelon
Jonathan Greenspan
Jeffrey Fasolo
Joan May
Ken King
Deb Neiberger
Kristin Frost
John Kelly
Heather Young
John Young
Stefanie Solomon
Greg Pack
Jason Merritt
Mike McCreehy
Noah Sheedy
Stephanie Fanos

Kris Holstrom
Eric Wells
Alex Brown
Bill Frownfelter
Mike Fitzhugh

Randy Edwards
Don Orr
P. Mitchell
Jeffrey Davis

Executive Session for the Purpose of Receiving Legal Advice Pursuant to C.R.S. 24-6-402(b), and for the Purpose of Negotiations Pursuant to C.R.S. 24-6-402(4)e (2)

On a **MOTION** by Jonette Bronson and seconded by Cath Jett, Council agreed to enter into Executive Session for the purpose of receiving legal advice pursuant to C.R.S. 24-6-402(b), and for the purpose of negotiations pursuant to C.R.S. 24-6-402(4)e at 8:31 a.m.

Council returned to regular session at 9:16 a.m.

Public Comment for Non-Agenda Items (3)

Public comment was received by Jolana Vanek, Don Orr, Brian Kanaga and Richard Child.

Consent Agenda (4)

All matters in the consent agenda are considered to be routine by the Town Council and will be enacted with a single vote. There will be no separate discussion of these items. If discussion is deemed necessary, that item should be removed from the Consent agenda and considered separately:

- a. **Consideration of Approval of Minutes of the January 15, 2015 Regular Town Council Meeting**
- b. **Consideration of Approval of Minutes of the January 20, 2015 Town Council-Staff Work Session**
- c. **Consideration of a Resolution Ratifying Council Approval of an Agreement to Convey a Portion of Lot 1003R-1, the Medical Center Site, to the Telluride Hospital District**
- d. **Consideration of a Resolution Ratifying Council Approval of an Agreement to sell a Portion of Lot 1003R-1, the Lofts at Mountain Village Site, to Belem Properties, Co. LLC for Purposes of Developing Work Force Housing**

On a **MOTION** by John Howe and seconded by Jonette Bronson, Council voted unanimously to approve the Consent Agenda.

Liquor Licensing Authority: (5)

- a. **Consideration of an Application by Telski Food & Beverage Services, LLC DBA Tomboy Tavern for a Temporary Modification of Premises on the H&R Liquor License March 27-29, 2015 for Mountain Town Get Down, a Special Event in Heritage Plaza**

Director of Administration/Town Clerk Jackie Kennefick presented the above item. Telski Director of Sales and Marketing Brad Larsen discussed the event and stated that metal fencing will be used for the event rather than the rope fencing that was used last year. Council discussion ensued. Mountain Village Police Chief Chris Broady stated that there were no issues with the event in 2014. On a **MOTION** by Dave Schillaci and seconded by John Howe, Council voted unanimously to approve the application for a Temporary Modification of Premises on the Tomboy Tavern liquor license for the Mountain Town Get Down event March 27-29, 2015.

Marketing Telluride Inc, (MTI) Quarterly Report (6)

President and CEO of MTI Michael Martelon presented the quarterly report stating that lodging occupancy

numbers in 2015 have been great, and noting the Quentin Tarantino film *The Hateful Eight* has largely contributed to those numbers with cast and crew accounting for approximately 8% of room nights. MTI is projecting a successful 2015; however, Mr. Martelon cautioned that next year the movie will not be a factor and that MTI is already thinking about how to sustain the higher numbers. Council discussion ensued.

