

CITY OF STEAMBOAT SPRINGS

AGENDA

REGULAR MEETING NO. 2011-05 TUESDAY, MARCH 1, 2011

5:10 P.M.

MEETING LOCATION: Citizens' Meeting Room, Centennial Hall;
124 10th Street, Steamboat Springs, CO

MEETING PROCEDURE: Comments from the Public are welcome at two different times during the course of the meeting: 1) Comments no longer than three (3) minutes on items **not** scheduled on the Agenda will be heard under Public Comment; and 2) Comments no longer than three (3) minutes on all scheduled public hearing items will be heard **following** the presentation by Staff or the Petitioner. Please wait until you are recognized by the Council President. With the exception of subjects brought up during Public Comment, on which no action will be taken or a decision made, the City Council may take action on, and may make a decision regarding, ANY item referred to in this agenda, including, without limitation, any item referenced for "review", "update", "report", or "discussion". It is City Council's goal to adjourn all meetings by 10:00 p.m.

A City Council meeting packet is available for public review in the lobby of City Hall, 137 10th Street, Steamboat Springs, CO.

PUBLIC COMMENT: Public Comment will be provided at 7 p.m., or at the end of the meeting, (whichever comes first). CITY COUNCIL WILL MAKE NO DECISION NOR TAKE ACTION, EXCEPT TO DIRECT THE CITY MANAGER. **THOSE ADDRESSING CITY COUNCIL ARE REQUESTED TO IDENTIFY THEMSELVES BY NAME AND ADDRESS. ALL COMMENTS SHALL NOT EXCEED THREE MINUTES.**

A. ROLL CALL

B. COMMUNITY REPORTS/CITY COUNCIL DISCUSSION TOPIC:

1. **Grand Futures report on results of the Healthy Kids Colorado Survey.** (Marshall) (20 minutes)
2. **Teen Council Update.** (Lightner) (15 minutes)

3. **Update from Search and Rescue.** (15 minutes) (Sanford)
 4. **Update on State water Bills/issues.** (1 hour) (Holleman)
 5. **Regional Tourism Act.** (DelliQuadri)
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C. CONSENT CALENDAR: MOTIONS, RESOLUTIONS AND ORDINANCES FIRST READINGS

ITEMS ON THE CONSENT CALENDAR GENERALLY REQUIRE LITTLE COUNCIL DELIBERATION AND MAY BE APPROVED WITH A SINGLE MOTION. ANY MEMBER OF THE COUNCIL OR THE PUBLIC MAY WITHDRAW ANY ITEM FROM THE CONSENT CALENDAR FOR FURTHER DISCUSSION AT ANY TIME PRIOR TO APPROVAL.

LEGISLATION

6. **RESOLUTION:** A resolution supporting the application to the Colorado Economic Development Commission for the funding of Bike Town USA Initiative through the Regional Tourism Act and the establishment of a Regional Tourism Zone and Regional Tourism Authority. (DelliQuadri)
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D. PUBLIC HEARING: ORDINANCE SECOND READINGS

THE CITY COUNCIL PRESIDENT OR PRESIDENT PRO-TEM WILL READ EACH ORDINANCE TITLE INTO THE RECORD. PUBLIC COMMENT WILL BE PROVIDED FOR EVERY ORDINANCE.

7. **SECOND READING OF ORDINANCE:** Second 2011 Supplemental Appropriation Ordinance/Orton Property purchase. (Hinsvark)
 8. **SECOND READING OF ORDINANCE:** Third 2011 Supplemental Appropriation Ordinance and establishment of Quiznos Pro Challenge Race special revenue fund. (Hinsvark)
 9. **SECOND READING OF ORDINANCE:** An ordinance approving a hangar lease to Jean P. Sagouspe, Old West Management at the Steamboat Springs Airport and authorizing City Council President to sign lease documents; repealing all conflicting ordinances; providing for severability; and providing an effective date. (Baker)
 10. **SECOND READING OF ORDINANCE:** An ordinance vacating a utility easement located within a portion of Lot 6, Mid Valley Business Center (City South Subdivision). (Keenan)
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- E. PUBLIC COMMENT: Public Comment will be provided at 7 p.m., or at the end of the meeting, (whichever comes first).** CITY COUNCIL WILL MAKE NO DECISION NOR TAKE ACTION, EXCEPT TO DIRECT THE CITY MANAGER. THOSE ADDRESSING CITY COUNCIL ARE REQUESTED TO IDENTIFY THEMSELVES BY NAME AND ADDRESS. ALL COMMENTS SHALL NOT EXCEED THREE MINUTES.
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- F. CONSENT CALENDAR - PLANNING COMMISSION REFERRALS:**
ITEMS ON THE CONSENT CALENDAR GENERALLY REQUIRE LITTLE OR NO COUNCIL DELIBERATION AND MAY BE APPROVED WITH A SINGLE MOTION. A CITY COUNCIL MEMBER MAY REQUEST AN ITEM(S) BE REMOVED FROM THE CONSENT CALENDAR FOR FURTHER DISCUSSION. ALL ORDINANCES APPROVED BY CONSENT SHALL BE READ INTO THE RECORD BY TITLE.

- 11. Planning Commission Report. (Hanlen)**
- 12. PROJECT: Howelsen Place, Unit B-104**
PETITION: Development Plan to process a Conditional Use, office on the pedestrian level in Commercial Old Town zone district.
LOCATION: 703 Lincoln Avenue.
APPLICANT: Mark Scully, P.O. Box 774137, Steamboat Springs, CO; 970-870-0552.
PLANNING COMMISSION VOTE: Approved 7-0 on February 10, 2011.
-

G. PUBLIC HEARING – PLANNING COMMISSION REFERRALS

PUBLIC HEARING FORMAT:

- **Presentation by the Petitioner (estimated at 15 minutes). Petitioner to state name and residence address/location.**
- **Presentation by the Opposition.** Same guidelines as above.
- **Public Comment by individuals (not to exceed 3 minutes). Individuals to state name and residence address/location.**
- **City staff to provide a response.**

At this time, there are no items on this portion of the agenda.

H. REPORTS

- 13. Economic Development Update.**
- 14. City Council**

15. Reports

- a. Agenda Review (Franklin):
 - 1.) City Council agenda for March 15, 2011.
 - 2.) City Council agenda for April 5, 2011.

16. Staff Reports

- a. City Attorney's Update/Report. (Lettunich)
 - b. Manager's Report: Ongoing Projects. (DuBord)
 - 1.) False Alarm Ordinance Update. (Hays/Lindroth)
 - 2.) Skate Park Access Update/Cost Estimate. (Shelton/Wilson)
-

J. OLD BUSINESS

17. Minutes (Franklin)

- a. Special Meeting SP-2011-02, January 31, 2011.
 - b. Regular Meeting 2011-03, February 1, 2011.
 - c. Regular Meeting 2011-04, February 15, 2011.
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I. ADJOURNMENT

**BY: JULIE FRANKLIN, CMC
CITY CLERK**

AGENDA ITEM # 1

CITY COUNCIL COMMUNICATION FORM

FROM: Grand Futures Prevention Coalition - Kate Marshall
(617-721-4265)

THROUGH: Julie Franklin

DATE: March 1st, 2011

ITEM: Presentation on Healthy Kids Colorado 2009/2010 survey results from Grand Futures Prevention Coalition and 2010 SSPD informal survey on Marijuana perceptions.

NEXT STEP: (Information only.)

DIRECTION
 INFORMATION
 ORDINANCE
 MOTION
 RESOLUTION

I. REQUEST OR ISSUE:

N/a; update only.

II. RECOMMENDED ACTION:

N/a.

III. FISCAL IMPACTS:

Proposed Expenditure: None.

Funding Source: None.

IV. BACKGROUND INFORMATION:

Grand Future Prevention Coalition was introduced to Routt County in 1995 to form the tri-county coalition with Moffat and Grand counties. The programs offered by

Grand Futures Prevention Coalition meet the health and human service needs of Northwest Colorado communities as they are designed to enhance protective factors and reverse risk factors associated with the use of alcohol, tobacco and other drugs. GFPC maintains a 501(c)(3) status and is currently receiving financial support from a variety of state and federal grants as well as from local donations and grant making foundations.

Our mission is to create and support healthy, positive lifestyle choices as alternatives to substance abuse in our community.

Healthy Kids Colorado Survey: HKCS contains items from the Youth Risk Behavior Survey (CDC), Colorado Youth Survey (risk and protective factors) and the Asset and resiliency scales. The survey is supported and developed by the following Colorado State Agencies:

Departments of Education

Public Health and Environment

Human Services

Division of Behavioral Health

Public Safety

Division of Criminal Justice

Office of Adult and Juvenile Justice Assistance

In the City of Steamboat Springs, the survey was administered in April 2010 at the public middle and high schools. In 2010, there were 612 respondents out of 1135 total students enrolled in the district. The survey was also administered in 2008.

V. LEGAL ISSUES:

None.

VI. CONFLICTS OR ENVIRONMENTAL ISSUES:

N/a.

VII. SUMMARY AND ALTERNATIVES:

N/a.


LIST OF ATTACHMENTS

Attachment 1. PowerPoint Presentation.

Attachment 2. List of questions as asked to students on Healthy Kids Colorado Survey & Spreadsheet defining comparison data as presented.


DATA **2** Action

City Council Presentation March 1st, 2010



Kate Marshall, Grand Futures Prevention Coalition

PRESENTATION AGENDA



- Review of 2009/2010 Healthy Kids Colorado Survey
 - ATOD Lifetime Use
 - Comparison to State 2010
 - Use by Grade Levels (Alcohol, Marijuana, Rx Drugs)
 - Ease of Obtaining
 - Impaired Driving
- Presentation of SSPD Informal Student Survey
 - SMS 8th Grade
 - SSHS Leadership Class
- Conclusions



**GRAND FUTURES
PREVENTION COALITION**

Mission:

To create and support healthy, positive lifestyle choices as alternatives to substance abuse in our community.

Vision:

Healthy communities where positive lifestyle choices are the norm.

HEALTHY KIDS COLORADO:

HKCS contains items from:

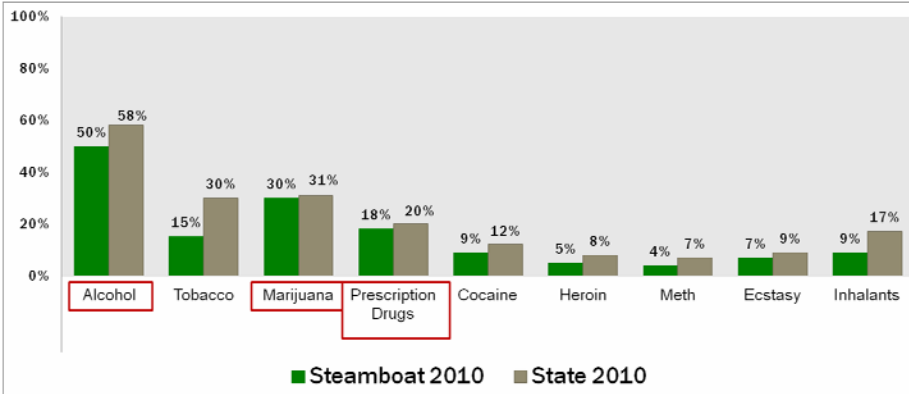
- Youth Risk Behavior Survey (CDC)
- Colorado Youth Survey (risk and protective factors)
- Asset and resiliency scales

Supported and developed by the following Colorado State Agencies:

- Departments of Education
- Public Health and Environment
- Human Services
- Division of Behavioral Health
- Public Safety
 - Division of Criminal Justice
 - Office of Adult and Juvenile Justice Assistance

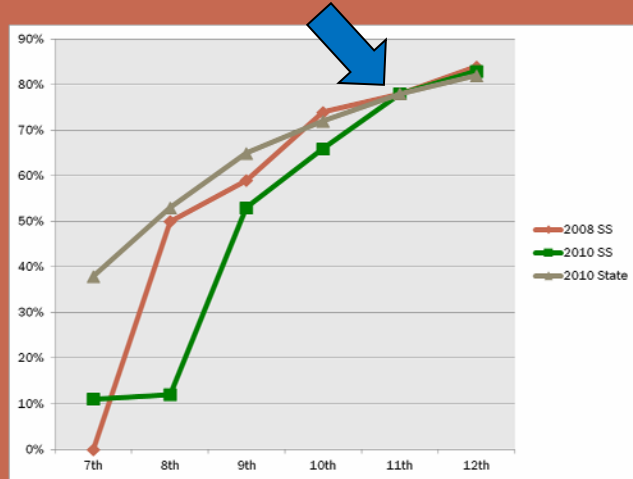
2010 HKCS had 612 respondents out of 1135 total students enrolled in the district.

LIFETIME USE



- District averages (7th-12th) show below state levels in 2010
- Low usage rate among other illicit drugs
- Focus on alcohol, marijuana and prescription drugs
- 12th grade only 45 respondents out of 157 seniors
- First time survey was given in 7th grade classrooms

LIFETIME USE OF ALCOHOL



Positive

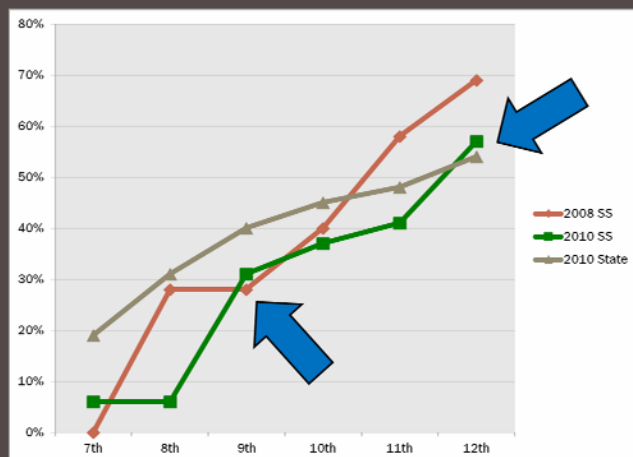
- 7th/8th
- Below state levels in most grade
- Significant drop in usage from 2008 - 10th 8th grade

Continued

Focus:

- 11th/12th

30 DAY USE OF ALCOHOL



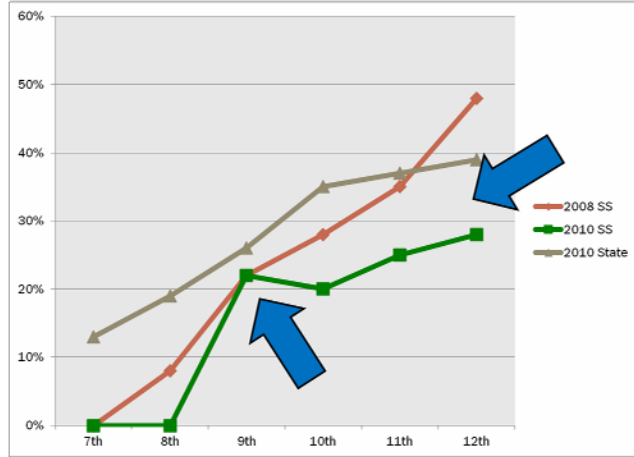
Positive

- Below states levels
- ↓ in 8th, 10th/11th/ 12th from 2008

Continued Focus:

- Slightly above state levels in 12th grade
- 11% ↑ in 9th grade from 2008

BINGE DRINKING (30 DAYS, 5 + DRINKS)



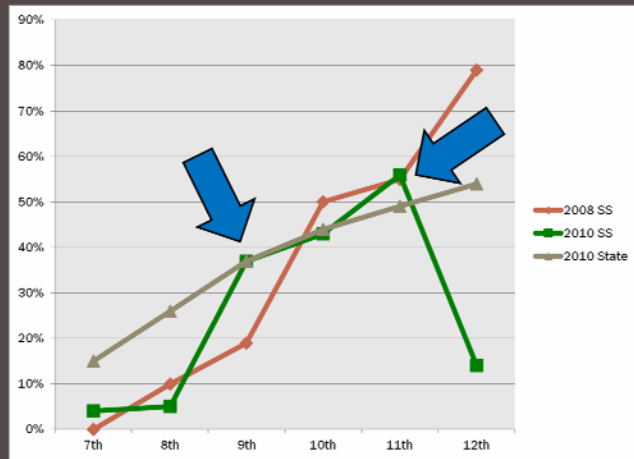
Positive

- All grades below state levels
- ~29% ↓ in 10th/11th grade from 2008
- 7th & 8th grades show minimal use

Continued Focus:

- No change in 9th grade from 2008

LIFETIME USE OF MARIJUANA



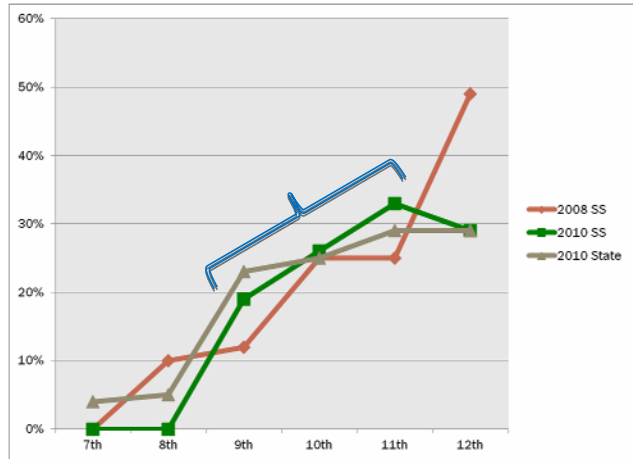
Positive

- Low levels in 7th/8th grades

Continued Focus

- 9th/10th/ 11th grades same or ↑ than state levels
- ↑ in 9th, no change in 11th from 2008

30 DAY USE OF MARIJUANA



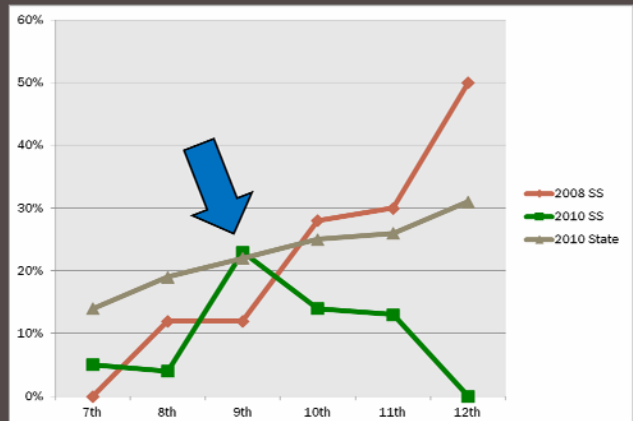
Positive

- Minimal usage in 7th/8th grade

Continued Focus:

- 10th, 11th, 12th grades same/above state levels
- ↑ in 9th, 10th, 11th grades from 2008

USE OF PRESCRIPTION DRUGS W/O PRESCRIPTION



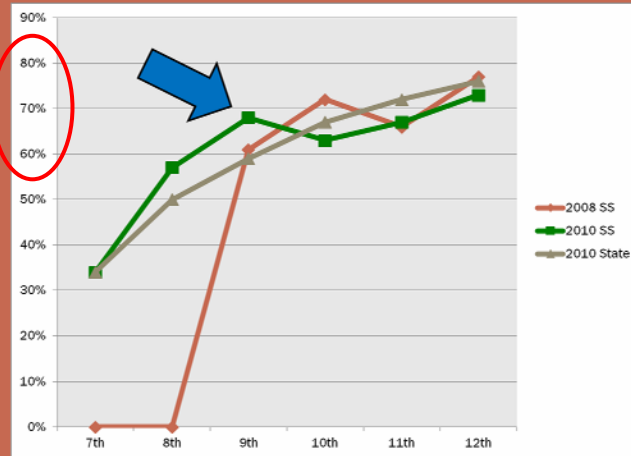
Positive

- All grades (except 9th) below state levels
- ↓ from 2008 in 8th, 10th, 11th

Continued Focus

- 92% ↑ (11 pts) in 9th grade usage from 2008

EASE OF OBTAINING ALCOHOL (EASY & VERY EASY)



* First time this question asked of Middle School Students.

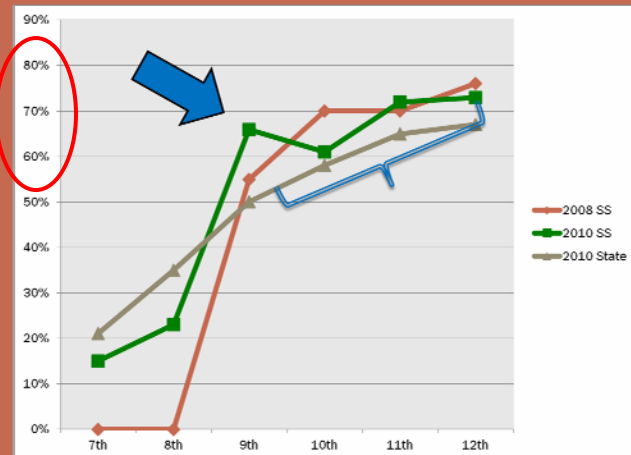
Positive

- 10th, 11th, 12th grades below state levels
- 13% ↓ in 10th grade from 2008

Continued Focus:

- Over 60% SSHS: easy/very easy
- 11% ↑ in 9th grade

EASE OF OBTAINING MJ (EASY & VERY EASY)



* First time this question asked of Middle School Students.

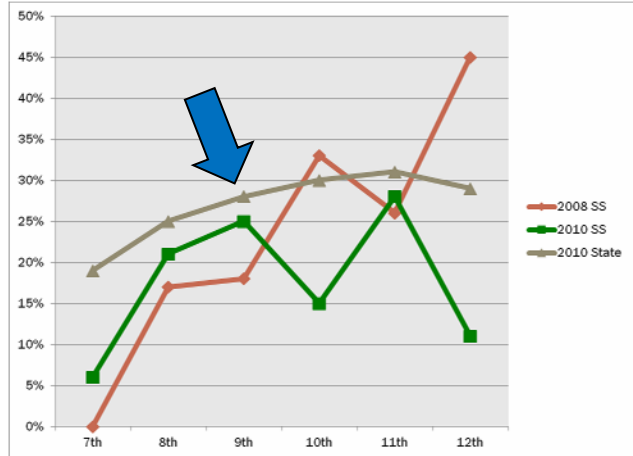
Positive

- 13% ↓ in 10th grade attitude

Continued Focus:

- High school well above state levels
- 20% ↑ in 9th grade attitude

**IMPAIRED DRIVING (RIDDEN IN CAR
W/ SOMEONE WHO HAD BEEN DRINKING
ALCOHOL; 30 DAYS)**



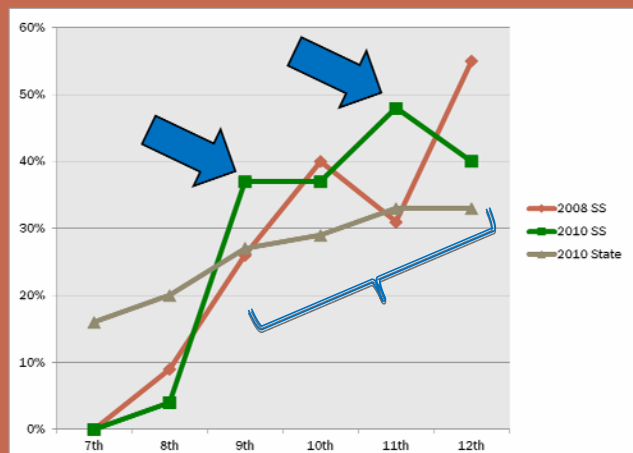
Positive

- All grades below state levels
- Over 50% ↓ in 10th

Continued Focus:

- ↑ shown in 8th, 9th, 11th grades from 2008

**IMPAIRED DRIVING (RIDDEN IN CAR
W/ SOMEONE WHO HAD BEEN USING
MARIJUANA; 30 DAYS)**



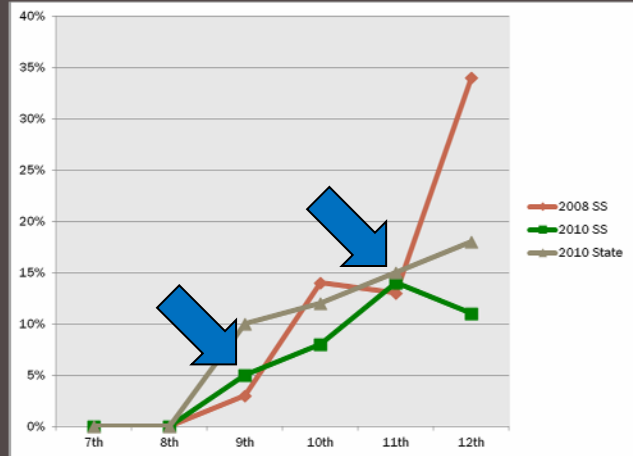
Positive

- ↓ in 8th grade (5 % pts)

Continued Focus:

- High School levels well above state levels (24% average)
- 9th, 11th grades over 40% ↑ (state/ 2008)

IMPAIRED DRIVING (DROVE CAR WHEN DRINKING ALCOHOL; 30 DAYS)



* Question not asked at Middle School levels.

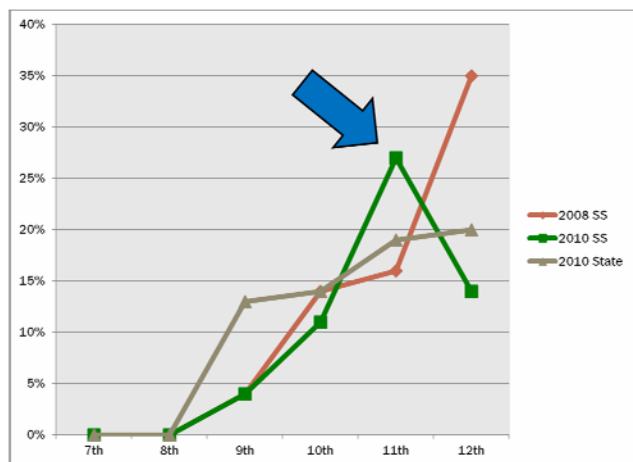
Positive

- All grades below state levels

Continued Focus:

- Small ↑ in 9th/11th grade from 2008

IMPAIRED DRIVING (DROVE CAR WHEN USING MARIJUANA; 30 DAYS)



* Question not asked at Middle School Levels.

Positive

- 9th, 10th, 12th grades lower than state levels

Continued Focus:

- 11th grade, 30% higher than state
- ↑ in 11th grade from 2008

**STEAMBOAT SPRINGS POLICE
DEPARTMENT**



Informal Survey

- *Results from 8th grade classrooms as well as to the SSHS Leadership Class (11th grade).*
 - *27 8th grade students participated*
 - *74 11th grade students participated*
- *Survey was administered by the School Resource Officer*
 - *Confidential*
 - *Open-ended questions*

8th Grade

What do you know about Marijuana?

- 0% gave **POSITIVE** attitude
- 26% gave **NEUTRAL** attitude
- 74% gave **NEGATIVE** attitude

It is very bad, it is addictive and can kill you. Some people use it for a medical reason. If you don't have a good reason you shouldn't take it.

It's addicting, damages the brain. Fills lung with smoke, can give you cancer, lowers desire to do activities. It's bad for you unless for medical needs.

8th Grade *(cont'd)*

Have Medical Marijuana Dispensaries changed your perception about Marijuana?

- 19% said Yes
- 37% said Not Sure
- 44% said No

It's terrible and some people just use it when they don't need to. I think it [has] made it worse because it made it easier for people to get.

I don't think it was a very good idea. It allows kids to get it with out really having an excuse. Yes, because it makes it seem okay, when its really not.

Leadership Class

What is your perception of Medical Marijuana?

- 31% gave POSITIVE attitude
- 43% gave NEUTRAL attitude
- 26% gave NEGATIVE attitude

My view on medical marijuana is I'm totally okay with it. If people say it helps - then I think they should be able to use it.

I think it needs to be harder to get. I know that it can help sick people, but it's easy for just anyone to get because they say they're sick and need it.

Leadership Class *(cont'd)*

Have Medical Marijuana Dispensaries changed your perception about Marijuana?

- 27% said Yes
- 6% said Not Sure
- 67% said No

Yes. It shows that MM is not that bad. You don't see cocaine dispensaries... so it is obviously NOT THAT BAD for you and NOT addicting.

Yes. If I were to do it, I would probably feel less scared to get caught. I feel like it is really easy for someone to get a prescription.

No. No matter where [marijuana] comes from [it is still] used for the wrong reasons.

Conclusions

Alcohol

- ✓ Below State Levels in Lifetime and 30-Day Use (most grades)
- ✓ Reduction rates from 2008 data are positive
- ✓ Reduction in Binge Drinking rates from 2008 and state levels
- ✓ Impaired Driving statistics are below state levels
- Impaired Driving (rode with) statistics show increases from 2008 (8th, 9th, 11th)
- Over 60% of high school students feel it is easy to obtain

Marijuana

- ✓ Some reduction rates from 2008 data in Lifetime and 30-Day use
- ✓ Minimal usage rates in 7th, 8th grade 30-day use
- Close or ABOVE state levels in Lifetime and 30-Day use
- Increases in 9th, 10th, 11th from 2008 in 30-Day Use
- Impaired Driving statistics show increase in 9th, 11th and ABOVE state levels
- Over 60% of high school students feel it is easy to obtain
- Attitudes on marijuana become more favorable from MS-HS

Rx Drugs

- ✓ Reduction rates from 2008 data are positive
- ✓ Below state levels in lifetime use
- ✓ Decrease in 8th, 10th, 11th

Thank You



Survey Questions

These are the questions, in exact form, that were asked of Steamboat Springs School District students. The students were asked a number of questions, however, today we will focus on the twelve listed below.

1. During your life, on how many days have you had at least one drink of alcohol?
2. During the past 30 days, on how many days did you have at least one drink of alcohol?
3. During the past 30 days, on how many days did you have 5 or more drinks of alcohol in a row, that is, within a couple of hours?
4. During your life, how many times have you used marijuana?
5. During the past 30 days, how many times did you use marijuana?
6. During your life, how many times have you taken a prescription drug without a doctor's prescription, such as painkillers (like OxyContin, Codeine, or Percocet), stimulants (like Ritalin or Adderall), or depressants (like Valium or Xanax)?
7. If you wanted to get some beer, wine, or hard liquor (for example, vodka, whiskey, or gin) how easy would it be for you to get some?
8. If you wanted to get some marijuana, how easy would it be for you to get some?
9. During the past 30 days, how many times did you ride in a car or other vehicle driven by someone who had been drinking alcohol?
10. During the past 30 days, how many times did you ride in a car or other vehicle driven by someone else who had been smoking marijuana?
11. During the past 30 days, how many times did you drive a car or other vehicle when you had been drinking alcohol?
12. During the past 30 days, how many times did you drive a car or other vehicle when you had been smoking marijuana?

Survey Results are listed below for you to review.

Lifetime Alcohol Use	2008 SS	2010 SS	2010 State	# Change from 2008-2010	Increase/Decrease	# Change from State to 2010	Higher/Lower
	7th	0%	11%	38%	11%	Increase	-27%
8th	50%	12%	53%	-38%	Decrease	-41%	Lower
9th	59%	53%	65%	-6%	Decrease	-12%	Lower
10th	74%	66%	72%	-8%	Decrease	-6%	Lower
11th	78%	78%	78%	0%	Decrease	0%	Same
12th	84%	83%	82%	-1%	Decrease	1%	Higher

30-Day Alcohol Use	2008 SS	2010 SS	2010 State	# Change from 2008-2010	Increase/Decrease	# Change from State to 2010	Higher/Lower
	7th	0%	6%	19%	6%	Increase	-13%
8th	28%	6%	31%	-22%	Decrease	-25%	Lower
9th	28%	31%	40%	3%	Increase	-9%	Lower
10th	40%	37%	45%	-3%	Decrease	-8%	Lower
11th	58%	41%	48%	-17%	Decrease	-7%	Lower
12th	69%	57%	54%	-12%	Decrease	3%	Higher

30-Day Binge-Drinking Use	2008 SS	2010 SS	2010 State	# Change from 2008-2010	Increase/Decrease	# Change from State to 2010	Higher/Lower
	7th	0%	0%	13%	0%	Decrease	-13%
8th	8%	0%	19%	-8%	Decrease	-19%	Lower
9th	22%	22%	26%	0%	Decrease	-4%	Lower
10th	28%	20%	35%	-8%	Decrease	-15%	Lower
11th	35%	25%	37%	-10%	Decrease	-12%	Lower
12th	48%	28%	39%	-20%	Decrease	-11%	Lower

Lifetime Marijuana Use	2008 SS	2010 SS	2010 State	# Change from 2008-2010	Increase/Decrease	# Change from State to 2010	Higher/Lower
	7th	0%	4%	15%	4%	Increase	-11%
8th	10%	5%	26%	-5%	Decrease	-21%	Lower
9th	19%	37%	37%	18%	Increase	0%	Same
10th	50%	43%	44%	-7%	Decrease	-1%	Lower
11th	55%	56%	49%	1%	Increase	7%	Higher
12th	79%	14%	54%	-65%	Decrease	-40%	Lower

30-Day Marijuana Use

	2008 SS	2010 SS	2010 State	# Change from 2008-2010	Increase/Decrease	# Change from State to 2010	Higher/Lower
7th	0%	0%	4%	0%	Decrease	-4%	Lower
8th	10%	0%	5%	-10%	Decrease	-5%	Lower
9th	12%	19%	23%	7%	Increase	-4%	Lower
10th	25%	26%	25%	1%	Increase	1%	Higher
11th	25%	33%	29%	8%	Increase	4%	Higher
12th	49%	29%	29%	-20%	Decrease	0%	Same

Lifetime Prescription Drug Use

	2008 SS	2010 SS	2010 State	# Change from 2008-2010	Increase/Decrease	# Change from State to 2010	Higher/Lower
7th	0%	5%	14%	5%	Increase	-9%	Lower
8th	12%	4%	19%	-8%	Decrease	-15%	Lower
9th	12%	23%	22%	11%	Increase	1%	Higher
10th	28%	14%	25%	-14%	Decrease	-11%	Lower
11th	30%	13%	26%	-17%	Decrease	-13%	Lower
12th	50%	0%	31%	-50%	Decrease	-31%	Lower

Ease of Obtaining Alcohol

	2008 SS	2010 SS	2010 State	# Change from 2008-2010	Increase/Decrease	# Change from State to 2010	Higher/Lower
7th	0%	34%	34%	34%	Increase	0%	Same
8th	0%	57%	50%	57%	Increase	7%	Higher
9th	61%	68%	59%	7%	Increase	9%	Higher
10th	72%	63%	67%	-9%	Decrease	-4%	Lower
11th	66%	67%	72%	1%	Increase	-5%	Lower
12th	77%	73%	76%	-4%	Decrease	-3%	Lower

Ease of Obtaining Marijuana

	2008 SS	2010 SS	2010 State	# Change from 2008-2010	Increase/Decrease	# Change from State to 2010	Higher/Lower
7th	0%	15%	21%	15%	Increase	-6%	Lower
8th	0%	23%	35%	23%	Increase	-12%	Lower
9th	55%	66%	50%	11%	Increase	16%	Higher
10th	70%	61%	58%	-9%	Decrease	3%	Higher
11th	70%	72%	65%	2%	Increase	7%	Higher
12th	76%	73%	67%	-3%	Decrease	6%	Higher

Impaired Driving Alcohol (Rode with driver)

	2008 SS	2010 SS	2010 State	# Change from 2008-2010	Increase/Decrease	# Change from State to 2010	Higher/Lower
7th	0%	6%	19%	6%	Increase	-13%	Lower
8th	17%	21%	25%	4%	Increase	-4%	Lower
9th	18%	25%	28%	7%	Increase	-3%	Lower
10th	33%	15%	30%	-18%	Decrease	-15%	Lower
11th	26%	28%	31%	2%	Increase	-3%	Lower
12th	45%	11%	29%	-34%	Decrease	-18%	Lower

Impaired Driving Marijuana (Rode with driver)

	2008 SS	2010 SS	2010 State	# Change from 2008-2010	Increase/Decrease	# Change from State to 2010	Higher/Lower
7th	0%	0%	16%	0%	Decrease	-16%	Lower
8th	9%	4%	20%	-5%	Decrease	-16%	Lower
9th	26%	37%	27%	11%	Increase	10%	Higher
10th	40%	37%	29%	-3%	Decrease	8%	Higher
11th	31%	48%	33%	17%	Increase	15%	Higher
12th	55%	40%	33%	-15%	Decrease	7%	Higher

Impaired Driving Alcohol (Driver)

	2008 SS	2010 SS	2010 State	# Change from 2008-2010	Increase/Decrease	# Change from State to 2010	Higher/Lower
7th	0%	0%	0%	0%	Decrease	0%	Same
8th	0%	0%	0%	0%	Decrease	0%	Same
9th	3%	5%	10%	2%	Increase	-5%	Lower
10th	14%	8%	12%	-6%	Decrease	-4%	Lower
11th	13%	14%	15%	1%	Increase	-1%	Lower
12th	34%	11%	18%	-23%	Decrease	-7%	Lower

Impaired Driving Marijuana (Driver)

	2008 SS	2010 SS	2010 State	# Change from 2008-2010	Increase/Decrease	# Change from State to 2010	Higher/Lower
7th	0%	0%	0%	0%	No change	0%	Same
8th	0%	0%	0%	0%	No change	0%	Same
9th	4%	4%	13%	0%	No change	-9%	Lower
10th	14%	11%	14%	-3%	Decrease	-3%	Lower
11th	16%	27%	19%	11%	Increase	8%	Higher
12th	35%	14%	20%	-21%	Decrease	-6%	Lower

AGENDA ITEM # 2



2009/2010 Annual Report

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Mission and Vision

Our vision is to give teens a voice in our community.

Our mission is to demonstrate to the community that teens are valuable assets and care about issues that affect teens and all citizens. We seek to raise awareness of issues important to teens and enable their voices to be heard. We hope to accomplish this by educating the community about who we are through events, community service, surveys, forums, and serving as a channel and resource for the benefit of all teens, thus creating a win-win situation that provides common ground for teens and adults.

Letter to the Community

Thank you for expressing an interest in the Steamboat Springs Teen Council.

In only our fourth year of existence the council is extremely proud of all of our accomplishments and we are excited for future endeavors.

The Teen Council is made up of sixteen young adults between the ages of 14 and 18. We chose to join Teen Council because of a genuine interest in serving the City of Steamboat Springs and to be representatives for the teens in our community. We hope to act as the official advisory board to our elected officials on all relevant youth policies. Ultimately our goal is to provide a powerful voice in the community so that teen perspectives are heard and satisfied, instead of being held up in the intimidating minutia of city politics.

Our mission is to give teens a voice in our community. Our charge is to demonstrate that teens are valuable assets and that they care about matters that affect teens and the community. We seek to raise awareness of issues important to teens and enable their voices to be heard. We hope to accomplish this by educating the community about who we are through events, community service, surveys, forums, and to serve as a channel and resource for the benefit of all teens, thus creating a win-win situation that provides common ground for teens and adults.

We serve to:

- Identify the unmet needs of youth in the City of Steamboat Springs;
- Advocate for youth policies by making recommendations to City Council;
- Comment and make recommendations to City Council or any other decision making group on any and all youth related matters;
- Provide an avenue of expression and comment for teens.

We humbly present our annual report to you.

In service,

Austin Ritzel
2009/2010 President
Steamboat Springs Teen Council

2009/2010 Council Officers



Austin Ritzel, President Junior, Steamboat Springs High School
Interests: World Issues, Wrestling, Politics
Issues: Curbing Teen Drinking/Drug Use, Teen Activities



Matthia Duryea, Vice President Senior, Steamboat Springs High School
Interests: Volleyball, Basketball, Singing
Issues: Teen Involvement and Teen Activities



Shane McLean, Secretary Senior, Lowell Whiteman School
Interests: Skiing, Meditation, Hop Scotch, Art
Issues: Stress Management for Teens and the Environment



Maria Hillenbrand, Public Relations Junior, Lowell Whiteman School
Interests: Skiing, Soccer, Tennis
Issues: City Growth and Development

2009/2010 Council Members



Chloe Banning Senior, Lowell Whiteman School
Interests: Snowboarding, Flute, Hockey
Issues: Affordable Teen Activities, Skate Park, Teen Involvement in the Community



Codi Coghlan Freshman, Steamboat Springs High School
Interests: Writing, Art, Skiing
Issues: Environment, Poverty, Animal Abuse, Racism



Shelby Dyer Junior, Lowell Whiteman School
Interests: Skiing, Dancing, Kayaking, Traveling, the Environment
Issues: Having a more environmentally friendly city



Charlotte Letson Senior, Steamboat Springs High School
Interests: Choir, Cheerleading, Student Council
Issues: Activities for Teens



Penn Lukens Freshman, Steamboat Springs High School
Interests: Skiing, Lacrosse
Issues: City Growth, Activities for Teenagers



Anna Marno Senior, Lowell Whiteman School
Interests: Ski Racing, Horseback Riding, Mountain Biking and Backpacking
Issues: Helping with Green Issues



Owen McIntosh Sophomore, Steamboat Springs High School
Interests: Traveling, Learning Languages (Chinese)
Issues: Drug Use, Hunger, Water Distribution



Nick Parnell Senior, Steamboat Springs High School
Interests: Playing Guitar, Counseling Younger Kids, Longboarding
Issues: Tobacco Use on School Grounds, Diversity



Mia Quick Senior, Steamboat Springs High School
Interests: Soccer, Traveling, Reading, Baking, Color Coding
Issues: Environment, Recreation Opportunities, Community Service



Sam Samlowski Freshman, Steamboat Springs High School
Interests: Golf, Lacrosse, Archery, Baking, Friends, Long Walks on the Beach
Issues: Drug Use, Participation in School Activities, a “Cleaner” Steamboat



Maggie Stanford Sophomore, Steamboat Springs High School
Interests: Dance and Volleyball
Issues: Community Service



Allison Williams Freshman, Steamboat Springs High School
Interests: Volleyball, Basketball, Tennis, Dance, Snowboarding
Issues: The Teen Space, Drugs in School and the Community

Teen Council Facilitators



Brooke Lightner, City of Steamboat Springs, Teen Programs Coordinator
Interests: Soccer, Snowboarding, Reading, Knitting and Spreadsheets
Issues: Teens as assets to the community



Dervla Lacy, Grand Futures Prevention Coalition, Routt County Director
Interests: Skiing, Hiking, Traveling, Reading and Ice Cream
Issues: Providing positive adult role models and keeping youth ATOD (Alcohol, Tobacco and other Drugs) free

History

Spring of 2007—Grand Futures Prevention Coalition(GFPC) and the City of Steamboat Springs Teen Programs(TP) initiated focus groups with students to address their perception that they “lack non parent adult role models” and the “community does not value youth,” according to the 2005 Search Institute: Profile Of Our Youth survey.

Fall of 2007—Regular meetings began during the Steamboat Springs High School’s lunch hour. Four students from the (SSHS) Leadership class were assigned to attend meetings and contribute to the council’s development.

October 2007—Staff from GFPC and the City of Steamboat Springs Teen Programs attended the Teen Team Youth Summit in Windsor, Colorado to network with Teen Councils from across the state and gather information and resources.

January 2008— Four members of Teen Council travelled to Greeley to attend and observe an official teen council meeting. The students brought their observations back to the group for reference in creating an application and recruiting process.

March 2008—Official Steamboat Springs Teen Council (SSTC) meetings moved outside of SSHS, to include students from Lowell Whiteman School, Christian Heritage and the Steamboat Springs Middle School in an effort to create a council reflective of the larger teen community. SSTC designed a logo, developed a mission and vision statement, established goals and prepared for presentations to the community.

Fall 2008—Officers were elected for the SSTC 2008/2009 term.

December 2008—Teen Council began the planning process to conduct a comprehensive survey of peers in order to identify goals and priorities for Council. SSTC began drafting survey questions and concepts, as well as planning for the execution of this survey to students at Lowell Whiteman High School and Steamboat Springs High School.

January 2009—Teen Council disseminated the Teen Survey to approximately 400 teens at Lowell Whiteman School and Steamboat Springs High School.

March 2009—Results of the Teen Council survey were compiled by OMNI Institute in Denver and provided to Teen Council. Teen Council also presented to the Human Resource Coalition and Parks and Recreation Commission on its recent accomplishments.

April 2009—Teen Council representatives spoke in favor of the “Ice Arena Bump Out Project” at City Council as a designated teen space. At that meeting City Council decided to delegate funds to the design of the space.

May 2009—Teen Council members summarized results of the Teen Survey. SSTC extended invitations to new members, while at the same time celebrated the graduation of some of its founding members. Officers were elected for the 2009/2010 term.

History Continued

September 2009—Teen Council 09-10 term began its third full year.

Fall 2009—Teen Council toured facilities and met with leaders of the Boys and Girls Club of Steamboat Springs and City Council Member Walter Magill to discuss ideas for a teen space.

Winter 2010—Teen Council members met and reviewed plans for designated teen spaces through Sk8 Church and the City of Steamboat Springs Ice Arena Bump Out Project. Teen Council members were interviewed and quoted in the Steamboat Pilot and Today for their work related to developing a designated teen space. Council members also marched in the Winter Carnival Parade to raise awareness about Teen Council.

Spring 2010—Teen Council members presented the Teen Survey results to various stakeholders in our community, including City Council, Routt County Commissioners, Steamboat Springs School District Board, Lowell Whiteman School Faculty and Staff, Routt County Human Resource Coalition, and the Parks and Recreation Commission. Council members recruited new members for 2010-2011 from Christian Heritage School, Steamboat Springs Middle and High Schools, Lowell Whiteman School, Lowell Whiteman Primary School, and the Yampa Valley School.

May 2010—Teen Council members helped to facilitate the first juvenile justice symposium in Routt County which aimed to provide information on the connection between youth substance use and involvement with the juvenile justice system, as well as the short and long-term consequences of association in the system. Council members also developed a “Teen Laws and Rights” resource for teens detailing important information on teens’ rights related to commonly enforced laws. Officers were elected for the 2010-2011 Teen Council term.

June 2010—Teen Council members celebrated the end of the year with a barbeque to wish our graduating seniors well and welcome our new recruits for 2010-2011 Council.

Steamboat Springs Teen Council Goals

- Increase the awareness of Teen Council, it's vision, mission and objectives;
- Assist in the process of getting a dedicated teen space; and
- Provide education to teens and adults alike within the community surrounding teen issues, including underage drinking and drug use.

Steamboat Springs Teen Council Accomplishments

Advised, toured and provided feedback to the Boys and Girls Club of Steamboat Springs and met with City Council Member Walter Magill related to developing a designated teen space.

Brainstormed and developed a comprehensive list of ideas and concepts, including a detailed blue print for a designated teen space, and shared this list with various interested parties.

Advised, toured, and provided feedback on the development of the SK8 Church teen space.

Established three working Committees (PR/Communications, Events & Education), elected Committee Chairs, and created task lists and deadlines for each committee.

Reviewed plans and provided input related to the City of Steamboat Springs Ice Arena Bump Out Project. Teen Council members spoke in favor of this project at City Council meetings.

Provided community service for the City of Steamboat Springs Holiday Party.

Provided community service for the Routt County United Way Christmas Wishes Program.

Disseminated survey results in public presentations to Steamboat Springs City Council, Routt County Commissioners, Steamboat Springs School District Board, Lowell Whiteman Faculty and Staff, Human Resource Coalition, and the City of Steamboat Springs Parks and Recreation Commission.

Assisted with the Live Well grant (Northwest Colorado Visiting Nurses Association) by facilitating and gathering survey data from LWS and SSSH students related to eating and exercise habits.

Participated in the John Underwood, Founder and President of the American Athletic Institute, tailored community presentations related to the effects of drugs and alcohol on the body, brain and development of adolescents and adolescent athletes.

Accomplishments Continued

Conducted a tobacco and chew awareness and prevention campaign for National Kick Butts Day, developing posters to disseminate throughout SSHS in coordination with the VNA.

Participated and coordinated Earth Hour activities for SSHS and LWS.

Recruited new members for 2010-2011 Term from Christian Heritage School, Steamboat Springs Middle School, Steamboat Springs High School, Yampa Valley Alternative School, Lowell Whiteman School and Lowell Whiteman Primary School.

Researched and developed a “Teen Laws and Rights” resource for teens on Frequently Asked Questions related to traffic stops, drivers license, DUIs, and other important information for teens.

Helped to facilitate and lead the first Juvenile Justice Symposium in Routt County in collaboration with Grand Futures Prevention Coalition, 14th Judicial District Attorney’s Office, Steamboat Springs High School Leadership Class, Routt County Diversion, and other community partners involved in the juvenile justice system.

Engaged in various community service projects including Community Cultivation, Routt County United Way events, VNA, Sk8 Church, Live Well, Yampa Valley Science School, City of Steamboat Springs Annual Holiday Party, and Rural Philanthropy Days, completing over 100 service hours.

Received press coverage from the Steamboat Pilot and Today for Earth Day activities, Ice Arena Bump Out project, SK8 Church and the Juvenile Justice Symposium.

Recreated together, including volleyball, slack lining, bowling and EATING.

Teen Council Reflections

What did you like best about Teen Council this past year?

“I liked the guest speakers who came and told us about various important issues.”

“I liked going to the City Council meeting and becoming closer to an awesome group of teens and adults.”

“The best thing I liked about teen council this year was the different events and things we did like the parade and the juvenile justice symposium.”

“The community of positive people, the opportunity to be a part of the community & decisions that affect me and my age group. The opportunity to raise my voice and bring up ideas and topics I am interested in.”

“Solving issues as a team; having fun; meeting new people.”

“I liked the group dynamic & everyone's enthusiasm about our projects.”

“Volunteering at the Holiday Party & Winter Carnival Parade & Juvenile Justice Symposium.”

“I enjoyed the environment we were in and how I was given more responsibility than last year.”

“I enjoyed the opportunity to represent teens in my community and better the community as a whole.”

“I liked how we helped the town be better for teenagers.”

“I enjoyed being able to see how formal meetings are ran. Also knowing about what is going on in the community for teens and in general.”

“There were a few things that I really liked about Teen Council this year. Doing our presentations really made me happy. The people who we presented to were extremely interested. Also our help with Sk8 Church was really neat. The lounge they are putting up is very cool.”

“I enjoyed working with SK8 Church, Parks and Recreation, etc. and interacting with local organizations.”

“What Teen Council accomplishment are you most proud of?”

“I am most proud of completing the plan for a teen space and working towards its completion.”

“I am most proud of coming so far with figuring out how to find a teen space and what we want in it.”

“Getting money allocated for the design of the Bump Out Project; talking to so many organizations; putting together teen laws & rights.”

“The Juvenile Justice Symposium.”

“Getting the money for the design of the Ice Arena Bump Out project, making that happen.”

“Doing community service; Kick Butts Campaign; Juvenile Justice Symposium.”

“I am most proud of helping with teen education on teen rights & consequences of underage drinking & drugs.”

“Presenting to City Council.”

“I am most proud of our progress in finding a teen space and waiting until we find the best option.”

“I am proud of our progress in finding a teen space.”

“I am most proud of coming super duper close to a teen space.”

“Being part of the teen justice symposium and making appearances at City Council and larger community organizations.”

“The Teen Council accomplishment that I am most proud of is when we presented our views on the Ice Arena Bump Out Project to City Council. We had very good points and City Council decided to allocate money for the design of the project. It was really exciting to have that accomplishment.”

“I am proud of publishing an annual report and distributing it to the community.”

“Teen Council accomplished so much this year. I love that we are acting more and putting our voices out there when we have opinions. The relationships we build are fantastic & the time that we spend together is so fun.”

“Name one thing that you learned through Teen Council this year.”

“I learned about how formal meetings are run.”

“I learned that hookah (tobacco) is very offensive to the body! Way worse than I thought.”

“I learned that teens are incredibly important and adults in the community welcome our feedback and value our opinions. We CAN have a voice if we try to make a difference.”

“I learned that communication is the most important component of getting things done.”

“That we have powerful voices if we are given the right resources and support! We can change the world, anyone can.”

“To work as a team.”

“I learned to be more of a leader and good ways to tackle concerns.”

“I learned about teen rights and how to present in front of a council.”

“I learned how formal meetings proceed and some of the problems teens had that I never would have realized.”

“I learned a huge amount of leadership skills.”

“I learned some teen rights and how a council works.”

“I have learned how important it is to have a voice in the community. Teen Council also made me realize how important it is to have teen activities and projects for teens to do.”

“I have learned a lot of things on Teen Council this year. The most important thing I have learned is that things you put on take time and effort. You can have great ideas, but in order for them to go through you need to put a lot of work and effort into it.”

“I learned many facts about local use of tobacco and other drugs.”

Teen Council Funders

City of Steamboat Springs



Grand Futures Prevention Coalition



Colorado Division of Behavioral Health (DBH), Persistent Drunk Driving Fund



Steamboat Restaurant Group



Grand Futures Prevention Coalition, Routt County Funders

*As a program of GFPC, Teen Council may have received supplemental funding from various local and state general operating sources received by Grand Futures, including:

- Anschutz Family Foundation;
- Colorado Division of Criminal Justice, Juvenile Justice and Delinquency Prevention, Title V- Incentive Grants for Local Delinquency Prevention;
- Colorado Division of Behavioral Health, Colorado Prevention Partners;
- Craig-Scheckman Family Foundation, Youth Advocacy Project;
- Daniels Fund;
- Routt County Human Resource Coalition;
- Routt County United Way;
- SAMHSA Town Hall Meeting Stipend;
- United Methodist Church Foundation, Steamboat Springs;
- Yampa Valley Community Foundation;
- 14th Judicial District fines and costs; and
- Generous donations from local residents and businesses.



Rural Philanthropy Days, September 2009



Bowling at Snow Bowl, November 2009



Presenting to Steamboat Springs School District, January 2010



Slacklining, June 2010



Marching in the Winter Carnival Parade, February 2010



Presenting to City Council, April 2010



End of year BBQ, June 2010

Contact Us:

Teen Council meets the 1st & 3rd Wednesday of every month (September-May) at the Steamboat Springs Community Center at 6:15 p.m.

Meetings are open to the public.

For more information or to reach us:

Steamboat Springs Teen Council
ssteencouncil@gmail.com

Brooke Lightner
City of Steamboat Springs Teen Programs
970-879-4300 ext: 355
blightner@steamboatsprings.net

Dervla Lacy
Grand Futures Prevention Coalition
970-879-6188
dervla@grandfutures.org

AGENDA ITEM # 3

Update from Search and Rescue

This item will be provided under separate cover.

AGENDA ITEM # 4

Porzak Browning & Bushong LLP

Attorneys • at • Law

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MEMORANDUM

TO: City Council, City of Steamboat Springs

FROM: Fritz Holleman

CC: Jon Roberts, Philo Shelton, Chris Wilson, Joe Zimmerman and Tony Lettunich

DATE: November 29, 2010

RE: Water Rights, Economic Development and Asset Protection

We were asked to make recommendations concerning development and protection of the City's water rights. In particular, we were asked how the City's water assets might be leveraged for economic development, and also what the City should do with respect to water if cost were not an issue.

The outline below identifies the major issues and tasks that should be considered, organized into seven categories, as follows: (1) complete the Municipal Well A plan for augmentation to use the Hoyle & Knight and Stagecoach Reservoir water rights the City already owns; (2) complete the water rights inventory, water rights map, and water rights accounting protocol so water diversions are fully reported to the Division Engineer and water rights are not jeopardized; (3) continue to participate in the water court process to secure terms and conditions to protect the City's water rights from competing claims by other water users; (4) complete the repair of the Charlie's Hole RICD structure consistent with the terms of the water court decree and investigate expanding the boating park; (5) develop the City's conditional Elk River right; and (6) participate more actively in Yampa Basin and statewide water forums.

1. Complete the Municipal Well A plan for augmentation.

We filed the water court application for this plan for augmentation on November 30, 2009. The primary purpose of the application was to fold two important water sources into the City's water supply system. First, the City has a contract for the annual release of 552 acre-feet of water to the Yampa River from Stagecoach Reservoir. The City has been paying for this water every year at a cost of approximately \$19,000 per year. Second, the City owns a 0.5 cfs water right in the Hoyle & Knight Ditch that it acquired as part of the Steamboat Barn Village annexation a few years ago. The City does not currently have an effective way to use either of these water rights.

The application seeks water court approval of a plan to use these two water sources to augment additional diversions at the City's Municipal Well A. This will allow the City to divert the Municipal Well A at times when the water right for that structure would otherwise be out-of-priority as against more senior downstream water rights. Securing water court approval for this plan for augmentation was one component of the "water firming" work we discussed with City Council and Steamboat 700 during the negotiation on that proposed development. This work is important regardless of what happens with development on the west side of the City.

Use of the Hoyle & Knight water right is particularly helpful as it has a priority date of August 9, 1889, and is one of the few water rights the City owns that is senior to the 1922 Colorado River Compact. While not a significant amount of water, the Hoyle & Knight water right is important because it would still be available in the event of a call by the downstream states under the Compact. The Stagecoach water is typically stored in priority in the spring runoff and can be subsequently released at the City's request in the late summer and early fall even if a downstream call is on the river.

We have circulated engineering reports and proposed decrees to the parties that filed statements of opposition, and to the Water Referee, and have been meeting to work through the concerns that have been raised. Barring unforeseen obstacles, the City could reasonably expect to have a final decree approved by the Water court within six months.

When the decree for the plan for augmentation is secure, the next step is to consider whether the well structure should be expanded. The City's Water Supply Master Plan indicates the yield of the existing structure is somewhat limited. Philo Shelton would like to study the options and costs for expanding the well facility.

2. Complete water rights inventory, map, and accounting protocol.

Water rights in Colorado can be lost by abandonment for non-use. In June of this year, the Division Engineer notified the City that there were ten City water rights on her preliminary abandonment list. After a number of meetings between City representatives and the Division Engineer, as well as some helpful direction from the State Engineer's Office in Denver, only one of these rights appeared on the final list. The City had no intent to abandon these water rights, and must be vigilant to make sure that all of its rights are used and diversions are reported so that valuable water rights are not abandoned the next time the Division Engineer prepares her list.

The City has an unusually large number of water rights for a municipality of its size. There are rights to serve the historic municipal supply system, which diverted from Soda Creek and Spring Creek, numerous small rights on other small tributaries of the Yampa, and claims for all of the small hot springs and seeps through town. These rights are in addition to the rights for the golf course, the reservoirs and surface rights on Fish Creek, and the well on the Yampa River that are the primary sources for the municipal supply. In all, the City has almost 100 water right priorities. While there have been old lists of these rights in the files and old engineering reports, the lists all vary from one another. There has not been a single comprehensive list.

We have been working over the past months with Philo Shelton, Joe Zimmerman and Chris Wilson to gather all of the water court decrees for all of the rights and to make a master list. That work is largely complete. At the same time, Joe Zimmerman has been preparing a map to locate all of the diversion points. There is some work to do now to make sure the map and the list are consistent, accurate and complete. It is important that this work get finished before Joe Zimmerman retires, and takes a lot of the City's historic water knowledge with him.

The point of this work has been to give the City a starting point to implement a strategy to effectively use its valuable water rights and accurately report its diversions. Chris Wilson has already been working to make sure the particular rights of concern that were on the preliminary abandonment list are put to use to irrigate certain City parks where possible. We strongly recommend the City continue to support Chris in that effort.

The important work that is just getting started is to implement an overall water rights accounting protocol to be sure that diversions are reported to the Division Engineer. Gary Thompson, a water resource engineer with W.W.Wheeler and Associates, has been hired to work with the decrees, lists and maps that have been compiled. Gary will prepare Excel spreadsheets for the City water rights that can be used to annually record diversions and report them to the Division Engineer. His September 30 proposal was to do that work for \$7500. We expect an initial report from Gary on this work in the next few weeks.

3. Secure protection in water court from claims by other water users.

Every month we review the resume of water court applications that is published for Water Division No. 6. Following our review, we send a short note describing any cases of potential interest to the City. After consulting with Mr. Shelton, Mr. Zimmerman and Mr. Lettunich, we file a statement of opposition to those water claims that have the potential to cause injury to City water rights. Most of the applications to which we file an opposition are for new water uses for which there is not a plan for augmentation to replace out-of-priority depletions, something the City is doing with its Municipal Well A right. The City's opposition is usually resolved by negotiating terms and conditions with the applicant. The protective terms then appear in the applicant's Water court decree. In other cases, the applicant may remove claims that could result in injury to the City's water rights, or may provide engineering demonstrating that the proposed water use in the application will not cause injury. We recommend the City continue to participate in water court, as necessary, to protect its water rights.

4. Repair and expand the boating park.

According to a 2005 report prepared by Stratus Consulting, the potential economic benefit of the boating park to the City and surrounding community is \$7.2 million per year. The direct expenditures from equipment, automobiles, and travel time for kayakers and canoers was estimated at \$945,300. The direct annual expenditures related to non-locals staying in Steamboat Springs was estimated at \$1,027,500. Those values, combined with the value of enhanced tubing opportunities and the value of special events held at the boating park were considered in arriving at the estimated \$7.2 million dollar annual value. The Stratus report, and supporting expert

testimony, were presented at the 2005 trial to support the recreational in-channel diversion (“RICD”) water rights claimed for the boating park structures.

The C-Hole RICD structure was damaged in the last high spring run-off. Pursuant to the water rights decree for that structure, the RICD water right can only be protected if the same structure is rebuilt within three years. Gary Lacy, the designer and builder of the existing structures, is working to repair the C-Hole. That work needs to be completed to protect the water right.

Mr. Lacy has also proposed building two additional structures in the area of the existing boating park. These have the potential to create an even better park, and might be an even bigger draw and greater economic driver for the City. The City needs to work with the boating community to decide if these new structures should be built.

The City may also want to consider adding a boating event next summer, possibly in connection with the Quizino’s Pro Challenge Bike Race. In all of the economic studies that have been done about boating parks, the special events are a key part of the overall economic value to a community. That bike race is in late August, when flows are low, but it may be possible to ask for a release from Stagecoach Reservoir under the City’s contract to get an acceptable boating flow. Additional research on whether this is allowed under the contract and water rights for the reservoir would need to be done.

5. Elk River development.

The Elk River right remains a critical component of the City’s future water supply. At present, the City is heavily dependant on the Fish Creek Basin to meet its municipal demand. If there is a fire or other major issue there, the City would not have an adequate supply. The City’s Water Supply Master Plan directs the City to develop the Elk River right for the security that redundancy provides. In addition, the more water the City relies on from the Elk River, which comes in below the City, the less it needs to take from Fish Creek and the Yampa sources which otherwise help sustain flows in the Yampa through the City. Though the demise of Steamboat 700 has reduced the pressure to pursue this water source, the need for system redundancy still exists. It is not too early to begin to acquire the land, easements, and permits necessary to develop this water right.

The Water Supply Master Plan also explains that storage in the Elk River Basin is important to ensure that the City’s Elk River water right can be fully utilized. Storage is necessary due to the potential that the Colorado Water Conservation Board (“CWCB”) will call for its 65 cfs instream flow water right on the Elk River, which can command the entire flow of the Elk River in the low-flow months of the late summer. The presence of the CWCB’s instream flow right reduces the firm annual yield of the City’s Elk River water right to approximately 770 acre feet per year. With storage in the Elk Basin and the ability to augment the City’s Elk River direct flow diversion, the reliable firm yield of this water right increases to 2,500 acre-feet or more. In addition to taking steps to develop the diversion, the City should continue to explore the opportunities for upstream storage in Steamboat Lake or other sources.

6. Increased participation in water forums to track big picture issues.

The City became more actively involved as an objector in water court with the significant increase in water rights applications filed in the Yampa Basin beginning in December 2007. Filings dramatically increased at that time in response to the pressure on the water supply threatened by Northern Colorado Water Conservancy District's proposed Maybell pumpback project, the threat of a call by downstream states under the Colorado River Compact, and the final decree for the City's own RICD water right.

The pressure on the Yampa basin has only increased since that time as the State of Colorado, through the CWCB, has moved forward on its Statewide Water Supply Planning Initiative ("SWSI"). The initial phase of SWSI concluded that the "water gap" for the State by 2030 will be about 118,000 acre-feet. In other words, the CWCB estimates that demand in 2030 will exceed the known developable supplies by 118,000 acre-feet. The largest part of that demand, by far, is on the Front Range. This same study identified the Yampa as the last basin in the State with significant undeveloped water. In the time since the completion of the first phase of SWSI, the recent state level planning discussion has been about the water projects, conservation methods, and other ideas that might help fill the water demand gap. The projects under discussion continue to include a Yampa River pumpback project, as well as a Flaming Gorge pumpback, both of which could impact water supply in the Yampa basin. The "water gap" pressure from the Front Range is different from the continuing threat of a Compact call by the downstream states on the Colorado River, which most analysis suggest has become more likely with climate change and development pressure.

There are a number of forums where the large issues that might impact the City are discussed. Mr. Shelton and Mr. Zimmerman occasionally attend the Water Division No. 6 "Basin Roundtable" -- a forum of water users created by state statute that has been working to identify water uses and needs in Water Division No. 6, and where big picture developments are discussed. We encourage them to stay involved in that process. Similarly, Mr. Shelton has been attending meetings and discussing water issues with the Upper Yampa Water Conservancy District and we encourage him to stay involved there.

Our firm keeps track of these same issues by participating in the Colorado Water Congress, which holds itself out as the leading water forum for water users in the state, and by working with a lobbyist on behalf of a number of our large clients to keep track of the many water bills that are introduced in the legislature each year. We try to keep Mr. Lettunich and Mr. Shelton apprised of any water related legislation that may be of concern to the City, and are now preparing for the upcoming legislative session.

END OF MEMO

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MEMORANDUM

TO: City of Steamboat Springs City Council

FROM: Fritz Holleman and Bill Wombacher

DATE: February 23, 2011

RE: Statewide Water Issues

This memo provides information concerning a variety of statewide water issues that might be of interest to City Council, as follows: (1) an update on the Statewide Water Supply Initiative (“SWSI”), (2) an update on the Interbasin Compact Committee (“IBCC”), (3) information regarding current and future compliance with the Colorado River Compact, and (4) 2011 proposed water legislation. Attached to this memo are a number of documents relevant to each of these topics.

1. Statewide Water Supply Initiative (“SWSI”)

SWSI was developed by the Colorado Water Conservation Board (“CWCB”) as a future water supply planning process. In 2004, the first SWSI report was released, “SWSI 1,” which attempted to identify Colorado’s current and future water needs through 2030, and also suggested approaches to meet those needs. In 2006, SWSI 1 was supplemented by “SWSI 2,” which added technical data on water conservation, agricultural water transfers, and environmental needs. The most recent SWSI update, “SWSI 2010,” was released in December 2010 and adds an analysis of water supply demands through 2050, a summary of nonconsumptive needs in each basin, an analysis of supply availability in the Colorado River Basin, and various other elements relevant to detailing Colorado’s future water supply needs and demands. A summary of SWSI 2010’s key findings is included in Attachment 1. Below are some of the highlights:

- By 2050, Colorado’s population is expected to nearly double to between 8.6 and 10 million. The fastest growth will occur on the West Slope, where population is expected to double in the next 40 years.
- In 2050, agriculture will remain the majority water user in the State, but is projected to decline from 86% to 82% of total water diversions.
- As a result of population growth by 2050, Colorado will need between 600,000 and 1 million additional acre-feet/year of municipal and industrial water (“M&I”).

- Development of the oil shale industry could create new water demands as high as 120,000 acre-feet/year.
- By 2050, Colorado could face an M&I water shortfall of between 190,000 and 630,000 acre-feet.
- The report recommends that agricultural transfers, new supply development, conservation, and the construction of currently identified projects be used to meet the M&I gap. The identified projects include the Chatfield Reallocation Project, the Moffat Collection System Project, the Windy Gap Firming Project, and others more fully described in Attachment 2. The report also identifies new supply development opportunities in Green Mountain Reservoir, Yampa River Pumpback project, Flaming Gorge Reservoir, and Blue Mesa Reservoir.

2. Interbasin Compact Committee (“IBCC”)

In 2005, the Colorado General Assembly passed the Colorado Water for the 21st Century Act (the “Act”). The Act established “Basin Roundtables” for each of the seven major river drainages in Colorado, as well as one for the Denver metro area. The stated purpose of the Act was to “facilitate continued discussions within and between basins on water management issues, and to encourage locally driven collaborative solutions to water supply challenges.” C.R.S. § 37-75-104(1)(a). Specifically, each basin roundtable was charged with developing a basin-wide water needs assessment addressing (1) consumptive and non-consumptive water needs, (2) available water supplies, and (3) proposed projects or methods to meet future water needs.

The Act also established the IBCC, which is an umbrella committee made up of members from each of the basin roundtables, as well as six at large members appointed by the Governor. The IBCC’s statutory role is to disseminate information among the basins, address ways to meet interstate compact agreements, assist the roundtables in developing basin-wide water management plans, and help negotiate interbasin compacts.

On December 15, 2010, the IBCC submitted a report to Governor-elect Hickenlooper, highlighting the actions of the IBCC and informing him of their role in water management issues. Specifically, it discussed the roundtable process, the policy of using local input as the driver in longterm planning decisions, and the variety of water management solutions necessary to meet future water demands including conservation, new supply development, and the implementation of identified projects. The report included a timeline of the IBCC’s accomplishments, a series of sub-committee reports on various topics, and a 2011 work plan. A copy of the IBCC report is included as Attachment 3.

The IBCC also recently produced a policy statement urging the state government to take a more active role in implementing proposed water supply projects. This statement is included as Attachment 4. At a January 2011 meeting of the Colorado Water Congress, Mike King, Executive Director of the Colorado Department of Natural Resources, was asked about the State’s role in supporting water projects under Governor Hickenlooper. He stated that it was unlikely that the State would take sides on any of the

currently proposed projects. He further remarked that once a comprehensive plan has been developed to address Colorado’s future water needs, the State may consider getting involved once those needs have been more fully identified.

3. Colorado River Compact Compliance

The Colorado River is one of the world’s most controlled and regulated rivers. Tributary water in northwestern Colorado is part of the interstate Colorado River system and is subject to the terms and conditions contained within the Colorado River Compact of 1922 (“1922 Compact”) and the Upper Colorado River Compact of 1948 (“1948 Compact”), collectively the “Compact.” With a series of below-average water years, and dropping water levels in Lake Powell, there has been greater concern about the possibility of a “call” by California and the other Lower Basin States under the 1922 Compact.

The 1922 Compact divides the Colorado River, including all tributaries, into an Upper and Lower Basin (see Figure 1). The boundary between the two basins is at Lee Ferry in Arizona.¹ The Upper Basin states are Wyoming, Colorado, most of New Mexico and Utah, and that part of Arizona above Lee Ferry. The Lower Basin states are Nevada, California, most of Arizona, and parts of Utah and New Mexico. Article III(a) of the Compact grants the Upper and Lower Basins the exclusive beneficial consumptive use of 7,500,000 acre-feet per year. Article III(b) grants the Lower Basin states the right to increase its beneficial consumptive use by one million acre-feet per year. Any surplus should be used to fulfill the United States’ obligation to Mexico under the 1944 U.S. Mexican Treaty, but if the surplus is insufficient then both the Upper and Lower Basins must share the burden equally. Article III(d) requires that the Upper Basin states cannot cause the flow at Lee Ferry to be depleted below an aggregate of 75,000,000 acre-feet for any period of ten consecutive years.

Article VIII protects rights senior to the effective date of the 1922 Compact from a Compact call. These senior rights were defined in the 1922 Compact as “present perfected rights.” The concept of present perfected rights was later clarified in *Arizona v. California* to mean rights existing as of June 25, 1929,² and meeting the following definition:

[A] water right acquired in accordance with state law, which right has been exercised by the actual diversion of a specific quantity of water that has been applied to a defined area of land or to definite municipal or industrial works, and in addition shall include water rights created by the reservation of mainstream water for the use of federal establishments under federal law whether or not the water has been applied to beneficial use.

¹ Lee Ferry is a defined term in the 1922 Compact, meaning “a point in the main stem of the Colorado River one mile below the mouth of the Paria River.” Lee’s Ferry is the name of the actual town in Arizona.

² June 25th 1929, is the day the 1922 Compact was proclaimed effective by the President of the United States.

Without this express protection for “present perfected rights,” delivery obligations could be imposed against rights senior to the Compact.³ It should also be noted that the 1948 Compact excludes water rights perfected prior to November 24, 1922, from curtailment in a Compact call. In light of this inconsistency, a court will probably have to determine which date will be used to determine what constitutes a perfected right in the event of a Compact call.

The 1948 Compact allocates the consumptive use among the Upper Basin States. It provides Arizona with 50,000 acre-feet of consumptive use per year, while Colorado is granted 51.75 percent of the remainder.⁴ Consumptive use in the 1948 Compact is defined as man-made depletions to the native (virgin) flow at Lee Ferry.

A Compact call would raise many significant questions. In fact, John Leshy, Former Solicitor for the Department of the Interior, was recently quoted as follows: “If there is a compact call, we really are in no man’s land If there can’t be some sort of settlement patched together, we’re looking at horrendous litigation.”⁵ There is no written policy explaining how the Colorado State Engineer might attempt to meet a Compact call, though the need for such a policy has been frequently discussed in recent years. The State Division Engineer for Water Division No. 5 (the Colorado River basin) reports that the long-standing assumption has been that enforcement would be on a strict priority basis, and that the State would simply start shutting down junior uses until the delivery obligation was met.

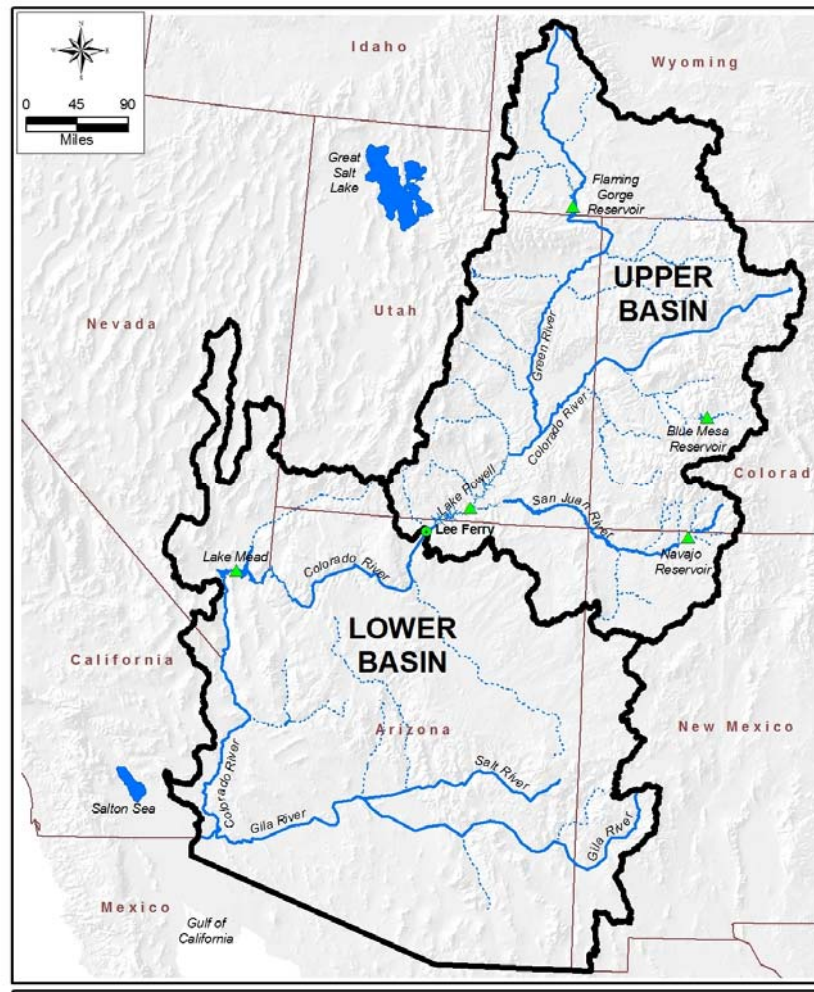
There are a number of other questions surrounding administration of a Compact call. For example, some of the Upper Basin states such as Wyoming are much further away from using their full Upper Basin Compact entitlement. Will they be required or would they be willing to contribute more water to a Lower Basin Compact call so that Colorado water users are not shut down? Would the United States Bureau of Reclamation first drain Blue Mesa Reservoir and other federal reservoirs before requiring Colorado water users to stop diverting? Moreover, the Compact commits the Upper Basin to deliver 7.5 million acre-feet per year on a ten-year average, but the Upper Basin has been delivering a surplus. Can the Upper Basin take credit for the surplus delivered on an average annual basis (approximately 8.23 million acre-feet per year) since the Compact was ratified? Lastly, Articles III(a) and III(d) in the 1922 Compact are in conflict with each other, so which one is controlling? Must the Upper Basin forgo a portion of the 7.5 million acre-feet allocated in Article III(a) to deliver the 75 million acre-feet allocated to the Lower Basin in any 10 year period as required by Article III(d)?

³ *Hinderlider v. La Plata River & Cherry Creek Ditch*, 304 U.S. 92 (1938).

⁴ In addition, Utah is granted 23.00 percent, Wyoming 14.00 percent, and New Mexico 11.25 percent of the remainder under the 1948 Compact.

⁵ Theo Stein, “Water Ebbs, Worry Flows” *Denver Post* (Apr. 4, 2004).

Figure 1: Upper and Lower Colorado River Basins



In addition to the many unanswered questions surrounding a Compact call, there is concern about the remaining amount of unallocated water left for Colorado under its share of the Compact. Eric Kuhn, general manager of the Colorado River Water Conservation District recently opined that Colorado only has approximately 150,000 acre-feet of water left to develop under the 1922 Compact. Mr. Kuhn's conclusion is supported by a 2007 internal study conducted by the Colorado Water Conservation Board (the Colorado state agency charged with overseeing compact issues), which determined that there was approximately 159,000 acre-feet of unappropriated water remaining under Colorado's Compact entitlement. It should be noted that this remaining Compact entitlement is what is available for the entirety of the State of Colorado, not just users in western Colorado.

4. Proposed Water Legislation, 2011- 2012

It has been an unusually slow year for water legislation. The Legislature is more focused on budget issues. Still, a number of bills have been introduced. The bills that have generated the most interest and concern this session are summarized below.

Bill No.	Subject	Key Provisions
H.B. 11-1068	Concerning the state engineer's authority to approve temporary agricultural water transfer agreements.	<ul style="list-style-type: none"> • Authorizes state engineer to approve agricultural water transfer agreements for up to 40 years using public notice and comment process analogous to that used for substitute water supply plans. • User of water right must notify state engineer and parties who filed comments to the application by March 1 of any year in which user intends to operate subject to agreement. • Agreement can be reapproved for one additional 40 year period. • Applies only to Lower Arkansas Basin.
H.B. 11-1150	Concerning additional revenues for water storage projects	<ul style="list-style-type: none"> • Transfers \$5 million for 10 years from the wildlife cash fund to CWCB construction fund. • Allows CWCB to use revenues only for water storage projects that will enhance, create, or preserve wildlife habitat and only if CWCB determines that it will not violate federal law. • The significance of the bill is that it moves money from the wildlife cash fund where it can be used for fish and wildlife conservation projects including providing for high-quality hunting and fishing opportunities, to the CWCB construction fund where it can be used for the construction of water storage projects. • There is also concern that moving the money away from the DOW could make Colorado ineligible for federal wildlife funds.
H. B. 11-1034	Concerning the creation of a protect-our-rivers special license plate for Colorado Trout Unlimited ("CTU")	<ul style="list-style-type: none"> • Person becomes eligible to use plate by donating \$25 to CTU and two one time fees of \$25 to the DMV. • CTU is unrestricted in its use of the funds, but must sell 3,000 plates by July 1, 2014, to assure continued issuance

H.B. 11-1034 was postponed indefinitely on February 7, 2011. Similarly, H.B. 11-1068 was postponed indefinitely on February 14, 2011, and H.B. 11-1150 was postponed indefinitely on February 21, 2011

**** END OF MEMO ****



Colorado's Water Supply Future

John Hickenlooper – Governor
Mike King – DNR Executive Director
Jennifer Gimbel – CWCB Director



SWSI 2010 Mission Statement, Key Findings, and Recommendations

Statewide Water Supply Initiative 2010 Mission Statement

The Colorado Water Conservation Board will help Colorado maintain adequate water supplies for its citizens, agriculture, and the environment. This will be accomplished through a mix of solutions, all of which should be pursued concurrently.

Introduction

There can be no life without water. Water is indeed the life blood of any community; be it the Front Range metropolis or the farming and recreational communities within Colorado. We know that water supplies are not unlimited. Colorado's growth, development, and quality of life depend upon sustainable and secure supplies of water. The Colorado Water Conservation Board (CWCB), governed by a citizen board, is the state agency responsible for looking at this resource from a statewide perspective. Its mission is to conserve, develop, protect, and manage Colorado's water for present and future generations.

A few years ago, the CWCB, with the blessing of the General Assembly, took on the charge to better understand and prepare for Colorado's future water supply needs. In 2004, the CWCB developed the Statewide Water Supply Initiative (SWSI 1), which comprehensively identified Colorado's current and future water needs to the year 2030. SWSI 1 examined a variety of approaches Colorado could take to meet those needs. In 2006, the report was supplemented by SWSI 2 by adding to the technical work on water conservation, alternative agricultural water transfers, and environmental needs.

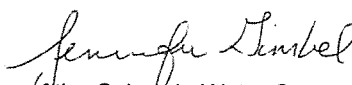
SWSI 1 implemented a collaborative approach to water resource issues by establishing "basin roundtables"—diverse groups of people who provide input on water issues. The basin roundtables established a grass roots effort for education and collaboration on water planning issues; those efforts were institutionalized in the Colorado Water for the 21st Century Act of 2005. The Act also created a 27-member Interbasin Compact Committee (IBCC) to facilitate conversations within and between basins.

The Act charges the basin roundtables to develop consumptive and nonconsumptive needs assessments and propose projects and methods to meet those needs. The SWSI 2010 update relies on those basin needs assessments and can inform local and regional water

planning efforts; however, SWSI is not intended to replace local project planning or implementation. SWSI 2010 compiles information to develop a common understanding of existing and future water supplies and demands, both consumptive and nonconsumptive, throughout Colorado. Key elements of this update include:

- ◆ Analysis of water supply demands to 2050;
- ◆ Summary of nonconsumptive needs in each basin, as identified by the basin roundtables;
- ◆ Analysis of supply availability in the Colorado River Basin;
- ◆ Implementation elements associated with identified projects, water conservation, agricultural transfers (both permanent and nonpermanent), and development of new water supplies; and
- ◆ Development of estimated costs of implementing water supply strategies.

SWSI 2010 provides a comprehensive picture of Colorado's water needs—now and in the future. The CWCB intends SWSI to be updated and refined every few years. Also, to ensure the local perspective in this report, each basin roundtable will supplement this report with individual basin reports later in 2011. Used as a statewide planning tool, SWSI 2010 provides comprehensive information to water providers, state policy makers, and the General Assembly as they make decisions for accomplishing our next step—to work together on implementing the necessary strategies to meet our near and long-term future water supply challenges. The CWCB, its staff, and I look forward to working with the stakeholders on implementing strategies to meet the identified water needs, and will keep you up-to-date on our continued progress.


Director of the Colorado Water Conservation Board

SWSI 2010 Key Findings

Overall Key Finding

Colorado faces a shortage of water for meeting the state's consumptive and nonconsumptive water needs. In order to meet Colorado's water management objectives, a mix of local water projects and processes, conservation, reuse, agricultural transfers, and the development of new water supplies should be pursued concurrently.

Consumptive Needs

Projected Water Use

The relative proportions of Colorado's agricultural, municipal and industrial (M&I), and self-supplied industrial (SSI) gross water use in 2050 are depicted in **Figure 1**. Agriculture will continue to use the majority of Colorado's water supply, although it is projected to decline from 86 percent today to 82 percent by 2050.

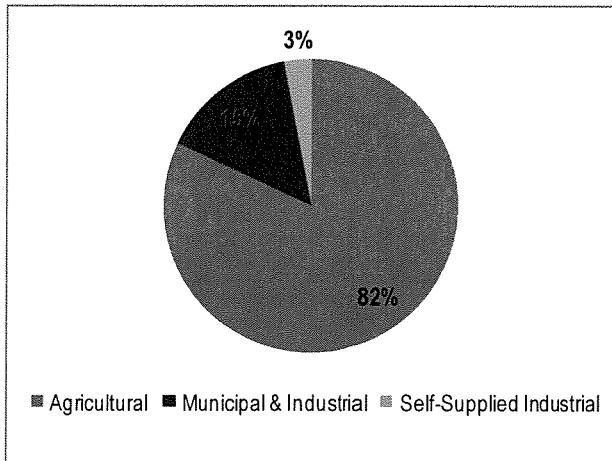


Figure 1. Projected 2050 Water Use by Sector

Agricultural Demands

Each basin faces continued shortages associated with existing agricultural demands. The current agricultural demands and agricultural shortages for each basin are represented in **Figure 2**.

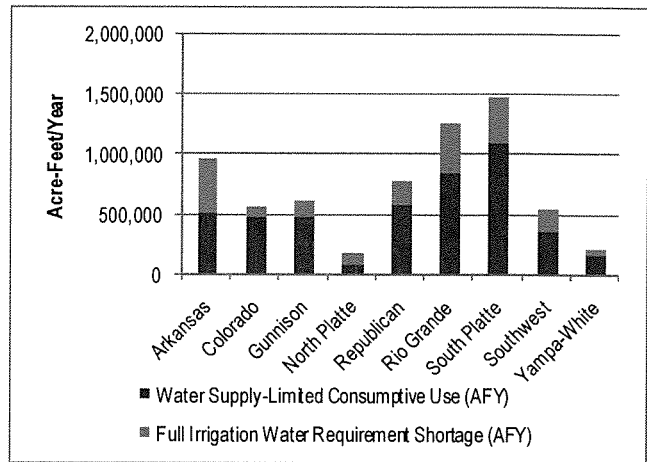


Figure 2. Colorado's Current Agricultural Demands

There are pressures to keep agriculture economically viable, and some basins, such as the Yampa, are seeking to expand agriculture. However, the state could also face a significant decline in irrigated acres by 2050 due to urbanization, water transfers, and market pressures.

As shown in **Figure 3**, between 500,000 and 700,000 irrigated acres could be dried-up by 2050 primarily due to urbanization and urban transfers. Such large-scale dry-up of irrigated agriculture would have adverse economic and environmental impacts.

In 2050, Colorado's agricultural demands are projected to be approximately 4 million acre-feet, compared to 4.8 million acre-feet of current agricultural demand.

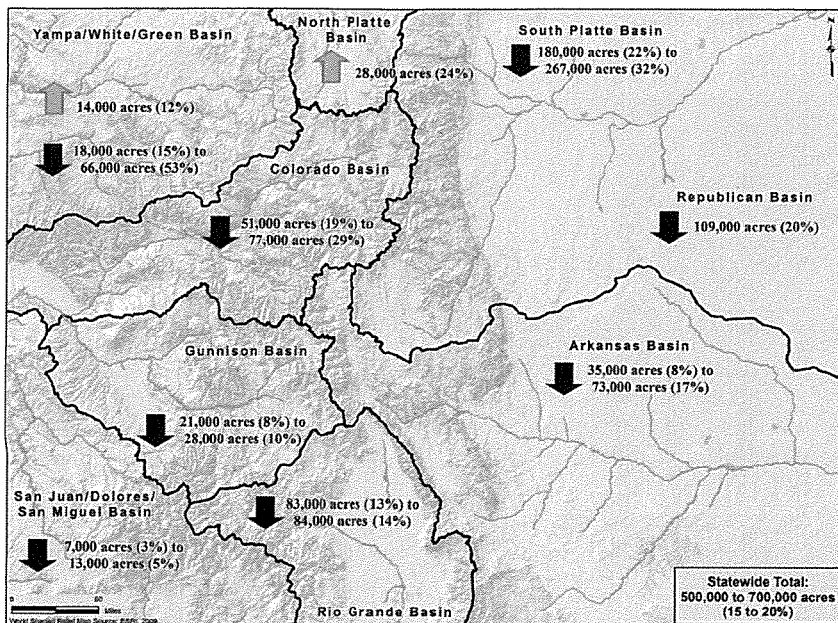


Figure 3. Potential Changes in Irrigated Acres by 2050

SWSI 2010 Key Findings (continued)

Municipal Demands

Significant increases in Colorado's population—together with agricultural water needs and an increased focus on recreational and environmental uses—will intensify competition for water.

- ◆ Colorado's population is projected to nearly double to between 8.6 and 10 million people by 2050.
- ◆ The Front Range of Colorado will continue to be the most populous place in Colorado with over 80 percent of the state's population residing in the Arkansas, Metro, and South Platte Basins.
- ◆ The West Slope of Colorado will grow at the fastest rate of any area in Colorado between now and 2050. Growth rates on the West Slope are as high as 240 percent, whereas on the Front Range the growth rate is approximately 70 percent. Population on the West Slope is expected to more than double in the next 40 years.
- ◆ Colorado will need between 600,000 and 1 million acre-feet/year of additional M&I water by 2050. This estimate has been adjusted to reflect passive conservation. These estimates incorporate new water demands from population growth, energy and other SSI needs (including oil shale), and replacement of nontributary groundwater.

Statewide M&I and SSI demand projections for each basin are represented in **Figure 4** in acre-feet/year. Per capita water demands have decreased by about 18 percent statewide since 2000; however, the cause and permanency of these savings is uncertain.

Energy Demands

An oil shale industry producing 1,550,000 barrels of oil/day could use between 0 to 120,000 acre-feet/year depending

upon what technologies and other factors are implemented. Due to ramp up rates, by 2050 projected water use ranges from 0 to 44,000 acre-feet/year for an industry providing 550,000 barrels of oil/day. **Figure 5** summarizes projected oil shale water demands in 2050 and at buildout.

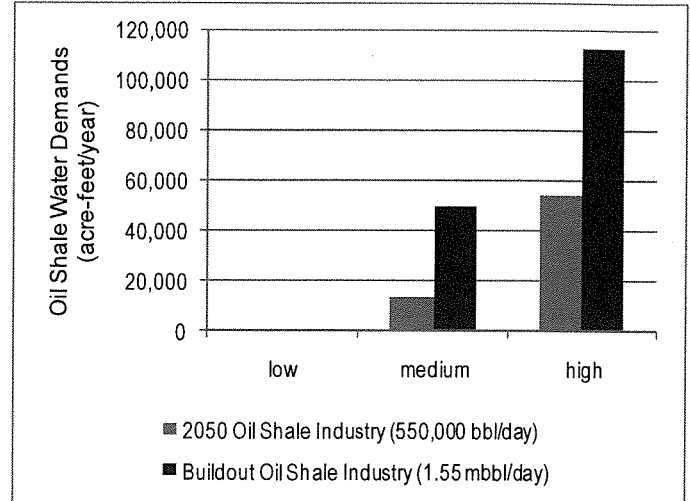


Figure 5. Projected Oil Shale Development Water Demands

Supply

Supply Availability

Supplies are not necessarily where demands are and localized shortages exist, especially in headwater areas. Colorado River compact entitlements are not fully utilized. In the South Platte, Arkansas, and Rio Grande Basins unappropriated water is extremely limited.