First Reading, Setting of a Public Hearing and Council Vote on a Citizen Initiated Ordinance to Allow an Increase in Density on Lot 640A from its Current Allowed Density but Limiting Density to 45 Units (7A)

Mayor Jansen stated that agenda items 7A and 7B will be combined in discussion; however, the motions will be considered separately. The Mayor opened the public hearing. Town Attorney David Reed introduced the citizen initiated Ordinance stating that the Town Clerk has certified the petition and that this is the first reading of the Ordinance. David Reed stated that Town Council member John Howe will not be able to participate in discussions or vote on this agenda item since he owns a housing unit adjacent to the project and therefore has a conflict of interest according to the Mountain Village Ethics Code. Director of Community Development Chris Hawkins provided background information on the project stating that the proposal includes 23 three bedroom units, 60 two bedroom units and 8 one bedroom units with an estimated population of two hundred and ten. Mr. Hawkins stated that a condition needed to be added to the Lot 640A Rezoning Ordinance specifying that TSG will receive the open space zoning credit for replacement open space. Applicant Randy Edwards stated that developing ninety-one units would present a break even scenario. He stated that if the project was limited to forty-five units, he may be forced to sell the property. The applicant stated that would be open to discussing a compromise between forty-five and ninety-one units and to placing a limit on the total population of the units. Organizers of the citizen initiated petition Roz Strong, Tami Huntsman and Deb Gesmundo explained that the Ordinance presented allows a density increase on Lot 640A but limits the number of units to a maximum of 45. This number was derived through a survey of public opinion and is an average. Public comment was received by Brad Larsen, Jolana Vanek, Mike Fitzhugh, John Howe, John Rice, Dave Doemland, Dan Garner, Rube Felicelli, Stefano Canclini, Mark O'Dell, Julie Pinson, Debbi McIntire, Kristin Frost, Heather Young, John Kelly, John Young, Greg Pack, Scott Pittenger, Jason Merritt, Ken King, Joan May, Deb Gesmundo, Jeffrey Fasolo, Lyn Gruss, Noah Sheedy, and Blake Builder. The Mayor closed the public hearing. Extensive Council discussion ensued. The Mayor encouraged the citizens group to work with the developer to find a compromise solution so that our workforce housing needs can be addressed in the community. On a **MOTION** by Michelle Sherry and seconded by Marty McKinley, Council voted 0-6 with John Howe abstaining due to a conflict of interest, to approve on first reading a citizen initiated Ordinance to allow an increase in Density on Lot 640A from its current allowed density by limiting density to 45 units. The **MOTION** failed.

Telluride Apartments Redevelopment: (7B)

a. First Reading, Setting of a Public Hearing and Council Vote on an Ordinance to (1) rezone Lot 640A from the Multi-family Zone District to the Full Use Active Open Space Zone District; and (2) Transfer Density to Increase the Permitted Density from 30 Workforce (employee) apartment units to 91 workforce apartment units and 2,200 square feet of commercial space on Lot 640A and a portion of OSP-35B

Architect Dylan Henderson, representing DH Architecture, presented the proposed project stating that the Design Review Board (DRB) voted unanimously to recommend approval of the project. The buildings have been pushed back into the hillside which increased the size of the park. Randy Edwards discussed the process which brought Council to this point stating that the architects have attempted to consider and include input from the public gathered through past work sessions. Mr. Edwards urged Council to approve the project at ninety-one units. On a **MOTION** by Cath Jett and seconded by Dave Schillaci, Council voted unanimously (6-0) to continue item 7Ba and 7Bb, the subject development applications to the April 23, 2015 Regular Town Council meeting with the following direction to staff :

- Provide direction to the applicants to limit the population on some level
- Limit the number of dogs allowed

- Provide a greater level of enforcement to limit the number of people residing each unit
- Explore how the Town and/or Telski can assist in the park development. This would take some of the pressure off of the applicant since they are being asked to limit the number of units built (cutting into profit) and still be required to develop a park.

b. Consideration of a Resolution Approving (1) Conditional Use Permit to Allow for the Development of 91 Workforce Apartment Housing Units on Full Use Active Open Space and on Lot 640A and a portion of OSP-35B (2) a Subdivision to Create Four (4) Lots (Tracts) on Lot 640A and OSP-35B

Continued to the April 23, 2015 Town Council meeting.