The Phase 1 draft of the Colorado River Water Availability Study identified planning ranges for water supply that may be available from the Colorado River system to meet future needs and identified local water availability throughout the Colorado River Basins.

Groundwater Supply

Between now and 2050, decreased reliance on nonrenewable, nontributary groundwater as a permanent water supply is necessary. Otherwise, there are reliability and sustainability concerns in some areas, particularly along the Front Range.

In addition to meeting future M&I water needs, the South Metro area and northern El Paso County will need to replace approximately 35,000 acre-feet/year of nontributary groundwater with a renewable water supply.

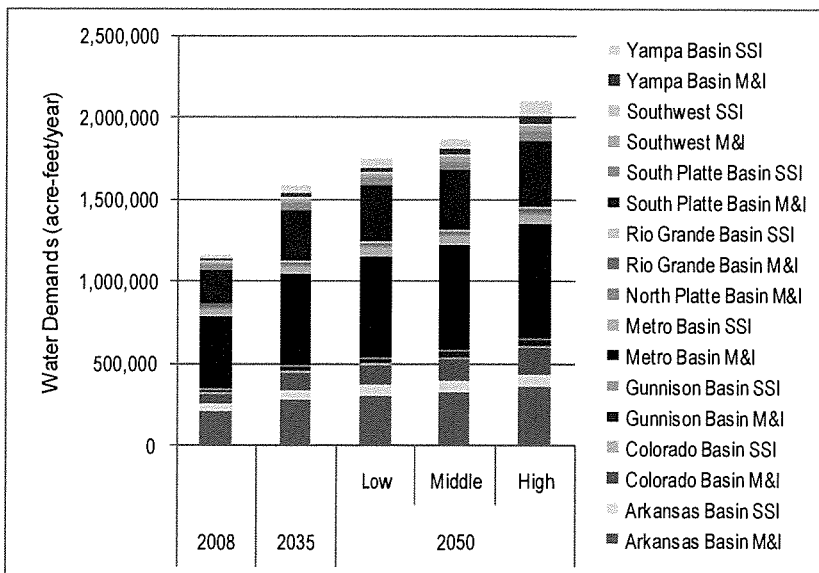


Figure 4. Colorado's Future M&I and SSI Water Demands

SWSI 2010 Key Findings (continued)

Nonconsumptive Needs

Environmental and recreational values will continue to be important to the state's economy and quality of life. **Figure 6** is a summary of each basin roundtable's mapping of their nonconsumptive focus areas. Although Colorado has many existing projects and methods aimed at meeting these nonconsumptive values, additional projects and methods will be needed to meet Colorado's nonconsumptive water supply needs, especially in warmer waters with endangered, threatened, and imperiled species.

- ◆ Nonconsumptive focus areas were identified on 33,000 miles of streams and lakes in the state with water related environmental and recreational values. Nearly

one-third of these focus areas have an identified project or method to support one or more of the nonconsumptive values in the area.

- ◆ The focus areas include 12,000 stream miles that have cold water fisheries (e.g., Cutthroat Trout species and Important Fishing Areas). Of these, nearly 50 percent have an identified project or method to support those values.
- ◆ The focus areas include 11,000 stream miles that have warm water fisheries (e.g., Colorado River endangered fish, and species of special concern, such as Roundtail Chub and Arkansas Darter). Of these, approximately 30 percent have an identified project or method to support those values.

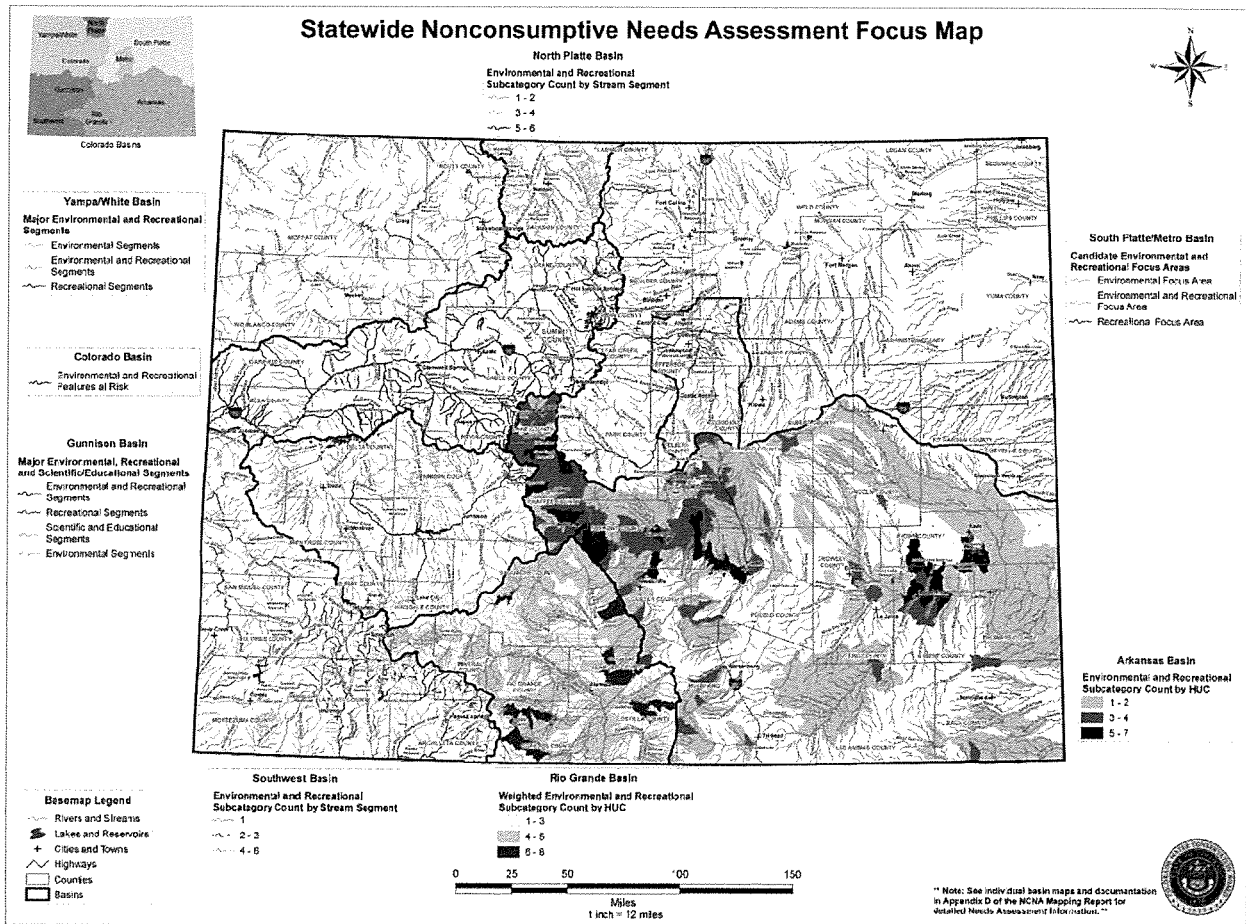


Figure 6. State of Colorado Nonconsumptive Needs Focus Areas

SWSI 2010 Key Findings (continued)

Addressing the M&I Gap

Identified Projects and Processes

As part of SWSI 2010, CWCB gathered more detailed Identified Project and Processes (IPPs) information than was developed for SWSI 1. IPPs are defined as projects and processes local water providers are counting on to meet future water supply needs. The following categories were used:

- ◆ Agricultural water transfers
- ◆ Reuse of existing fully consumable supplies
- ◆ Growth into existing supplies
- ◆ Regional in-basin projects
- ◆ New transbasin projects
- ◆ Firming in-basin water rights
- ◆ Firming transbasin water rights

Note that passive conservation is not included in the categorized IPPs since it is factored into the 2050 demand forecasts. This is consistent with the approach used in SWSI 1.

If 100 percent of the IPPs are successfully implemented they would provide 430,000 to 580,000 acre-feet/year. The largest categories of IPP yields by volume are projected to be regional in-basin projects and growth into existing supplies.

IPPs, if successfully implemented, have the ability to meet some, but not all of Colorado's 2050 M&I water needs. Implementation of these local projects and processes are critical to meeting Colorado's future water supply needs.

M&I Gap

Colorado faces a significant M&I water supply gap in 2050. The M&I gap is defined as the difference between the projected M&I water demands and supplies from existing sources and the supplies from the IPPs. The M&I gap varies between 190,000 and 630,000 acre-feet depending on the success rate of the IPPs. By 2050, Colorado's M&I gap could be between 32 percent and 66 percent of new demands.

The M&I gaps for a medium growth scenario in 2050 are illustrated in **Figure 7** and **Figure 8**. In Figure 8, the size of the pie chart represents new M&I water needs; the relative percent of 2050 new water needs met by IPPs are represented in blue, the percent of gap is represented in red.

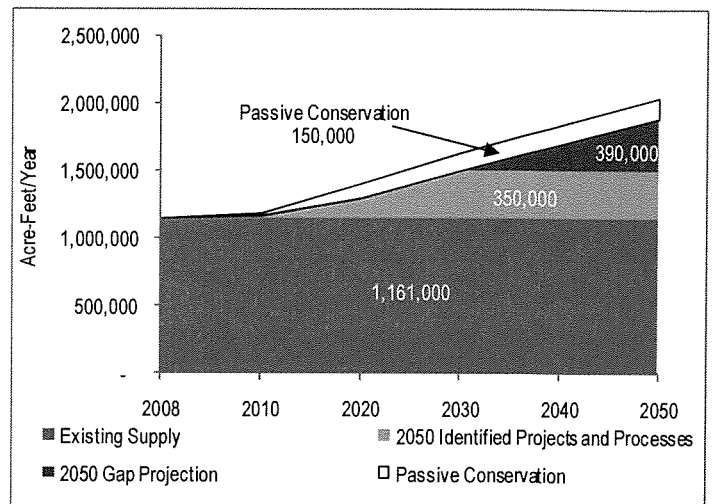


Figure 7. 2050 M&I Gap for Medium Scenario

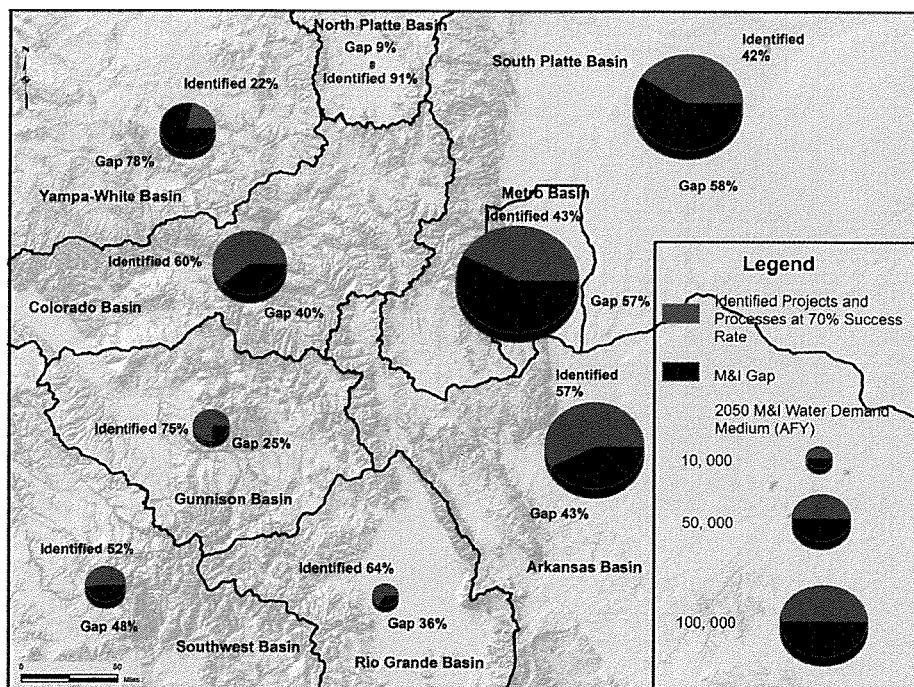


Figure 8. Colorado's 2050 M&I Gaps

SWSI 2010 Key Findings (continued)

Portfolios and Strategies for Meeting the Gap

A mix (i.e., portfolio) of solutions will be necessary for addressing the M&I gap and all elements of the portfolio should be pursued concurrently. This will include the implementation of IPPs, agricultural transfers, new water supply development in the Colorado River system, reuse, and both passive and active conservation as shown in **Figure 9**. No one strategy alone will meet Colorado's future water supply needs, and portfolios explore possible mixes of strategies to weigh the trade-offs that must be made. An example portfolio is shown in **Figure 10**.

Conservation

Water conservation will be one of several important tools for meeting future M&I demands. The SWSI 2010 report provides reconnaissance-level estimates of the statewide water conservation potential. It provides information regarding technical potential for water savings but does not determine how the saved water may be used or how much of the conserved water will be available to meet future needs. This is determined at a local level by water providers taking into account the economic feasibility as well as the political will necessary to accomplish higher savings.

Agricultural water conservation or increasing irrigation efficiency has limited potential to address the M&I gap due to the ability to transfer only the historic consumptive use in most locations due to the requirement that return flow patterns be maintained. There may be some limited opportunities where there are no downstream water right holders (i.e., near the stateline) where more efficient delivery systems (e.g., sprinkler, drip, canal lining) could potentially produce water for other uses.

Land Use Planning

Local entities should consider a closer connection between land use planning and water supply planning with encouragement and support from the state.

New Water Supply Development

New water supplies from the West Slope will be needed for West Slope and Front Range M&I use. How much depends on numerous factors.

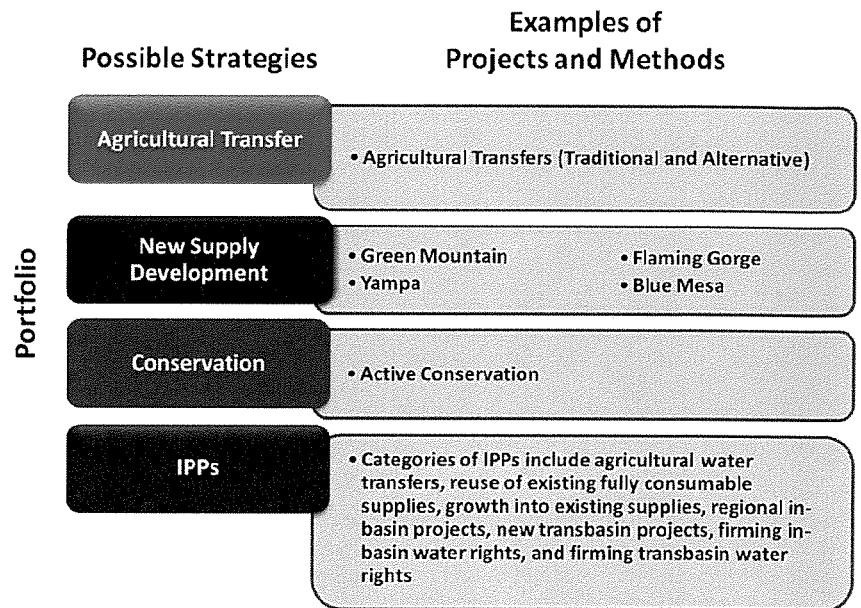


Figure 9. Example Strategies and Projects and Methods to Address Colorado's Future M&I Gaps

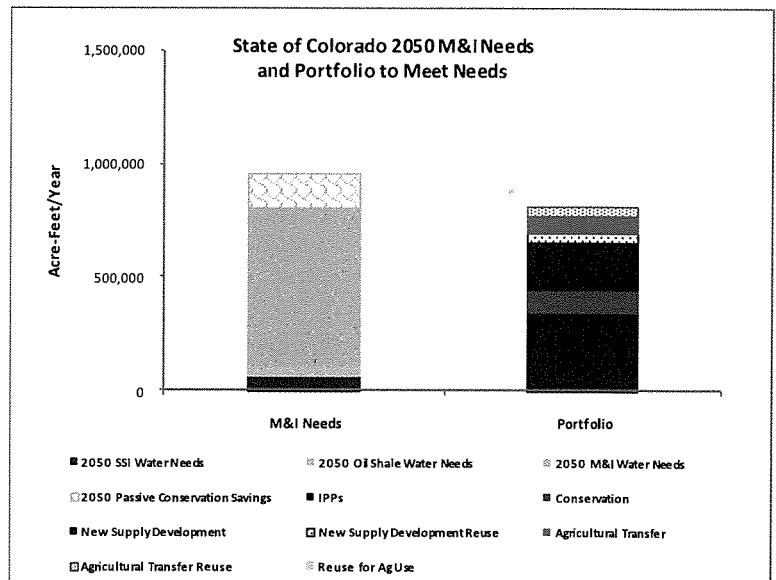


Figure 10. Example Portfolio to Address Colorado's 2050 M&I Demands

SWSI 2010 Key Findings (continued)

Alternative Agricultural Transfers

Alternatives to permanent agricultural water transfers appear to be viable means for meeting a portion of the M&I water supply gap. However, there are significant hurdles to implementing these programs such as high transaction costs, water rights administration, and the certainty of long-term supply for municipalities.

Collaboration

Developing new water supplies in the Colorado River Basin for use on both the East and West Slope can reduce the need for agricultural transfers. This can only be accomplished through continued dialogue. A multi-purpose project could address the consumptive and nonconsumptive water supply needs for the East and West Slope. Water supplies can also be better utilized by water providers working together to seek opportunities for shared facilities and infrastructure.

Water Management Objectives

The Board sees the following as Colorado's water management objectives:

- ◆ Meet M&I Demands
- ◆ Meet Agricultural Demands
- ◆ Meet Colorado's Environmental and Recreational Demands
- ◆ Promote Cooperation Between Water Supply Planners and Land User Planners
- ◆ Promote More Cooperation Among all Colorado Water Users
- ◆ Optimize Existing and Future Water Supplies
- ◆ Promote Cost-Effectiveness
- ◆ Minimize the Net Energy Used to Supply Water
- ◆ Protect Cultural Values Linked to Water Resources
- ◆ Provide Operational Flexibility and Coordinated Infrastructure
- ◆ Promote Increased Fairness When Water is Moved Between Areas
- ◆ Comply With all Applicable Laws and Regulations
- ◆ Educate all Coloradoans on the Importance and Scarcity of Water

Cost of Meeting Future Needs

Meeting Colorado's future water supply needs will require significant investment. Preliminary funding analysis indicates that implementing a portfolio of solutions to address Colorado's 2050 medium M&I water supply needs (approximately an additional 800,000 acre-feet/year) will cost around \$15 billion under status quo assumptions. These costs will increase if Colorado experiences high M&I demands and will decrease if Colorado experiences low M&I demands or implements an alternative portfolio to the "status quo."

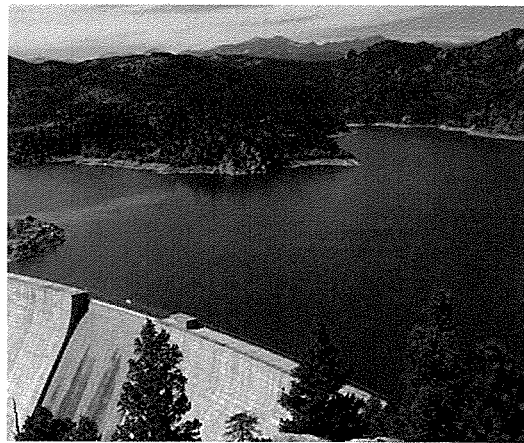
The costs associated with the status quo portfolio could be reduced if a coordinated approach, incorporating fewer but larger multi-use projects were used. However, while a coordinated approach would save the citizens of Colorado billions of dollars, it would require a higher level of state involvement including significant state funding.

State funding will continue to be needed to meet agricultural and environmental water supply needs. Without a mechanism to fund environmental and recreational enhancement beyond the project mitigation measures required by law, conflicts among M&I, agricultural, recreational, and environmental users could intensify.

The ability of smaller, rural water providers and agricultural water users to adequately address their existing and future water needs is also significantly affected by their financial capabilities, and many of them rely on state funding to help meet their water supply needs.

Costs for Water Supply Infrastructure

SWSI 2010 analyzed example projects that transport water from the lower South Platte and Arkansas to the Front Range, as well as pumpback projects from the Yampa Basin, Gunnison Basin via Blue Mesa Reservoir, and Green River Basin via Flaming Gorge Reservoir. A reconnaissance analysis of capital costs for these projects range from \$5 to \$9 billion for 250,000 acre-feet of water. The cost for developing 250,000 acre-feet increases if developed incrementally through several smaller projects. The costs presented here represent only one part of the portfolio needed to address Colorado's future M&I demands, and are based on projects that have been discussed in the past but may or may not be implemented.



Gross Reservoir, located in the foothills southwest of Boulder, Colorado.

SWSI 2010 Recommendations

Overall Recommendation

With the 2010 SWSI update, CWCB has updated its analysis of the state's water supply needs. CWCB, the IBCC, and basin roundtables should now enter an implementation phase to determine and pursue projects and methods to help meet the state's consumptive and nonconsumptive water supply needs. This will be accomplished through the implementation of the following recommendations by the CWCB.

1. **Actively encourage projects to address multiple purposes, including municipal, industrial, environmental, recreational, agricultural, risk management, and compact compliance needs.**
2. **Identify and utilize existing and new funding opportunities to assist in implementing projects and methods to meet Colorado's consumptive and nonconsumptive water supply needs.**
3. **Continue to lead the dialogue and foster cooperation among water interests in every basin and between basins for the purpose of implementing solutions to Colorado's water supply challenges.**
4. **Support water project proponents and opponents in resolving conflict and addressing concerns associated with implementing IPPs that will reduce the M&I water supply gap. Identify IPPs that could be implemented by 2020.**
5. **Support meeting Colorado's nonconsumptive water needs by working with Colorado's water stakeholders to help:**
 - ◆ **Promote recovery and sustainability of endangered, threatened, and imperiled species in a manner that allows the state to fully use its compact and decreed entitlements.**
 - ◆ **Protect or enhance environmental and recreational values that benefit local and statewide economies.**
 - ◆ **Encourage multi-purpose projects that benefit both water users and native species.**
 - ◆ **Pursue projects and other strategies, including CWCB's Instream Flow Program, that benefit consumptive water users, the riparian and aquatic environments, and stream recreation.**
 - ◆ **Recognize the importance of environmental and recreational benefits derived from agricultural water use, storage reservoirs, and other consumptive water uses and water management.**
6. **Help meet Colorado's agricultural water supply needs by incorporating agricultural water needs into the development of water supply portfolios and supporting the implementation of multi-purpose agricultural water supply projects.**
7. **In order to determine the appropriate combination of portfolios and strategies (IPPs, conservation, reuse, agricultural transfers, and the development of new water supplies) to meet the water supply needs, CWCB will identify what it considers is achievable for each portfolio element and how those portfolio elements could be implemented.**
8. **Evaluate multi-purpose projects or packages of projects to develop new water supplies for use on the West Slope and the Front Range.**
9. **Develop and support risk management strategies so that Colorado can fully use its compact and decree entitlements to best balance Colorado's diverse water needs.**
10. **Support, encourage, and incentivize water providers in planning for and implementing M&I active conservation best management practices and other demand management strategies.**
11. **Work with water providers to identify opportunities where additional water could be made available by increased regional cooperation, storage, exchanges, and other creative opportunities.**
12. **Continue the evaluation of Colorado's water supply availability in all basins to help provide water users with viable analysis tools.**
13. **Help safeguard Colorado's water supply during times of drought by incorporating drought mitigation and response in statewide and local water supply planning.**
14. **Support local water supply planning.**
15. **The CWCB, in consultation with other state agencies, shall develop and implement a plan to educate and promote stewardship of water resources that recognizes water's critical role in supporting the quality of life and economic prosperity of all Coloradans.**
16. **Establish a 6-year planning cycle for assessing Colorado's long-term consumptive and nonconsumptive water needs and support the implementation of projects and methods to meet those needs.**

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existing supplies. Based on these efforts IPP data were updated for 75 providers covering approximately 80 percent of the population in Colorado. Many of the quantified IPPs specified by the interviewed M&I water providers are identified in Appendix J (*Technical Memorandum – 2050 Municipal and Industrial Gap Analysis*). The consumptive projects and methods will be summarized in further detail in the Basin Needs Assessment reports during 2011.

The interview summary provided by CWCB identified and quantified many of the water providers' IPPs associated with each category. Where IPP information was derived from other sources, professional judgment was used to assign predicted yield to the most appropriate category. This approach was primarily applied to IPP data from the SWSI 1 report, which tallied IPPs by county or subbasin, but generally did not categorize yields from specified types of IPPs.

Because of the need for flexibility, reliability, and future uncertainty, many water providers design projects to meet needs based on planning numbers, which are often greater than current per capita water usage rates. Some specific reasons include—1) ensuring water supply if another system fails, 2) planning for drought or climate change, 3) an expected increase in commercial water use, or 4) concerns that one or more planned project will not be successfully implemented. Furthermore, many water rights limit the use of water to the specific water right holder, causing legal barriers to sharing water supplies. For these reasons, where the total potential volume of IPPs exceeded either the 2050 total water needs or the 2050 total water needs minus any provider-specified gaps, a pro-rata share reduction was applied to each IPP category relevant to that county or subbasin. For example, total quantified IPPs for the interviewed providers in a particular county exceed 50,000 AFY, but IPPs required to meet 2050 net new water needs range from 18,000 AFY to 30,000 AFY. A percentage of the total 50,000 AFY yield from IPPs is associated with each of the seven categories of IPPs, but since less IPP yield is actually needed to meet demands, the same category distribution percentages were applied to the lesser need. In other words, the amount of yield from each IPP category is reduced such that only the amount actually necessary to meet 2050 new water needs is applied.

Note, however, that this methodology and data presentation does not in any way preclude water providers from developing IPPs in excess of their 2050 needs. Rather, it is beyond the scope of this gap analysis to present data for individual water providers whose demand projections, planning horizon, and system reliability may differ from the regional analysis presented here. Any excess IPP volume quantified for a particular county is assumed to not be available to meet water supply gaps in other counties, unless specified otherwise. Likewise, there was no intention of implying intra-county sharing among water providers, unless specifically noted. By proportionally scaling back each entity's 2050 IPP yields when the sum of all entities' IPPs in a particular county exceed the forecasted 2050 net new water needs for that county—and explicitly accounting for provider-specified gaps—it is CWCB's intention to avoid implying that any one provider's excess yield would be used to meet the shortfall (i.e., gap) of another water provider.

5.2.2 Estimation of 2050 IPP Yield by Basin

A broad range of water management solutions with varying levels of supply are planned for each of the basins. The following sections summarize the yields of IPPs statewide and for each county or region in each basin at the 100 percent success rate. As described above, due to the number of counties and distinct areas in the Arkansas, Metro, and South Platte Basins, those basins are summarized by region, whereas each of the other basins is discussed at a county level. Because of the overall volume of demand and the size of the projected gaps in the South Platte and Arkansas Basins, those basins' IPPs lists are more populated than the other basins' lists.

Many water providers are pursuing multiple projects and will need to pursue all of these identified projects to meet their increased demand by the year 2050. This is due to the reality that each of the IPPs has associated risk and may not yield all of the anticipated water supply. Alternate IPP yield success rates (i.e., less than 100 percent) are addressed subsequently in Section 5.3.2. The results of calculations based on the alternate IPP success rates are incorporated into the gap analysis presented in Section 5.3.3. Additionally, many of these IPPs will benefit multiple beneficiaries and therefore address a number of objectives concurrently. However, challenges exist in determining funding sources and acquiring water rights to support the multiple uses. In addition to quantified IPP yields, the tables for each basin also include a general summary of the major projects and other IPPs in each county or region. The consumptive projects and methods will be summarized in further detail in the Basin Needs Assessment reports during 2011.

5.2.2.1 Statewide

Statewide, the new water supplies needed for M&I and self-supplied industrial (SSI) use by the year 2050—above and beyond all existing supplies—are estimated to range from about 600,000 AFY to nearly 1 million AFY (see Section 4). This range reflects the uncertainty associated with forecasting water demands 40 years into the future, in particular SSI demands associated with energy development and other market-driven commodities. Based on extensive interviews with water providers, input from basin roundtable and Interbasin Compact Committee (IBCC) members, and a thorough review of other pertinent information, IPPs have been identified that will meet a significant portion of these future new demands.

Applying the general methodology for assessing IPPs described in Section 5.2.1, the IPPs were grouped into seven primary categories. Table 5-1 identifies the anticipated range of yield from each category for each basin. For this and many of the subsequent tables, values are presented as a range, with the low and high yield values shown. Where the yield values do not change from low to high, a single value is shown rather than a range. Although the interviewed water providers generally provided demand and IPP data for a 2050 medium growth scenario, the ranges presented herein derive from the use of low, medium, and high population and demand levels for 2050 for the various analyses associated with SWSI 2010.

As shown in Table 5-1, quantified IPPs at 100 percent yield success would provide approximately 430,000 AFY, or about 72 percent of the new demands under the low growth scenario. At the high end, again assuming 100 percent success rate, IPPs would total about 580,000 AFY and represent approximately 58 percent of the high demand increase. The largest categories of IPP yields by volume are projected to be regional in-basin projects (150,000 AFY to 170,000 AFY) and growth into existing supplies (100,000 AFY to 160,000 AFY). Figure 5-1 depicts the data graphically; for the individual basins that follow, the corresponding figures can be found in Appendix J.

Table 5-1 Major Categories of Identified Projects and Processes by Basin (Yields at 100% Success Rate)¹

Basin	Agricultural Transfer (AFY)	Reuse (AFY)	Growth into Existing Supplies (AFY)	Regional In-Basin Project (AFY)	New Transbasin Project (AFY)	Firming In-Basin Water Rights (AFY)	Firming Transbasin Rights (AFY)	Total IPPs at 100% Success Rate (AFY)
Arkansas	9,200 – 11,000	23,000 – 32,000	2,300 – 2,600	37,000	0	6,100 – 7,300	10,000 – 11,000	88,000 – 100,000
Colorado	2,900 – 8,000	500	14,000 – 28,000	13,000 – 15,000	0	11,000 – 19,000	0	42,000 – 70,000
Gunnison	400 – 500	0	1,100 – 1,700	11,000 – 15,000	0	900	0	14,000 – 18,000

Table 5-1 Major Categories of Identified Projects and Processes by Basin (Yields at 100% Success Rate), continued

Basin	Agricultural Transfer (AFY)	Reuse (AFY)	Growth into Existing Supplies (AFY)	Regional In-Basin Project (AFY)	New Transbasin Project (AFY)	Firming In-Basin Water Rights (AFY)	Firming Transbasin Rights (AFY)	Total IPPs at 100% Success Rate (AFY)
Metro	20,000 – 33,000	14,000 – 21,000	55,000 – 86,000	34,000 – 39,000	13,000 – 23,000	900 – 1,400	3,500 – 4,800	140,000 – 210,000
North Platte	0	0	100 – 300	0	0	0	0	100 – 300
Rio Grande	0	0	2,900 – 4,300	0	0	3,000 – 4,300	0	5,900 – 8,600
South Platte	19,000 – 20,000	5,000 – 7,000	20,000 – 30,000	37,000 – 39,000	0	22,000 – 26,000	18,000 – 21,000	120,000 – 140,000
Southwest	0	0	5,200 – 7,300	9,000 – 13,000	0	0	0	14,000 – 21,000
Yampa-White	0	0	3,500 – 4,900	6,600 – 9,000	0	0	0	10,000 – 14,000
Total	51,000 – 73,000	43,000 – 61,000	100,000 – 160,000	150,000 – 170,000	13,000 – 23,000	44,000 – 58,000	32,000 – 37,000	430,000 – 580,000

¹ Aggregated basin total values rounded to two significant digits to reflect increased uncertainty at larger geographic scales.

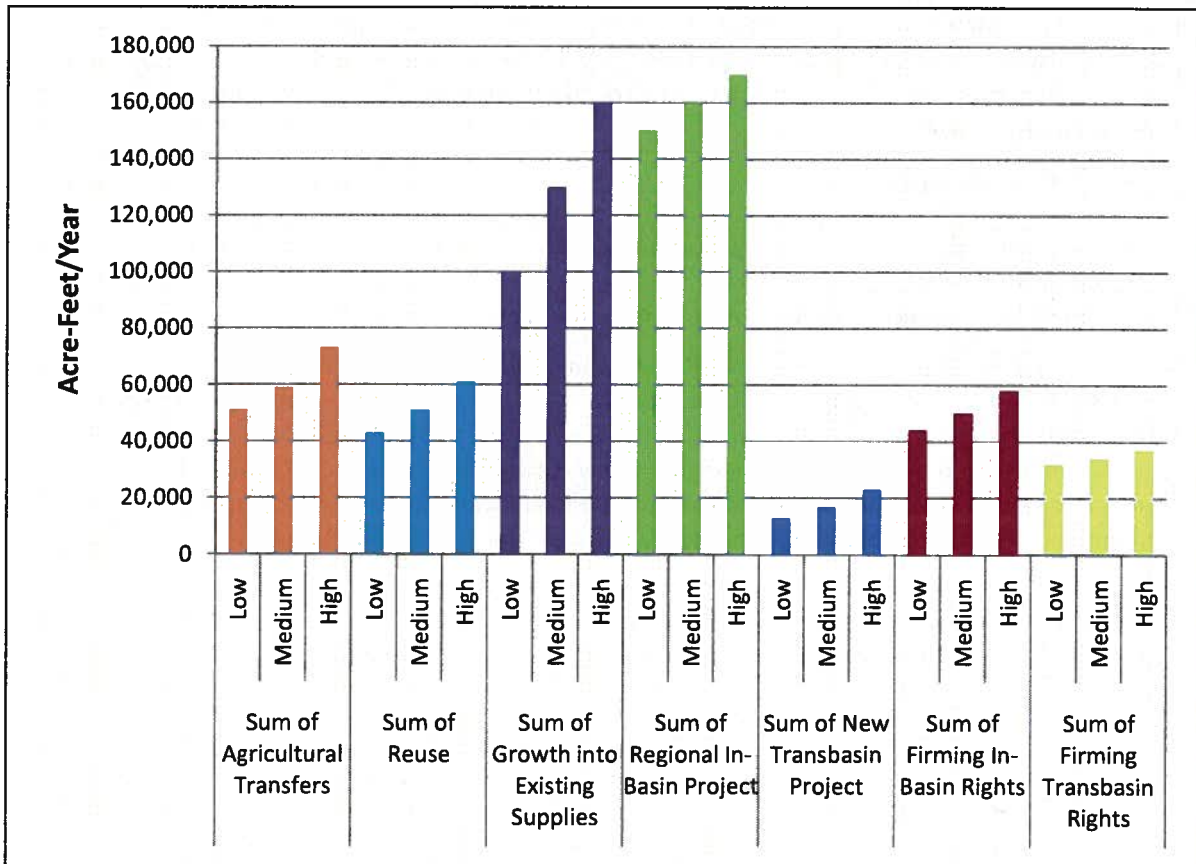


Figure 5-1 Statewide Summary of Yield for IPP Categories at 100% Success Rate

5.2.2.2 Arkansas Basin

For consistency with SWSI 1, the IPP and gap analysis updates for the Arkansas Basin were performed by aggregating county results to a regional subbasin level. The Arkansas Basin regions described below were defined in SWSI 1 and are illustrated in Figure 5-2.

- Upper Arkansas (Chaffee, Custer, Fremont, Lake, Teller)
- Urban Counties (El Paso, Pueblo)
- Lower Arkansas (Bent, Crowley, Otero, Prowers)
- Eastern Plains (Baca, Cheyenne, Elbert, Kiowa, Lincoln)
- Southwestern Arkansas (Huerfano, Las Animas)

In the Arkansas Basin, most of the major M&I water providers reported that they will be able to meet all or part of 2050 needs through existing supplies, projects underway, and planned projects.

Note that several counties (Cheyenne, Elbert, Lincoln, and Teller) are split between two basins, with a pro-rata share of current and future demands accounted for in each basin. This approach is consistent with the South Platte and Metro Basin needs assessment work.

In the Arkansas Basin, most of the major M&I water providers reported that they will be able to meet all or part of 2050 needs through existing supplies, projects underway, and planned

projects. Reuse is being pursued by most providers that have reusable supplies. In most cases in Colorado, reuse is limited to nonnative water such as transbasin diversions, nontributary groundwater, and the unused first use portion of the consumptive use (CU) portion of transfers of agricultural rights. Most of the entities that are planning reuse projects in the Arkansas Basin anticipate using one or more of the following components:

- Augmentation plans
- Exchanges
- Nonpotable use for irrigation of parks and golf courses
- Groundwater recharge
- Gravel lake storage to regulate consumable return flows for exchange or nonpotable reuse

Colorado Springs Utilities (CSU) and the Pueblo Board of Water Works (PBWW) both indicated in recent interviews with CWCB that they have adequate existing water rights or are pursuing new projects to meet 2050 demands and beyond. Their "surplus" supplies in excess of 2050 demands are not available for permanent use by others, since these supplies will eventually be needed by CSU and PBWW. Given the lack of developable new supplies in the Arkansas Basin, agricultural transfers throughout the basin will continue via purchases, developer donations, and development of irrigated lands.

Providers in the Southeastern Colorado Water Conservation District, including entities in the Upper Arkansas, Urban Counties, and Lower Arkansas regions, are relying heavily on future Fryingpan-Arkansas (Fry-Ark) Project allocations. The Eastern Plains region will rely on nontributary groundwater and the Southwestern Arkansas region will rely on augmentation, existing water rights, and agricultural transfers.

Many providers are planning on maximizing the use of their existing transbasin and other fully consumable supplies. Even though there is very little potential for additional new water development in the Arkansas Basin, storage is needed throughout the basin to regulate existing and future supplies, firm the yield of agricultural transfers, provide for augmentation releases, and to capture return flows.

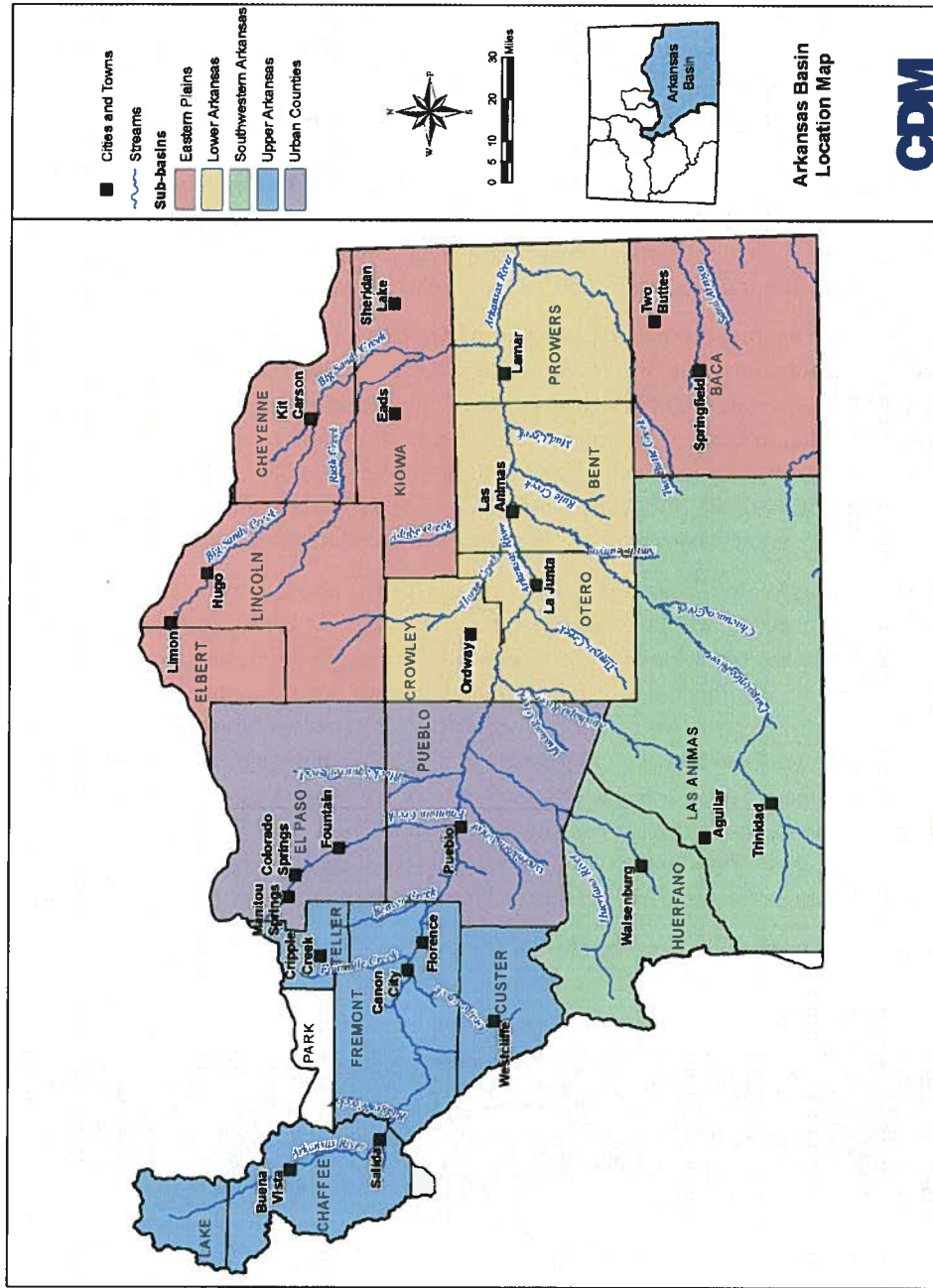


Figure 5-2 Arkansas Basin Location Map

Funding for the Arkansas Valley Conduit (AVC), which would improve drinking water quality and reduce transit losses for the Lower Arkansas Basin communities, has been authorized by the federal government. Pre-National Environmental Policy Act (NEPA) studies for the project, funded through a State and Tribal Assistance Grant, were completed in 2010. The towns along the mainstem of the Arkansas River downstream of the City of Pueblo divert from alluvial wells, nontributary deep wells, or from tributary surface water supplies. In addition to local water rights, these towns also have access to Fry-Ark Project allocations and return flows from the use of project water. Stream transit losses are assessed from Pueblo Reservoir to the downstream location and water quality is impacted by minerals and salts in the river channel and return flows as the water flows down the Arkansas River.

Fountain and Security are both participating in the Southern Delivery System (SDS) with CSU to help meet their future demands. The SDS is a regional project to deliver water from the Arkansas River that is stored in Pueblo Reservoir. Major components of the project include—1) a connection to the North Outlet Works of Pueblo Dam; 2) 62 miles of underground raw and treated water pipeline; 3) three pump stations; and 4) a 50-million-gallons-per-day treatment plant. A final environmental impact statement (EIS) for the project has been published by the Bureau of Reclamation (BOR), and a Record of Decision was issued in March 2009. Major construction activity is scheduled to begin in 2011.

The Upper Arkansas Water Conservancy District (UAWCD), which provides augmentation for wells in a portion of the upper basin, will be challenged to develop the CU water rights and storage required to meet the augmentation requirements for these wells. The upper basin, like many headwater areas throughout the state, is projected to experience high growth rates. Augmentation to existing or proposed environmental and recreation water rights, such as CWCB instream flow rights and recreational in-channel diversions (RICDs) and senior agricultural and M&I rights, will likely require the construction of storage in upper areas of tributaries. Economies of scale are generally not present in small reservoir construction and the engineering, permitting, and construction costs will tax the ability to provide for augmentation water at a reasonable cost. The acquisition of agricultural rights will likely be part of the augmentation supplies for the UAWCD due to limits on the availability of Fry-Ark allocations.

Anticipated yields from each category of IPPs at 100 percent success rate are summarized for the Arkansas Basin in Table 5-2.

Table 5-2 Arkansas Basin IPP Summary at 100% Success Rate

Region or County	Agricultural Transfer (AFY)	Reuse (AFY)	Growth into Existing Supplies (AFY)	Regional In-Basin Project (AFY)	New Transbasin Project (AFY)	Firming In-Basin Water Rights (AFY)	Firming Transbasin Rights (AFY)	Total IPPs at 100% Success Rate (AFY)
Eastern Plains	0	0	1,600 – 1,900	0	0	0	100	1,700 – 2,000
<u>Eastern Plains IPPs</u>								
<ul style="list-style-type: none"> • Nontributary groundwater • AVC 								
Lower Arkansas	0	0	0	0	0	800 – 2,000	0	800 – 2,000
<u>Lower Arkansas IPPs</u>								
<ul style="list-style-type: none"> • AVC 								
Southwestern Arkansas	600	0	700	0	0	600	0	1,900
<u>Southwestern Arkansas IPPs</u>								
<ul style="list-style-type: none"> • Existing water rights • Augmentation plans • Agricultural transfers 								

Table 5-2 Arkansas Basin IPP Summary at 100% Success Rate, continued

Region or County	Agricultural Transfer (AFY)	Reuse (AFY)	Growth into Existing Supplies (AFY)	Regional In-Basin Project (AFY)	New Transbasin Project (AFY)	Firming In-Basin Water Rights (AFY)	Firming Transbasin Rights (AFY)	Total IPPs at 100% Success Rate (AFY)
Upper Arkansas	3,600	0	0	0	0	4,700	3,600	11,900
Upper Arkansas IPPs								
	<ul style="list-style-type: none"> • UAWCD Augmentation plan • Other augmentation plans 		<ul style="list-style-type: none"> • Agricultural transfers • Use of Fry-Ark M&I allocation directly or for augmentation 					
Urban Counties	5,000 – 7,200	23,000 – 32,000	0	37,000	0	0	6,500 – 6,900	71,500 – 83,100
Urban Counties IPPs								
	<ul style="list-style-type: none"> • Agricultural transfers • Reuse plans • Groundwater • SDS 		<ul style="list-style-type: none"> • Eagle River Joint Use Project • Blue River Conditional Storage Development • AVC 					
Total¹	9,200 – 11,000	23,000 – 32,000	2,300 – 2,600	37,000	0	6,100 – 7,300	10,000 – 11,000	88,000 – 100,000

¹ Aggregated basin total values rounded to two significant digits to reflect increased uncertainty at larger geographic scales.

5.2.2.3 Colorado Basin

M&I and SSI needs are expected to increase dramatically in the Colorado Basin by 2050. It is expected that augmentation contracts available out of Ruedi and Wolford Reservoirs will be a key part of meeting 2050 demands in the basin. In addition, agricultural transfers will continue from purchases, developer donations, and development of irrigated lands. Existing supplies will be used in all Colorado Basin counties, and agricultural transfers will be part of the future supplies used to meet increased demands in Eagle, Garfield, and Mesa Counties.

Summit and Grand Counties anticipate significant M&I gaps as a result of limited flows available for development in the Fraser River system and future increases in transbasin diversions associated with projects planned by Front Range water providers. These planned projects have water rights that are senior to many of the in-basin M&I rights and are currently undergoing NEPA review. The Upper Colorado River Study (UPCO 2003) outlined potential solutions, but these solutions have a high level of uncertainty and implementation challenges due to lack of physical availability of water and permitting issues for any structural alternatives. As a result, gaps are shown in Grand and Summit Counties.

Other key IPPs identified in the Colorado Basin include the Hunter Reservoir enlargement (Ute Water Conservancy District) in Mesa County and the West Aspen Reclaimed Water Project in Pitkin County. Additionally, the Eagle River Joint Use Project will provide up to 10,000 AFY of dry year firm yield for entities in Eagle County. Anticipated yields from each category of IPPs at 100 percent success rate are summarized for the Colorado Basin in Table 5-3.

Table 5-3 Colorado Basin IPP Summary at 100% Success Rate

Region or County	Agricultural Transfer (AFY)	Reuse (AFY)	Growth into Existing Supplies (AFY)	Regional In-Basin Project (AFY)	New Transbasin Project (AFY)	Firming In-Basin Water Rights (AFY)	Firming Transbasin Rights (AFY)	Total IPPs at 100% Success Rate (AFY)
Eagle County	2,100 – 4,500	0	5,600 – 10,700	400	0	2,000 – 4,600	0	10,100 – 20,200
Eagle County IPPs								
<ul style="list-style-type: none"> • Growth into existing supplies and planned water rights acquisitions • Eagle River Joint Use Project • Ruedi Reservoir contracts for augmentation • Agricultural transfers 								
Garfield County	200	0	6,400	3,500	0	6,500	0	16,600
Garfield County IPPs								
<ul style="list-style-type: none"> • Growth into existing supplies • Ruedi and Wolford Reservoir contracts for augmentation • Agricultural transfers 								
Grand County	0	0	300 – 800	2,400	0	0	0	2,700 – 3,200
Grand County IPPs								
<ul style="list-style-type: none"> • Growth into existing supplies • UPCO 								
Mesa County	700 – 3,200	0	1,300 – 6,500	0	0	1,900 – 4,500	0	3,900 – 14,200
Mesa County IPPs								
<ul style="list-style-type: none"> • Growth into existing supplies • Ruedi and Wolford Reservoir contracts for augmentation • Hunter Reservoir enlargement • Agricultural transfers 								
Pitkin County	0	500	700 – 3,300	0	0	700 – 3,200	0	1,900 – 7,000
Pitkin County IPPs								
<ul style="list-style-type: none"> • Growth into existing supplies • Ruedi Reservoir contracts for augmentation • West Aspen Reclaimed Water Project 								
Summit County	0	0	0	6,900 – 9,200	0	0	0	6,900 – 9,200
Summit County IPP								
<ul style="list-style-type: none"> • UPCO 								
Total¹	2,900 – 8,000	500	14,000 – 28,000	13,000 – 15,000	0	11,000 – 19,000	0	42,000 – 70,000

¹ Aggregated basin total values rounded to two significant digits to reflect increased uncertainty at larger geographic scales.

5.2.2.4 Gunnison Basin

In the Gunnison Basin, much of the M&I and SSI new water needs will be addressed through greater use of existing water rights and new regional in-basin projects. The Tri-County Water Conservancy District, which serves much of Montrose, Delta, and Ouray Counties, holds water rights in the Dallas Creek Project. Combined with water from the Project 7 Water Authority, these counties are anticipated to have adequate water supplies through 2050.

The Upper Gunnison River Water Conservancy District (UGRWCD) provides augmentation for wells in a portion of the upper basin. Similar to the upper Arkansas Basin described in Section 5.2.2.2, the upper Gunnison Basin is projected to experience high rates of population growth. The Crested Butte area may

experience significant growth if adequate water supplies for M&I and snowmaking can be developed. Augmentation of existing or proposed environmental and recreational water rights, such as CWCB instream flow rights and RICDs and senior agricultural and M&I water rights, will likely require the construction of storage in upper areas of Gunnison River tributaries.

Through interviews conducted by CWCB, three projects sponsored by the UGRWCD and others were identified:

- UGRWCD/Hinsdale County Commissioners – Lake San Cristobal enlargement
- UGRWCD/Mt. Crested Butte – Augmentation storage
- UGRWCD – Augmentation plan for nonagricultural purposes using Aspinall Unit

The projected yield from the Lake San Cristobal enlargement is 950 AFY, far exceeding all levels of 2050 demand for Hinsdale County. Surplus supplies from this IPP were assumed to be made available to meet the gap in Gunnison County. Regarding the last project listed above, the UGRWCD has a 500 AFY pool in Blue Mesa Reservoir that can be used to replace depletions to downstream calls. The challenge for the UGRWCD will be to develop storage to replace depletions to CWCB instream flows, the Gunnison Whitewater Park RICD, and senior agricultural and M&I water rights upstream of Blue Mesa Reservoir. Collectively, these UGRWCD projects meet all or a part of the future water needs in Gunnison and Hinsdale Counties.

Anticipated yields from each category of IPPs at 100 percent success rate are summarized for the Gunnison Basin in Table 5-4.

Table 5-4 Gunnison Basin IPP Summary at 100% Success Rate

Region or County	Agricultural Transfer (AFY)	Reuse (AFY)	Growth into Existing Supplies (AFY)	Regional In-Basin Project (AFY)	New Transbasin Project (AFY)	Firming In-Basin Water Rights (AFY)	Firming Transbasin Rights (AFY)	Total IPPs at 100% Success Rate (AFY)
Delta County	0	0	0	3,700 – 4,900	0	0	0	3,700 – 4,900
Delta County IPP								
• Project 7								
Gunnison County	0	0	0	700	0	900	0	1,600
Gunnison County IPPs								
• Lake San Cristobal water development								
• Augmentation for nonagricultural purposes using Aspinall Unit								
• Augmentation storage for Mt. Crested Butte								
Hinsdale County	0	0	0	200 – 300	0	0	0	200 - 300
Hinsdale County IPP								
• Lake San Cristobal water development								
Mesa County	400 – 500	0	1,100 – 1,700	0	0	0	0	1,500 – 2,200
Mesa County IPPs								
• Existing water rights								
• Agricultural transfers								

Table 5-4 Gunnison Basin IPP Summary at 100% Success Rate, continued

Region or County	Agricultural Transfer (AFY)	Reuse (AFY)	Growth into Existing Supplies (AFY)	Regional In-Basin Project (AFY)	New Transbasin Project (AFY)	Firming In-Basin Water Rights (AFY)	Firming Transbasin Rights (AFY)	Total IPPs at 100% Success Rate (AFY)
Montrose County	0	0	0	6,700 – 8,600	0	0	0	6,700 – 8,600
<u>Montrose County IPP</u>								
• Project 7								
Ouray County	0	0	0	20 – 500	0	0	0	20 – 500
<u>Ouray County IPP</u>								
• Project 7								
Total¹	400 – 500	0	1,100 – 1,700	11,000 – 15,000	0	900	0	14,000 – 18,000

¹ Aggregated basin total values rounded to two significant digits to reflect increased uncertainty at larger geographic scales.

5.2.2.5 Metro Basin

As was done for the Arkansas Basin, the counties of the Metro Basin were aggregated to a regional subbasin level as follows:

- Denver Metro (Adams, Broomfield, Denver, Jefferson)
- South Metro (Arapahoe, Douglas, Elbert)

These regions are illustrated in Figure 5-3.

In the Metro Basin, reuse is being pursued by almost all cities that own reusable supplies. The trend toward the use of gravel pit sites that are no longer mined for storage of reusable effluent will expand. The potential for future water rights exchanges of effluent will be considerably less in the Denver and South Metro areas as most of the exchange potential has already been tied up with existing exchange water rights applications. These exchanges, however, will continue to be made when and where feasible. Direct reuse of effluent is largely focused on nonpotable uses such as irrigation of parks and golf courses, though other nonpotable uses are becoming more prevalent (e.g., power plant cooling water supply). A few cases of indirect potable reuse—intentionally augmenting raw drinking water supplies with treated reclaimed domestic wastewater effluent—are being implemented or planned, and more are likely in the future as water treatment technology advances. Specific IPPs associated with reuse include Aurora's Prairie Waters Project; Thornton, Northglenn, and Brighton recapture and exchange plans; the East Cherry Creek Valley (ECCV) Northern Pipeline Project; and planned reuse by the Town of Castle Rock.

The Denver Water Combined Service Area (CSA) extends into nearly every surrounding county, meeting at least some of the water supply needs of Denver, Arapahoe, Jefferson, Douglas, and Adams counties. Therefore, proposed future system refinements and modifications and the Moffat Collection System Project will meet some of the 2050 M&I needs in all of those counties. Other providers in the Denver Metro area will rely on existing supplies, reuse, exchanges, gravel lake storage, new storage and reservoir enlargements (e.g., Chatfield Reallocation Project), and agricultural transfers from Clear Creek and elsewhere.

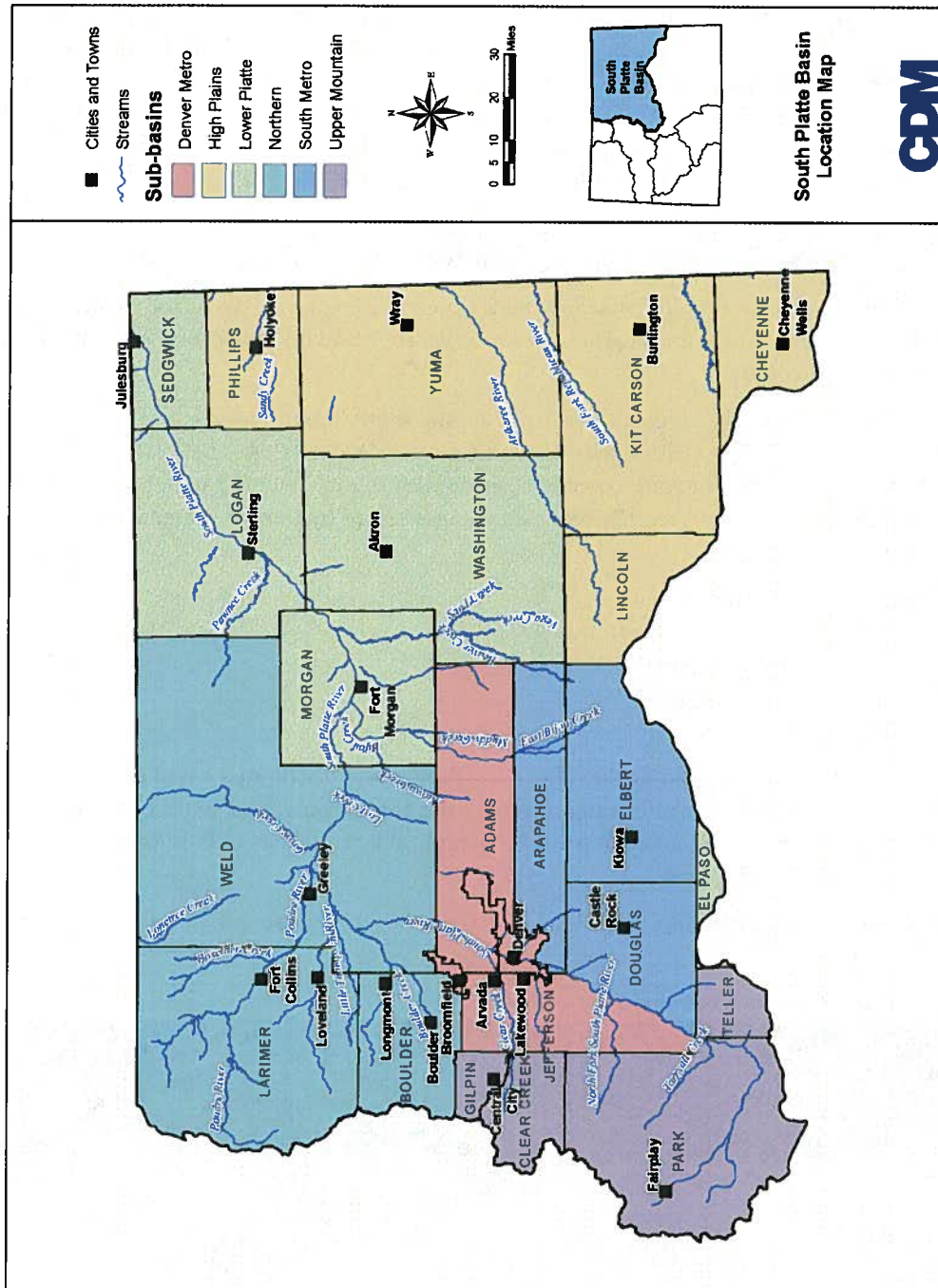


Figure 5-3 South Platte Basin Location Map

SWSI 1 noted that there are no reliable surface water supplies that can be developed from the South Platte using surface water diversions as the sole water supply source. In addition to reuse and other projects previously mentioned, IPPs for the South Metro area include the Water Infrastructure and Supply Efficiency (WISE) Partnership between Denver Water, Aurora Water, and the South Metro Water Supply Authority as well as the nearly 15,000 AF enlargement of Rueter-Hess Reservoir by Parker Water & Sanitation District and other water providers.

Based on data collected during the CWCB interview process, IPPs for the City of Aurora and Denver Water were apportioned to multiple counties as follows:

- City of Aurora IPPs were split between Adams County (40 percent), Arapahoe County (58 percent), and Douglas County (2 percent). These percentages are based on the portion of Aurora’s population located in each county.
- Denver Water IPPs were proportionally split among several Metro Basin counties based on the percentage of county population located within Denver Water’s CSA. The relative proportion of Denver Water IPPs and provider-specified gap applied to each county varied by growth scenario (low/medium/high). However, the base percentages served by Denver Water are as follows (Denver Water 2010):
 - Denver County – 100 percent
 - Arapahoe County – 35 percent
 - Jefferson County – 54 percent
 - Douglas County – 5 percent
 - Adams County – 10 percent

The yield associated with the Chatfield Reallocation Project was distributed based on participant storage ratios (CWCB 2007) adjusted to reflect the pending sale of Brighton’s share to other participants. These adjusted storage ratios were assumed to be directly applicable to yield as well, so they were applied to the estimated 8,500 AFY project yield.

Anticipated yields from each category of IPPs at 100 percent success rate are summarized for the Metro Basin in Table 5-5.

Table 5-5 Metro Basin IPP Summary at 100% Success Rate

Region or County	Agricultural Transfer (AFY)	Reuse (AFY)	Growth into Existing Supplies (AFY)	Regional In-Basin Project (AFY)	New Transbasin Project (AFY)	Firming In-Basin Water Rights (AFY)	Firming Transbasin Rights (AFY)	Total IPPs at 100% Success Rate (AFY)
Denver Metro	14,500 – 23,100	5,200 – 8,700	33,400 – 61,200	8,800 – 12,900	7,600 – 14,700	900 – 1,400	3,500 – 4,800	73,900 – 126,800
Denver Metro IPPs								
<ul style="list-style-type: none"> • Growth into existing supplies • Agricultural transfers (Clear Creek; South Platte and Beebe Draw Project) • Gravel lakes and other firming storage • Recapture and exchange plans • System refinements and modifications • Prairie Waters Project 				<ul style="list-style-type: none"> • Chatfield Reallocation Project • Eagle River Joint Use Project • Box Creek Reservoir • Moffat Collection System Project • Windy Gap Firming Project • Highway 93 Lakes 				

Table 5-5 Metro Basin IPP Summary at 100% Success Rate, continued

Region or County	Agricultural Transfer (AFY)	Reuse (AFY)	Growth into Existing Supplies (AFY)	Regional In-Basin Project (AFY)	New Transbasin Project (AFY)	Firming In-Basin Water Rights (AFY)	Firming Transbasin Rights (AFY)	Total IPPs at 100% Success Rate (AFY)	
South Metro	5,100 – 9,600	8,700 – 12,400	22,100 – 24,900	25,300 – 25,900	5,800 – 7,800	0	0	67,000 – 80,600	
South Metro IPPs									
	<ul style="list-style-type: none"> • Growth into existing supplies • Agricultural transfers • System refinements and modifications • Prairie Waters Project • ECCV Northern Pipeline Project • Chatfield Reallocation Project 			<ul style="list-style-type: none"> • Eagle River Joint Use Project • Box Creek Reservoir • Moffat Collection System Project • Rueter-Hess Reservoir enlargement • WISE • Other reuse projects 					
Total¹	20,000 – 33,000	14,000 – 21,000	55,000 – 86,000	34,000 – 39,000	13,000 – 23,000	900 – 1,400	3,500 – 4,800	140,000 – 210,000	

¹ Aggregated basin total values rounded to two significant digits to reflect increased uncertainty at larger geographic scales.

5.2.2.6 North Platte Basin

The North Platte River headwaters in Colorado are a relatively small portion of the overall North Platte Basin. Farming and ranching are the predominant economic base in the area, which includes Jackson County and a small portion of Larimer County. The North Platte Basin is expected to see a relatively small increase in M&I and SSI demands (increase in the range of 100 AFY to 300 AFY between 2008 and 2050). It is anticipated that this increase in demand will be met primarily by the further use of existing supplies and water rights.

For example, the Town of Walden is nearing the completion of a water supply improvement project funded by a Water Supply Reserve Account grant. This project has multiple objectives with the primary objective to eliminate the gap in the North Platte Basin. The project included—1) rehabilitation of the existing surface water diversion structure to allow the Town of Walden to capture its full water right on the Michigan River, 2) the filing of an application for a change of water right to designate the town's wells as alternate points of diversion for their senior water right for times when flows are low, and 3) steps to facilitate maximum beneficial use of the town's ownership in Walden Reservoir.

Anticipated yields from each category of IPPs at 100 percent success rate are summarized for the North Platte Basin in Table 5-6.

Table 5-6 North Platte Basin IPP Summary at 100% Success Rate

Region or County	Agricultural Transfer (AFY)	Reuse (AFY)	Growth into Existing Supplies (AFY)	Regional In-Basin Project (AFY)	New Transbasin Project (AFY)	Firming In-Basin Water Rights (AFY)	Firming Transbasin Rights (AFY)	Total IPPs at 100% Success Rate (AFY)
Jackson County	0	0	100 – 300	0	0	0	0	100 – 300
Jackson County IPP								
	<ul style="list-style-type: none"> • Growth into existing supplies and water rights 							
Total¹	0	0	100 – 300	0	0	0	0	100 – 300

¹ Aggregated basin total values rounded to two significant digits to reflect increased uncertainty at larger geographic scales.

5.2.2.7 Rio Grande Basin

In the Rio Grande Basin, there is relatively minor growth projected for M&I needs by 2050. CWCB conducted interviews of the cities of Alamosa and Monte Vista in Alamosa County. IPPs were not quantified in the interview summaries, but it was determined that adequate supplies are available to meet 2050 M&I needs. Specifically, it was estimated during SWSI 1 that sufficient groundwater is physically available for most anticipated M&I growth, but augmentation of groundwater pumping will be required. Therefore, Alamosa County IPPs were set equal to 2050 net new M&I needs. New SSI demands are limited to proposed solar power generation facilities in Alamosa County and are anticipated to have demands in the range of 1,200 AFY to 2,000 AFY.

For all other Rio Grande counties, IPPs were based on SWSI 1 information. Conejos County and Mineral County were identified as having adequate water supplies to meet future needs beyond 2030; IPPs were therefore set equal to 2050 total water needs. No IPPs were identified for Costilla County. SWSI 1 quantified IPPs for Rio Grande County and Saguache County based on estimated yield from existing water rights, groundwater, and augmentation plans; the same values were applied as IPPs for the present gap analysis.

Augmentation will be provided by the San Luis Valley Water Conservancy District and other local water providers. There are no reliable new water supplies that can be developed under the Rio Grande Compact, so augmentation of M&I well pumping will be provided from a variety of sources including existing transbasin water rights diverted from the San Juan Basin and existing and future agricultural transfers.

Anticipated yields from each category of IPPs at 100 percent success rate are summarized for the Rio Grande Basin in Table 5-7.

Table 5-7 Rio Grande Basin IPP Summary at 100% Success Rate

Region or County	Agricultural Transfer (AFY)	Reuse (AFY)	Growth into Existing Supplies (AFY)	Regional In-Basin Project (AFY)	New Transbasin Project (AFY)	Firming In-Basin Water Rights (AFY)	Firming Transbasin Rights (AFY)	Total IPPs at 100% Success Rate (AFY)
Alamosa County	0	0	1,400 – 2,300	0	0	1,500 – 2,300	0	2,900 – 4,600
<u>Alamosa County IPPs</u>								
<ul style="list-style-type: none"> • Existing water rights • Augmentation plans • Groundwater 								
Conejos County	0	0	600 – 1,000	0	0	600 – 1,000	0	1,200 – 2,000
<u>Conejos County IPPs</u>								
<ul style="list-style-type: none"> • Existing water rights • Augmentation plans • Groundwater 								
Costilla County	0	0	0	0	0	0	0	0
<u>Costilla County IPPs</u>								
<ul style="list-style-type: none"> • Existing water rights • Augmentation plans • Groundwater 								

Table 5-7 Rio Grande Basin IPP Summary at 100% Success Rate, continued

Region or County	Agricultural Transfer (AFY)	Reuse (AFY)	Growth into Existing Supplies (AFY)	Regional In-Basin Project (AFY)	New Transbasin Project (AFY)	Firming In-Basin Water Rights (AFY)	Firming Transbasin Rights (AFY)	Total IPPs at 100% Success Rate (AFY)
Mineral County	0	0	40 – 200	0	0	50 – 100	0	90 – 300
Mineral County IPPs								
<ul style="list-style-type: none"> • Existing water rights • Augmentation plans • Groundwater 								
Rio Grande County	0	0	400	0	0	500	0	900
Rio Grande County IPPs								
<ul style="list-style-type: none"> • Existing water rights • Augmentation plans • Groundwater 								
Saguache County	0	0	400	0	0	400	0	800
Saguache County IPPs								
<ul style="list-style-type: none"> • Existing water rights • Augmentation plans • Groundwater 								
Total¹	0	0	2,900 – 4,300	0	0	3,000 – 4,300	0	5,900 – 8,600

¹ Aggregated basin total values rounded to two significant digits to reflect increased uncertainty at larger geographic scales.

5.2.2.8 South Platte Basin

For the purpose of conducting the IPP and gap analysis updates, the counties of the South Platte Basin were aggregated to regional subbasins, as follows:

- Northern (Boulder, Larimer, Weld)
- Upper Mountain (Clear Creek, Gilpin, Park, Teller)
- Lower Platte (Logan, Morgan, Sedgwick, Washington)
- High Plains (Cheyenne, Kit Carson, Lincoln, Phillips, Yuma)

The regions of the South Platte Basin are depicted in Figure 5-3 in Section 5.2.2.5.

Most of the interviewed M&I water providers indicated that they believe they will be able to meet 2050 needs using existing supplies, projects that are now underway, and future plans and projects. Most providers are pursuing enlargement of existing reservoirs and new storage, and consider those actions critical to meeting future needs.

Projects contributing to meeting the future needs of Northern South Platte M&I users include the Northern Integrated Supply Project (NISP) and the Windy Gap Firming Project (WGFP), both applied for by the Northern Colorado Water Conservancy District acting on behalf of numerous participating water providers and presently undergoing NEPA review. Yield from these projects was allocated to the counties in which the participants are located. Other major projects include the Halligan and Milton Seaman Reservoir enlargements proposed by the cities of Fort Collins and Greeley, respectively. In recent CWCB interviews, the cities of Longmont and Loveland indicated future yield from agricultural transfers via water rights dedication policies; the city of Greeley plans to pursue acquisition of Cache la Poudre Basin agricultural water rights. Other key Northern region projects include Erie's reclaimed water project; Longmont's Union Reservoir enlargement and Union Pumpback Project; and a portion of the Chatfield Reallocation Project yield for entities in Weld County.

In the High Plains region, continued reliance on nontributary groundwater supplies is expected to occur to meet future M&I needs through 2050. The northern High Plains Ogallala aquifer is anticipated to provide for the limited M&I growth anticipated in this region; thus, IPPs were set equal to 100 percent of 2050 net new M&I and SSI water needs. The Lower South Platte area will rely on existing rights and agricultural transfers for well augmentation. NISP represents a major new source of water for Morgan County (4,900 AFY). Based on SWSI 1 assumptions regarding these supply sources, IPPs for the Lower South Platte region were set equal to 50 percent of 2050 net new M&I and SSI water needs.

The Upper Mountain areas primarily rely on groundwater for M&I demands. These areas will have the challenge of the limited physical availability of groundwater. Much of the groundwater is in fractured bedrock and well yields can be highly variable and decline as additional growth occurs. Many of these areas already experience reduced well production. Additionally, the Upper Mountain Counties have large numbers of pre-1972 platted lots, which are not required to provide augmentation. Many of these lots are platted with high densities. These approved densities may impact well yields, and trucked water or onsite storage tanks may be required to meet peak demands for some in-home domestic uses if additional development occurs.

Jefferson County is in the process of regulating densities in certain mountain areas in order to prevent over development of the limited groundwater resources. The Upper Mountain Counties Aquifer Sustainability Project, which was completed in late 2010, provides much greater detail on the current and future water needs of this region (the results of this study will be incorporated into the South Platte Basin Needs Assessment, to be completed in the first half of 2011). Despite these potential limitations, yield assumptions from SWSI 1 were followed for the present study, and IPPs for the Upper Mountain Counties region were set equal to 90 percent of 2050 net new M&I and SSI water needs. A small amount of the Chatfield Reallocation Project was assumed to be included in Park County's IPPs (42 AFY for Center of Colorado Water Conservancy District).

Anticipated yields from each category of IPPs at 100 percent success rate are summarized for the South Platte Basin in Table 5-8.

Table 5-8 South Platte Basin IPP Summary at 100% Success Rate

Region or County	Agricultural Transfer (AFY)	Reuse (AFY)	Growth into Existing Supplies (AFY)	Regional In-Basin Project (AFY)	New Transbasin Project (AFY)	Firming In-Basin Water Rights (AFY)	Firming Transbasin Rights (AFY)	Total IPPs at 100% Success Rate (AFY)
High Plains	0	0	1,400 – 3,400	0	0	0	0	1,400 – 3,400
High Plains IPP								
• Nontributary groundwater								
Lower Platte	0	0	2,400 – 5,000	4,900	0	2,300 – 5,100	0	9,600 – 15,000
Lower Platte IPPs								
• Growth into existing supplies								
• Augmentation plans								
• NISP								

Table 5-8 South Platte Basin IPP Summary at 100% Success Rate, continued

Region or County	Agricultural Transfer (AFY)	Reuse (AFY)	Growth into Existing Supplies (AFY)	Regional In-Basin Project (AFY)	New Transbasin Project (AFY)	Firming In-Basin Water Rights (AFY)	Firming Transbasin Rights (AFY)	Total IPPs at 100% Success Rate (AFY)
Northern	18,900 – 20,500	5,400 – 7,300	14,200 – 17,600	31,900 – 34,500	0	17,000	18,400 – 21,300	105,800 – 118,200
Northern IPPs								
<ul style="list-style-type: none"> • Growth into existing supplies • Agricultural transfers • Reclaimed water projects • Union Reservoir enlargement • NISP 				<ul style="list-style-type: none"> • WGFP • Halligan Reservoir enlargement • Milton Seaman Reservoir enlargement • Chatfield Reallocation project 				
Upper Mountain	0	0	2,500 – 3,700	40	0	2,500 – 3,700	0	5,000 – 7,500
Upper Mountain IPPs								
<ul style="list-style-type: none"> • Growth into existing supplies • Augmentation plans • Chatfield Reallocation Project 								
Total¹	19,000 – 20,000	5,000 – 7,000	20,000 – 30,000	37,000 – 39,000	0	22,000 – 26,000	18,000 – 21,000	120,000 – 140,000

¹ Aggregated basin total values rounded to two significant digits to reflect increased uncertainty at larger geographic scales.

5.2.2.9 Southwest Basin

Numerous IPPs are under construction or planned for development to meet the diverse uses in the counties of the Southwest (Dolores/San Juan/San Miguel) Basin. During SWSI 1, both the Dolores Project (including McPhee Reservoir) and the Animas-La Plata Project were considered critical to meeting the M&I gap by basin roundtable members. The Dolores Project has been constructed and the construction of the Animas-La Plata Project is nearing completion as of late 2010. In recent interviews conducted by CWCB, the city of Durango indicated plans to acquire additional Animas-La Plata water, and the city of Cortez cited plans to purchase more M&I reserves in McPhee Reservoir.

Overall, the M&I allocations in these projects are projected to be adequate to meet M&I water supply needs in most areas of Dolores, La Plata, and Montezuma Counties. However, some of the infrastructure to deliver Dolores and Animas-La Plata Project water to its end users does not currently exist and must be constructed. This includes water system construction planned by the La Plata Archuleta Water District and the La Plata West Water Authority. This water treatment and delivery infrastructure will be very expensive to construct. It will likely not be financially feasible to serve some unincorporated areas not served by water districts and water hauling is anticipated unless financial assistance is provided to develop the supplies and infrastructure.

In addition, the Pagosa Area Water and Sanitation District has plans for two reservoir projects—Dry Gulch Reservoir and the enlargement of Stevens Reservoir. Overall, aggregate IPPs for Archuleta, Dolores, La Plata, and Montezuma County exceed the countywide 2050 net new water needs, but were reduced to account for a 5 percent M&I gap in unincorporated areas. Based on SWSI 1 analyses, existing supplies and water rights are anticipated to be adequate to meet future needs in Montrose, San Juan, and San Miguel Counties. Anticipated yields from each category of IPPs at 100 percent success rate are summarized for the Southwest Basin in Table 5-9.

Table 5-9 Southwest Basin IPP Summary at 100% Success Rate

Region or County	Agricultural Transfer (AFY)	Reuse (AFY)	Growth into Existing Supplies (AFY)	Regional In-Basin Project (AFY)	New Transbasin Project (AFY)	Firming In-Basin Water Rights (AFY)	Firming Transbasin Rights (AFY)	Total IPPs at 100% Success Rate (AFY)
Archuleta County	0	0	0	3,300 – 4,400	0	0	0	3,300 – 4,400
<u>Archuleta County IPPs</u>								
<ul style="list-style-type: none"> • Dry Gulch Reservoir Project • Stevens Reservoir enlargement 								
Dolores County	0	0	300 – 500	0	0	0	0	300 – 500
<u>Dolores County IPPs</u>								
<ul style="list-style-type: none"> • Rico Alluvial Pipeline Water Supply Project • Rights to water from Dolores WCD • Potable supplies from Montezuma Water Company 								
La Plata County	0	0	1,000 – 1,700	5,400 – 8,600	0	0	0	6,400 – 10,300
<u>La Plata County IPPs</u>								
<ul style="list-style-type: none"> • Existing supplies and water rights • Animas-La Plata Project water • Western La Plata County Domestic Water System • Florida Water Conservancy District Multipurpose Project 								
Montezuma County	0	0	2,500 – 3,600	300 – 400	0	0	0	2,800 – 4,000
<u>Montezuma County IPPs</u>								
<ul style="list-style-type: none"> • Existing supplies and water rights • McPhee Reservoir water • Totten Reservoir 								
Montrose County	0	0	700	0	0	0	0	700
<u>Montrose County IPP</u>								
<ul style="list-style-type: none"> • Existing supplies and water rights 								
San Juan County	0	0	30 – 100	0	0	0	0	30 – 100
<u>San Juan County IPP</u>								
<ul style="list-style-type: none"> • Existing supplies and water rights 								
San Miguel County	0	0	700	0	0	0	0	700
<u>San Miguel County IPP</u>								
<ul style="list-style-type: none"> • Existing supplies and water rights 								
Total¹	0	0	5,200 – 7,300	9,000 – 13,000	0	0	0	14,000 – 21,000

¹ Aggregated basin total values rounded to two significant digits to reflect increased uncertainty at larger geographic scales.

5.2.2.10 Yampa-White Basin

In the Yampa-White Basin (Moffat, Rio Blanco, and Routt Counties), existing supplies and water rights on the White River, Fish Creek, and other tributaries will be used to meet some of the region's M&I demands through 2050. High transit losses in delivering storage water downstream to the locations of use were experienced during the drought of the early 2000s; consequently, firm yields may be much lower than anticipated, requiring additional water supply development to meet dry year needs.

During SWSI 1, basin roundtable participants identified that the Elkhead Reservoir and Stagecoach Reservoir enlargements are critical to meeting the basin's projected water needs. Based on more recent CWCB interviews, additional IPPs include the Elk River Project (Steamboat Springs) and the Morrison Creek Reservoir Project (Upper Yampa River Water Conservancy District).

SSI demands associated with power generation in the Craig and Hayden areas are projected to increase significantly. As discussed in Section 4 and Appendix H, unknowns such as international markets,

national security, and proprietary processing methods may affect the rate of potential development of energy resources such as oil shale. The level of associated water demands is not known but could have a significant effect on the basin's water resources, increasing annual SSI water demands by nearly 100,000 AFY under the high growth scenario. The probability, timing, and extent of such demands are unknown at this time; hence, the increased demands and remaining M&I and SSI gap have a very wide range.

Anticipated yields from each category of IPPs at 100 percent success rate are summarized for the Yampa-White Basin in Table 5-10.

Table 5-10 Yampa-White Basin IPP Summary at 100% Success Rate

Region or County	Agricultural Transfer (AFY)	Reuse (AFY)	Growth into Existing Supplies (AFY)	Regional In-Basin Project (AFY)	New Transbasin Project (AFY)	Firming In-Basin Water Rights (AFY)	Firming Transbasin Rights (AFY)	Total IPPs at 100% Success Rate (AFY)
Moffat County	0	0	2,100 – 3,200	0	0	0	0	2,100 – 3,200
Moffat County IPPs								
<ul style="list-style-type: none"> • Growth into existing supplies • Elkhead Reservoir enlargement 								
Rio Blanco County	0	0	600	0	0	0	0	600
Rio Blanco County IPPs								
<ul style="list-style-type: none"> • Existing supplies and water rights from White River and tributaries 								
Routt County	0	0	800 – 1,100	6,600 – 9,000	0	0	0	7,400 – 10,100
Routt County IPPs								
<ul style="list-style-type: none"> • Growth into existing supplies • Fish Creek direct flow and storage • Yampa River wells • Elk River Project • Morrison Creek Reservoir Project • Stagecoach Reservoir enlargement 								
Total¹	0	0	3,500 – 4,900	6,600 – 9,000	0	0	0	10,000 – 14,000

¹ Aggregated basin total values rounded to two significant digits to reflect increased uncertainty at larger geographic scales.

5.3 M&I Gap Analysis

The IPPs being pursued by local water providers represent significant quantities of water and the implementation of these local projects and plans is critical to meeting Colorado's future water supply needs. However, even with the implementation of the IPPs, there are still remaining M&I and SSI consumptive water supply gaps that will need to be satisfied. As stated previously, the calculated gaps do not necessarily represent a future water supply shortage, but the gaps do demonstrate where additional work is needed to identify projects and methods to meet those future needs. The following sections summarize the calculations and results of the 2050 M&I and SSI gap analysis. As described previously, this analysis includes 2050 low, medium, and high gap values to account for the inherent uncertainty in long-range population, demand, and water supply forecasting. Future M&I and SSI demands were assessed in Section 4 of this report.

Section 5.3.1 presents the M&I and SSI gap calculation methodology generally, followed by details on the variations that occur within the calculations for each basin. The calculations as described in Section 5.3.1 are based on the assumption of 100 percent success rate for the development of IPP yield. Section 5.3.2 describes alternate (i.e., less than 100 percent) IPP yield success rates for each basin as they are applied to estimate the 2050 medium and high gaps. Section 5.3.3 summarizes the results of the gap analysis at the statewide level and for each of the nine basin roundtable areas.

December 15, 2010

We envision a Colorado that balances municipal, industrial, agricultural, environmental, and recreational water needs and promotes cooperation among all water uses.

*Interbasin Compact Committee (IBCC)
Vision Statement, 2007*

Governor Ritter and Governor-Elect Hickenlooper:

We wish to present you with a summary report to inform you of our discussions and accomplishments over the past four years and our proposed work plan for 2011. (A timeline of IBCC and basin roundtable accomplishments is included below.)

The enormous challenge of meeting future water needs facing water users and the State requires the collective input of all stakeholders and a collaborative decision-making process that reaches common ground to plan a sustainable water future that meets our numerous and diverse needs. This is achieved, in part, through the IBCC and the basin roundtable process created by Russ George, Governor Owens, and Colorado's General Assembly. In order to ensure a water future for Colorado that continues our quality of life, our system of water allocation should be guided and supported by a comprehensive framework that will marshal ever-scarcer government resources in a manner that supports economic growth; protects our environment; provides for municipal, agricultural, and industrial needs; and supports rural, recreation, and ecotourism-based economies.

Local control has been a guiding principle for land use and water development in Colorado, and the prior appropriation doctrine that is the bedrock of water allocation in Colorado is a ground-up, individually-driven, and locally-based system. Currently, long-term water resource planning, development, use, and management are all accomplished by local or individual users. The establishment of the IBCC and the basin roundtables is an attempt to take advantage of the best aspects of local control and local water leaders' knowledge, with all the diverse interests at the table, in order to create a statewide framework to meet future water needs.

Despite all that has happened in the economic and political realms, the IBCC has plowed forward. While progress has taken time, the outlines of an approach to and a framework for closing a large future water supply gap have emerged. The basin roundtable process and the work of the IBCC demonstrate that certain key social conundrums are best handled outside the time limits imposed by the political system. While we come from different sectors and represent different constituent groups, there has been a significant coming together, which has resulted in shared understanding and some consensus that could not have happened five years ago. Like all complex issues, real water supply solutions require people to work together with a common purpose, which takes time. Success is determined in part by the building of solid relationships and trust.

We continue to believe that there is a sense of urgency regarding Colorado's water supply future. This sense of urgency was accentuated as we came to understand just what it means to say that there may not be enough water to meet all of our demands. It is heightened by the enormity of the need, the difficulty of the trade-offs posed by limited water supply, and the complexity of our current water allocation process. Recent IBCC work has centered upon exploring a variety of water supply alternatives

that could help build consensus-based plans through which to meet future municipal, environmental, agricultural, industrial, and recreational needs. The Colorado Water Conservation Board's (CWCB's) Statewide Water Supply Initiative (SWSI) and the basin roundtables' consumptive and non-consumptive needs assessments provided the technical basis for the IBCC's discussions. In 2007, we began to explore developing a shared vision for Colorado's water future. We developed a vision statement and proposed vision goals. The vision goals are set out in detail below (on page 12 of this document).

Initially, along with the basin roundtables, we questioned where our current system, the "status quo," will lead. Status quo will likely lead to large transfers of water out of agriculture resulting in significant loss of agricultural lands, more dried-up streams threatening ecosystems and recreation-based economies, water-inefficient land use decisions, and continued paralysis on water supply projects. We have discussed status quo as the default position--the results that will likely occur if we, the water community, allow current trends to continue unchanged. Inaction is a decision itself, a decision with significant consequences. The general consensus was the status quo scenario is not a desirable future for Colorado. This is one of the major reasons the group has been able to find common ground. This consensus emerged even though there is a considerable amount of difference within the group over the role of the market in meeting future water needs. A fundamental aspect of our system is the fact that water rights are fully transferable property rights. Everyone agrees that the market has an important role, particularly regarding the right to sell appropriated waters. That said, we believe that affirmative and pro-active planning that includes more comprehensive consideration of broader benefits and impacts is more likely to lead to water decisions consistent with the vision statement that we formulated.

We have begun scenario planning. Several different future scenarios have been defined and include high-, middle-, and low-water demand and high-, middle-, and low-water supply, and the different combinations that result. In 2009, CWCB staff and Camp, Dresser, McKee (CDM) developed a "portfolio tool," which allows IBCC and basin roundtable members to test various water supply portfolios for different scenarios and understand the implications of such. The proposed portfolios included different mixes of identified projects and processes (IPP) success, conservation, agricultural transfers, and new supply development. The portfolio tool helped the IBCC develop a true understanding of the trade-offs between the potential water sources.

What we have accomplished over the past year

During this past year, we specifically explored different mixes of solutions for the mid-demand/mid-supply scenario. While we have not agreed on a specific mix of solutions or specific amounts of supply, we have made significant progress by putting *everything* on the table for discussion and having the necessary and difficult discussions of concepts, ideas, and sacred cows that are near and dear to both individual IBCC members and stakeholder groups. Diverse interests represented on the IBCC have moved from articulating positions to serious discussions about how to resolve the hard issues in a balanced and equitable manner that respects all water needs and potential sources.

The agreement taking shape seeks to balance meeting municipal, agricultural, and non-consumptive needs by using a mix of new water supply development for West Slope and East Slope uses, conservation, completion of IPPs, and agricultural transfers. All parts of this four-pronged framework should be pursued concurrently. In this effort, we have agreed that a successful framework will be one that shares the burdens and the benefits across all water sources and demands, including consumptive and non-consumptive uses. Thus, we are working on a comprehensive framework. To that end, no

single part of the IBCC documents created herein stands alone; they are all part of a larger interrelated and interdependent framework.

The comprehensive framework

Colorado's population, projected nearly to double by 2050, will increase Colorado's municipal and industrial (M&I) water demands. By 2050, Colorado will need an additional 200,000 to 600,000 acre-feet beyond what is currently being planned for by local water providers in order to meet future M&I water demands and replace reliance on non-renewable groundwater. Looking at all of the strategies (conservation, new water supplies from the Colorado River system, agricultural transfers, and higher success rates on the IPPs), it is clear that no one strategy can meet Colorado's growing water needs without harming values important to all Coloradans. Therefore, a mix of solutions is needed.

At our August 2010 meeting, we agreed that a future mix of water supply solutions should include all four sources to meet the water supply gap in Colorado: conservation, IPPs, agricultural transfers, and new supply development, while also protecting Colorado's significant water-dependent ecological and recreational resources. While still nascent, the framework is coalescing around the following principles:

First are the identified projects and processes (IPPs). The ability of present planning options to resolve "future" water shortages depends on "existing" planned projects moving forward. Their success demonstrates that well-planned future projects are also possible, while the failure to implement current projects, particularly because of the lack of leadership, may make future options more difficult to realize. Further, the IPPs have the ability to meet some, but not all of the estimated 2050 M&I water needs. Implementing these local projects and plans is critical to minimizing the water supply gap, but IPPs should be implemented in a way that balances the State's responsibilities to protect and restore Colorado's natural resources. The State, through its various agencies, has differing responsibilities ranging from protecting the environment to helping secure necessary water supplies. The IBCC has therefore recommended how the State can better share information among State agencies involved in a project, provide broader context about water issues facing the state to federal agencies with a role in water supply projects and processes, explore ways to address barriers to projects, perform a facilitating role where there is no consensus regarding a project, and potentially support projects.

Second, water conservation is exceedingly important. Full implementation of strategic conservation options will require broad political and social acceptance. Water conservation is a critical part of the four-pronged framework and should be pursued aggressively. Success of conservation will reduce agricultural transfers, and defer the need for Colorado River development and the need for new infrastructure. It is not yet clear exactly how much additional water supply will be necessary if a proper balance of conservation measures is implemented, but it is clear that conservation alone will not be enough to meet the projected water supply gap fully. Achieving higher levels of success for conservation objectives will require support by, and implementation through, policy makers in the municipal, industrial, and agricultural arenas. We look forward to working closely with the State, land use planners, town councils, county commissions, and others to understand better the relationship of land use planning and water use, and connecting them to help implement significant conservation measures.

Third, collectively agriculture is the third largest component of our economy. Agriculture is vital to the state's culture and quality of life, food security, wetlands, open space, and rural communities. Large-scale dry-up of irrigated agriculture has considerable adverse social, economic and environmental impacts. While some future portion of M&I water will come from agricultural sources, encouraging alternative agricultural transfers is essential to prevent the large-scale dry-up of agricultural land. The IBCC is recommending some strategies that can make such alternative transfers easier to achieve than traditional "buy and dry" transfers. To the extent that conservation, IPPs, and new water supply development are successful, less water will be transferred out of agriculture to meet the M&I gap, and vice versa.