Council took a lunch break from 12:41 p.m. to 12:52 p.m. (9)

Meadows Improvement Plan (8)

Chris Hawkins presented the above item stating that the three main goals for the work session are to:

- Obtain direction on the final path for the sidewalk from Fairway Four to the Adams Ranch intersection by Big Billie's
- Determine the final list of desired improvements to be made
- Obtain direction for the final 2015 projects

The Town has spent \$61,883.14 in 2014 for surveying, wetland delineations, engineering and landscaping services, which leaves \$438,430 for work on improvements in 2015.

Council discussion ensued over the three areas to be addressed:

- Section 4: 6' sidewalk from Fairway Four to Adams Ranch intersection
- Section 8: Post Office access improvements
- Section 5: Improved ADA 6' sidewalk to Northstar access drive from bridge and along Northstar Drive

Regarding Section 5, Council consensus was to have the sidewalk on the open space side rather than the Spring Creek side. Engineer Bill Frownfelter explained the positioning of the 6' sidewalk with drainage and that there is adequate space to move the sidewalk to the open space side of the road. Council directed staff to:

- Move forward with the engineering of the three specified projects
- Use the remaining funds for utilities relocation or landscaping improvements

Consideration of Allocating up to \$35,000 in Additional Funds for Purposes of Operating and Marketing the Telluride Conference Center (11)

Marty McKinley presented the above item stating that the goal is to create a shift in the relationship with the Conference Center to a more positive alliance. TSG has hired a Marketing Director. Mr. McKinley proposed allocating an additional \$35,000 for a total of \$100,000 to TCC in the form of a grant. TCC would still be required to report to Council quarterly, however; they would not have to submit receipts to the Town to draw on the funds. Council discussion ensued. On a **MOTION** by Dave Schillaci and seconded by Michelle Sherry, Council voted unanimously to allocate \$35,000 in additional funding for purposes of operating and marketing the Telluride Conference Center with the condition that the marketing position remain filled and authorizing Councilman McKinley to renegotiate the contract for purposes of clarity and simplification to be reviewed and approved by Council.

Economic Development Definition Initiative (EDDI) Update (10)

Bob Delves presented the EDDI update and noted that he supports allocating additional funding to the Telluride Conference Center (TCC). Mr. Delves is working with staff to define the Department of Marketing and Business Development (MBD) position and stated that once the position is established, further department reviews will take place. The plan to upgrade the MV Cable system has been approved and once upgrades are complete the MBD will begin to market the new capabilities and sell them. Telluride Venture Accelerator (TVA) is underway with the 2015 TVA class of entrepreneurs in residence at The Peaks. Mr.

Delves will be meeting with the participating companies in the next week to begin the “soft landing” program.

Conceptual Work Session to Discuss Conditional Use Permit for New Freestanding Antennas on Coonskin Ridge Located on OSP-49R (13)

Chris Hawkins presented the above item explaining that the current antenna on Coonskin Ridge is maxed out and cannot support any additional equipment. Mike McCreedy, representing AT&T Mobility and Real Estate Manager Devin Morris presented the proposal. They are requesting a conditional use permit and variance to install a new 100 foot guyed tower on Coonskin Ridge, Lot 49R. A study of the existing tower determined that it was unsafe.

Benefits to Community:

- Technology upgrade 4G LTE
- Improved phone service
- Boost in capacity, more users, more calls, less dropped calls
- Enhanced data speed
- Improved smart phone capabilities
- Consolidation of cell towers at existing telecom site
- Potential for future collocation
- Elimination of unsafe tower conditions

A red beacon is an FAA requirement at a certain tower height; however, it has not been determined if a beacon will be required with the proposed tower. Council discussion ensued about future proofing projects such as this. Mr. McCreedy stated that this is a long term solution and includes plans for future expansion. Council encouraged the applicant to study options for solutions of diminished service and data and to convince Council that this tower will solve the problem. Mr. McCreedy stated that if the tower is visible above the tree line and once a formal application has been submitted, it may be necessary to involve the County and the Town of Telluride as it will require their approval. In-house Counsel for TSG Stefanie Solomon stated that TSG supports improved cell phone service. Ms. Solomon stated that TSG General Manager Greg Pack is prepared to sign off on the next step of the approval process.