Fourth, any new trans-basin diversion project in addition to those already planned and in operation will be controversial. However, the necessity, size, and impact of such a project will be informed by the success of the identified projects and processes, conservation, and alternative agricultural transfers. Some believe that if we are to prevent the loss of significant amounts of agricultural land, new water supply projects will be necessary even with implementation of aggressive conservation measures. Therefore, we are exploring what is necessary to ensure that such projects support both East Slope and West Slope needs and protection of the environment. Water supply from a new trans-basin diversion project may not be needed right away if the IPPs, conservation, and reuse are aggressively pursued and successfully implemented. However, concurrent planning for new supplies needs to begin now to ensure that these supplies are developed and available to fill the gap when needed. Further, any new supply should adequately address both Colorado River Compact curtailment risks to existing and new appropriations and water supply certainty issues. These subjects will be discussed more thoroughly in 2011.

Fifth, in addition to the four water supply issues, we recognize the need to protect and enhance Colorado's non-consumptive water needs. It is clear that we will need to agree to protecting existing water bodies that are in good health, and to restoring important environmental, wildlife, and recreational values, while we also support the development of properly mitigated water supply projects. In meeting Colorado's non-consumptive water supply needs it is important to: (a) protect identified environmental and recreational values and restore environmental values; (b) promote recovery and sustainability of endangered, threatened, and imperiled species; (c) protect and enhance economic values to local and statewide economies derived from environmental and recreational water uses; (d) pursue projects and other strategies, including the CWCB's Instream Flow Program, that benefit consumptive water users, the riparian and aquatic environments, and stream recreation; and (e) recognize the importance of environmental and recreational benefits derived from agricultural water use, storage reservoirs, and other consumptive water uses and water management. The IBCC recognizes that quantification of non-consumptive needs and further identification of projects or methods to meet those non-consumptive needs is necessary.

Unfortunately, knowing what can and needs to be done does not automatically translate into getting it done. To provide water for Colorado's future needs is not just a simple question of project funding, but also raises social and cultural issues inherent in managing increasing scarcity and competition for available water. Success will require an unprecedented commitment by all parties. Neither the IBCC nor other Colorado water policy bodies have fully addressed the magnitude of the necessary commitment. This is why the IBCC has resolutely worked toward achieving a balance of conservation, new development, limited agricultural transfers, and environmental protection, while also reaching

agreement that existing plans should have a reasonable chance of implementation. A significant barrier to execution is funding, although this is perhaps less significant than the political will that is needed in the long run.

Also during the past year, we began working to understand the implications of different mixes of solutions and, in the latter half of 2010, to outline frameworks by which a particular mix of solutions might be implemented. To this end, we created subcommittees to flesh out what needs to be understood and accomplished to implement a state water supply framework. One of the significant next steps will be to integrate the subcommittees' work into a single whole. Further, the mix of solutions and framework development is iterative and each informs the other. The initial work of the subcommittees is included below.

An important next step is bringing the IBCC's ideas to the basin roundtables and other stakeholders for input and feedback. This will create an opportunity to develop a comprehensive statewide framework with the basin roundtables and other stakeholders. With the basin roundtables included, the IBCC will begin to accomplish that which has never been done in Colorado, but which is necessary now: creation of a comprehensive water supply framework for Colorado that departs from historical practices. The IBCC's visioning effort has a chance of success because the process embraces the local nature of water allocation and charges the local users with creating the framework. If successful, the IBCC and the basin roundtables will take an historic step. We have made significant progress towards this goal, but we are not finished.

Looking ahead to 2011, the IBCC will continue its work of seeking consensus around a mix of solutions and frameworks, refining its vision, and exploring mechanisms to implement its ideas. Our work plan is detailed below.

There remain significant aspects that the IBCC has not yet begun to address. Addressing these issues will require significant input from the basin roundtables and other stakeholders. Success will require the ability to address alternatives and recognition that no single option is perfect. As we engage with stakeholders and basin roundtables we will need to discuss how to address the costs of implementing the framework.

Whether or not this work ultimately results in a statewide framework, the IBCC and the basin roundtables have already seen success in several important areas. We have:

- Expanded and diversified the individuals involved in the state's water issues;
- Fostered collaboration and understanding among the stakeholders in the basins;
- Developed additional technical information on basins' consumptive and non-consumptive needs;
- Begun to address local water needs through the use of Water Supply Reserve Account grants; and
- Begun a dialogue across basins that has led to better understanding and comity among stakeholders.

The planning process has led to broader acceptance of the need for collaboration among water users who understand the pressing needs and limited options. The visioning process has clarified the trade-offs and the probable results of no action.

We have been honored to serve the state in this capacity and look forward to working closely with the new administration, the basin roundtables, the CWCB, and all stakeholders in creating a comprehensive

state water supply framework. We look forward to spending the next several months taking our proposed framework "on the road" to engage all of Colorado's water stakeholders in a conversation about how to improve the framework and appropriate next steps. So far the members of the IBCC have approached this process non-politically. We believe that the continued success of this process rests on it remaining non-political. Water issues can and do become politically charged. However, in order to find a vision that addresses all of our water supply needs and shares the benefits and the burdens equitably, we must get beyond interest-based and basin politics.

We thank Governor Ritter for attending our December meeting. We invite Governor-Elect Hickenlooper to our February meeting, so that we can discuss these important issues with you at the beginning of your term. We look forward to hearing your thoughts on how to move this process forward.

Sincerely yours:

The Interbasin Compact Committee

Interbasin Compact Committee (IBCC)
Statement on Role of the State in Supporting Water Supply Processes and Projects
Draft Document
Revised October 12, 2010

The IBCC makes the following recommendations to promote State assistance of proposed water supply processes and projects of all sizes and types in Colorado. The IBCC determined that State support is necessary. These recommendations seek to define how State support should be provided. The recommendations focus on: coordination between and within State agencies, education of federal entities on Colorado's water supply needs, and state financial support.

1. The IBCC recommends a joint agency task force be created. This could be done through executive order and should include representatives from all State agencies involved with water supply development for the purposes outlined in 2 and 3 below.
 - a. The Department of Natural Resources will be the coordinating agency.
 - b. The task force will consist of all State agencies that might have a role in evaluating, assessing, permitting, overseeing, coordinating, or administering a proposed project. These agencies include, but may not be limited to, CWCB, the Division of Wildlife, the Colorado Department of Public Health and Environment, the Division of Water Resources, and the Attorney General's Office at the request of their client agencies. There should be one contact person from each agency.
 - c. The task force will design a clear sequential process of internal and external actions necessary to move the project through the regulatory process. The process will identify responsible parties and deadlines for each action.
 - d. Project proponents have the option to directly coordinate with and educate the task force and seek the task force's involvement, as the project proponents pursue a new water supply project or process.
 - e. The project proponent and the task force will engage in an open dialogue to help avoid, minimize, and mitigate the project's impacts per federal and state requirements.
 - f. Opinions from agencies represented by the task force shall be issued after sufficient information is provided by project proponents as detailed in the task force process.
2. The State of Colorado and its constituent agencies should seek to *solve* problems and help identify ways to overcome obstacles related to water projects rather than *make* problems and create obstacles to those projects. The IBCC recommends that State agencies act creatively and flexibly within the context of their regulatory responsibilities to facilitate the implementation of solutions to Colorado's urgent water supply needs. The joint agency task force will establish a process to coordinate multiple State agencies' evaluations, responses, and other efforts regarding water supply projects early in a project's life and in an ongoing and regular fashion.
3. The State of Colorado through the joint agency task force should be actively and regularly confer with and educate federal agencies and the State's Congressional delegation about Colorado's water supply needs and the importance of local water projects and processes to address those needs.
 - a. The Department of Natural Resources should be the coordinating agency that ensures that such consultation is occurring sufficiently and by the appropriate State agency or agencies.

- b. This direction is not intended to undermine or diminish federal agency authority or the protections provided by federal oversight. Rather, it seeks to ensure that federal agencies understand the pressing nature of the water supply issue in the state and the importance of appropriate coordination.
 - c. This direction focuses on the overall water supply needs and shortages in the state.
4. The State of Colorado through the legislature and directed agencies should continue to provide funding through grants and loans to local entities to assist them in evaluating and funding proposed projects.
- a. State financial support has been critical in meeting the State's water needs. For instance, the Colorado Water Conservation Board (CWCB) has approved over 400 loans totaling over \$700 million. In addition, CWCB's Water Supply Reserve Account (WSRA) program has assisted over 140 water projects with over \$26 million, while leveraging over \$45 million in local and federal funds. For example, the CWCB provided financing and a \$1 million mitigation grant for the enlargement of Elkhead Reservoir near Craig, CO. This 12,000 acre-foot enlargement is a \$30 million multi-purpose project that provides water supplies for long-term human and environmental needs. Other examples of the CWCB providing critically important support include Chatfield Reservoir Storage Reallocation and the Animas-LaPlata Project.
 - b. Funds for such assistance should continue to be made available by the Basin Roundtables and the CWCB through the CWCB loan program, WSRA, and other programs that support local basin planning.
5. In cases where there is local and/or stakeholder disagreement about a proposed project, if the project proponent requests it, the State of Colorado and/or Interbasin Compact Committee should initiate efforts to convene stakeholders in a process that aims to resolve conflicts and address concerns. The joint agency task force shall participate in this process. The State can itself serve as the facilitator or mediator of such an effort, or it may provide financial assistance to support hiring an outside facilitator or mediator.
6. Once the joint agency task force has substantially completed its process and achieved consensus¹ that a proposed project should proceed, and the stakeholder process in #5, if any, has reached a conclusion, then the State of Colorado and its constituent agencies could become public advocates for a project.
- a. Direction to publicly advocate for a project should come from the Governor and be shared with all State agencies.
 - b. When appropriate, the legislature could pass a resolution in support of a project.
 - c. Directors of individual State agencies could then determine how best to proceed to effectively advocate for the project.

¹ Consensus means a broad general level of support.

AGENDA ITEM # 5

Regional Tourism Act.

Maps of the project component locations will be distributed at the meeting.

AGENDA ITEM # 6

CITY COUNCIL COMMUNICATION FORM

FROM: Winnie DelliQuadri, Grants Analyst (Ext. 157)
Deb Hinsvark, Director of Finance (Ext. 240)
Chris Wilson, Director, Parks, Open Space, and Recreation Svs (x317)
Philo Shelton, Director, Public Works (x204)

THROUGH: Wendy B. DuBord, Interim City Manager (Ext. 219)

DATE: March 1, 2011

RE: City/County application to the Colorado Office of Economic Development and International Trade for award of State tax increment financing funds through the Regional Tourism Act program.

NEXT STEP: Approve the resolution and direct staff to submit the Bike Town USA proposal to the Regional Tourism Act program.

DIRECTION
 INFORMATION
 ORDINANCE
 MOTION
 RESOLUTION

I. REQUEST OR ISSUE:

The City has the opportunity to apply to the State for a share of the State's future sales tax revenues in order to fund, through City bonding, substantial improvements to tourism infrastructure. City staff and community participants have spent several months identifying and developing a potential project – Bike Town USA – and request that City Council formally approve submittal of the Bike Town USA project to the Colorado Economic Development Commission for consideration of a Regional Tourism Act (RTA) award. The City's request would be for a half share of the State's future sales tax increment above a base set in 2011 for up to 30 years or until the bonding debt obligation of approximately \$11,000,000 for Bike Town USA capital projects, is fully retired. The RTA proposal includes the Bike Town USA project, a proposed Regional Tourism Zone boundary, a proposed Regional Tourism Authority, and acknowledgement of a Financing Entity to administer the State's Sales Tax Increment Revenue on behalf of the Project. Because the Regional Tourism Zone includes lands within Routt County, the Routt County Board of County Commissioners must co-sponsor the application and they have indicated their willingness to do this. A third party analysis of project outcomes and fiscal impacts will be required and the City must commit to paying for this analysis as part of the application.

II. RECOMMENDED ACTION:

Given the benefit of the project, staff recommends that Council approve the resolution and direct staff to submit the Bike Town USA proposal to the Regional Tourism Act program.

III. FISCAL IMPACTS:

Proposed Revenues: If sales grow by 3% annually over the 25 years of the TIF, a total of \$67 million will be collected on the basis of an equal split of the increment with the State. The present value of that amount is \$27million and a further discount, to be conservative, yields approximately \$11 million. If half of the State's incremental sales tax is \$67 million during this period, the City will enjoy \$185 million in incremental sales tax during the same period.

Proposed Expenditure: Projects identified to be funded to complete the Bike Town USA initiative total approximately \$11 million. *The creation of \$11 million of new infrastructure will create the obligation for annual maintenance and increased annual operations expenses. Those proposed expenses are not yet identified.* These projects fit nicely into the City's current economic development plans (as discussed) and leverage existing infrastructure.

Impact on the City's future bonding capability: The health of the municipal market will determine whether the City would need to provide any credit enhancement (in the form of a moral obligation) to this bond issue when it is issued. Without City enhancement, the bond would be a stand-alone revenue bond and have no impact on the City's future bonding capability. On the other hand, if the City's moral obligation is required to make it marketable, it could diminish the City's ability to issue future debt. It is not anticipated to have any impact on the City's credit rating however.

Risk / Downside: The tax increment will be affected by the nation's economic health – a macro economic impact. The City has little ability to control this environment. A severe downturn, or the City's inability to reach a normal healthy annual growth could place the City in the position of stepping up to satisfy its moral obligation. There is sufficient room for occasional lapses, however, in the conservative estimation of proposed revenues.

IV. BACKGROUND INFORMATION:

Regional Tourism Act: The Regional Tourism Act (RTA) establishes a program that gives Local Governments the opportunity to apply to the Colorado Economic Development Commission (EDC) for approval of a large scale Regional Tourism Project that is of extraordinary and unique nature that is anticipated to result in a substantial increase in out-of-state Tourism and that generates a significant portion of the sales tax revenue by transactions with nonresidents of the Zone. The EDC can

approve a total of two projects through the RTA. Approved projects gain a share of the State's future sales tax revenues for a specified period of time. The State would continue to keep sales taxes collected equal to baseline sales tax revenues. The portion of State sales tax revenues in excess of the baseline revenues would be allocated to a separate fund established by the Financing Entity with incremental tax revenue deposited on a monthly basis.

Proposed Bike Town USA Project: The proposed Bike Town USA project focuses on the Cross Country and Downhill/Gravity segments of the tourism market for biking. A specific list of the eligible and matching project components for the Bike Town USA proposal to the RTA and their estimated cost is attached.

Proposed Regional Tourism Zone: A map of the proposed Regional Tourism Zone is attached. The Zone includes the entirety of the City of Steamboat Springs, as well as City owned lands within Routt County. Because the Zone includes a portion of Routt County, the Routt County Board of County Commissioners must agree to co-sponsor the project. The BOCC will hear this proposal in the next two weeks.

Proposed Regional Tourism Authority: The legislation that establishes the Regional Tourism Act specifically notes that the Board of a Regional Tourism Authority must include three members who are owners of commercial property within the regional tourism zone and two members appointed by each of the local governmental applications. Of the members appointed by the local governmental applicants, at least one member shall be an elected official of the local government and at least one member shall represent the community at large.

Financing Entity: The Economic Development Commission designates an entity to receive and utilize State Sales Tax Increment Revenue. The City must acknowledge this in its proposal and would recommend that the Financing Entity be the Regional Tourism Authority created through this project. It is further recommended that the City be the accounting entity for the Authority.

V. **LEGAL ISSUES:**

If the City is awarded State Tax Increment Funding, the City would need to review and execute several legal agreements with the State, the Financing Entity selected by the State, and the bonding company selected by the City for bonding.

VI. **CONFLICTS OR ENVIRONMENTAL ISSUES:**

The creation of \$11 million of new infrastructure will create the obligation for annual maintenance and increased annual operations expenses. Those proposed expenses are not yet identified. The identified projects fit nicely into the City's current economic development plans (as discussed) and leverage existing infrastructure.

VII. SUMMARY AND ALTERNATIVES:

The Regional Tourism Act provides an opportunity for the City to leverage future State Tax Increment Financing dollars to fund Bike Town USA capital infrastructure improvements within the City. The application process requires out of pocket costs for a third party analysis of the City's projected economic and fiscal impacts. If successful in winning the RTA award, the City would be required to bond against the future RTA revenues and construct the identified capital improvements. Construction of new capital improvements would result in an obligation for annual maintenance and increased annual operations expenses, the details of which have not yet been identified.

City Council may choose to:

- approve the request and resolution to apply.
- deny the request and resolution to apply.

ATTACHMENTS:

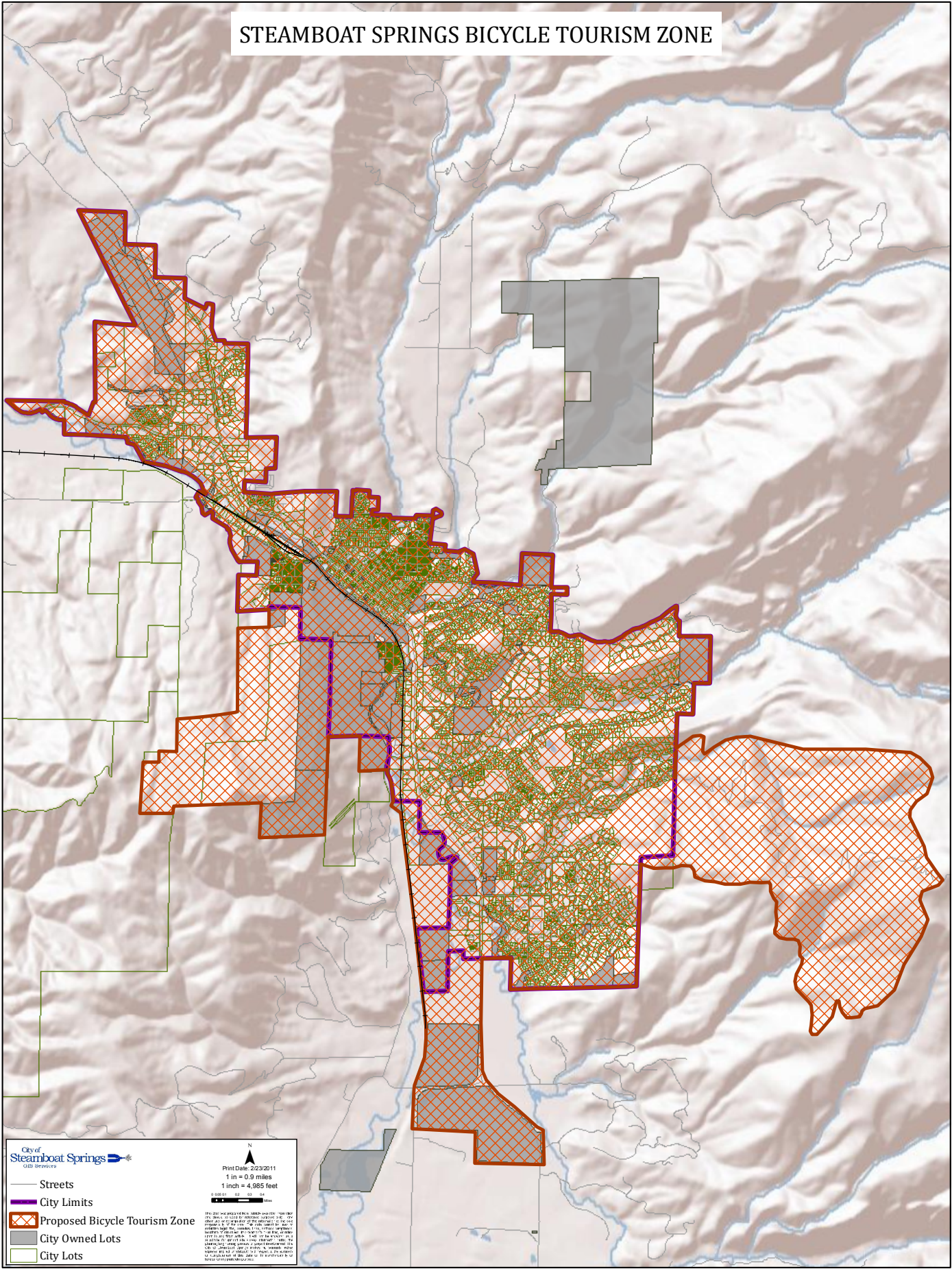
- Attachment 1. Bike Town USA project component list.
- Attachment 2. Regional Tourism Zone map.
- Attachment 3. State TIF Calculation – Steady Growth Model.
- Attachment 4. State TIF Calculation – Ups and Downs Model.
- Attachment 5. Public Comment.

Bike Town USA - Regional Tourism Act
DRAFT Project Elements and Concept Costs

Item	Description	Estimated Cost
Signage and on trail Mapping	City wide system of bike facility wayfinding signs including direction, degree of difficulty, key activity centers and businesses. Also includes developing a template commuter/recreation map for lodging properties to provide guests.	\$150,000
US 40 Lodging to Downtown Trail Connections	Connect missing links on our spine travel route from lodging areas south of town to downtown; includes detached sidewalk from Dougherty Road to Walton Creek inc walton creek bridge, Stone Lane ped bridge and trail spur, and missing link behind walmart	\$336,000
Whistler Area Lodging to Mountain Connections	Connect missing links from south lodging areas to Mountain; includes missing sidewalk segments on Whistler, Whistler/Walton Creek Crossing	\$113,000
Mountain to Ski Area	Connection	\$300,000
Downtown Lodging to Core Trail Connections	add sidewalk along 12th street;	\$32,000
Mountain Area Lodging to Core Trail	add fish creek falls underpass; city has some funding for design and easements; need additional funding for construction	\$290,000
Core Trail Crossing Enhancements	construct concrete crosswalks and enhance core trail crossings at 5th Street, 9th Street, and Mt Werner/River Road	\$75,000
Yampa Street Bike Lanes phase I	construct final streetscape on Yampa Street including bike lanes and improve detachment of core trail: From 12th to 9th	\$1,500,000
Yampa Street Bike Lanes phase II	Construct final streetscape on Yampa Street including bike lanes: 9th to 5th	\$1,900,000
Howelsen / Emerald Beginner Trails	2 miles of trail \$13K/mile	\$26,000
Howelsen / Emerald Bathrooms - one with water @ blackmere	Blackmere trailhead	\$92,000

Trailhead parking	Blackmere trailhead	\$100,000
Orton property bathroom	12X16 double restroom	\$75,000
Picnic pagoda - Orton	steel prefab 20x20	\$22,000
HH base bathroom & showers	at rodeo grounds	\$850,000
Expert features on trails	HH/Emerald. 20 features x 485 each	\$9,700
Bike racks	custom designed 32 x \$1500	\$48,000
Bike Park / Skills Park	Okra property - 1 acre	\$1,000,000
Legacy Ranch beginner trails	1 mile (?) ADA accessible, \$52,000 per milde	\$52,000
Core Trail South to Legacy Ranch	\$1M per mile	\$1,000,000
Bike wash stations	blackmere, rodeo, legacy ranch. \$3,200 ea	\$9,600
Lodge at Okra	Lodge, bathrooms, parking, etc. Look at HEMP stuff. 5,000 square feet	\$2,000,000
Orton Property - 70 acres	Acquire	\$1,000,000
Bike Storage Lockers at Transit stations	Install all weather bike storage lockers at 3 transit stations (stockbridge, GTC, and walton Creek Park n ride)	\$18,000
TOTAL		\$10,998,300

STEAMBOAT SPRINGS BICYCLE TOURISM ZONE



State TIF Calculation	Steady Growth Model			
Annual Growth	3%			6%
		Increment over Base	Half of the Increment	PV of Increment @ 6% Discount Rate
BASE	\$10,795,164			
Year One	\$11,119,019	\$323,855	\$161,927	\$161,927
Year Two	\$11,452,589	\$657,425	\$328,713	\$310,106
Year Three	\$11,796,167	\$1,001,003	\$500,502	\$445,445
Year Four	\$12,150,052	\$1,354,888	\$677,444	\$568,795
Year Five	\$12,514,554	\$1,719,390	\$859,695	\$680,959
Year Six	\$12,889,990	\$2,094,826	\$1,047,413	\$782,688
Year Seven	\$13,276,690	\$2,481,526	\$1,240,763	\$874,689
Year Eight	\$13,674,991	\$2,879,827	\$1,439,913	\$957,625
Year Nine	\$14,085,241	\$3,290,077	\$1,645,038	\$1,032,117
Year Ten	\$14,507,798	\$3,712,634	\$1,856,317	\$1,098,751
Year Eleven	\$14,943,032	\$4,147,868	\$2,073,934	\$1,158,074
Year Twelve	\$15,391,323	\$4,596,159	\$2,298,079	\$1,210,600
Year Thirteen	\$15,853,062	\$5,057,898	\$2,528,949	\$1,256,810
Year Fourteen	\$16,328,654	\$5,533,490	\$2,766,745	\$1,297,158
Year Fifteen	\$16,818,514	\$6,023,350	\$3,011,675	\$1,332,067
Year Sixteen	\$17,323,069	\$6,527,905	\$3,263,953	\$1,361,933
Year Seventeen	\$17,842,761	\$7,047,597	\$3,523,799	\$1,387,130
Year Eighteen	\$18,378,044	\$7,582,880	\$3,791,440	\$1,408,006
Year Nineteen	\$18,929,385	\$8,134,221	\$4,067,111	\$1,424,887
Year Twenty	\$19,497,267	\$8,702,103	\$4,351,051	\$1,438,079
Year Twenty-one	\$20,082,185	\$9,287,021	\$4,643,510	\$1,447,869
Year Twenty-two	\$20,684,651	\$9,889,487	\$4,944,743	\$1,454,523
Year Twenty-three	\$21,305,190	\$10,510,026	\$5,255,013	\$1,458,293
Year Twenty-four	\$21,944,346	\$11,149,182	\$5,574,591	\$1,459,413
Year Twenty-five	\$22,602,676	\$11,807,512	\$5,903,756	\$1,458,101
		\$135,512,150		
Half of the Increment			\$67,756,075	\$27,466,045
PV of Half @ 6% Discount Rate				

State TIF Calculation	Ups and Downs Model				
Annual Growth	Varied				6%
		Increment over Base	Half of the Increment	PV of Increment @ 6% Discount Rate	
BASE	\$10,795,164				
Year One	\$10,903,116	\$107,952	\$53,976	\$53,976	1%
Year Two	\$11,230,209	\$435,045	\$217,523	\$205,210	3%
Year Three	\$11,567,115	\$771,951	\$385,976	\$343,517	3%
Year Four	\$10,988,760	\$193,596	\$96,798	\$81,273	-5%
Year Five	\$10,988,760	\$193,596	\$96,798	\$76,673	0%
Year Six	\$11,098,647	\$303,483	\$151,742	\$113,390	1%
Year Seven	\$11,431,607	\$636,443	\$318,221	\$224,333	3%
Year Eight	\$11,774,555	\$979,391	\$489,695	\$325,675	3%
Year Nine	\$12,127,791	\$1,332,627	\$666,314	\$418,053	3%
Year Ten	\$12,127,791	\$1,332,627	\$666,314	\$394,390	0%
Year Eleven	\$12,370,347	\$1,575,183	\$787,592	\$439,787	2%
Year Twelve	\$12,865,161	\$2,069,997	\$1,034,999	\$545,224	4%
Year Thirteen	\$13,508,419	\$2,713,255	\$1,356,628	\$674,202	5%
Year Fourteen	\$13,508,419	\$2,713,255	\$1,356,628	\$636,040	0%
Year Fifteen	\$13,643,503	\$2,848,339	\$1,424,170	\$629,912	1%
Year Sixteen	\$13,916,374	\$3,121,210	\$1,560,605	\$651,186	2%
Year Seventeen	\$14,333,865	\$3,538,701	\$1,769,350	\$696,498	3%
Year Eighteen	\$14,907,219	\$4,112,055	\$2,056,028	\$763,536	4%
Year Nineteen	\$15,652,580	\$4,857,416	\$2,428,708	\$850,883	5%
Year Twenty	\$14,087,322	\$3,292,158	\$1,646,079	\$544,051	-10%
Year Twenty-one	\$13,382,956	\$2,587,792	\$1,293,896	\$403,443	-5%
Year Twenty-two	\$12,713,808	\$1,918,644	\$959,322	\$282,190	-5%
Year Twenty-three	\$12,713,808	\$1,918,644	\$959,322	\$266,217	0%
Year Twenty-four	\$13,095,223	\$2,300,059	\$1,150,029	\$301,075	3%
Year Twenty-five	\$13,488,079	\$2,692,915	\$1,346,458	\$332,546	3%
		\$48,546,336			
Half of the Increment			\$24,273,168	\$10,253,280	24%
PV of Half @ 6% Discount Rate					

February 23, 2011

RE: Regional Tourism Act

Dear City Council Members:

On behalf of the Bike Town USA Initiative, we are writing to you requesting your support for the application toward the Regional Tourism Act. We are specifically asking for your to approve this application process, create an applicable tourism zone and make a firm commitment to see this process through.

When the Bike Town USA Initiative began meeting in late 2009, we were thankful to bring together all of the stakeholder groups and each of those stakeholders have been extremely supportive of the overall goals of the initiative. Early on we identified our mission to be to “promote economic development, community enhancement and tourism through cycling.” There is great benefit to our local community and there has been broad based support amongst the community for this initiative.

We had hoped that through organizing and planning we would have a much improved opportunity to obtain meaningful funding for significant projects. That time is now and we have a real opportunity facing us and we are asking that you take advantage of this opportunity. Factually, it is clear that biking is an economic driver whether it be attracting high income tourism, or attracting location neutral businesses to our community. Our vision statement is “Steamboat Springs is the ultimate destination for cycling.” The potential funding through the Regional Tourism Act will make the vision statement a reality. The entire state of Colorado has the opportunity to do with biking what it has done with skiing – truly make Colorado, and specifically Steamboat Springs, a destination for biking.

We thank you for all that you have done in support of the biking initiative and we ask that you strongly support the application toward the Regional Tourism Act.

Sincerely,



Grant Fenton
Chair
Bike Town USA Initiative

CITY OF STEAMBOAT SPRINGS, COLORADO

RESOLUTION NO. _____

A RESOLUTION SUPPORTING THE APPLICATION TO THE COLORADO ECONOMIC DEVELOPMENT COMMISSION FOR THE FUNDING OF BIKE TOWN USA INITIATIVE THROUGH THE REGIONAL TOURISM ACT AND THE ESTABLISHMENT OF A REGIONAL TOURISM ZONE AND REGIONAL TOURISM AUTHORITY.

WHEREAS, the State of Colorado passed a Regional Tourism Act in 2010 calling for Local Governments to “apply for approval of a large scale Regional Tourism Project that is of an extraordinary and unique nature that is anticipated to result in a substantial increase in out-of-state Tourism and that generates a significant portion of the sales tax revenue by transaction with nonresidents of the Zone”; and

WHEREAS, Whistler, British Columbia has demonstrated the economic potential for biking tourism through its achievement of summer biking tourism which outpaces its winter skiing tourism on a three to one basis; and

WHEREAS, Colorado and Steamboat Springs have a strong positive brand as a premier winter destination for skiing and snow sports and the opportunity to extend this brand to biking tourism; and

WHEREAS, City staff has been working with several organizations interested in significantly increasing summer tourism activities in Steamboat Springs; and

WHEREAS, this group has identified several projects designed to fully create Bike Town USA which will link Mount Werner to Town, the Core Trail and Emerald Mountain through trails designed for multiple levels of biking expertise and including appropriate signage; and

WHEREAS, such projects would cost approximately \$11 million; and

WHEREAS, completion of these projects are expected to increase summer tourism by an amount that is sufficient to bond against and receive bond proceeds of approximately \$11 million thereby funding the projects.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STEAMBOAT SPRINGS, COLORADO, THAT:

Section 1. Approval of the project. The Bike Town USA project is an approved project of the City of Steamboat Springs for submittal to the Colorado Economic Development Commission.

Section 2. Establishment of Tourism Zone. The Steamboat Springs Tourism Zone would include the City of Steamboat Springs and adjacent areas of Routt County as shown on the attached Tourism Zone Map.

Section 3. Creation of the Regional Tourism Authority: If the City's project is selected, City Council agrees to establish a Regional Tourism Authority to receive the funds generated in the Tourism Zone. The City will be the accounting entity for the Authority.

Section 4. Request for of Application to the Regional Tourism Act. The City's Intergovernmental Services staff is directed to complete and submit to the Colorado Economic Development Commission a Regional Tourism Act proposal requesting review and approval of the City's Regional Tourism Project, Regional Tourism Zone designation, Regional Tourism Authority, and acknowledging a Financing Entity to administer the State Sales Tax Increment Revenue on behalf of the project.

Section 5. Costs related to the Third Party Analysis: If the City's project is selected for Third Party Review, the City agrees to pay the reasonable costs related to a third party analysis of project revenues.

PASSED, ADOPTED AND APPROVED this _____ day of _____, 2011.

**Cari Hermacinski, President
Steamboat Springs City Council**

ATTEST:

**Julie Franklin, CMC
City Clerk**

AGENDA ITEM # 7

CITY COUNCIL COMMUNICATION FORM

FROM: Deb Hinsvark, Director of Finance (Ext. 240)
THROUGH: Wendy DuBord, Interim City Manager (Ext. 228)
DATE: March 1, 2011
ITEM: SECOND 2011 SUPPLEMENTAL APPROPRIATION
ORDINANCE/ORTON PROPERTY PURCHASE – second reading
NEXT STEP: Approve.

DIRECTION
 INFORMATION
 ORDINANCE
 MOTION
 RESOLUTION

I. REQUEST OR ISSUE:

The City has received a GOCO grant to pay a portion of the purchase of the Orton Property on Howelsen Hill. Those funds along with the City's portion of the purchase, \$755,000, will be appropriated with this ordinance.

II. RECOMMENDED ACTION:

Approve. It has also been recommended that the citizens and the lodging community be asked to reimburse the CIP fund from future accommodations tax dollars. That conversation will occur in April.

III. FISCAL IMPACTS:

As noted in the CIP presentation on 2/1/11, there are reserves of \$293,999 available that were released from certain 2010 project completions. Additionally, \$250,000 is released from the Butcherknife Creek project planned for 2011 and currently budgeted. The City's share of the purchase is \$755,000, and therefore, \$212,000 will be taken from reserves that were planned for future use, but will now be redirected to this project. It is not yet known what future project this will affect – nor can we identify at this time the funds to replace those taken from Butcherknife.

IV. BACKGROUND INFORMATION:

GOCO granted the City \$600,000 for the purchase of the Orton property. City Council has entered into an agreement with the Howelsen/Emerald Mountain Partnership to provide ongoing management of the properties which will be integral in the City's long-term plan for increased Nordic and biking activity. The City will need to take the \$755,000 required to complete the purchase from its CIP fund.

V. LEGAL ISSUES:

None.

VI. CONFLICTS OR ENVIRONMENTAL ISSUES:

None.

VII. SUMMARY AND ALTERNATIVES:

The single alternative to complete this sale is to appropriate these funds.

CITY OF STEAMBOAT SPRINGS, COLORADO

ORDINANCE NO. _____

**SECOND 2011 SUPPLEMENTAL APPROPRIATION
ORDINANCE/ORTON PROPERTY PURCHASE.**

WHEREAS, the City has received a GOCO grant of \$600,000 to pay a portion of the cost of purchasing the Orton property; and

WHEREAS, the community of Steamboat Springs has shown overwhelming support for the purchase; and

WHEREAS, the City will need to appropriate \$755,000 for its share of the costs of the purchase; and

WHEREAS, there are unappropriated reserves for this purpose, and the City Council believes that such appropriation is important to the economic health and welfare of the community.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STEAMBOAT SPRINGS, COLORADO:

Section 1. Supplemental Revenue. The following Capital Improvements Fund supplemental revenues and unappropriated reserves are available in the stated amounts:

GOCO Grant	\$600,000.00
Capital Projects Fund – Reserves	\$505,000.00
Transfer 2011 Budget from Butcherknife	<u>\$250,000.00</u>
Total revenues, reserves and 2011 budget	\$1,355,000.00

Section 2. Supplemental Appropriation. Pursuant to Section 9.10 (a) of the City of Steamboat Springs Home Rule Charter, the City Council hereby appropriates from the Capital Improvements Fund the following sums of money or that portion necessary for the purposes herein named:

Purchase of the Orton Property	\$1,355,000.00
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Section 3. All ordinances heretofore passed and adopted by the City Council of the City of Steamboat Springs, Colorado, are hereby repealed to the extent that said ordinances, or parts thereof, are in conflict herewith.

Section 4. If any section, subsection, clause, phrase or provision of this Ordinance, or the application thereof, to any person or circumstance, shall to any extent, be held by a court of competent jurisdiction to be invalid, void or unconstitutional, the remaining sections, subsections, clauses, phrases and provisions of this Ordinance, or the application thereof to any person or circumstance, shall remain in full force and shall in no way be affected, impaired or invalidated.

Section 5. The City Council hereby finds, determines and declares that this Ordinance is necessary for the immediate preservation of the public peace, health and safety.

Section 6. This Ordinance shall take effect immediately upon the expiration of five (5) days from and after its publication following final passage, as provided in Section 7.6(h) of the Steamboat Springs Home Rule Charter.

INTRODUCED, READ AND ORDERED PUBLISHED, as provided by law, by the City Council of the City of Steamboat Springs, at its regular meeting held on the _____ day of _____, 2011.

**Cari Hermacinski, President
Steamboat Springs City Council**

ATTEST:

**Julie Franklin, CMC
City Clerk**

FINALLY READ, PASSED AND APPROVED this _____ day of _____, 2011.

**Cari Hermacinski, President
Steamboat Springs City Council**

ATTEST:

**Julie Franklin, CMC
City Clerk**

AGENDA ITEM # 8

CITY COUNCIL COMMUNICATION FORM

FROM: Deb Hinsvark, Director of Finance (Ext. 240)

THROUGH: Wendy DuBord, Interim City Manager (Ext. 228)

DATE: March 1, 2011

ITEM: Third 2011 Supplemental Appropriation Ordinance and establishment of Quiznos Pro Challenge Race Special Revenue Fund – second reading.

NEXT STEP: Approve.

DIRECTION
 INFORMATION
 ORDINANCE
 MOTION
 RESOLUTION

I. REQUEST OR ISSUE:

The City will act as the Treasurer for the Quiznos Pro Challenge. This ordinance will establish a special revenue fund to segregate the Pro Challenge revenues and expenses and will appropriate according to the organizing committee's budget.

II. RECOMMENDED ACTION:

Approve.

III. FISCAL IMPACTS:

The City has appropriated \$35,000 from its general fund and expects to provide some in-kind police, fire and public works services to the event. Additionally, several members of the City's management team have active duties to prepare for the event.

IV. BACKGROUND INFORMATION:

The City has agreed to be the host of the end of one stage and the start of another for the Quiznos Pro Challenge in August of 2011. It is anticipated that the event will have national coverage and will bring many visitors to the area. As the host, the City is responsible for all aspects of the event and has acknowledged a local organizing committee, chaired by Jim Schneider. The City will act as the Treasurer of the event and will account for all revenue of the activity in a special revenue fund.

V. LEGAL ISSUES:

None.

VI. CONFLICTS OR ENVIRONMENTAL ISSUES:

None.

VII. SUMMARY AND ALTERNATIVES:

1. Council has signed a contract to host a stage start and finish.
2. This ordinance enables the City to monitor and account for the costs of the race.

CITY OF STEAMBOAT SPRINGS, COLORADO

ORDINANCE NO. _____

**THIRD 2011 SUPPLEMENTAL APPROPRIATION ORDINANCE
AND ESTABLISHMENT OF QUIZNOS PRO CHALLENGE RACE
SPECIAL REVENUE FUND.**

WHEREAS, the City of Steamboat Springs has agreed to be a hosting organization for the August 22-28, 2011 Quiznos Pro Challenge; and

WHEREAS, a local organizing committee has been created to solicit sponsorship revenue and manage costs of the race; and

WHEREAS, the City will serve as the treasurer of the organization; and

WHEREAS, the City has appropriated \$35,000 of general fund dollars to this event.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STEAMBOAT SPRINGS, COLORADO:

Section 1. There shall be established a new Special Revenue Fund to account for the activities of the race.

Section 2. Supplemental Revenue. The following revenues are expected to be generated during the term of this project:

Transfer from the City's General Fund	\$35,000
Private Contributions:	
Stage Finish Presenting Sponsor	\$15,000
Stage Start Presenting Sponsor	\$15,000
Miscellaneous Other Sponsorships	\$30,000
Chamber Special Event Funding	\$10,000
Lodging and Restaurant In-Kind	\$30,075
City In-Kind Services (General Fund Exp)	\$ 8,000
Earned Revenues/Vending	<u>\$ 5,000</u>
 Total revenues	 <u>\$148,075</u>

Section 2. Supplemental Appropriation. Pursuant to Section 9.10 (a) of the City of Steamboat Springs Home Rule Charter, the City Council hereby appropriates from the Quiznos Pro Challenge Special Revenue Fund the following sums of money or that portion necessary for the purposes herein named:

Expenditures:

Supplies	\$ 2,915
Promotional Items	\$ 8,550
Outside Contractor	\$ 9,000
Leased Equipment	\$ 3,750
Travel & Entertainment	\$80,100
Event Hospitality	\$36,760
Volunteer Meals & Party	<u>\$ 7,000</u>

Total expenditures to be budgeted: \$148,075

Section 3. All ordinances heretofore passed and adopted by the City Council of the City of Steamboat Springs, Colorado, are hereby repealed to the extent that said ordinances, or parts thereof, are in conflict herewith.

Section 4. If any section, subsection, clause, phrase or provision of this Ordinance, or the application thereof, to any person or circumstance, shall to any extent, be held by a court of competent jurisdiction to be invalid, void or unconstitutional, the remaining sections, subsections, clauses, phrases and provisions of this Ordinance, or the application thereof to any person or circumstance, shall remain in full force and shall in no way be affected, impaired or invalidated.

Section 5. The City Council hereby finds, determines and declares that this Ordinance is necessary for the immediate preservation of the public peace, health and safety.

Section 6. This Ordinance shall take effect immediately upon the expiration of five (5) days from and after its publication following final passage, as provided in Section 7.6(h) of the Steamboat Springs Home Rule Charter.

INTRODUCED, READ AND ORDERED PUBLISHED, as provided by law, by the City Council of the City of Steamboat Springs, at its regular meeting held on the _____ day of _____, 2011.

**Cari Hermacinski, President
Steamboat Springs City Council**

ATTEST:

**Julie Franklin, CMC
City Clerk**

FINALLY READ, PASSED AND APPROVED this _____ day of _____, 2010.

**Cari Hermacinski, President
Steamboat Springs City Council**

ATTEST:

**Julie Franklin, CMC
City Clerk**

AGENDA ITEM # 9

CITY COUNCIL COMMUNICATION FORM

FROM: Melvin Baker, Airport Manager (879-9042)
Philo Shelton, Public Works Director (Ext. 204)

DATE: March 1, 2011

ITEM: B-9 Hangar rental agreement between City of Steamboat Springs and JEAN P. SAGOUSPE, OLD WEST MANAGEMENT

NEXT STEP: Motion to approve: The second reading of an ordinance approving a lease agreement between the City of Steamboat Springs and JEAN P. SAGOUSPE, OLD WEST MANAGEMENT for Hangar B-9 authorizing the City Council President to sign lease documents; repealing all conflicting ordinances; providing for severability; and providing an effective date. (Baker/Shelton)

MOTION
 INFORMATION
 ORDINANCE

I. REQUEST OR ISSUE:

Approve the second reading of an ordinance authorizing a lease agreement between the City of Steamboat Springs and JEAN P. SAGOUSPE, OLD WEST MANAGEMENT for Hangar B-9 at the Steamboat Springs Airport.

II. RECOMMENDED ACTION / NEXT STEP

Motion to approve on second reading: An Ordinance approving a lease agreement between the City of Steamboat Springs and JEAN P. SAGOUSPE, OLD WEST MANAGEMENT for Hangar B-9, authorizing the City Council President to sign lease documents; repealing all conflicting ordinances; providing for severability; and providing an effective date.

III. FISCAL IMPACTS:

Monthly hangar rent: \$652.36 Annual revenue: \$7,828.32 for each bay

The lease provides for a minimum annual increase of 3%.

IV. BACKGROUND INFORMATION:

The City currently owns one hangar with 10 bays at the airport. Each of these bays are rented on a monthly basis, generating anywhere between \$601 and \$683 per month. The leases are structured to on a month to month basis and Hangar B-9 is available for lease.

V. LEGAL ISSUES:

The lease document has been reviewed and approved by the City's Legal department.

VI. CONFLICTS OR ENVIRONMENTAL ISSUES:

There are no environmental issues associated with this communication.

VII. SUMMARY AND ALTERNATIVES:

1. Council can approve this ordinance on first reading.
2. Council can decline to approve this ordinance and give further direction to staff.

CITY OF STEAMBOAT SPRINGS, COLORADO

ORDINANCE NO. _____

AN ORDINANCE APPROVING A HANGAR LEASE TO JEAN P. SAGOUSPE, OLD WEST MANAGEMENT AT THE STEAMBOAT SPRINGS AIRPORT AND AUTHORIZING CITY COUNCIL PRESIDENT TO SIGN LEASE DOCUMENTS; REPEALING ALL CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Steamboat Springs owns the Steamboat Springs Airport and hangars located at such airport; and

WHEREAS, JEAN P. SAGOUSPE, OLD WEST MANAGEMENT desires to lease hangar space located at the Steamboat Springs Airport; and

WHEREAS, the City Council desires to lease such hangar space to **JEAN P. SAGOUSPE, OLD WEST MANAGEMENT**.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STEAMBOAT SPRINGS, COLORADO:

Section 1. The City Council of the City of Steamboat Springs hereby approves the lease of hangar space at the Steamboat Springs Airport to **JEAN P. SAGOUSPE, OLD WEST MANAGEMENT** for the term provided in the Hangar Lease Agreement, a copy of which is attached hereto as Exhibit A and by this reference made a part of.

Section 2. The City Council of the City of Steamboat Springs authorizes the City Council President or City Council President Pro-Tem to execute such Hangar Lease Agreement.

Section 3. In accordance with Section 13.6 of the Home Rule Charter of the City of Steamboat Springs, the effective date of the Hangar Lease Agreement shall be at least thirty (30) days after passage of this Ordinance, and the City Council President or the City Council President Pro-Tem shall not sign the Hangar Lease Agreement prior to this thirty (30) day period.

Section 4. All ordinances heretofore passed and adopted by the City Council of the City of Steamboat Springs, Colorado, are hereby repealed to the extent that said ordinances, or parts thereof, are in conflict herewith.

Section 5. If any section, subsection, clause, phrase or provision of this Ordinance, or the application thereof to any person or circumstance, shall to any extent, be held by a court of competent jurisdiction to be invalid, void or unconstitutional, the remaining sections, subsections, clauses, phrases and provisions of this Ordinance, or the application thereof to any person or circumstance, shall remain in full force and shall in no way be affected, impaired or invalidated.

Section 6. The City Council hereby finds, determines, and declares that this Ordinance is necessary for the immediate preservation of the public peace, health and safety.

Section 7. This Ordinance shall take effect immediately upon the expiration of five (5) days from and after its publication following final passage, as provided in Section 7.6(h) of the Steamboat Springs Home Rule Charter.

INTRODUCED, READ AND ORDERED PUBLISHED, as provided by law, by the City Council of the City of Steamboat Springs, at its regular meeting held on the _____ day of _____, 2011.

ATTEST:

**Cari Hermacinski, President
Steamboat Springs City Council**

**Julie Franklin, CMC
City Clerk**

FINALLY READ, PASSED AND APPROVED this _____ day of _____, 2011.

ATTEST:

**Cari Hermacinski, President
Steamboat Springs City Council**

**Julie Franklin, CMC
City Clerk**

HANGAR LEASE AGREEMENT
STEAMBOAT SPRINGS AIRPORT

THIS HANGAR LEASE AGREEMENT, entered into this **1st day of February 2011**, by and between the City of Steamboat Springs, a Colorado Municipal Corporation, as owner of the Steamboat Springs Airport ("Lessor") and **Jean P. Sagouspe, Old West Management** ("Lessee").

In consideration of the mutual covenants contained herein, and for other good and valuable consideration, the parties hereto agree as follows:

1. PREMISES. Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, Hangar Space #**B-9**, located at the Steamboat Springs Airport. The Hangar Space shall be used and occupied by Lessee primarily for the storage of Lessee's aircraft, to wit, **N3217M** (the "Aircraft"), or any other similar aircraft owned or leased by Lessee (the "Substitute Aircraft"), provided Lessee has provided Lessor with written notification that a Substitute Aircraft will be stored in the Hangar Space and has provided to Lessor a complete description of the Substitute Aircraft. In the event Lessee stores a Substitute Aircraft in the Space, all provisions of this Agreement applicable to the Aircraft shall also be applicable to the Substitute Aircraft. Lessor at anytime may ask proof of Aircraft or Substitute Aircraft ownership of the Lessee.
2. TERM. This Agreement shall commence on **February 1, 2011** and shall remain in effect month to month until terminated according to the terms of this Agreement.
3. RENT.
 - a) For use of the Hangar Space, Lessee shall pay to Lessor, at the Steamboat Springs Finance Office, 137 10th Street, P.O. Box 775088, Steamboat Springs, Colorado, 80477, the amount of **Six Hundred and Fifty Two Dollars and Thirty Six Cents (\$652.36) per month**, such amount to be payable in advance. If the term of this lease agreement commences on a day other than the first day of a month, the first month's rent shall be pro rated on a daily basis. Such rent shall be due and payable without notice from Lessor on the first day of each and every month during the term hereof and Lessee shall be deemed to be in default if such rent has not been received by lessor when due.

Rent shall increase at the discretion of the Lessor; however, at a minimum there shall be a 3% increase, compounded annually, beginning January 1, 2012.

- b) If Lessor purchases less than 300 gallons of fuel in any calendar year from the Steamboat Springs Airport FBO, then Lessor will be charged an inactivity fee. Such fee shall be calculated by multiplying the shortfall in Lessor's fuel purchases by the applicable fuel price effective on December 31 of the year for which the fee is being calculated or, in the case of lease termination, the last day the lease is

in effect. The 300-gallon requirement will be pro-rated for the first and last years of the lease.

4. LESSEE'S USE OF THE PREMISES.

- a. The Hangar Space shall be used primarily for the storage of the Aircraft, along with any necessary aircraft groundhandling equipment associated with said Aircraft. The incidental storage of other items shall be permitted so long as that storage of other items does not obstruct the use of the hangars by other tenants, does not constitute a fire hazard, and does not increase Lessor's insurance premiums.
- b. No commercial activity of any kind whatsoever shall be conducted by Lessee in, from or around the Hangar Space.
- c. Lessee shall not store gasoline, solvents, explosives, flammable paints or other flammables in the Hangar Space without the prior written approval of the Airport Manager. The parties agree that the Airport Manager is authorized by this provision to require safety containers or other safety measures to be followed by Lessee as a condition of such approval.
- d. No maintenance of the aircraft shall be performed within the Hangar Space without the prior written approval of the airport manager except such minor maintenance as would normally be performed by an aircraft owner without the benefit of an aircraft mechanic. For the purposes of this agreement, the Lessee shall be allowed to perform the following minor maintenance work on his or her Airplane: interior cleaning, waxing and polishing, changing of oil, tire and wheel replacement, servicing of landing gear shock struts and wheel bearings, replacement of defective safety wire and cotter keys, lubrication which does not require the disassembly of parts, servicing hydraulic fluid reservoirs, minor upholstery and decorative panel repairs, replacing side windows, seat belts and seat parts, troubleshooting electrical and avionics systems, replacing bulbs and lenses and replacing or cleaning spark plugs. It is understood by the parties hereto that the Airport Manager is authorized by this provision to require specific measures to protect the Hangar from damage as a condition of approval for owner maintenance other than that maintenance specifically permitted. All other aircraft maintenance must be conducted in a maintenance building or structure approved by Lessor.
- e. Lessee shall take such steps so as to ensure that the performance of maintenance work within the Hangar shall not damage the Hangar Space. Lessee is responsible for payment to Lessor of any damage to the pavement of the Hangar floor caused by fuel or oil spillage, maintenance tools, repair equipment, or associated causes.

- f. Lessee shall control the conduct and business demeanor of its employees and invitees and of those doing business with it, in and around the Hangar Space and shall take all steps necessary to remove persons whom Lessor may, for good and sufficient cause, deem objectionable.
- g. Lessee shall keep the Hangar Space clean and free of debris at all times, and Lessee shall not place any trash or debris on the airport grounds except in containers provided for trash by the Lessor.
- h. Lessee shall close the Hangar doors promptly after moving the Aircraft in or out of the Hangar and shall coordinate the operation of the door so as not to unduly or in an untimely fashion obstruct access to adjacent Hangars. **Lessee shall stand by the door switch at all times in which the door is being raised or lowered. In the event of a door malfunction, Lessee shall shut the switch off immediately and discontinue operation of the door, and immediately notify Lessor or its agent. Lessee shall be responsible for making sure the door center-locking pin is released prior to raising the door and that after the door is lowered that the center-locking pin is properly in position. Lessee shall not operate the door if wind conditions are in excess of twenty-five (25) knots. Any damages to the door caused by Lessee's failure to comply with the above may result in Lessee's liability for payment thereof.**
- i. Lessee shall not lock the Hangar or permit the same to be locked with any lock other than the lock mechanism supplied by Lessor, unless Lessor is provided with the necessary keys.
- j. Lessee shall not use any high wattage electrical equipment, heat lamps, or machinery in or about the Hangar, or modify existing wiring or install additional outlets, fixtures or the like therein unless authorized in writing by the Lessor.
- k. Lessee shall not attach any hoisting or holding mechanism to any part of the Hangar or pass any mechanism over the struts or braces therein. For purposes of this Agreement, a hoisting or holding mechanism shall be deemed to include, but shall not be limited to, a chain-ball, block and tackle, or other hoisting or winching device.
- l. Lessee shall not paint, remove, deface, modify, bend, drill, cut or otherwise alter or modify any part of the Hangar without the prior written permission of the Lessor.
- m. Lessee shall not park or leave the Aircraft on the taxilane or on the ramp area adjacent to the Hangar door in a manner which unduly interferes with or obstructs access to adjacent Hangars.

- n. Lessee shall, within thirty (30) days of the execution of this lease purchase and maintain an ABC dry chemical or halon type fire extinguisher and install the same with a bracket to the wall of the Hangar on the wall immediately below the Hangar light switch.
 - o. In utilizing the Hangar Space, Lessee agrees to and shall comply with all applicable statutes, ordinances, resolutions, rules and regulations established by any federal, state or local government agency, or by the City of Steamboat Springs.
 - p. Upon termination of this Agreement Lessee shall immediately surrender possession of the Hangar Space and shall immediately remove the Aircraft and all other property therefrom, leaving the Hangar space in the same condition as when received, ordinary wear and tear accepted.
 - q. Lessee shall comply with City of Steamboat Springs Airport Policies and Procedures as currently set forth in Exhibit A. The Steamboat Springs Airport Policies and Procedures set forth in Exhibit A may be modified from time to time and, as modified, shall be binding on the Lessee.
5. LESSOR'S USE OF PREMISES. Lessor shall be permitted to use the Hangar for airport FBO customers on a nightly basis, when unoccupied by Lessee. Lessor shall reimburse Lessee for the loss of the use of the Hangar on a per night basis of \$25 per night.
6. SUBLEASE OR ASSIGNMENT. With Airport Managers approval, Lessee may sublease the hangar space by paying a \$50 sublease fee per month, payable to Lessor with monthly rent payment. Without sublease fee, Lessee may not sublease or assign this lease. The parking of aircraft not owned by or leased by Lessee within the Hangar Space without approval of Airport Manager shall constitute a sublease. Lessee may not assign this Agreement.
7. INSURANCE. Lessor shall maintain insurance coverage on the Hangar structure. Lessee agrees to maintain, at its own expense, insurance of such types and in such amounts to insure against liability for damage or loss to the Aircraft or other property, and against liability for personal injury or death, arising from acts or omissions of Lessee or its agents and employees. Such policy or policies shall contain a provision whereby Lessee's insurer waives any right of subrogation against lessor, its agents and employees, and providing that lessor must receive at least ten (10) days prior written notice of any cancellation of Lessee's insurance coverage. Such policy shall name Lessor as additional insured. Prior to the commencement of this Agreement, Lessee shall deliver to Lessor certificates of insurance evidencing the required coverages.
8. RIGHT OF ENTRY. Lessor shall have the right to permit his officers, employees and authorized representatives to enter the Hangar for the purpose of inspecting or protecting such premises and for the purpose of doing any act, which Lessor may deem

necessary or appropriate for the proper conduct and operation of the Airport. Lessor shall not, without prior approval from Lessee, touch, enter or move any aircraft stored in the Hangar except in an emergency situation where obtaining such approval is not practical.

9. INDEMNITY OR FORCE MAJEURE. Lessee agrees to release, indemnify and hold Lessor, its officers, agents and employees harmless from and against any and all liabilities, losses, claims, and judgments, of any kind whatsoever, including all costs, attorney's fees, and expenses incidental thereto, for any loss of or damage to any property or injury to or death of any person arising out of, or claimed to arise out of, Lessee's use of the premises, or any breach or violation or nonperformance by Lessee or its officers, employees or agents of any covenant or condition of this Agreement, or by any act or failure to act of those persons.

Lessor shall not be liable for failure to perform this Agreement or for any loss, injury or damage of any nature whatsoever resulting therefrom caused by any Act of God, fire, flood, accident, strike, labor dispute, riot, insurrection, war or any other cause beyond Lessor's control.

10. CONDITION OF PREMISES. Lessee shall accept the Hangar Space in its present condition without any liability of obligation on the part of Lessor (except for routine pavement maintenance) to make any alterations, improvements or repairs of any kind within or to the Hangar Space.

11. DEFAULT. Lessee shall be deemed in Default of this Agreement if:

- a. Lessee fails to make the timely payment of any rental payment hereunder. Said rental shall be due and payable without notice from Lessor on the first day of each and every month during the term hereof and Lessee shall be deemed to be in default if such rent has not been received by Lessor when due;
- b. Lessee violates any covenant in this Lease, and such violation shall continue for fifteen (15) days after receipt by Lessee of notice thereof from Lessor without Lessee curing the violation;
- c. A petition is filed by or against Lessee under the Bankruptcy Act or any amendment thereto (including a petition for reorganization or an arrangement);
- d. Lessee assigns his or her property for the benefit of creditors; or
- e. Lessee ceases to do business as a going concern.

In the event of any default by Lessee, Lessor shall, at its option after thirty (30) days' written notice of the default, have the right to terminate this Agreement for cause and to

remove the Aircraft and any other property of Lessee from the Hangar Space, using such force as may be necessary without being deemed guilty of trespass, breach of peace or forcible entry and detainer. Exercise by Lessor of any of the rights specified above shall not prejudice Lessor's right to pursue any other remedy available to Lessor in law or equity, including termination without cause as set forth in paragraph 12, below.

12. **TERMINATION.** Either party to this Agreement shall have the right to terminate this Agreement with or without cause by giving at least thirty (30) days' written notice to the other party. Such termination shall be effective as of the last day of the calendar month following the calendar month in which notice of termination or notice to quit is delivered to the Lessee.

13. **DISCLAIMER AND RELEASE.** Lessor hereby disclaims, and Lessee hereby releases Lessor from any and all liability whether in contract or tort (including strict liability and negligence) for any loss, damage or injury of any nature whatsoever sustained by Lessee, its employees, agents, or invitees during the term of this Agreement, including but not limited to loss, damage or injury to the Aircraft or other property of Lessee that may be located within the Hangar Space, unless such loss, damage or injury is caused by Lessor's gross negligence. The parties hereby agree that under no circumstances shall Lessor be liable for indirect, consequential, special or exemplary damages, whether in contract or tort (including strict liability and negligence), such as, but not limited to, loss of revenue or anticipated profits or other damage related to the leasing of the Hangar space under this Agreement.

14. **CHOICE OF LAW/VENUE.** This Agreement shall be construed in accordance with the laws of the State of Colorado and any legal action related to this Lease shall have as its sole and proper venue the Routt County Combined Courts.

15. **WAIVER.** The waiver by either party of any covenant or condition of this Agreement shall not thereafter preclude such party from demanding performance of said covenant or condition or of any other term of this Agreement.

16. **RELATIONSHIP OF PARTIES.** The relationship between Lessor and Lessee shall always and only be that of lessor and lessee. Lessee shall never at any time during the term of this Agreement become the agent of Lessor, and Lessor shall not be responsible for the acts or omissions of Lessee or its agents.

17. **REMEDIES CUMULATIVE.** The rights and remedies with respect to any of the terms and conditions of this Agreement shall be cumulative and not exclusive and shall be in addition to all other rights and remedies.

18. **INTEGRATION.** This Agreement constitutes the entire agreement between the parties, and as of its effective date supersedes all prior independent agreements between the parties covering the Hangar Space. Any change or modification to this Agreement must be in writing and signed by both parties.

19. NOTICES. Any notice given by one party to the other in connection with this Agreement shall be in writing and shall be either (a) hand delivered, or (b) sent by certified or registered mail, return receipt requested. All notices required to be given to Lessor hereunder shall be in writing and shall be either (a) hand delivered, or (b) sent by certified or registered mail, return receipt requested to:

Airport Manager
Steamboat Springs Airport
P.O. Box 775088
Steamboat Springs, CO 80477

With a copy either (a) hand delivered, or (b) sent by certified or registered mail, return receipt requested to:

City Manager
City of Steamboat Springs
137 10th Street
P. O. Box 775088
Steamboat Springs, CO 80477

All notices required to be given to Lessee hereunder shall be in writing and either (a) hand delivered, or (b) sent by certified or registered mail, return receipt requested. To:

Jean P. Sagouspe
Old West Management
259 I Street
Los Banos, CA 93635

Notices shall be deemed to have been given on the date of (a) hand delivery, or (b) receipt as shown on the return receipt.

20. SUCCESSORS BOUND. This Agreement shall be binding on and shall inure to the benefit of the heirs, legal representatives, successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

LESSOR: CITY OF STEAMBOAT SPRINGS,
a Colorado Municipal Corporation,

BY: _____
Cari Hermacinski
City Council President

ATTEST:

Julie Franklin, City Clerk

Management

LESSEE: Jean P. Sagouspe, Old West

BY: _____

AGENDA ITEM # 10

CITY COUNCIL COMMUNICATION FORM

FROM: Bob Keenan, Senior Planner (Ext. 260)
Tyler Gibbs, AIA, Director of Planning and Community Development
(Ext. 244)

THROUGH: Wendy DuBord, Interim City Manager (Ext. 228)

DATE: March 1, 2011

ITEM: **Second Reading:** Lot 6, Mid Valley Business Center – Easement Vacation
#FP-11-03

NEXT STEP: The approval of an ordinance requires two readings to City Council. This is
the second and final reading. The first reading was approved on February
15, 2011.

ORDINANCE
 RESOLUTION
 MOTION
 DIRECTION
 INFORMATION

PROJECT NAME: Lot 6, Mid Valley Business Center – Easement Vacation #FP-11-03

PETITION: A request to vacate two utility easements within a portion of Lot 6, Mid
Valley Business Center.

LOCATION: Lot 6, Mid Valley Business Center (west side of Hwy. 40 and Pine Grove
Road)

APPLICANT: Steamboat Crossings, LLC, c/o Ryan Spaustat, Landmark Consultants,
P.O. Box 774943, Steamboat Springs, CO 80477 (970) 871-9494

CITY COUNCIL COMMUNICATION FORM

March 1, 2011

Lot 6, Mid Valley Business Center – Easement Vacation #FP-11-03

EXECUTIVE SUMMARY:

1. Background Information:

The applicant is requesting to vacate two utility easements within Lot 6, Mid Valley Business Center as described and depicted in Attachment 1. The applicant is requesting to vacate the utility easement to facilitate future development of the site.

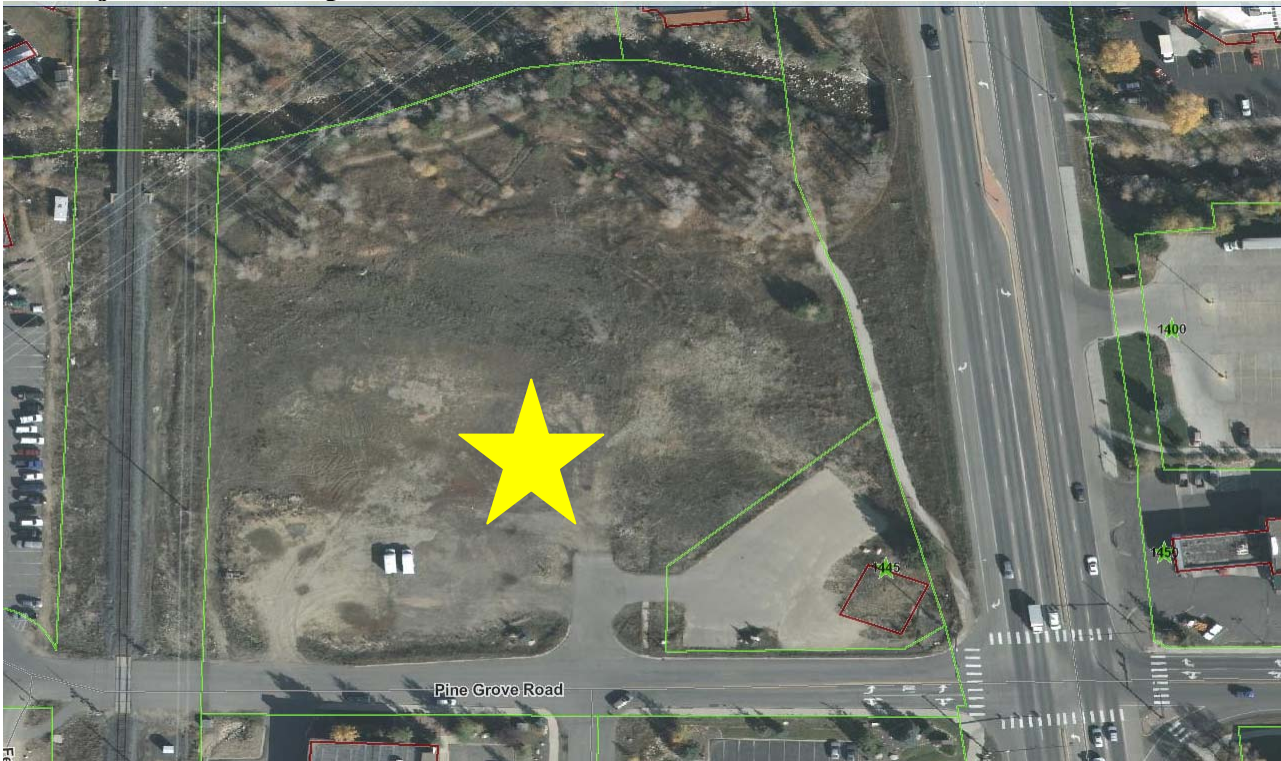
The applicant has provided sign-offs from all of the applicable agencies agreeing to vacate these easements. Therefore, staff finds this request acceptable.

Easements are required to be vacated by an ordinance as well as through recordation of a Final Plat. The existing easements will not officially be vacated until the Final Plat is recorded. The applicant has submitted for a Final Plat.

2. Recommended Motion:

Staff recommends approval of the Ordinance vacating two utility easements within Lot 6, Mid Valley Business Center.

3. Project Location Map



CITY OF STEAMBOAT SPRINGS, COLORADO

ORIDINANCE NO. _____

**AN ORDINANCE VACATING A UTILITY EASMENT LOCATED
WITHIN A PORTION OF LOT 6, MID VALLEY BUSINESS
CENTER (CITY SOUTH SUBDIVISION).**

WHEREAS, in accordance with Chapter 20, Art. 1, Div. 3 of the Steamboat Springs Revised Municipal Code, the owner of Lot 6, Mid Valley Business Center has made application to the City to vacate certain utility easements in connection with the recording of the final plat for the subdivision known as City South and all utility providers necessary have consented to such vacation; and

WHEREAS, the City of Steamboat Springs Department of Public Works and the Department of Planning and Community Development having reviewed such request and have determined that the easements proposed to be vacated are no longer necessary; and

WHEREAS, the City Council finds that vacating such easements will not be adverse to the public interest.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE
CITY OF STEAMBOAT SPRINGS, COLORADO:**

Section 1. The utility easements described and depicted as Easement Vacation Parcel 1 and Easement Vacation Parcel 2 on the attached Exhibit "A" are hereby vacated.

Section 2. That pursuant to Section 7-11 of the Charter of the City of Steamboat Springs, Colorado the second publication of this ordinance may be by reference utilizing the ordinance title.

Section 3. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion of this Ordinance.

Section 4. The City Council hereby finds, determines and declares that this ordinance is necessary for the immediate preservation of the public peace, health, and safety.

Section 5. This Ordinance shall take effect immediately upon the expiration of five (5) days from and after its publication following final passage, as provided in Section 7.6 (h) of the Steamboat Springs Home Rule Charter.

Section 6. A public hearing on this ordinance shall be held on _____, 2011 at 5:00 P.M. in the Citizens Hall meeting room, Centennial Hall, Steamboat Springs, Colorado.

INTRODUCED, READ AND ORDERED PUBLISHED, as provided by law, by the City Council of the City of Steamboat Springs, at its regular meeting held on the _____ day of _____, 2011.

**Cari Hermacinski, President
Steamboat Springs City Council**

ATTEST:

**Julie Franklin, CMC
City Clerk**

FINALLY READ, PASSED AND APPROVED this _____ day of _____, 2011.

**Cari Hermacinski, President
Steamboat Springs City Council**

ATTEST:

**Julie Franklin, CMC
City Clerk**



CIVIL ENGINEERING | SURVEYING
 Phone: 970.871.9494 • Fax: 970.871.9299 • www.landmark-co.com
 P.O. Box 774943 • 141 9th Str. • Steamboat Springs, Colorado 80477

PROPERTY DESCRIPTION
UTILITY EASEMENT VACATION

UTILITY EASEMENTS TO BE VACATED, OVER AND ACROSS PORTIONS OF LOT 6, MID-VALLEY BUSINESS CENTER AS RECORDED AT FILE NO. 12537 IN THE ROUTT COUNTY RECORDS; LOCATED IN THE SE1/4, NE1/4 OF SECTION 20, TOWNSHIP 6 NORTH, RANGE 84 WEST OF THE 6TH PRINCIPAL MERIDIAN; CITY OF STEAMBOAT SPRINGS, COUNTY OF ROUTT, STATE OF COLORADO; BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS:

THE SOUTHERLY LINE OF LOT 6, MID-VALLEY BUSINESS CENTER AS RECORDED AT FILE NO. 12537 IN THE ROUTT COUNTY RECORDS, BEARING N89°02'57"W BASED ON CITY OF STEAMBOAT SPRINGS GIS CONTROL.

EASEMENT VACATION PARCEL 1:

BEGINNING AT THE SOUTHEASTERLY CORNER OF SAID LOT 6, MID-VALLEY BUSINESS CENTER, SAID CORNER BEING A POINT ON THE NORTHERLY BOUNDARY OF THE PINE GROVE ROAD RIGHT-OF-WAY, SAID CORNER ALSO BEING THE SOUTHEASTERLY CORNER OF A 15 FOOT WIDE UNDERGROUND UTILITY EASEMENT AS SHOWN ON THE PLAT OF SAID MID-VALLEY BUSINESS CENTER;

THENCE ALONG THE BOUNDARY OF SAID 15 FOOT WIDE UNDERGROUND UTILITY EASEMENT THE FOLLOWING THREE (3) COURSES:

1. N89°02'57"W, ALONG THE SOUTHERLY BOUNDARY OF SAID LOT 6, MID-VALLEY BUSINESS CENTER, A DISTANCE OF 15.00 FEET;
2. N00°47'38"E, A DISTANCE OF 81.68 FEET;
3. N48°18'29"E, A DISTANCE OF 191.02 FEET TO A POINT 15.00 FEET WESTERLY OF, AS MEASURED AT RIGHT ANGLES, THE EASTERLY BOUNDARY OF SAID LOT 6, MID-VALLEY BUSINESS CENTER;

THENCE S12°25'58"E, ALONG A LINE 15.00 FEET WESTERLY OF, AS MEASURED AT RIGHT ANGLES, AND PARALLEL WITH THE EASTERLY BOUNDARY OF SAID LOT 6, MID-VALLEY BUSINESS CENTER, A DISTANCE OF 17.19 FEET;

THENCE ALONG THE BOUNDARY OF SAID 15 FOOT WIDE UNDERGROUND UTILITY EASEMENT AND ALONG THE EASTERLY BOUNDARY OF SAID LOT 6, MID-VALLEY BUSINESS CENTER, THE FOLLOWING TWO (2) COURSES:

1. S48°18'29"W, A DISTANCE OF 176.01 FEET;
2. S00°47'38"W, A DISTANCE OF 75.12 FEET TO THE POINT OF BEGINNING;

EASEMENT VACATION PARCEL 1 CONTAINS A CALCULATED AREA OF 3,929 SQUARE FEET OR 0.09 ACRES.

EASEMENT VACATION PARCEL 2:

COMMENCING AT THE SOUTHEASTERLY CORNER OF SAID LOT 6, MID-VALLEY BUSINESS CENTER, SAID CORNER BEING A POINT ON THE NORTHERLY BOUNDARY OF THE PINE GROVE ROAD RIGHT-OF-WAY; THENCE N89°02'57"W, ALONG THE SOUTHERLY BOUNDARY OF SAID LOT 6, MID-VALLEY BUSINESS CENTER, A DISTANCE OF 30.20 FEET TO THE SOUTHEASTERLY CORNER OF AN UNDERGROUND UTILITY EASEMENT AS SHOWN ON THE PLAT OF SAID MID-VALLEY BUSINESS CENTER, SAID CORNER BEING THE POINT OF BEGINNING;

THENCE ALONG THE BOUNDARY OF SAID UNDERGROUND UTILITY EASEMENT AS SHOWN ON THE PLAT OF SAID MID-VALLEY BUSINESS CENTER, THE FOLLOWING SEVEN (7) COURSES:

1. N89°02'57"W, ALONG THE SOUTHERLY BOUNDARY OF SAID LOT 6, MID-VALLEY BUSINESS CENTER, A DISTANCE OF 60.00 FEET;
2. N01°41'15"E, A DISTANCE OF 290.02 FEET;
3. S89°01'56"E, A DISTANCE OF 22.41 FEET;

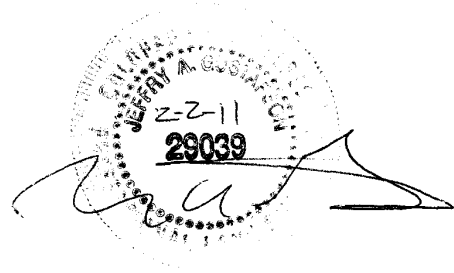
4. N00°43'59"E, A DISTANCE OF 60.38 FEET;
5. S89°16'01"E, A DISTANCE OF 44.21 FEET;
6. S11°06'16"W, A DISTANCE OF 34.26 FEET;
7. S01°41'15"W, A DISTANCE OF 316.84 FEET TO THE POINT OF BEGINNING;

EASEMENT VACATION PARCEL 2 CONTAINS A CALCULATED AREA OF 19,799 SQUARE FEET OR 0.45 ACRES.

PROPERTY DESCRIPTION STATEMENT:

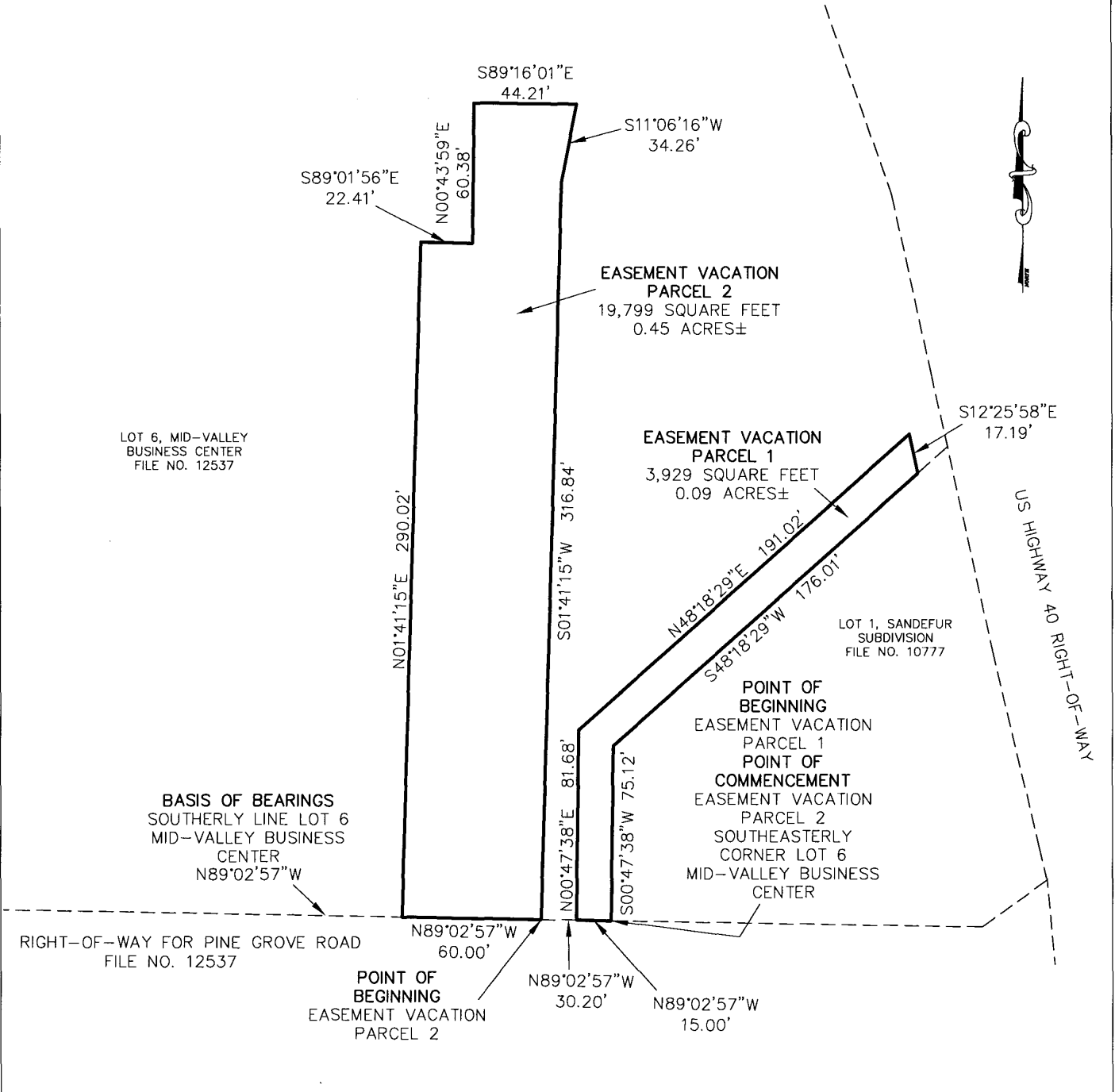
I, JEFFRY A. GUSTAFSON, A LICENSED LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THE ABOVE PROPERTY DESCRIPTION AND ACCOMPANYING EXHIBIT WERE PREPARED UNDER MY RESPONSIBLE CHARGE, AND ON THE BASIS OF MY KNOWLEDGE, INFORMATION AND BELIEF, ARE CORRECT.

JEFFRY A. GUSTAFSON
COLORADO PLS NO. 29039
FOR AND ON BEHALF OF LANDMARK CONSULTANTS, INC.
141 9TH STREET
STEAMBOAT SPRINGS, CO 80487



EXHIBIT

SE1/4, NE1/4, SECTION 20, TOWNSHIP 6 NORTH, RANGE 84 WEST OF THE
6TH PRINCIPAL MERIDIAN,
CITY OF STEAMBOAT SPRINGS, COUNTY OF ROUTT, STATE OF COLORADO



NOTE: THIS EXHIBIT DOES NOT REPRESENT A MONUMENTED SURVEY. IT IS INTENDED ONLY TO DEPICT THE ATTACHED PROPERTY DESCRIPTION.

	<table border="1"> <tr> <th>NO.</th> <th>DATE</th> <th>REVISIONS</th> <th>INT</th> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </table>	NO.	DATE	REVISIONS	INT					SCALE 1" = 60'	Easement Vacation Exhibit	SHEET NO. 3 OF 3
	NO.	DATE	REVISIONS	INT								
141 9th Street, P.O. Box 774943 Steamboat Springs, Colorado 80477 Phone (970) 871-9494 Fax (970) 871-9299 www.LANDMARK-CO.com	DATE: 01-31-11 DWN. BY: JAG JOB NO. 2025-006 CHK. BY: JAG DWG. NO. 2025-006-esntvacation1	(C) COPYRIGHT 2011, LANDMARK CONSULTANTS, INC.										



**EASEMENT VACATION/EASEMENT VERIFICATION SHEET
UTILITY COMPANY NOTIFICATION**

Name of Appellant: Olson Development, LLC c/o Ryan Spaustat

Landmark Consultants, Inc., 141 9th Street, Steamboat Springs, CO 80487

Home Phone: N/A **Work Phone:** 871-9494

Mailing Address: P.O. Box 774943, Steamboat Springs, CO 80477

Physical Address: 141 9th Street, Steamboat Springs, CO 80477

Legal Description of Property: Lot 6 Mid Valley Business Center & Lot 1 Sandefur Subdivision

Nature of Request: The vacation of two existing utility easement over portions of Lot 6 Mid Valley Business Center and Lot 11 Sandefure Subdivision. The attached exhibit shows the proposed vacation area. If you have any questions or comments, please feel free to contact me at 970-871-9494. Please return the completed form to our office either via fax (970-871-9299) or email at ryans@landmark-co.com.

Comcast

Jen Prather

By: [Signature]
Name: JEN PRATHER
Title: OPERATIONS SUPERVISOR

Yampa Valley Electric Assoc.

Cynthia Reed

By: _____
Name: _____
Title: _____

Atmos Energy

Clay Russell

By: _____
Name: _____
Title: _____

Qwest

Chad Henkel

By: _____
Name: _____
Title: _____

Mt. Werner Water

Jay Gallagher

By: _____
Name: _____
Title: _____

P: FORMS/EasementVacation.doc
Revised 04/20/06



FACSIMILE

Date: 1/25/2011
 To: Ryan Spaustat
 Company: _____
 Fax Number: 970-871-9299
 From: Calay Russell Atmos Energy
 Pages: 3 (including cover sheet)

Comments: _____

Author Name: _____
 Title: _____
 Phone Number: _____

If you have received this fax in error, or did not receive the number of the pages indicated, please notify sender at:

Atmos Energy Corporation
 PO Box 771240, 2770 Downhill Drive, Steamboat Springs, CO 80477
 F 970-879-2909 atmosenergy.com



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By:
Name
Title:

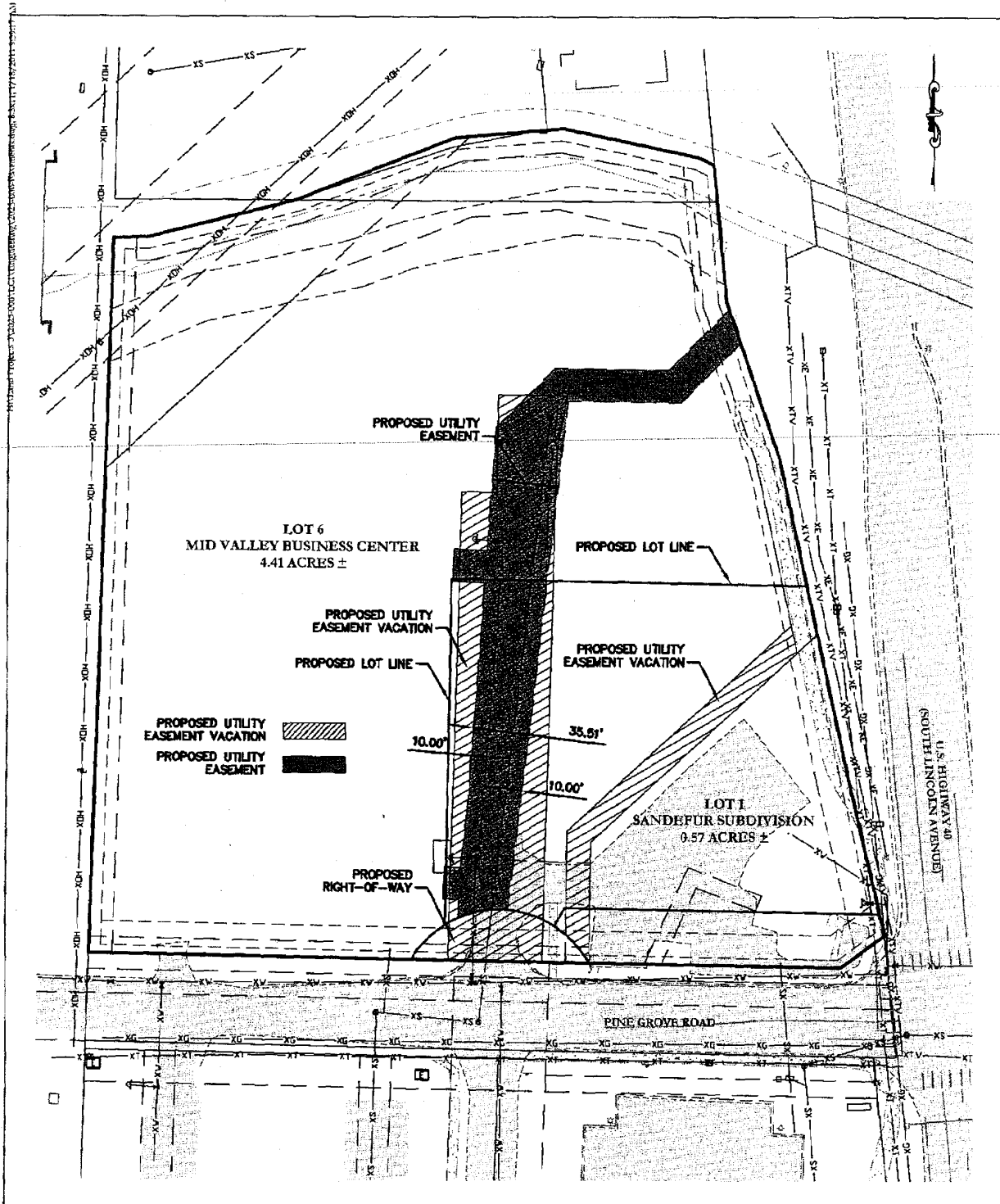
Yampa Valley Electric Assoc.
Cynthia Reed
By:
Name
Title:

Atmos Energy
Clay Russell
By:
Name
Title: Operational Supervisor

Qwest
Chad Henkel
By:
Name
Title:

Mt. Werner Water
Jay Gallagher
By:
Name
Title:

P: FORMS/EasementVacation.doc
Revised 04/20/06



<p>141 9th Street - P.O. Box 723943 Steamboat Springs, Colorado 80477 Phone (970) 571-9194 - Fax (970) 873-9259 www.LANDMARK-CO.com</p>	<table border="1"> <tr><th>NO.</th><th>DATE</th><th>REVISIONS</th><th>INT.</th></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> </table>	NO.	DATE	REVISIONS	INT.					<p>City South Steamboat Springs, CO</p>	<p>SHEET NO. 1 OF 1</p>
	NO.	DATE	REVISIONS	INT.							
<p>DATE: 1-17-2010 DWA BY: ES JOB NO: 2005-106 DWN BY: RE DVG NO: Easement/Adm SURV. BY: ES</p>	<p>Horizontal Scale 1" = 80'</p>	<p>Easement Vacation</p>									

FAX COVER SHEET
Yampa Valley Electric Association
PO Box 771218
Steamboat Springs, CO 80477
(970) 879-1160

To: Landmark

Attn: Ryan Spaustat

Date: 1/19/2011

Fax #: 871-9299

Total Pages (including cover page): 2



**EASEMENT VACATION/EASEMENT VERIFICATION SHEET
UTILITY COMPANY NOTIFICATION**

Name of Appellant: Olson Development, LLC c/o Ryan Spaustat
Landmark Consultants, Inc., 141 9th Street, Steamboat Springs, CO 80487
Home Phone: N/A **Work Phone:** 871-9494
Mailing Address: P.O. Box 774943, Steamboat Springs, CO 80477
Physical Address: 141 9th Street, Steamboat Springs, CO 80477
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ryans@landmark-co.com.

Comcast
Jon Prather
By: _____
Name _____
Title: _____

Yampa Valley Electric Assoc.
~~Cynthia Reed~~ **LARRY COVILLO**
By: Larry Covillo
Name Larry Covillo
Title President

Atmos Energy
Clay Russell
By: _____
Name _____
Title _____

Qwest
Chad Henkel
By: _____
Name _____
Title _____

Mt. Werner Water
Jay Gallagher
By: _____
Name _____
Title _____

P: FORMS/EasementVacation.doc
Revised 04/20/06



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Comcast
Jon Prather
By: _____
Name _____
Title: _____

Yampa Valley Electric Assoc.
Cynthia Reed
By: _____
Name _____
Title _____

Atmos Energy
Clay Russell
By: _____
Name _____
Title _____

Qwest
~~**Chad Henkel**~~
By: *[Signature]*
Name FERRY SPEER
Title MANAGER ENGINEERING
NO PROBLEMS

Mt. Werner Water
Jay Gallagher
By: _____
Name _____
Title _____

P: FORMS/EasementVacation.doc
Revised 04/20/06

AGENDA ITEM # 11

Planning Commission City Report for Council for March 1, 2011

Secondary Units and Accessory Structures

Policy List Update

On Feb 14, 2011 Planning Commission began discussions on where appropriate improvements could be made to the code regarding secondary units and accessory uses. When this topic was added to our agenda, the primary goal was identifying opportunities for density and infill with minimal impact to the city.

Most of the concerns were assumed to come from existing secondary units. New units must comply with off street parking requirements, which may eliminate the majority of the concerns. Additional concerns were expressed about owner occupied primary units and policing sound and impact on adjacent properties. City Council would need to give direction on potential incentives such as tap fee concessions, permit concessions, or other options depending on the importance of the concept.

Discussion reviewed the concept that the language in the code shouldn't encourage larger single buildings, but make available the option of projects with a series of structures (or the appearance of) which potentially creates for a better massing and avoids losing the smaller structure character of the downtown. Tyler Gibbs suggested altering the language in the CDC concerning the accessory structure being subordinate to the primary structure and instead using standards that would be consistent form lot to lot regardless of the primary structure.

Some additional comments on the subject from former Planning Commissioner Karen Dixon:

- 1) Accessory dwelling units create another option for renters. It's good to have a variety of choices. A product that offers the ability to live in a neighborhood setting vs. a multifamily "apartment complex" setting without having to pay the premium rates for a single family or duplex is an asset in a community.
- 2) Affordability: With ADU's this is achieved for both parties – the owner & the occupant. An owner is able to offset their (typically) high resort-town mortgage. As stated in #1 above, an occupant is able to live in a SF neighborhood without the cost of a SF residence. Win-Win.
- 3) Infill & Density: Maximizing the use of existing infrastructure is much more sustainable than developing new growth areas. Infill development should never be more cumbersome in public process than Greenfield development. IMO, it should be heavily incentivized, but barring that, at least don't make it more difficult.
- 4) Mass & Scale: (some would use the nebulous term "community character" here) ADU's provide rental units that blend in to the neighborhood fabric. Large complexes & multifamily buildings (& their associated parking lots) are fine in some locations, but not in all. When adding rental units to a community, mass & scale is an important impact on the physical character of the community.