Consideration of Moving a Previously Approved Vending Cart (Backyard BBQ) from Sunset Plaza to Heritage Plaza (Item was Continued from the January Meeting) (14)

Plaza Services Manager JD Wise presented the above item noting that the applicant was unable to attend the meeting. Mr. Wise explained that the request was to move the Backyard BBQ cart to Heritage Plaza for the remainder of the season. In an effort to direct more traffic into Sunset Plaza, the Town installed a directional/informational sandwich board in Heritage Plaza. Council discussion ensued. On a **MOTION** by Cath Jett and seconded by Michelle Sherry, Council voted 2 -5 (with Michelle Sherry, Cath Jett, Marty McKinley, Jonette Bronson, and Dave Schillaci opposed) to approve moving the Backyard BBQ cart from Sunset Plaza to Heritage Plaza. The **MOTION** failed. Council directed staff to schedule a work session at a future Town Council meeting to discuss vending cart regulations.

Consideration of a Resolution Approving a Second Amended and Restated Declaration of Condominium Hotel Covenants and Restrictions (Hotel Deed Restriction for Hotel Madeline Telluride) (15)

Assistant Town Attorney Jim Mahoney presented the above matter. Mr. Mahoney first addressed some previous misconceptions regarding the request by the Hotel Madeline to remove the requirement that Efficiency Lodge Units are mandated to be in the hotel’s rental management program and how some of the public comment received felt that this would decrease the pool of hotbeds. The Town believes that the following measures present a win, win situation for the Town as the units won’t be owner occupied and will have to be made available for short term rental; therefore, the Town will not be giving up “hot beds” for sales of real estate. The Town and the hotel owner have clarified and added the following elements to the Hotel Deed Restriction:

1. The use and occupancy of Efficiency Lodge Units by individual owners of such units is limited to no more than 30 consecutive days and 60 total days in a calendar year.
2. The Efficiency Lodge Units must be made available for short term lodging when not used by the owner.
3. The Efficiency Lodge Units can either be rented by the owner, the Hotel or a third party management company; however, third party management companies must be approved by the Hotel Madeline's HOA based on certain criteria.
4. Certain services must be provided by the Hotel Madeline regardless of who is renting the units including:
 - a. Registration
 - b. Key card access
 - c. Room service
 - d. Liquor service
 - e. Housekeeping
5. Hotel Madeline will provide incentives for owners of Efficiency Lodge Units to be in their rental program.
6. Hotel Madeline will provide reporting on an annual basis to the Town.

Property Manager Northview Hotel Group has extensive experience running rental programs within their hotels. Attorney Stephanie Fanos stated that the group is very appreciative to Town staff for cooperating and stated that the Hotel Madeline will provide annual reporting to the Town regarding the rental program and tracking information. Council discussion ensued. On a **MOTION** by Cath Jett and seconded by John Howe, Council voted unanimously to adopt a Resolution approving a second amended and restated Declaration of Condominium Hotel Covenants and Restrictions for the Hotel Madeline Telluride as presented.

On a **MOTION** by John Howe and seconded by Marty McKinley, Council voted unanimously to extend the meeting beyond 6 hours.

Finance: (16)

Finance Director Kevin Swain presented:

a. January 31, 2015 Business & Government Activity Report (BAGAR)

Council discussion ensued.

b. Consideration of the December 2014 Financials

Council discussion ensued. On a **MOTION** by John Howe and seconded by Michelle Sherry, Council voted unanimously to approve the December 2014 Financials as presented.

Council Boards and Commissions Updates: (18)

a. Eco Action Partners (EAP)– Howe/Sherry

There was no update.

b. Telluride Historical Museum – Bronson

Saturday, February 21st is the Prospect Basin wetland snow shoe tour and there is a Spelling Bee event on March 4th. The new Director starts May 11th and the Board is looking forward to the new leadership.

c. San Miguel Watershed Coalition – Jett

Ms. Jett mentioned that the next meeting will be on Monday, February 23rd.

d. Colorado Flights Alliance (CFA) – Jansen

There was no update.

e. Plaza Use Committee – Jett

Cath Jett suggested reaching out to the business community to see if there are plaza issues that need to be addressed. The Mayor expressed concern over the downsizing of the fire pit.

f. Transportation & Parking – Howe/Schillaci

There was no update.

g. Budget & Finance Committee – Jansen/McKinley

There was no update.

h. Mayor's Update

Telluride Association of Realtors (TAR) is very supportive of the Town's workforce housing efforts.