Policy List Update

It has been about eight months since the joint meeting between CC and PC to review and prioritize the policy list. We are looking for input on what are priorities for the list moving into the new year. Below is a list of topics that still need to be resolved, but please add any additional items you feel should be included.

- TAC Review (in process)
- Removal of the 10% rule (in process)
- Waterbody, wetlands and floodplain regulations modification
- Sustainability (in process)
 - Clarification of direction and goals / influence for the Plan update
- Changing PUD process
- Front porch setback encroachments in additional zone districts other than just old town
- Discuss UGB line and the criteria to review amendments
- Develop assumptions, goals, and direction based on infill analysis chart
- Review of all Administrative Variance criteria for options to remove projects from the public process where it is an unnecessary burden on the applicant
- Reorganizing the bus system to be more efficient and encourage better ridership
- Allowing uses other than retail on ground floor in G1, G2 and CO zone districts

Recap of comments from City Council at the joint meeting with Planning Commission on 6/15/10 regarding policy agenda priorities

Cari

- Remove barriers to modest building
- Density
- Remove barriers to affordable housing

Jon

- TAC process
- Infill mapping and assessment
- Wait on SSCAP update

Scott

- 10% rule
- Ask the question of the city: grow in, out, or stop?
- TAC and Pre-app improvement
- Hold on SSCAP update
- Transit / walkability

Meg

- Infill / density
- Develop an infill map
- Sustainability

Kenny

- Streamline TAC Review
- Sustainability
- Infill Transportation

Walter

- Hold off on SSCAP
- TDR program
- Improve TAC process
- Secondary unit

Please contact me if you need any additional information or clarification

Sincerely,

Brian Hanlen

AGENDA ITEM # 12

CITY COUNCIL COMMUNICATION FORM

FROM: Seth Lorson, City Planner (Ext. 280)
Tyler Gibbs, AIA, Director of Planning and Community Development
(Ext. 244)

THROUGH: Wendy DuBord, Interim City Manager, (Ext. 219)

DATE: March 1, 2011

ITEM: A Development Plan for Conditional Use to allow an on-site real estate sales office for first-time sales of units in Howelsen Place and Alpenglow.

NEXT STEP: If City Council approves the application, the applicant may open a real estate sales office in this location.

ORDINANCE
 RESOLUTION
 MOTION
 DIRECTION
 INFORMATION

PROJECT NAME: Howelsen Place – On-site Real Estate Sales Office - #DP-11-01

PETITION: A Development Plan for Conditional Use to allow an on-site real estate sales office for first-time sales of units in Howelsen Place and Alpenglow.

LOCATION: 703 Lincoln Avenue

APPLICANT: Mark Scully
P.O. Box 774137
Steamboat Springs, CO 80477
(970) 870-0552

PC ACTION: Planning Commission voted to approve on February 10, 2011; Vote: 7-0.

EXECUTIVE SUMMARY:

1. Background:

Office is a *use with criteria* in the CO zone district with one of the use criteria prohibiting it to be located “along a pedestrian level street or other public access frontage.” A use that cannot meet the use criteria is processed as a *conditional use*. Conditional uses are those uses that generally keep with the purpose and intent of the zone district yet may have more impacts to surrounding properties and the community than uses by right or uses with criteria. Applications to operate a conditional use are reviewed as Development Plans.

Howelsen Place Final Development Plan was approved by City Council in June 2006. In December 2008, Howelsen Place was approved for a conditional use for a temporary real estate sales office for units in Howelsen Place, Alpenglow, and River Walk that expired in December 2009. Due to current market conditions these units, minus River Walk that has not been constructed, have not sold as quickly as anticipated.

2. Planning Commission Discussion:

Staff is drafting a CDC text amendment, scheduled to be heard by planning commission on February 24 and city council on March 15 (1st) and April 5 (2nd) to propose *on-site real estate sales office* as a use with criteria in all zone districts. Planning commission’s principal discussion was primarily based on the anticipated code change. They recommended creation of an expiration time for reevaluation of the use with criteria.

3. Public Comment:

Planning Staff did not receive any public comment before the Planning Commission hearing and there was not any public comment at the hearing.

4. New Information:

No new information has been provided since the Planning Commission hearing.

5. Recommended Motion:

Staff finds that the application to operate an on-site real estate sales office in the Commercial Old Town (CO) zone district along the pedestrian level is consistent with the required findings for approval of a Conditional Use Permit with the following conditions:

1. The use will be allowed to promote and execute only the first-time sale of units.
2. This real estate sales office will be used to promote two developments only, specifically Howelsen Place and Alpenglow.

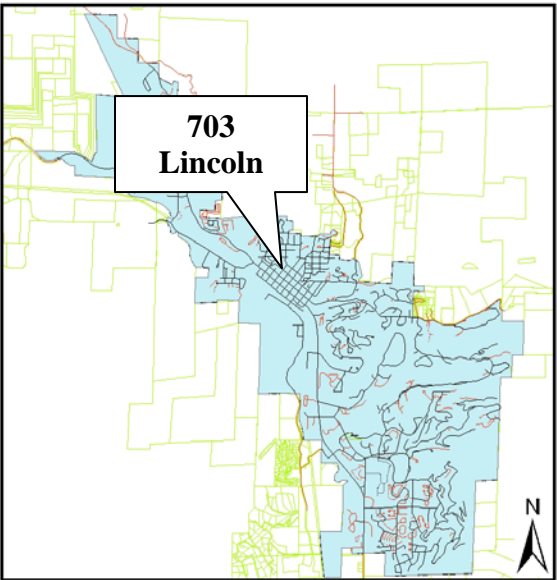
LIST OF ATTACHMENTS

Attachment 1 – PC Staff Report – Howelsen Place Sales Office - DP-11-10 and attachments, February 10, 2011

Attachment 2 – Draft Planning Commission Minutes for February 10, 2011



DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT STAFF REPORT

PLANNING COMMISSION AGENDA ITEM # 3:		
Project Name:	Howelsen Place – On-site Real Estate Sales Office - #DP-11-01	
Prepared By:	Seth Lorson, City Planner (Ext 280)	
Through:	Tyler Gibbs, AIA, Director of Planning and Community Development (Ext. 244)	
Planning Commission	February 10, 2011	
City Council	March 1, 2011	
Zoning:	Commercial Old Town, (CO)	
Applicant:	Mark Scully P.O. Box 774137 Steamboat Springs, CO 80477 (970) 870-0552	
Request:	A Development Plan for Conditional Use to allow an on-site real estate sales office for first-time sales of units in Howelsen Place and Alpenglow.	

Staff Report - Table of Contents		
Section		Pg
I.	CDC –Staff Analysis Summary	3-2
II.	Background	3-3
III	Project Description	3-3
IV	Principal Discussion Items	3-3
V	Project Analysis	3-4
VI	Staff Findings & Conditions	3-5
VII	Attachments	3-5

I. COMMUNITY DEVELOPMENT CODE (CDC) – STAFF ANALYSIS SUMMARY

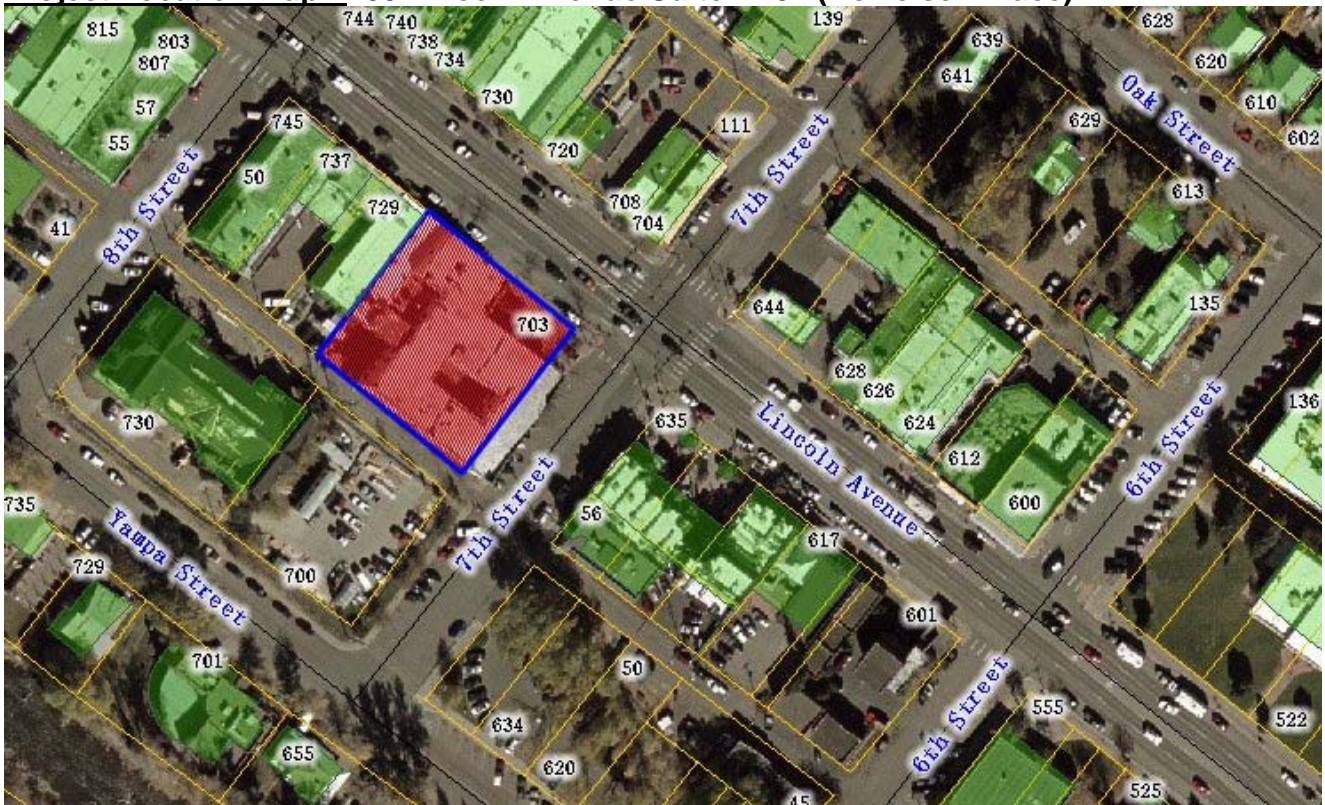
CDC - SECTION 26-65 (E): NO DEVELOPMENT PLAN SHALL BE APPROVED UNLESS THE PLANNING COMMISSION AND CITY COUNCIL FIND THAT THE PLAN MEETS ALL OF THE FOLLOWING CRITERIA:

Subsection	Consistent			Notes
	Yes	No	NA	
1) Complete Application	<input checked="" type="checkbox"/>			
2) Conformity with Community Plan	<input checked="" type="checkbox"/>			
3) Consistency with Surrounding Uses	<input checked="" type="checkbox"/>			
4) Minimize Adverse Impacts	<input checked="" type="checkbox"/>			
5) Access	<input checked="" type="checkbox"/>			
6) Minimize Environmental Impacts	<input checked="" type="checkbox"/>			
7) Phasing			<input checked="" type="checkbox"/>	One Phase
8) Compliance With Other Standards	<input checked="" type="checkbox"/>			
9) Variance Criteria			<input checked="" type="checkbox"/>	No variance requested

Staff Finding: As conditioned, staff finds that the Howelsen Place application to operate an on-site real estate sales office in the Commercial Old Town (CO) zone district is consistent with the required findings for approval of a Conditional Use Permit.

.... (Detailed policy analysis is located in Section V; Staff Findings and Conditions are in Section VII)

Project Location Map: 703 Lincoln Avenue Suite B104 (Howelsen Place)



II. BACKGROUND

Office is a *use with criteria* in the CO zone district with one of the use criteria prohibiting it to be located “along a pedestrian level street or other public access frontage.” A use that cannot meet the use criteria is processed as a *conditional use*. Conditional uses are those uses that generally keep with the purpose and intent of the zone district yet may have more impacts to surrounding properties and the community than uses by right or uses with criteria. Applications to operate a conditional use are reviewed as Development Plans.

Howelsen Place Final Development Plan was approved by City Council in June 2006. In December 2008, Howelsen Place was approved for a conditional use for a temporary real estate sales office for units in Howelsen Place, Alpenglow, and River Walk that expired in December 2009. Due to current market conditions these units, minus River Walk that has not been constructed, have not sold as quickly as anticipated.

III. PROJECT DESCRIPTION

The applicant is requesting a conditional use permit to operate a 2,215 square foot on-site real estate sales office in the Commercial Old Town (CO) zone district for the sale of properties in the Howelsen Place and Alpenglow projects. The proposed unit (B-104) is next door to the original approval that occupied the corner unit on Lincoln Ave. and 7th Street (See attached). The corner unit (B-103) is planned to be leased to the retail tenant Quicksilver in April 2011.

IV. PRINCIPAL DISCUSSION ITEM

Is a real estate sales office an appropriate use in the CO zone district?

Historically there have been concerns with the possibility of a proliferation of real estate offices in downtown, especially along the Lincoln Avenue frontage. Although limited real estate office exposure along Lincoln may be appropriate, extensive operations would significantly detract from the uniqueness of the downtown experience, for both local and visitor alike.

The City of Steamboat Springs Department of Planning and Community Development encourages mixed-use development in our commercial centers of downtown and the ski mountain base area. Typically the mix of uses encouraged includes retail and dining uses on the ground/pedestrian level with residential in the upper levels. Mixed-use development fosters an active pedestrian environment, 24-hr active spaces, and increased safety due to “eyes on the street”. New mixed-use buildings need to sell units, both ground-level commercial and upper-level residential, to be successful per the intent of mixed-use development. Staff finds that allowing temporary pedestrian level real estate sales offices for on-site units is compatible with the long range intent of mixed-use development. Because the approval is conditioned to the *first-time sale* of units, at a certain point in time the office will no longer justify its use to sell the few units that are remaining.

Additionally, staff is drafting a CDC text amendment, scheduled to be heard by planning commission on February 24, to propose *on-site real estate sales office* as a use with criteria in all zone districts.

V. PROJECT ANALYSIS

A) CRITERIA FOR APPROVAL

CDC - Section 26-65 (e): No development plan shall be approved unless the planning commission and city council find that the plan meets all of the following criteria:

The following section provides staff analysis of the application as it relates to key sections of the CDC. It is intended to highlight those areas that may be of interest or concern to planning commission, city council, staff or the public. For a comprehensive list of standards and requirements applicable to this proposal please refer to the CDC or contact the staff planner.

CDC - Section 26-65(e)(1): Complete Application

Staff Analysis: **Consistent;** The Development Plan application and supporting materials for the proposed on-site real estate sales office are complete.

CDC - Section 26-65(e)(2): Conformity with Community Plan

Staff Analysis: **Consistent;** Although the Community Plan encourages office uses above the ground level in the Commercial Old Town land use designation, the plan also contains the following:

- *Goal LU-1: Our community will promote a functional, compact, and mixed-use pattern that integrates and balances residential and non-residential land uses.*
- *Goal CD-2: New neighborhoods will help project a positive image for our community, and will incorporate mixed-use development principles and open space.*
- *Goal ED-1: Steamboat Springs will have a vital, sustainable, and diverse year-round economy.*

CDC – Section 26-65 (e)(3): Consistency with Surrounding Uses

Staff Analysis: **Consistent;** The proposed on-site real estate sales office will be the only one on this block face. The temporary use will compliment the commercial tenants of Howelsen Place which includes Ski and Resort Corp, Vectra Bank, Urbane Clothing, Zirkel Trading, and in April, Quicksilver.

CDC – Section 26-65 (e) (4) Minimize Adverse Impacts

Staff Analysis: **Consistent;** Staff finds that the proposed use will minimize adverse impacts on the surrounding uses in the area. The proposed location has a narrower frontage than the original approval on the corner. The design of the sales office is meant to provide a history of Steamboat Springs and promote the downtown lifestyle.

CDC – Section 26-65 (e) (5) Access

Staff Analysis: **Consistent;** Staff finds that the proposed development provides adequate access.

CDC – Section 26-65 (e) (6) Minimize Environmental Impacts

Staff Analysis: **Consistent;** The proposed use has no adverse impacts in the environment.

CDC – Section 26-65 (e) (7) Phasing

Staff Analysis: **NA;** The project will be developed in one phase.

CDC – Section 26-65 (e) (8) Compliance with other Standards:

Staff Analysis: **Consistent;** Staff finds that the proposed use complies with all other applicable requirements of the CDC.

VI. STAFF FINDING & CONDITIONS

Staff Finding

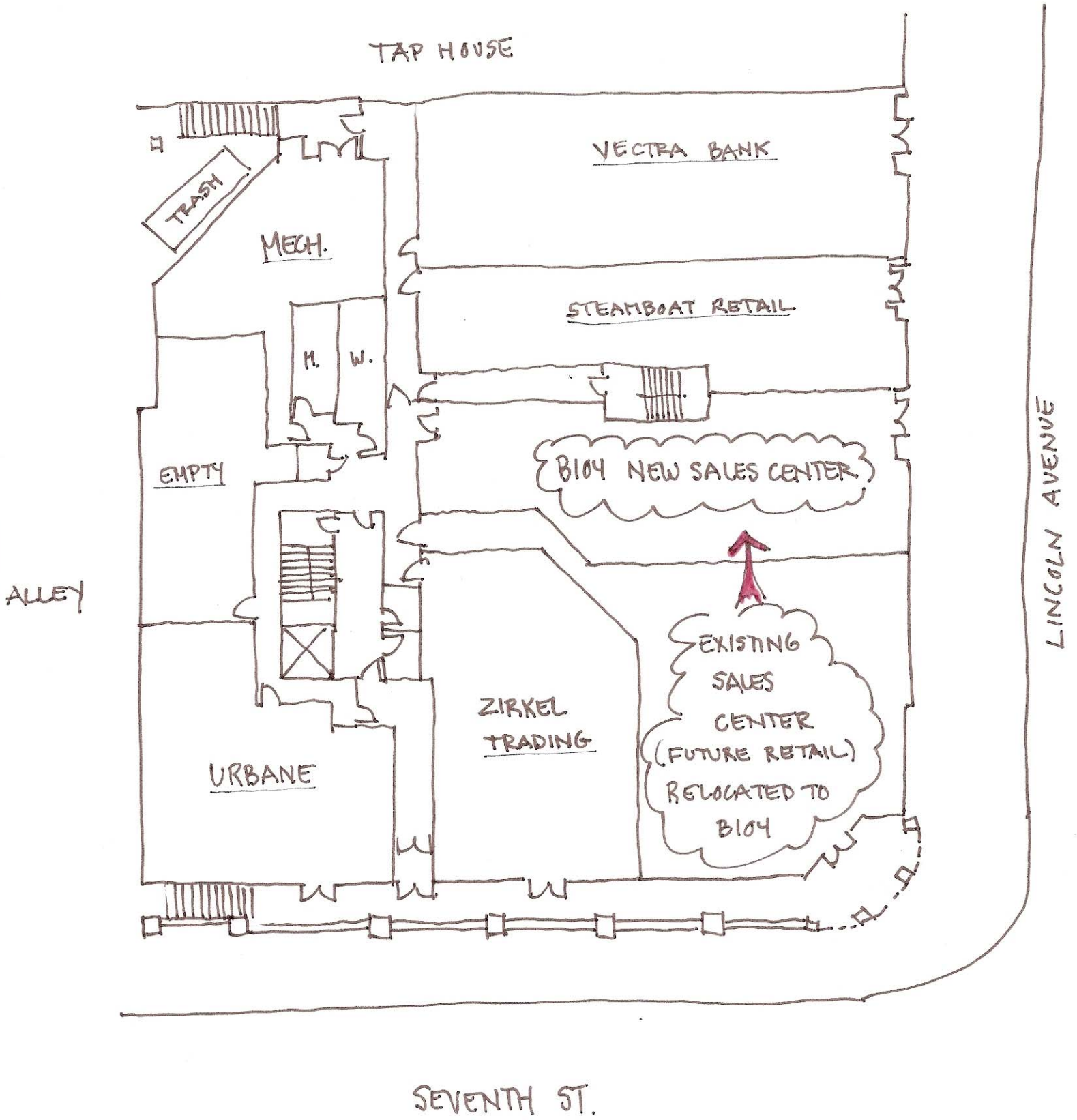
Staff finds that the application to operate an on-site real estate sales office in the Commercial Old Town (CO) zone district along the pedestrian level is consistent with the required findings for approval of a Conditional Use Permit with the following conditions:

1. The use will be allowed to promote and execute only the first-time sale of units.
2. This real estate sales office will be used to promote two developments only, specifically Howelsen Place and Alpenglow.

VII. ATTACHMENTS

Attachment 1 – Floor plan

HOWELSEN PLACE BLDG.
2/1/2011



DRAFT**Howelsen Place Unit B-104 (703 Lincoln Avenue) #DP-11-01**

Discussion on this agenda item started at approximately 5:09 p.m.

STAFF PRESENTATION

Seth Lorson –

This proposal is a conditional use. Office is a use with criteria in the CO zone district with the criteria that the office cannot be on the ground floor, since the proposal cannot meet this criteria then it has to be processed as a conditional use. Howelsen Place is requesting to have an onsite real estate office to help sell the rest of their units and the units in Alpen Glow. It brought up another part of the code that needs to be changed. We'll be coming forth with that in the coming weeks to change the code to allow onsite real estate offices. Under the review of this they are consistent with all of the criteria for approval.

APPLICANT PRESENTATION

None

COMMISSIONER QUESTIONS

Commissioner Levy –

According to the staff report in the background you note that the current approval expired in December 2009. What should have happened? Should this have been renewed then? How do we enforce these going forward? If we can't enforce a timeline then how are we going to enforce first time sales, etc?

Seth Lorson –

We leave it to our Code Enforcement officer. We assume that the first time sales are going to enforce itself. It wouldn't be in the developer's interest to have that third party competing against their first time sales. At the time that all of the first time sales are complete this use will expire. If they had 1 or 2 units remaining that office space would be more valuable if rented out to a retailer or a more appropriate use.

Commissioner Levy –

If you have a list of expiring approvals does someone actually review this year, the next 6 months, etc? In the next 3 years we have some that will be expiring, whether its development permits that haven't been acted upon, etc. that we can actually have an idea of what's going on and what needs to followed up on?

Seth Lorson –

We don't have a pop-up that tells us when something is expiring. If we have a development permit and it expires and that person comes in for a building permit and we tell them that their entitlement has expired. As far as use permits or something like this we leave that up to our code enforcement officer.

Commissioner Slavik –

2/10/11

DRAFT

On pg 2-4 you talk about how you're going to draft this CDC text amendment. I wanted to make sure that when you do that that it's for a first time only sale. It doesn't say that in here and I would like to make sure that amendment says that.

Seth Lorson –

You'll be seeing that at the next Planning Commission meeting. The first time sale made the most sense to us in how that's going to go away.

Commissioner Meyer –

It would be helpful to have a timeframe on not to exceed so that you could meet with the applicant to see how close they are as we do in some of our FDP's that require longer than 3 years to have an extension time frame as long as they're in compliance.

Commissioner Lacy –

I was wondering if we could have a time limit and have some kind of administrative level of approval of any kind of extension.

Seth Lorson –

Perhaps. How do we make this expire? With this project we went with the first time sales using the logic that I just went through.

Tyler Gibbs –

There needs to be some kind of tracking so we know what's coming up and what's going to be expiring. It's very difficult to set a timeline on that. There's a valid need for it. Having an administrative process rather than having to go through public hearings we could look into. I think that you're raising a good point.

PUBLIC COMMENTS

None

FINAL STAFF COMMENTS

None

FINAL COMMISSIONER COMMENTS

Commissioner Brookshire –

My thought regarding that term is to set a date. I don't know what the petitioner would like to have as their date. Some point in the future my suggestion was 3 years for the permit. If there has to be a renewal and they come back in. It doesn't sound like we have the procedure to do it administratively. I think that it ought to be for a limited period of time.

Commissioner Levy –

I agree with staff. If they aren't selling these the first time then there isn't enough pressure that we need to have a T-shirt shop in that same space. We don't want that space empty. We'd rather have a real estate office than an empty space. If the market is booming and there's a lot of commercial then the units are hopefully selling and we're getting compliant businesses in there. If things are that slow then I don't really see a time limit. If they still have units unsold then there are other problems in the market that are more pressing than retail space.

DRAFT

Mark Scully –

We're very motivated to turning it into a retail store. If you need a date then I would suggest 5 years. I don't think that a date is going to govern it as much as Commissioner Levy and Seth Lorson just made.

RECOMMENDED MOTION

Finding

Staff finds that the application to operate an on-site real estate sales office in the Commercial Old Town (CO) zone district along the pedestrian level is consistent with the required findings for approval of a Conditional Use Permit with the following conditions:

1. The use will be allowed to promote and execute only the first-time sale of units.

This real estate sales office will be used to promote two developments only, specifically Howelsen Place and Alpenglow.

MOTION

Commissioner Meyer moved to approve DP-11-01 and Commissioner Slavik seconded the motion.

DISCUSSION ON MOTION

Commissioner Meyer –

The reason why I made the motion as is and not putting in a time frame is that since this is an existing sales office with existing inventory I'm fine with the explanation that the staff and applicant have given. If this was a new code amendment then I would definitely want to see a time frame with an administrative extension. I'll be looking forward to seeing that in the up and coming discussion.

Commissioner Hanlen –

It feels that the time frames are artificial and that the developers are going to want to get out of that space as fast as possible. To come up with some sort of time frame I think is a wasted effort. They're spending money to do a tenant finish on the space furthers the money that's sitting out waiting.

Commissioner Beauregard –

I think that Commissioner Meyer makes a point if it's a St. Cloud scenario where it hasn't been built. You don't know they might sit there for 10 years trying to collect and sell a future project.

Commissioner Brookshire –

That's my point too. It doesn't have to do with this project, but you have staff, Planning Commission, City Council, and the public out there. You've issued a permit or whatever it is. If there's no closure and if its open ended in your code so the Council or Planning issues a permit yet it's just open ended. I don't know how you would regulate those kinds of things.

VOTE

2/10/11

DRAFT

Vote: 7-0

Voting for approval of motion to approve: Lacy, Beauregard, Brookshire, Hanlen, Levy, Meyer, and Slavik

Discussion on this agenda item ended at approximately 5:22 p.m.

AGENDA ITEM # 13

Economic Development Update

This item is a discussion only.

AGENDA ITEM # 14

City Council Updates

A report will be provided at the meeting.

AGENDA ITEM # 15a1

*****TENTATIVE AGENDA FOR TUESDAY, MARCH 15, 2011*****

This agenda is tentative and the information is subject to change until the agenda is finalized.

CITY OF STEAMBOAT SPRINGS

AGENDA

REGULAR MEETING NO. 2011-06

TUESDAY, MARCH 15, 2011

5:00 P.M.

MEETING LOCATION: Citizens' Meeting Room, Centennial Hall;
124 10th Street, Steamboat Springs, CO

MEETING PROCEDURE: Comments from the Public are welcome at two different times during the course of the meeting: 1) Comments no longer than three (3) minutes on items **not** scheduled on the Agenda will be heard under Public Comment; and 2) Comments no longer than three (3) minutes on all scheduled public hearing items will be heard **following** the presentation by Staff or the Petitioner. Please wait until you are recognized by the Council President. With the exception of subjects brought up during Public Comment, on which no action will be taken or a decision made, the City Council may take action on, and may make a decision regarding, ANY item referred to in this agenda, including, without limitation, any item referenced for "review", "update", "report", or "discussion". It is City Council's goal to adjourn all meetings by 10:00 p.m.

A City Council meeting packet is available for public review in the lobby of City Hall, 137 10th Street, Steamboat Springs, CO.

PUBLIC COMMENT: Public Comment will be provided at 7 p.m., or at the end of the meeting, (whichever comes first). CITY COUNCIL WILL MAKE NO DECISION NOR TAKE ACTION, EXCEPT TO DIRECT THE CITY MANAGER. THOSE ADDRESSING CITY COUNCIL ARE REQUESTED TO IDENTIFY THEMSELVES BY NAME AND ADDRESS. ALL COMMENTS SHALL NOT EXCEED THREE MINUTES.

A. ROLL CALL

B. PROCLAMATIONS:

- 1. PROCLAMATION:** A proclamation recognizing five musicians from the Steamboat Springs High School who auditioned and made one of the All-State bands. (Franklin)
-

*******TENTATIVE AGENDA FOR TUESDAY, MARCH 15, 2011*****

This agenda is tentative and the information is subject to change until the agenda is finalized.

C. COMMUNITY REPORTS/CITY COUNCIL DISCUSSION TOPIC:

2. **Economic Development discussion with Roger Good.**
-

D. PUBLIC COMMENT: Public Comment will be provided at 7 p.m., or at the end of the meeting, (whichever comes first). CITY COUNCIL WILL MAKE NO DECISION NOR TAKE ACTION, EXCEPT TO DIRECT THE CITY MANAGER. **THOSE ADDRESSING CITY COUNCIL ARE REQUESTED TO IDENTIFY THEMSELVES BY NAME AND ADDRESS. ALL COMMENTS SHALL NOT EXCEED THREE MINUTES.**

PLANNING
PROJECTS

E. CONSENT CALENDAR - PLANNING COMMISSION REFERRALS:

ITEMS ON THE CONSENT CALENDAR GENERALLY REQUIRE LITTLE OR NO COUNCIL DELIBERATION AND MAY BE APPROVED WITH A SINGLE MOTION. A CITY COUNCIL MEMBER MAY REQUEST AN ITEM(S) BE REMOVED FROM THE CONSENT CALENDAR FOR FURTHER DISCUSSION. **ALL ORDINANCES APPROVED BY CONSENT SHALL BE READ INTO THE RECORD BY TITLE.**

3. **FIRST READING OF ORDINANCE:** Amend CDC on site real estate office. (Lorson)
-

F. PUBLIC HEARING – PLANNING COMMISSION REFERRALS

PUBLIC HEARING FORMAT:

- **Presentation by the Petitioner (estimated at 15 minutes). Petitioner to state name and residence address/location.**
- **Presentation by the Opposition. Same guidelines as above.**
- **Public Comment by individuals (not to exceed 3 minutes). Individuals to state name and residence address/location.**
- **City staff to provide a response.**

4. **PROJECT: CMC Campus Administrative Building and Access Road**

PETITION: Development permit for a 52,000 S.F. admin and classroom building and improvement of Crawford Spur as access.

LOCATION:

APPLICANT: Sam Skramstad, Director of Facilities.

PLANNING COMMISSION VOTE: To be heard February 24, 2011.

5. **SECOND READING OF ORDINANCE:**
-

G. REPORTS

*******TENTATIVE AGENDA FOR TUESDAY, MARCH 15, 2011*****

This agenda is tentative and the information is subject to change until the agenda is finalized.

6. City Council

7. Reports

- a. Agenda Review (Franklin):
 - 1.) City Council agenda for April 5, 2011.
 - 2.) City Council agenda for April 19, 2011.

8. Staff Reports

- a. City Attorney's Update/Report. (Lettunich)
- b. Manager's Report: Ongoing Projects. (DuBord)

H. ADJOURNMENT

**BY: JULIE FRANKLIN, CMC
CITY CLERK**

Agenda Closed

AGENDA ITEM # 15a2

*****TENTATIVE AGENDA FOR TUESDAY, APRIL 5, 2011*****

This agenda is tentative and the information is subject to change until the agenda is finalized.

CITY OF STEAMBOAT SPRINGS

AGENDA

REGULAR MEETING NO. 2011-07

TUESDAY, APRIL 5, 2011

5:00 P.M.

MEETING LOCATION: Citizens' Meeting Room, Centennial Hall;
124 10th Street, Steamboat Springs, CO

MEETING PROCEDURE: Comments from the Public are welcome at two different times during the course of the meeting: 1) Comments no longer than three (3) minutes on items **not** scheduled on the Agenda will be heard under Public Comment; and 2) Comments no longer than three (3) minutes on all scheduled public hearing items will be heard **following** the presentation by Staff or the Petitioner. Please wait until you are recognized by the Council President. With the exception of subjects brought up during Public Comment, on which no action will be taken or a decision made, the City Council may take action on, and may make a decision regarding, ANY item referred to in this agenda, including, without limitation, any item referenced for "review", "update", "report", or "discussion". It is City Council's goal to adjourn all meetings by 10:00 p.m.

A City Council meeting packet is available for public review in the lobby of City Hall, 137 10th Street, Steamboat Springs, CO.

PUBLIC COMMENT: Public Comment will be provided at 7 p.m., or at the end of the meeting, (whichever comes first). CITY COUNCIL WILL MAKE NO DECISION NOR TAKE ACTION, EXCEPT TO DIRECT THE CITY MANAGER. THOSE ADDRESSING CITY COUNCIL ARE REQUESTED TO IDENTIFY THEMSELVES BY NAME AND ADDRESS. ALL COMMENTS SHALL NOT EXCEED THREE MINUTES.

A. ROLL CALL

B. JOINT MEETING WITH COUNTY COMMISSIONERS:

1. Steamboat Springs Community Area Plan.

C. COMMUNITY REPORTS/CITY COUNCIL DISCUSSION TOPIC:

*******TENTATIVE AGENDA FOR TUESDAY, APRIL 5, 2011*******

This agenda is tentative and the information is subject to change until the agenda is finalized.

2. **Presentation on the Tobacco Initiative, VNA.** (Barron) (15 minutes)
3. **Public Hearing and input on use of Appropriations Tax.** (30 minutes) (Hinsvark)

D. CONSENT CALENDAR: MOTIONS, RESOLUTIONS AND ORDINANCES FIRST READINGS

LEGISLATION

ITEMS ON THE CONSENT CALENDAR GENERALLY REQUIRE LITTLE COUNCIL DELIBERATION AND MAY BE APPROVED WITH A SINGLE MOTION. ANY MEMBER OF THE COUNCIL OR THE PUBLIC MAY WITHDRAW ANY ITEM FROM THE CONSENT CALENDAR FOR FURTHER DISCUSSION AT ANY TIME PRIOR TO APPROVAL.

4. FIRST READING OF ORDINANCE:

E. PUBLIC HEARING: ORDINANCE SECOND READINGS

THE CITY COUNCIL PRESIDENT OR PRESIDENT PRO-TEM WILL READ EACH ORDINANCE TITLE INTO THE RECORD. PUBLIC COMMENT WILL BE PROVIDED FOR EVERY ORDINANCE.

5. SECOND READING OF ORDINANCE:

-
- F. PUBLIC COMMENT: Public Comment will be provided at 7 p.m., or at the end of the meeting, (whichever comes first).** CITY COUNCIL WILL MAKE NO DECISION NOR TAKE ACTION, EXCEPT TO DIRECT THE CITY MANAGER. **THOSE ADDRESSING CITY COUNCIL ARE REQUESTED TO IDENTIFY THEMSELVES BY NAME AND ADDRESS. ALL COMMENTS SHALL NOT EXCEED THREE MINUTES.**

PLANNING PROJECTS

G. CONSENT CALENDAR - PLANNING COMMISSION REFERRALS:

ITEMS ON THE CONSENT CALENDAR GENERALLY REQUIRE LITTLE OR NO COUNCIL DELIBERATION AND MAY BE APPROVED WITH A SINGLE MOTION. A CITY COUNCIL MEMBER MAY REQUEST AN ITEM(S) BE REMOVED FROM THE CONSENT CALENDAR FOR FURTHER DISCUSSION. **ALL ORDINANCES APPROVED BY CONSENT SHALL BE READ INTO THE RECORD BY TITLE.**

6. FIRST READING OF ORDINANCE:

H. PUBLIC HEARING – PLANNING COMMISSION REFERRALS

PUBLIC HEARING FORMAT:

*******TENTATIVE AGENDA FOR TUESDAY, APRIL 5, 2011*******

This agenda is tentative and the information is subject to change until the agenda is finalized.

- **Presentation by the Petitioner (estimated at 15 minutes). Petitioner to state name and residence address/location.**
- **Presentation by the Opposition.** Same guidelines as above.
- **Public Comment by individuals (not to exceed 3 minutes). Individuals to state name and residence address/location.**
- **City staff to provide a response.**

7. **SECOND READING OF ORDINANCE:** Amend CDC on site real estate office. (Lorson)

8. **PROJECT:**
PETITION:
LOCATION:
APPLICANT:
PLANNING COMMISSION VOTE:

I. REPORTS

9. **Economic Development Update.**

10. **City Council**

11. **Reports**

- a. **Agenda Review (Franklin):**
 - 1.) City Council agenda for April 12, 2011.
 - 2.) City Council agenda for May 3, 2011.

12. **Staff Reports**

- a. **City Attorney's Update/Report.** (Lettunich)
- b. **Manager's Report: Ongoing Projects.** (DuBord)

J. OLD BUSINESS

13. **Minutes (Franklin)**

- a. **Regular Meeting 2011-05, March 1, 2011.**
- b. **Regular Meeting 2011-06, March 15, 2011.**

K. ADJOURNMENT

**BY: JULIE FRANKLIN, CMC
CITY CLERK**

AGENDA ITEM # 16a

City Attorney's Report

A report will be provided at the meeting.

AGENDA ITEM # 16b

City Manager Report

To: City Council President and Members
From: Wendy DuBord, Interim City Manager
Date: March 1, 2011
Subject: City Manager Update

Items discussed, direction given or follow-up from previous Council Meetings:

- **Iron Horse:** RFP deadline was Feb. 14- three (3) proposals received. Council Members participating in evaluations.
- **Economic Development activities:** Management staff working with Roger Good on Mission/Vision, Goals and Objectives, etc.- Draft will be presented March 15.
- **Water Rates:** New, increased water rates effective for both residential and commercial.
- **False Alarm Ordinance:** update on March 1 agenda
- **Skate Park access:** update on March 1 agenda
- **Friends of Yampa proposal:** I contacted Ken Brenner and removed them from March 15 agenda. Directed the group to meet with Parks and Rec. Commission and Water Roundtable and request funding in 2012 through the Environmental Coalition.

Council/Communications:

- Regular Agenda Meetings (Tuesdays) and Management Staff Meetings (Thursdays)
- Media updates- Every Thursday at 11:00- Meeting with Mike Lawrence (most Mondays 11:00)
- City Lights Radio Show- rotates to every Department Head- Monday's at 11:00
- Meeting and presentation to Rotary: Wendy, Deb, Ty in April
- Attending CML Legislative Workshop and met with Legislators and Director of Colorado Dept. of Tourism (Senator Jean White and Director Al White) with Council Member Bentley and Winnie Delliquadri (Feb. 22, 23 in Denver)

Economic Development:

- Quiznos Challenge Bike Race- Coordination meetings ongoing- Tony working on contract, Deb has established special fund, public safety attending meetings, etc.
- Bike Town USA- Project and possible Tax Increment Financing (TIF) meetings ongoing- Winnie to present overview and Resolution to Council on March 1.
- Governor's Regional Economic Development initiative- CML/DOLA meeting in Craig on March 9 6:30- 9:00- **Need a City Council Member to attend.**
- Continuing to meet with local businesses, employers – at least 2- 3 per month.

Finance/Budget:

- CIP and Accommodation Tax- begin update and public process
- City Short and Long-term disability insurance change- increased benefits, decreased premium.
- New Finance Software implementation, training, internal controls, grant administration, etc.

Fire:

- Fire District Consolidation: Next meeting Monday, March 14- 1:30 -3:00 in Cent. Hall.
- Update to City Council with Police re: new False Alarm (fire and police) Ordinance.- March 1.

IGS:

- Normal Grant seeking, contracting and administration- Concentrating on GOCO and other grants for Howelsen Hill in March.
- Many meetings regarding the Bike Town USA initiative and possible application to State of Colorado to develop a Sales Tax Increments Financing (TIF) for various bike improvements in and around Steamboat Springs. Application due in March.

Parks, Open Space, and Recreational Services:

- Update on the status of access to Skate Park facility- March 1 Council meeting.
- New internal controls and software for the Parks & Rec. – Ice Arena

Planning/Public Works:

- Philo and Ty working with staff and public re: enforcement of Secondary Unit rentals. Report to follow.

Police:

- Update in coordination with Fire on the new False Alarm Ordinance- March 1.

AGENDA ITEM # 16b1

CITY COUNCIL COMMUNICATION FORM

FROM: Ron Lindroth, Fire Chief, (879-4518)
J.D. Hays, Chief of Police (EXT. 113)

THROUGH: Wendy DuBord, Interim City Manager (Ext. 228)

DATE: March 1, 2011.

RE: Emergency Alarm Ordinance

X INFORMATION

INFORMATION:

Fire

SSFR responded to an average of 1,800 calls for service in 2009 and 2010. This includes emergency medical, rescues, fires, automatic alarms, hazardous materials, and public assists. In 2009, 33% of emergency calls were due to alarms and in 2010 32% of calls were alarms. Approximately half of these alarms were due to improperly maintained systems. Ensuring properly functioning fire detection and suppression systems, while may be disconcerting to problematic detection system owners, is a critical component of the community fire safety system.

Alarm Ordinance #2317 was adopted by City Council on May 18, 2010, followed by a public education period of two months. Fire Prevention began tracking and sending notification letters to system owners August 1, 2010.

If all repeated false alarms were repaired and eliminated, SSFR would realize a 5% decrease in total call volume of approximately 100 calls per year. Eliminating all malfunctioning alarms could decrease call volume 15%. An estimated cost of sending a single engine to a fire alarm is approximately \$500; thus tax payers are paying approximately \$135,000 a year to respond to false fire alarms. This also negatively impacts the engines availability and increases response times for true emergencies as well as detracts from a positive guest experience while visiting Steamboat Springs.

With this in mind, correcting the false alarm problem in the community was deemed appropriate. The process adopted was one considered to be a less punitive approach than enforcement of the fire code "IFC 907.20.5: *The building owner shall be responsible for ensuring that the fire and life safety systems are maintained in an operable condition at all times*" through District or municipal court with possible fines of \$999. This process

would be started if/when the violator was served a summons into municipal court.

PROCESS:

Upon receipt of a fire alarm, a single engine company responds to the call. Insurance Services Office (ISO) requires an engine with 4 personnel as minimum response to a fire alarm. The Lieutenant investigates the situation, determines no fire condition exists, and then investigates the cause of the alarm. The Lt. in charge will determine if the alarm is a "Chargeable" or "Non-Chargeable" offense based on the ordinance. They then enter a NFIRS report containing all pertinent information and submit it to the Fire Marshal for review.

Once all the reports have been reviewed, an RMS query is run and "Chargeable" offenses for a specific time period are identified. The queried information is collated by the Fire Marshal once a week. Historical data is combined with the current week's query. Upon first offence, a letter is sent to the responsible party notifying them of the system malfunction and specifically states that is a "one time only warning letter." If they have additional malfunction alarms at their location, they are sent a notification with appropriate fee assessment per the ordinance.

The owner, Management Company, or contractor may contact the Fire Marshal to contest the notification by following the following process as outlined in the ordinance:

"Any person assessed a fee may request reconsideration of the assessment within ten (10) days of receiving notice of the fee assessment. The official responsible for the assessment shall consider evidence submitted by the appellant and shall withdraw the assessment if the official determines by a preponderance of the evidence that the alarm for which the fee is assessed is not a Category II or malicious alarm."

If, after review, the fire Marshal determines the problem has been appropriately resolved, the letter of warning may be changed to a one time courtesy letter, granting one additional warning without a fine. Fire Prevention began sending out letters on August 1, 2010. To date, 106 Warnings have been sent. Of these, 15 were changed to a Courtesy Warning after resolution. There have been 12 Fee Assessments for \$200 sent, and two \$300 Fee Assessments. The data indicates that only a small percentage of those which have received a warning have had a recurring incident. The City has not collected any outstanding fees to date; which equates to \$2,400 currently due.

August 1, 2010 until February 9, 2011.

TYPE OF LETTER SENT	NUMBER SENT	FEE ASSESSED
Warning Letter	106	\$0
Warning Letter Changed to Courtesy Letter	15	\$0
Second Offence Fee Assessment	9	\$200
Third Offence Fee Assessment	2	\$300

RESULTS TO DATE:

In looking at the data below for a six month period with the ordinance in effect, SSFR has reduced its response to false fire alarms by nine percent; resulting in a 4% total emergency call reduction. Initial results indicate the alarm ordinance is producing the desired effect. One local alarm contractor recently commented on the increased number of calls they have received requesting service and maintenance on systems. As fire alarm systems are maintained on a proactive basis, first offense alarms should also decrease, resulting in further reduction of system malfunctions.

Time Period	Ordinance	Total # Emergency Responses	Total # False Alarms	% of total responses being false alarms
Aug 1, 2009 - Feb 16, 2010	No Enforcement	1008	343	34%
Aug 1, 2010 - Feb 16, 2011	Enforcement	1000	306	30%

Police

Police responded to a significant number of false alarms annually. In 2009 that amounted to 401 or approximately 4% of all calls for service for the police department. In an effort to curtail these unnecessary calls for service the City passed a nuisance alarm ordinance in May of 2010 that required a fine be imposed after the second false alarm within a twelve month period. The referenced 401 intrusion alarms equated to approximately 119 man hours. Most alarms, when manpower allows, are dispatched as a two officer response, for total man hours of approximately 238. Average hourly wage for a SSPD officer (with benefits) is \$39.00/hour. The annual total cost to the Police Department for responding to false alarms in 2009 was \$9,282.00 or \$23.14/per alarm.