Update on Ongoing Investigation and Potential Settlement Regarding Potential Zoning Violations at the Boulders (17)

Jim Mahoney presented the above update stating that the zoning violation issue has been ongoing for about two years. Violation letters were issued to several owners in the Boulders and three units were identified as having illegal accessory apartments. The Town is working with the homeowners and their attorney on a solution to bring the homes into compliance. This would require the owners of the separate access units to make physical changes to their units to essentially change the layout so that they are in line with the mother in law units. The Mr. Mahoney added that the Town is working through the details of what those changes will be, so it would be inappropriate to comment further, as it is an ongoing settlement discussion. Public comment was received by Jeffrey Fasolo. Mr. Fasolo pointed out that the fire lane off of the private property is problematic with cars being parked in the lane. A fire truck would need the entire lane to complete a turn. Council discussion ensued and Mr. Mahoney stated that the road is a private access road, not a Town platted road; therefore, the Town cannot enforce parking regulations, and it is really an HOA issue. Council directed staff to push forward with a resolution on the zoning violations.

Dave Schillaci left the meeting at 3:00 p.m.

Other Business: (19)

a. Consideration of a Letter of Support for Eco Action Partners (EAP) Compost Facility Grant Application

Jackie Kennefick explained that Kris Holstrom was hired by EAP to write this grant application and she has requested a letter of support from the Town. On a **MOTION** by Jonette Bronson and seconded by John Howe, Council voted unanimously to authorize the Mayor to sign a letter of support for the Eco Action Partners' Compost Facility Grant Application.

Council directed staff to agendize a work session regarding offering workforce housing priority for employees of Mountain Village businesses and creating a priority list similar to the list utilized for Mountain Munchkins.

Jonette Bronson left the meeting at 3:30 p.m.

Michelle Sherry left the meeting at 3:32 p.m.

Jackie Kennefick stated that staff will be advertising for two seats (one regular and one alternate) on the Ethics Commission. The appointments will be made at the March 26, 2015 Town Council meeting.

Staff Reports: (12)

a. Human Resources

1. Bi-annual Report

Human Resources Director Sue Kunz presented her report. March 10, 2015 is the Town of Mountain Village's 20th anniversary. Council directed staff to put together a celebration of the event.

2. Consideration of Approval of the 2015 Drug & Alcohol Policy-Safety Sensitive Employees

Council discussion ensued regarding adding additional language to the policy which includes marijuana. On a **MOTION** by Marty McKinley and seconded by John Howe Council voted unanimously to approve the 2015 Drug & Alcohol Policy-Safety Sensitive Employees with the following language (in red) included:

While possession and consumption of alcohol and marijuana is legal, the Town will not allow employees to possess or consume alcohol or marijuana where it is prohibited by law or on Town property, except for approved employee events.

3. Consideration of approval of the 2015 Employee Handbook

On a **MOTION** by Cath Jett and seconded by John Howe, Council voted unanimously to approve the 2015 Employee Handbook.

4. Council Compensation Discussion

Council directed staff to agendize a work session in March when there is a full Council in attendance. Any changes decided upon would be approved by Ordinance (which requires two readings); and would be effective for the new terms of Council members beginning in July.

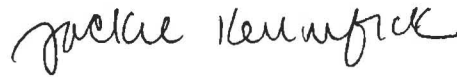
There being no further business, on a **MOTION** by Cath Jett and seconded by John Howe, Council unanimously agreed to adjourn the meeting at 3:58 p.m.

Respectfully prepared,

Respectfully submitted,



Susan Johnston
Deputy Town Clerk



Jackie Kennefick
Town Clerk