In all of 2010 SSPD officers responded to a total of 411 intrusion alarm calls; however, the last four months of 2010, since implementation of the alarm ordinance, we realized a reduction of 11 intrusion alarms compared to the same period in 2009.

Fee Schedule

In Violation of Section 5-103(a), (b), or (c)		Malicious Alarms	
Number of Emergency Alarms	Fee For Each Emergency Alarm	Number of Emergency Alarms	Fee for Each Emergency Alarm
1	Warning Letter	1	\$200.00
2	\$200.00	2	\$300.00
3	\$300.00	3	\$400.00
4	\$400.00	4	\$500.00
5	\$500.00	5	\$600.00
6	\$600.00	6	\$700.00
7	\$700.00	7	\$800.00

On Sept. 1, 2010 the PD began implementation. Since that time the Police Department has responded to 109 False Intrusion Alarms at businesses/residences.

Sept. 1, 2010 through February 15, 2011

Type of Letters Sent	Number Sent	Fees
Warning	77 (53 bus + 24 res)	\$0
Second Offense	23 (21 bus + 2 res)	\$4600.00
Third Offense	8 all businesses	\$2400.00
Fourth Offense	1 business	\$400.00
Total Assessed	109	\$7400.00

Fines Paid

7- \$200.00	\$1400.00
1 - \$300.00	\$ 300.00
Total Collected	\$1700.00 from 7 businesses

2 businesses received a \$100.00 refund per Sec. 5-105 of the ordinance

Sec. 5-105. Rebate Eligibility. Within thirty days following any emergency alarm in violation of Section 5-103(a) of this ordinance the owner may provide Fire and/or Law Enforcement personnel with a written document which shows that necessary repairs or corrections have been made to the Emergency Alarm System by a qualified agency. Upon determination by Fire and/or Law Enforcement personnel that all necessary repairs to the Emergency Alarm System have been made, the owner is eligible to receive a fifty percent rebate on the assessed Excessive and/or Unnecessary Emergency Alarm fee, if requested within thirty days of the determination by Fire and/or Law Enforcement personnel.

RECOMMENDED ACTION:

Reducing the number of false fire alarms is a clearly stated objective of City Manager Jon Roberts. Mr. Roberts has also stated that city alarm systems must be maintained at the same standard, thus not even the fire department and animal shelter alarm systems were exempt from a receiving a warning letter.

Fire Marshal Muhme and Assistant to the Chief of Police Barb Simms have devoted a considerable amount of time in managing this program. The recent hiring of a part time fire technician will increase efficiency in this process. While it has taken a significant amount of energy to get to this point, we, fire and police, believe that the desired results are beginning to appear and the effort required in maintaining the program will decrease. Although we recommend the ordinance remain in place we suggest that Sec. 5-106 be amended to eliminate that portion of the Section that refers to a lien being placed against the violator's property.

Sec. 5-106. Failure to Pay Fees. Failure of any fees to be paid by contracted companies or general contractors shall be charged to the owner of the Emergency Alarm System in violation of this ordinance. Owners of Emergency Alarm Systems more than ninety days in arrears for all assessed Excessive and/or Unnecessary Emergency Alarm fees, due under this ordinance, shall have a perpetual lien placed against the property. In addition, the failure of any person, corporation, or other entity that to pay a fee assessed hereunder within ninety days of its assessment shall be a violation of this Code punishable as provided in Section 1-15 of this Revised Municipal Code.

AGENDA ITEM # 16b2

CITY COUNCIL COMMUNICATION FORM

FROM: Philo Shelton, Public Works Director
Chris Wilson, Parks, Open Space, and Recreation Director

DATE: March 1, 2011

ITEM: Request for Direction to Construct and Fund Lagoon Court
Access to Skate Park

NEXT STEP: Provide Direction

DIRECTION
 INFORMATION
 ORDINANCE
 MOTION
 RESOLUTION

I. REQUEST OR ISSUE:

There is presently no vehicular access to the City's Skate Park and no project is currently included in the 2011 CIP Program. Based on a request from Councilman Magill, staff prepared a cost estimate and looked into options for funding the construction. Staff requests direction:

Is this project a priority over other identified CIP Projects?

No Yes for 2011 Yes for 2012 Other (identify)

If Yes, which option should be constructed?

- Option 1: Temporary milling surfaced road, millings parking lot, ped/bikes within unmarked travel lanes
- Option 2: Asphalt paved road, millings lot, and striped shoulder for ped/bike
- Option 3: Asphalt paved road, paved lot, striped shoulder for bikes, sidewalk for peds

If Yes, how should it be funded?

Reserves Private Contributions Combination (identify)
 CIP (identify what is removed from current program) Other (identify)

II. RECOMMENDED ACTION:

Staff seeks Council's direction.

III. FISCAL IMPACTS:

Proposed Expenditure: Option 1 = \$50,500
Option 2 = \$134,000
Option 3= unknown (est. over \$250,000)

Note. The cost estimates assume that City crews will perform the work. There would be additional cost if this work was bid out to a contractor. With weather and current workloads this work could potentially start in July.

Funding Source:

There is currently no funding for this project. Options for funding include:

- fund from CIP Program
 - There is no surplus in the 2011 or projected 2012 CIP Program. In order to fund from the CIP Program, Council would need to delete another project that has less priority.
 - The Management team reviewed 2011 projects to see if any budgets could feasibly be reduced or projects delayed. The team did identify that \$25,000 could be removed from the Paving Program. That work could reasonably be deferred to a future year. The team recommends that all other CIP Projects continue as planned for 2011.
 - The 2012 CIP Program from the 5 year plan shows over \$5M in projects identified, but the available funding could be much less.
- fund from General Fund reserves
- fund from private contributions
 - No private contributions have been collected or identified.
 - The Steamboat Skatepark Alliance has been contacted, but we have not heard back
- fund from a combination of the above items

Grant options were reviewed. It was determined that no grant is available to use for construction of a Skate Park access in 2011. The City has GOCO funding for 2011, but it has been allocated to Howelsen Hill improvements

IV. BACKGROUND INFORMATION:

Figure 1 provides a map of the Skate Park and Lagoon Court. The Skate Park was constructed in the fall of 2009. The facility was funded through a cooperative effort led by a citizen group named the Skatepark Alliance. More than \$60,000 was raised to build the park, including a \$10,000 grant from the Yampa Valley Community Foundation. Additionally, the Rotary Club of Steamboat Springs contributed \$2,000, the city contributed \$50,000, and the project received a \$200,000 grant from Great Outdoors Colorado. The Skate Park is constructed on City Property, portions of which were previously used for wastewater treatment.

Currently there is only one public access to the Skate Park via the core trail off of Shield Drive. This is a walk, bike, skate access. There is no public vehicle access. Emergency access is provided via the core trail and the unimproved Lagoon Court, if weather conditions allow. Based on a request from City Council, staff has identified options for improving Lagoon Court to serve as the Skate Park vehicular access. Lagoon Court is currently an unimproved, narrow (less than 20 ft) construction access from US 40. The intersection is currently full movement, but the approved US 40 Access Control Plan calls for the intersection to become $\frac{3}{4}$ movement in the future. That would allow all movements except a left turn onto Lagoon Court from US 40.

Any improvements to Lagoon Court require an access permit from the Colorado Department of Transportation. Based on a preliminary review of CDOT's access code, staff believes that a parking lot with 10 - 18 spaces could be constructed without requiring any intersection improvements. This assumption still needs to be confirmed by CDOT.

The City is working on completing the decommissioning of the wastewater treatment facilities at the site. Phase I was completed in 2008 and is the site of the Skate Park. Public Works staff is coordinating with the State regarding the closure of Phase II and has not yet received approvals for the proposed plan to close the site leaving materials on-site. There is a potential that materials may need to be removed from the site, in which case Lagoon Court would be closed for construction traffic only. In this case, it may be preferred to delay any improvements until heavy construction is completed. The schedule is pending the State's approval. This project is budgeted for 2011 through the Utility enterprise fund.

V. LEGAL ISSUES:

None identified.

VI. CONFLICTS OR ENVIRONMENTAL ISSUES:

There are existing wetlands adjacent to the Lagoon Court easement. Construction of Option 1 and Option 2 can potentially be done with minimal to no impact to the wetlands. This still needs to be confirmed. Additionally there is a wetlands conservation easement and staff has not yet confirmed the exact limits and use restrictions. A wetland delineation will be required prior to the start of any work.

Construction of Option 3 – full build out will need to be evaluated to determine if impacts can be avoided or if mitigation is the only feasible option. There is no final design for the ultimate Lagoon Court Access Road. Landmark Consultants donated a 50% design as part of the Skate park project in 2009. Portions of that design were used to develop Options 1 and 2, but additional work is required for Option 3.

VII. SUMMARY AND ALTERNATIVES:

Staff reviewed a number of options to provide vehicle access on Lagoon Court. The City's standards, air quality concerns, and mud tracking requirements require that the access be paved or surfaced with millings. It cannot be opened as a gravel road. Additionally, the width needs to be increased to meet City standards. The Assistant City Attorney has determined the existing 40 ft easement can be used for road construction. Options include:

No build: Don't make any improvements to Lagoon Court. The Skate Park continues to be accessed via the Core Trail. Construction of Lagoon Court Access Road and Parking Lot are prioritized and funded via the CIP Program. (Estimated some time after 2012.) Lagoon court will be used for seasonal emergency access and site construction access only.

Option 1: Construct a temporary 30 ft wide access road and small parking lot surfaced with millings. No sidewalk or bike lane is provided. This option requires a retaining wall to minimize wetland impacts. This temporary configuration would be used as the future road subgrade upon which paving could be installed. Cost \$50,500.

Option 2: Construct an asphalt paved 30 ft wide access road with striped bike lanes/shoulders. Also includes a small millings surfaced parking lot. This option requires a retaining wall to minimize wetland impacts. This configuration would allow future construction of Option 3 with minimal retrofit. Cost \$134,000.

Option 3: Construct an asphalt paved 30 ft wide access road with striped bike lane/shoulders and a 6 – 8 ft sidewalk on one side. Curb and gutter on both sides is anticipated to accommodate drainage and all elements within the narrower easement. This option requires wetland mitigation. This option has requires a final design is estimated to cost well over \$250,000.

LIST OF ATTACHMENTS

Attachment 1. – Skate Park Site Map.

Figure1 - Skate Park Site Map



AGENDA ITEM # 17a

CITY OF STEAMBOAT SPRINGS

SPECIAL MEETING NO. SP-2011-02

MONDAY, JANUARY 31, 2011

MINUTES

Ms. Cari Hermacinski, City Council President, called Special Meeting No. SP-2011-02 of the Steamboat Springs City Council to order at 3:00pm, Monday, January 31, 2011, in Centennial Hall, Steamboat Springs, Colorado.

City Council Members present: Cari Hermacinski, Jon Quinn, Meg Bentley; Bart Kounovsky, and Kenny Reisman. Walter Magill arrived at 3:01pm and Scott Myller arrived at 3:02pm.

Staff Members present: Wendy DuBord, Deputy City Manager; Anthony B. Lettunich, City Attorney; Julie Franklin, City Clerk; Deb Hinsvark, Director of Financial Services; Winnie DelliQuadri, Government Programs Manager; Philo Shelton, Director of Public Works; Tyler Gibbs, Director of Planning and Community Development; Chris Wilson, Director of Parks, Recreation and Open Space; Ron Lindroth, Fire Chief; and JD Hays, Chief of Police.

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

CITY COUNCIL RETREAT WITH FACILITATOR ROGER GOOD

1. Economic development discussion.

Mr. Good stated that he reread the 2008-2009 economic development plan and noted that much of it sets the frame work for what we want to do and what we don't need to revisit. It is his observation that this plan was put together when the economy was good, it focused on short term goals and would be difficult to measure success.

City Council President Hermacinski stated that this plan talked about a lot of things that we were doing then and are still doing now; however what has changed is that dollars are tighter. She asked if the City needs to do more to evaluate what we are currently spending money on.

STEAMBOAT SPRINGS CITY COUNCIL MINUTES
SPECIAL MEETING SP-2011-02
January 31, 2011

Mr. Good noted that recently he was invited to Fruita to meet with Governor Hickenlooper where he shared an item that has received some focus, broadband. The business model for metropolitan areas is based on how many customers per mile, and is the opposite in rural areas, which is addressed through wireless. The Federal Communications Commission has a plan to change the way broadband is distributed based on how much power is allowed. This is an opportunity to lobby to change the power requirements in which the Lieutenant Governor has expressed an interest.

Council Member Reisman asked if this item should still be on Council's list. He stated that he talked to some "tech" people who did not think we needed more broadband. Mr. Good stated that this is up to Council; however there is a huge difference between content consumption and content creation. Does Council want to assist in the lobbying effort? This is an opportunity to look at things that don't cost a lot of money.

Council Members Hermacinski and Quinn support this.

City Council President Hermacinski asked if Council supports preserving a certain level of tourism in our economy. **UNANIMOUS CONSENT:** Yes.

City Council President Pro-Tem Quinn spoke to maintaining the current level of air service. City Council President Hermacinski asked if this is something the City is already doing. She noted the need to develop a framework to evaluate all things the City funds to see what "rises to the top".

Council Member Bentley stated that the tourism industry provides very low paying jobs, so if we increase our tourism we will be increasing the lowest income provider. This produces a boom/bust scenario; and lowers the stat of the earned income in Steamboat Springs. It would also mean that the City would have needed to be working on affordable housing. She believes it is at least as important to find other ways to grow our economy.

City Council President Pro-Tem Quinn stated that a robust visitor economy also boosts the "rest of the pie" as well. Creating a more year-round economy increases the whole size of the pie; tourism is the foundation on which the rest has been built.

Council Member Kounovsky believes that part of the discussion should be what will the valley's next industry be? Ranching, mining, tourism, what's next?

It was noted that broadband is an "enabler" of diversity.

STEAMBOAT SPRINGS CITY COUNCIL MINUTES
SPECIAL MEETING SP-2011-02
January 31, 2011

Council Member Kounovsky noted the long term goal of recognizing and looking at diversity and the economic health of the valley, and not having "all our eggs in one basket".

It was noted that we want to preserve the current diversity, increase the wage source, and then figure out the infrastructure that the diversity will need overtime.

Council Member Magill stated that it is many people's opinion that there will probably not be any big development for the next 5-8 years. So what is the new market?: public/private partnerships with developers. We have to also think about capital improvements for the existing residents. If there is a healthy summer tourism merchants are happy, but the residents may think that it is too busy in town.

Does Council want to preserve existing assets or leverage existing assets? What is the target audience for tourism? Do we want the "shoulder season" to go away? What is a healthy level of tourism? How do we see if the agencies that we fund are in line with what we do?

Ms. Hinsvark noted the need to "grow the whole".

PUBLIC COMMENT:

Mr. Randy Rudacious suggested creating some type of online library so people know what our assets are for business start-ups.

It was noted that the educational component of economic development is important and it is important to interact with the college regarding the types of degrees offered.

Council Member Bentley suggested asking the businesses what they think our assets are. Then later on in the stewardship time form a panel to help us "get granular".

City Council President Pro-Tem Quinn would like to focus on leveraging existing assets and the infrastructure to support diversity.

Mr. Steve Hoffman believes that the discussion has been "nero-esque"; this is not the same economy as five years ago. He believes that a good part of our economy has vanished, the working middle class: construction. How do we become more competitive as a community while maintaining our character and culture? He spoke to an analogy of different kinds of "customer calls", the ones

STEAMBOAT SPRINGS CITY COUNCIL MINUTES
SPECIAL MEETING SP-2011-02
January 31, 2011

that you have and the ones that you acquire and the importance of not “hanging up”. The ability to maintain and retain existing business depends on how you view new opportunities. He thinks it is a good idea to take a step back and ask if we are on the right track.

Mr. John Spezia believes that there needs to be short term goals in order to develop the long term goals. He believes that energy is the resource that is missing; we just assume that it will be available and that it will be cheap. This is a vulnerable area and we need to diversify ourselves in terms of energy. The City could use reserves to provide loans for energy dependence, or offer sales tax rebates.

Mr. Steve Aigner endorses Mr. Hoffman’s suggestion to “step back a little”. He believes that there are some tax issues that relate to economic development and urged Council to not compare Steamboat to other Counties, but to municipalities.

Mr. Ed MacArthur suggested that Steamboat Springs can be recreated anywhere if you take the mountain resort away, we could be Craig or Walden. He thinks we can do a lot without spending money by revising our code to make this a friendlier place to do business. He believes that government needs to “get out of the way”.

Mr. Howard Ulep stated that he came here to open a restaurant and did not have that experience. He felt the process was good and there wasn’t anyone standing in the way. He finds that we have a resource coming from our culture and the people. He spoke to the history of Maui, which lost its asset of the sugar and pineapple industry and then developed tourism.

Mr. Good would like to discuss at the next meeting who our target market is and who we want to come here. Do we have the right community infrastructure to nurture this? Who is the stewardship committee?

Council Member Reisman thinks we need to talk to people at Moots and Smartwool to help.

Council Member Kounovsky clarified that government efficiency is on Council’s radar.

Below is a synopsis of what was recorded on the "whiteboard" during the retreat. The actual documents are on file in the City Clerk's office.

Long term goals:

- ❖ Preserve existing assets
 - Diversity of income sources
 - Tourism at certain level; include growth and keep diversity.
 - Air service; maintain or enhance
 - Community character, environment, pillows, parks
 - Current funding support: Transit, Bob Adams Airport, affordable housing, Coalitions

- ❖ Increase diversity of income sources
 - Infrastructure to enable location neutral businesses, broadband, cell phone, air service
 - Increase wage source income
 - Infrastructure to support diversity on top of base/core services
 - Business marketing; inline marketing of resources
 - Current funding support: Yampa Valley Economic Development Council, Routt County Economic Development Cooperative, the Air program

- ❖ Leverage existing assets
 - Increase utilization of existing assets, lodging with summer tourism/Biketown USA, tourism infrastructure in non-ski months
 - Current funding support: Mainstreet, the Chamber, Steamboat Springs Economic Development Council, Yampa Valley Airport, the Air Program, the base area, special events funding

Assumptions: No one moves here who hasn't visited. You either love or hate the shoulder season (May and November).

Questions: Who is our target audience and who do we want to come here? What are the important assets to businesses?

**STEAMBOAT SPRINGS CITY COUNCIL MINUTES
SPECIAL MEETING SP-2011-02
January 31, 2011**

ADJOURNMENT

UNANIMOUS CONSENT: To adjourn Special Meeting SP-2011-02 at approximately 5:30pm.

MINUTES PREPARED, REVIEWED AND RESPECTFULLY SUBMITTED BY:

Julie Franklin, CMC
City Clerk

APPROVED THIS _____ DAY OF _____, 2011.

AGENDA ITEM # 17b

CITY OF STEAMBOAT SPRINGS

REGULAR MEETING NO. 2011-03

TUESDAY, FEBRUARY 1, 2011

MINUTES

Ms. Cari Hermacinski, City Council President, called Regular Meeting No. 2011- of the Steamboat Springs City Council to order at 5:05pm, Tuesday, February 1, 2011, in Centennial Hall, Steamboat Springs, Colorado.

City Council Members present: Cari Hermacinski, Jon Quinn, Meg Bentley; Bart Kounovsky, Scott Myller and Kenny Reisman. Walter Magill arrived at 5:06pm.

Staff Members present: Wendy DuBord, Deputy City Manager; Anthony B. Lettunich, City Attorney; Julie Franklin, City Clerk; Philo Shelton, Director of Public Works; Tyler Gibbs, Director of Planning and Community Development; Deb Hinsvark, Director of Financial Services; Kim Weber, Manager of Budget and Tax; Bob Keenan, City Planner; Chris Wilson, Director of Parks, Recreation and Open Space; Rachelle Summers, Sales Tax Auditor; Jason Peasley, City Planner; Winnie DelliQuadri, Government Programs Manager; Ron Lindroth, Fire Chief; and JD Hays, Chief of Police.

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

COMMUNITY REPORTS/CITY COUNCIL DISCUSSION TOPIC:

1. Update on winter dog park closures.

Mr. Wilson stated that staff and the Division of Wildlife (DOW) have been looking into the problems at Rita Valentine Park and staff is recommending a voluntary closure. He stated that there is nothing that indicates that dogs are causing the problem, however there is a problem. The voluntary closure is an effort to help provide an environment where the elk are not being challenged. This would not be a legal closure like in Spring Creek where a ticket would be issued.

Council Member Magill arrived at 5:06pm.

**STEAMBOAT SPRINGS CITY COUNCIL MINUTES
REGULAR MEETING 2011-03
February 1, 2011**

Council Member Bentley asked what the exact dates would be. Mr. Wilson stated he does not know exactly, he will consult with the DOW. It will most likely be re-opened as the snow depths decrease, closer to April or May.

PUBLIC COMMENT: No one appeared for public hearing.

MOTION: Council Member Magill moved and Council Member Bentley seconded to approve a voluntary closure of Rita Valentine Dog Park for the balance of the winter. The motion carried 7/0.

Discussion during the motion:

City Council President Pro-Tem Quinn stated that he supports the motion from a "do no harm perspective"; but to some extent it is unnecessary because dogs are not the problem and yet we are closing the only off leash dog park in the City.

Council Member Bentley stated that this is for the animals in an effort to make the tough winter a little easier.

Mr. Jim Haskins, DOW, noted that the same herd is now over by the touring center, which is not uncommon. He stated that he is not advocating for or against the issue, he is advocating for wildlife. He does not recommend an off leash dog park in this area because of the potential for human/wildlife conflicts.

2. Information regarding changes to the City's tax rules and regulations.

Ms. Weber stated that staff has been in the process of revising the code and regulation changes to improve consistency with the way the Code is being enforced, to capitalize words used throughout the document that are formally defined in the Code, and to correct spelling or typographical errors.

PUBLIC COMMENT: No one appeared for public comment.

3. CIP and Accommodations Tax Updates.

Ms. Hinsvark spoke to the capital improvement challenges in the budget, how to function moving forward and how to afford the Orton property.

She provided a PowerPoint presentation highlighting the following: Capital improvements; building values; cash flow capital fund agreed upon minimal CIP; original gaps; funds for Orton purchase; accommodations tax question; and public process.

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Ms. Hinsvark suggested that the City pay for the Orton property out of the Capital Projects Fund and repay the fund in future years with the accommodations tax. This is in line with the community push for Bike Town USA.

City Council President Hermacinski believes it is important to keep a certain percentage going into a capital fund so there are funds as we go forward. Once an asset is built it can't move into the general fund of the City if there is continued maintenance.

Council Member Myller stated that he thinks this will be a great use of the money but he wants to get the buy in of the Lodging Committee.

Ms. Hinsvark stated that the City can do more "pay-go" projects that do have an impact on tourism, and Bike Town USA is one of them.

PUBLIC COMMENT: No one appeared for public comment.

**CONSENT CALENDAR: MOTIONS, RESOLUTIONS AND ORDINANCES
FIRST READINGS**

4. **MOTION: To approve the contract between the City and Wendy DuBord to be Interim City Manager on the terms and conditions set forth in the agreement; and to further ratify and affirm all of Wendy DuBord's actions as Interim City Manager from January 3, 2011, the date Ms. DuBord assumed the duties of Interim City Manager; and to further authorize Wendy DuBord to appoint a current City employee to be the Interim Deputy City Manager to become acting City Manager when Ms. DuBord leaves the area.**

City Council President Hermacinski read the motion into the record.

5. **MOTION: Motion to approve a grant to Habitat for Humanity for \$75,000 from the Community Housing Fund to acquire property in Steamboat Springs and to develop a grant agreement with Habitat regarding use of the funds.**

City Council President Hermacinski read the motion into the record.

Council Member Kounovsky stepped down.

Ms. DelliQuadri demonstrated the location of the parcel.

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MOTION: Council Member Magill moved and Council Member Bentley seconded to approve a grant to Habitat for Humanity for \$75,000 from the Community Housing Fund to acquire property in Steamboat Springs and to develop a grant agreement with Habitat regarding use of the funds. The motion carried 6/0.

Council Member Kounovsky returned to the meeting.

6. **RESOLUTION: A resolution approving the submittal of a grant application to Great Outdoors Colorado for the Howelsen Hill Snowmaking Project, expressing intent to provide matching funds and intent to provide annual maintenance of the proposed snowmaking.**

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

7. **RESOLUTION: A resolution approving the submittal of a grant application to Great Outdoors Colorado for the Howelsen Hill Rodeo Facility Site Plan Project, expressing intent to provide matching funds.**

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

8. **FIRST READING OF ORDINANCE: An ordinance amending sections of the City Sales & Use Tax Code to improve clarity and consistency, to capitalize defined terms, and to correct spelling or typographical errors.**

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

9. **FIRST READING OF ORDINANCE: First Supplemental Budget Appropriation Ordinance of 2011.**

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

MOTION: Council Member Bentley moved and City Council President Pro-Tem Quinn seconded to approve items 4 and 6-9 of the Consent Calendar; a motion to approve the contract between the City and Wendy DuBord to be Interim City Manager on the terms and conditions set forth in the agreement; and to further ratify and affirm all of Wendy DuBord's actions as Interim City Manager from January 3, 2011, the date Ms. DuBord assumed the duties of Interim City Manager; and to further authorize Wendy DuBord to appoint a current City employee to be the Interim Deputy City Manager to become acting City Manager when Ms. DuBord leaves the area; a resolution approving the submittal of a grant application to

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Great Outdoors Colorado for the Howelsen Hill Snowmaking Project, expressing intent to provide matching funds and intent to provide annual maintenance of the proposed snowmaking; a resolution approving the submittal of a grant application to Great Outdoors Colorado for the Howelsen Hill Rodeo Facility Site Plan Project, expressing intent to provide matching funds; the first reading of an ordinance amending sections of the City Sales & Use Tax Code to improve clarity and consistency, to capitalize defined terms, and to correct spelling or typographical errors; and the first reading the First Supplemental Budget Appropriation Ordinance of 2011. The motion carried 7/0.

PUBLIC HEARING: ORDINANCE SECOND READINGS

- 10. SECOND READING OF ORDINANCE: An ordinance approving a Land Management Agreement between the City of Steamboat Springs and Howelsen Emerald Park, Inc., a Colorado non-profit corporation; authorizing execution of the agreement; providing for severability; and providing an effective date.**

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

Council Member Bentley provided two clerical changes to page 3 of the agreement.

PUBLIC COMMENT: No one appeared for public hearing.

MOTION: Council Member Bentley moved and Council Member Magill seconded to approve the second reading of an ordinance approving a Land Management Agreement between the City of Steamboat Springs and Howelsen Emerald Park, Inc., a Colorado non-profit corporation; authorizing execution of the agreement; providing for severability; and providing an effective date; with the changes provided. The motion carried 7/0.

- 11. SECOND READING OF ORDINANCE: 2010 Supplemental Budget Appropriation Ordinance to appropriate funds associated with the Series 2010 Certificates of Participation (COPs) which refunded the Series 2001 COPs.**

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

PUBLIC COMMENT: No one appeared for public hearing.

MOTION: Council Member Myller moved and Council Member Kounovsky seconded to approve the second reading of the 2010 Supplemental Budget Appropriation Ordinance to appropriate funds associated with the Series 2010

Certificates of Participation (COPs) which refunded the Series 2001 COPs. The motion carried 7/0.

CONSENT CALENDAR - PLANNING COMMISSION REFERRALS

PLANNING
PROJECTS

12. Planning Commission Report.

Mr. Jason Lacy submitted a written report.

- 13. FIRST READING OF ORDINANCE: An ordinance rezoning property located in Casey's Pond Subdivision, parcels A and C; from RR-1 (Resort Residential One – Low Density) Zone District to MF-3 (Multi-Family Three – high density) Zone District; repealing all conflicting ordinances; providing for severability; and providing an effective date.**

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

MOTION: Council Member Myller moved and City Council President Pro-Tem Quinn seconded to approve the first reading of an ordinance rezoning property located in Casey's Pond Subdivision, parcels A and C; from RR-1 (Resort Residential One – Low Density) Zone District to MF-3 (Multi-Family Three – high density) Zone District; repealing all conflicting ordinances; providing for severability; and providing an effective date. The motion carried 7/0.

PUBLIC HEARING – PLANNING COMMISSION REFERRALS

- 14. PROJECT: Sandefur Subdivision, Lot 1, Mid Valley Business Center, Lot 6 (Walgreens at City South)**
PETITION: Preliminary plat subdivision for a two lot subdivision requesting variances to the required open space, sidewalks and trails.

City Council President Hermacinski read the project title into the record.

PUBLIC COMMENT: No one appeared for public hearing.

MOTION: To approve the preliminary plat subdivision for a two lot subdivision requesting variances to the required open space, sidewalks and trails; Council Member Myller/Council Member Kounovsky; **APPROVED;** Vote 7/0.

- 15. PROJECT: Sandefur Subdivision, Lot 1, Mid Valley Business Center, Lot 6 (Walgreens at City South)**

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PETITION: Appeal to City Council of denial by Planning Commission for development plan/final development plan and PUD for the construction of a 16,450 square foot retail building for a Walgreens. The applicant is requesting variances to the Commercial Over 12,000 Square Foot Design Standards, the Entry Corridor and Urban Design Standards, front setbacks and landscape requirements.

City Council President Hermacinski read the appeal into the record.

Council took five minutes to read the additional information provided.

Mr. Keenan stated that this is a DP/FDP/PUD for retail building. Planning staff and the Planning Commission have recommended denial due to non compliance with the criteria for approval. The specific issues are site planning and the location of building.

Mr. Brian Olsen, Project Developer, stated that much has been made about the variances, but without merit for the efforts of the developer to make concessions regarding the code requirements. He stated that the building is in a suburban setting, and a vehicular area and the code requirements are not compatible with this site. Additionally, they made efforts to encourage transit use and connectivity.

Mr. Eric Smith, representing Walgreens, provided a PowerPoint presentation highlighting the following: site plan; turning movements for semi vehicle; setbacks; layout and location of roundabout; south elevation; west elevation; east elevation; north elevation; northeast view; south view; west view; north view; list of variances; public benefit; existing bus route; and the economic impact analysis.

Council Member Bentley stated that she would prefer that the loading dock be away from the highway so there is not the inundation of advertising from the trucks as they are unloading.

City Council President Pro-Tem Quinn asked about the perceived conflicts in the Code. Mr. Keenan stated that this is based on the Walgreens formula, which does not work with our requirements. This is a function of the user, not necessarily the City's requirements. Many of the site planning issues would go away with a different location.

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Council Member Bentley asked about Walgreens using local contractors. Mr. Smith stated that the building can be built with local contractors and subcontractors.

Council Member Reisman spoke to the gap in landscaping. Mr. Smith stated that they do not want to have to tear up landscaping with the construction of a second building; however they can landscape along the edges and along the highway. They will look into this, as well as along the south side.

PUBLIC COMMENT:

Mr. Jim Cook stated that this corner has always been designated for this type of use and if you look at the other buildings in the area, Walgreens is an "uptick" in design. He believes that the gateway to the community starts at Walton Creek Road, not this location. He encouraged Council to work out the issues because we need this business in town. He introduced a friend who is a retired executive of Walgreens.

Mr. Lynn Earnest, retired executive from Walgreens, stated that he started at Walgreens as a pharmacist and finished his career as a senior operating person in the company. He supports the project. He stated that during his tenure Walgreens did many customer surveys and the main things that people liked were the on line prescription filling process where you can fill your prescription anywhere, and the drive through pharmacy which is great for young mothers with sick kids and the elderly. He believes that the Steamboat residents will love Walgreens.

Mr. Paul Berge strongly supports the project due to the economic development in terms of employment and sales taxes. He stated that he and his wife have a considerable number of medications transferring back and forth and Walgreen's on line national prescription service is a significant benefit as well as the drive through service.

Mr. Michael Puccino, Steamboat Crossings Association, believes that this is not an urban setting and the Code is not accurate for the site. He supports the project and believes that there are "valid miscues" in the Code.

GENERAL PUBLIC COMMENT

No one appeared for General Public Comment.

Mr. Chuck McConnell supports the economic development of Steamboat Springs with this Walgreens project. He stated that there is no construction in our City

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today and this project will provide employment for residents, as well as added competition. Any company thinking of starting in Steamboat Springs will look closely at the business climate here and will look elsewhere if we are not business friendly.

Mr. Ian Prichard, Black Tie Ski Rentals, believes that this project has more forethought and design than any of the other projects there and there will be public benefit with respect to the bus route and parking. Pedestrian crossing at Highway 40 is a problem and a new bus stop and roundabout will offer quite a few benefits. He supports the project.

Mr. Joe Sternberg, Black Tie Ski Rentals, believes that this will be a benefit for people with kids and the elderly. He supports the project.

Mr. Robbie Shine believes that this is a great opportunity to improve the Highway 40 and Pine Grove area and to keep Steamboat sustainable.

Mr. Brian Kelly stated that at first he did not think we needed a 5th pharmacy, but then he got a prescription that cost \$80 and noticed that price can vary by \$20-\$25 at different pharmacies.

Mr. Loui Antonucci, co-owner of the Staple building, stated that when looking at the practicality of the site he agrees with Mr. Smith. He likes the architecture that is compatible and superior to what is there. It will also help with the traffic in the area. He supports the project.

Ms. Madeline Curnin stated that the Code is a guideline and are not right for this site. She supports the project.

Mr. Chris Paoli believes this is a well designed project with a great local developer. He supports the project.

Mr. Rob Harvey believes that the bus stop is a benefit as well as the potential jobs. He also noted that he was worked for Olsen in the past and he is great to work for and uses local contractors when he can.

Ms. Tahnee Miller, pharmacist and co-owner at Lyons Drug Store, asked that Council consider existing local businesses when making its decision. She stated that it is not the products that create diversity for Walgreens, it is the drive-up window which she does not believe is in the best interest of the public due to dispensing errors. She does not believe that this is the right development for this lot and Walgreen's formula does not fit with the City's standards. She requested that Council support the Planning Commission denial.

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Mr. Bruce Carta asked that Council look at what is in this area; they all have different setbacks, drive-throughs and standards. There really isn't a good place to pick up trash and have deliveries. He believes that competition is good and locals need affordable shopping options. He supports the project.

Mr. Luke Tellier stated that locals are very loyal and will continue to frequent their local pharmacies. He stated that "We can't shut the doors behind us."

Mr. Tony Connell stated that this corner in terms of mobility is the "main east/west". He believes that this is the right location for this application because we want vitality and development here. Also the underpass and sidewalk are huge benefits.

Mr. Ed MacArthur believes that the City needs to look at its regulations and "get rid of them". He stated that this is not an urban area and that this is a well done project and a great addition to the area. He believes we need to send the message that "we are still open to business".

Mr. Skip Dierdorff, manager of Alpine Lumber, stated that his initial concern was with oversized trucks, but having looked at the design he thinks this will be a big improvement. He supports the project.

Ms. Wendy Lyon, pharmacist and part owner of Lyons Drug, does not feel this project is necessary and beneficial enough to warrant the variances requested. She also clarified that prescriptions are not taxable. She believes that the products that Walgreens provides are already available in existing businesses and noted that any pharmacy can transfer a prescription anywhere. She voiced concern with decreased patient care and noted the importance of face to face contact.

Council Member Reisman asked about the LEEDS certification. Mr. Keenan stated that if there is not a third party certification, then how would you know that the requirements are met?

MOTION: City Council President Pro-Tem Quinn moved and Council Member Kounovsky seconded to overturn the Planning Commission decision and approve the project with conditions 1-7 and the additional condition that there be additional landscaping at the discretion of the Planning Director. The motion carried 6/1. Council Member Bentley opposed.

Discussion during the motion:

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Council Member Magill supports the motion. He stated that staff and the Planning Commission did a good job taking the Code as it is written and applying it to this site. He believes that Walgreens designed to our code as best it could. Additionally, he likes added landscaping.

Council Member Reisman supports the motion. He believes in this new era of economy we will be defined by our partnerships. You can't ask people to help vitalize the area and rebound the economy and then make it as hard as possible to do that. He believes that the process went well and staff did their jobs. This is not a perfect building but we would be hard pressed to find one.

City Council President Pro-Tem Quinn thanked Planning staff who is in a difficult position and noted that ultimately, it is Council that is the last line of defense from the "absurdity of the machine". He noted an example of when Staples brought competition to town; the Pilot changed its business model and the consumer experience in this town is better for it.

Council Member Kounovsky thanked Planning staff and the Planning Commission for the good documentation. He believes that this is clearly a suburban area and the proposed building fits in there. He is also excited about connection and underpass.

Council Member Bentley likes the bus stop and connection but has many objections; the first is the orientation of the architecture. When thinking about preserving existing local businesses, she noted that Lyons is owned by 3 local women and she does not want to see those families hurt. She believes that Council is responsible to the citizens to choose the highest and best use and she does not believe that just because a person does not support Walgreens, it does not mean that you are against economic development.

Council Member Myller does not believe that this is about Walgreens; he is tired of using the Code to edit who can come to town. He thinks there is a strong argument as to why the building is placed where it is, and he thinks the architecture is decent.

City Council President Hermacinski does not believe it is Council's job to decide who the tenant is and noted that this property is not owned by the community but by a private individual. She reiterated her frustrations with how the Code works.

G. REPORTS

16. Economic Development Update.

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No report was provided.

17. City Council

Council Member Magill:

1. Attended a CAST meeting in Snowmass where many of the presenters did not feel that there will be any big development for the next 5-10 years and noted the need for public/private partnerships.
2. Attended the Chamber Allocation meeting for special events.

Council Member Reisman:

1. Also attended the CAST meeting and noted the support conveyed for Jon Roberts.
2. Believes that from a government standpoint, the City may lag in sustainability.
3. Was in Denver to visit the offices of "Something Independent" who is involved in the "branding" of Colorado businesses and have access to some "big players" in the State. He would like to have them come here for a forum. Council Member Bentley suggested having them present at the Economic Summit. Council Member Kounovsky suggested the use of Skype.

City Council President Hermacinski:

1. Spoke to the accommodations tax item and asked if Council has any questions to contact Ms. Hinsvark. She noted the importance of understanding the issues before meeting with Parks and Recreation, IRAC and the Chamber and prior to the March 1 agenda item.
2. Noted her frustration with the lack of progress made at the last economic development meeting with Mr. Roger Good. Council Member Magill believes that Council needs more short term action items. City Council President Pro-Tem Quinn feels that there was general consensus for Biketown USA but noted that staff needs direction. City Council President Hermacinski stated that it is also important to point out what the City is already doing in terms of economic development. Council Member Kounovsky noted the need for Council to be prepared and ready to move on.

City Council President Pro-Tem Quinn:

1. Attended a Mainstreet meeting where Mr. Al White spoke on "shoring up" funding for tourism in Colorado.

Council Member Myller

1. Attended a Biketown USA meeting.

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18. Reports

- a. **Agenda Review:**
 - 1.) **City Council agenda for February 15, 2011.**
 - 2.) **City Council agenda for March 1, 2011.**

Council reviewed the above agendas.

19. Staff Reports

- a. **City Attorney's Update/Report.**

Mr. Lettunich had no report.

- b. **Manager's Report: Ongoing Projects**
 - 1.) **Council compensation.**

MOTION: Council Member Magill moved and City Council President Pro-Tem Quinn seconded to forgo Council's annual raise. The motion carried 7/0.

Ms. DuBord provided a written report on follow ups to Council direction.

She asked for a volunteer to be on the evaluation team for Iron Horse RFP's. Council Member Bentley and Council Member Kounovsky volunteered.

OLD BUSINESS

20. Minutes

- a. **Regular Meeting 2011-01, January 4, 2011.**
- b. **Special Meeting SP-2011-01, January 13, 2011.**
- c. **Regular Meeting 2011-02, January 18, 2011.**

MOTION: Council Member Bentley moved and City Council President Pro-Tem Quinn seconded to approve the January 4, 13, and 18, 2011 City Council minutes. The motion carried 7/0.

ADJOURNMENT

MOTION: Council Member Myller moved and City Council President Pro-Tem Quinn seconded to adjourn Regular Meeting 2011-03 at approximately 8:28pm. 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 _____, 2011.

AGENDA ITEM # 17c

CITY OF STEAMBOAT SPRINGS

REGULAR MEETING NO. 2011-04

TUESDAY, FEBRUARY 15, 2011

MINUTES

Ms. Cari Hermacinski, City Council President, called Regular Meeting No. 2011-04 of the Steamboat Springs City Council to order at 5:03pm, Tuesday, February 15, 2011, in Centennial Hall, Steamboat Springs, Colorado.

City Council Members present: Cari Hermacinski, Jon Quinn, Meg Bentley; Bart Kounovsky, Walter Magill, Scott Myller and Kenny Reisman.

Staff Members present: Wendy DuBord, Deputy City Manager; Dan Foote, Staff Attorney; Julie Franklin, City Clerk; Philo Shelton, Director of Public Works; Tyler Gibbs, Director of Planning and Community Development; Kim Weber, Manager of Budget and Tax; Seth Lorson, City Planner; Chris Wilson, Director of Parks, Recreation and Open Space; Rachele Summers, Sales Tax Auditor; Jason Peasley, City Planner; Deb Hinsvark, Director of Financial Services; John Thrasher, Human Resources Manager; Anne Small, Interim Director of Internal Services; Ron Lindroth, Fire Chief; and JD Hays, Chief of Police.

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

JOINT MEETING WITH THE COUNTY COMMISSIONERS

County Commissioners present: Doug Monger and Diane Mitsch Bush. Nancy Stahoviak was absent.

County staff present: Tom Sullivan, County Manager; Rebecca Bessey, County Planner; and Chad Phillips, Planning Director.

- 1a. Discussion and consideration of suspending the acceptance of applications for amendment to the Urban Growth Boundary (UGB) until the finalization of the update to the Steamboat Springs Area Community Plan (SSACP) since the update will consist of a review and possible changes of the current UGB and the criteria for considering amendments to the UGB.**

- 1b. If City Council and County Commissioners decide not to suspend the acceptance applications for amendment to the UGB during the SSCAP update process, should planning staff advertise for acceptance of applications with a specific application deadline?**

Mr. Chad Phillips stated that there are criteria to review UGB requests but the City and County need to decide whether or not to accept applications or to set a date and advertise for applications to amend the UGB. Last year no applications were received and 2 years ago there were 5 applications. Staff recommends that we wait to see if any applications are filed.

Commissioner Mitsch Bush believes it is unrealistic to apply; however she does not want to dissuade people from applying. She suggests a pre-application conference so if there is an applicant they can have a realistic expectation.

City Council President Hermacinski noted that since adoption of the UGB, there has never been an application approved.

PUBLIC COMMENT: No one appeared for public comment.

Council Member Magill supports the recommendation to have a pre-application conference.

Commissioner Monger supports proceeding as we have been doing; we are open for applications but there is no sense in advertising.

City Council President Hermacinski stated that if someone does come in it would be appropriate to advertise to see if there are other interested applicants and then have the pre-application conference.

UNANIMOUS CONSENT: Continue as in 2010, if an application comes in then advertise to see if there are others interested and have pre-application conference.

Commissioner Monger noted the need to work together if there is an application as to not duplicate work.

2. Steamboat Springs Area Community Plan (SSACP) Update.

Mr. Peasley stated that City and County staffs are preparing the presentation to re-engage the community as to what has changed and what are the priorities. Staff is going to create a scope of work for an eventual update to the plan. The

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plan is to present to Council and the Commissioners in early April then begin the community meetings.

City Council President Hermacinski asked about the cost. Mr. Peasley stated that we have the opportunity to borrow the resources (the keypad) from the Aspen Planning Department and further financial requirements will come in April.

Commissioner Monger asked which items will be addressed. Mr. Peasley stated that after the keypad polling, staff will have a general sense of feeling about some of the key items like growth and housing. Staff will gauge the scope based on feedback and will have a cost for first phase which will then form the second phase.

City Council President Hermacinski asked what if it is determined not to revisit some goals or if there are new goals?

Commissioner Mitsch Bush spoke to the "score card" component of what has been done so far. However there is the problem with never knowing what has been achieved in the plan.

City Council President Pro-Tem Quinn spoke to the vacant land capacity analysis and the need to discuss the WSSAP and affordability. The analysis does not take into account the price of these lots which are not possible for attainable housing for the workforce. Mr. Peasley stated that staff intends to look into this and will be looking at different growth scenarios.

Commissioner Mitsch Bush believes that some multi family and mixed use would be attainable. She stated that with the original plan the meetings started with neighborhood meetings that were very general and then it got specific. They developed a set of scenarios with different projections and then they had a charrette.

Mr. Peasley stated that they will talk more about expanding affordability and will factor in transportation, etc.

PUBLIC COMMENT:

Mr. Tom Fox stated that there is a lot of acreage in the UBG but much of it is not developable and you have to take into account road grades, water, and skyline issues. He suggested doing an assessment of what's left that is developable.

Council Member Magill believes that transportation with alternatives is very important as well as affordable housing and trails.

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City Council President Hermacinski asked if this is an opportunity to simplify or prioritize to not have the "shotgun" approach. Mr. Peasley stated that the community may benefit from having a more focused plan and one vision. It is a matter of trying to find where there is overlapping interest and then build upon it.

Commissioner Monger would prefer a simpler approach and a simpler plan, but do we need a new plan or just a rewrite?

City Council President Hermacinski suggested going through an exercise of the contents and then ranking them.

Mr. Phillips stated that it is still a good plan, but there are some items that need to be tweaked.

Council Member Bentley agrees, also Council is interested in simplifying and making sure that there are no contradictions.

Council Member Kounovsky noted that there is not a big budget and hopes that all will be done in-house. Mr. Gibbs stated that this is the objective. Looking at what has changed since 2004 and changing the strategies.

PUBLIC COMMENT: No one appeared for public comment.

UNANIMOUS CONSENT: Schedule a Joint Meeting update on April 5, 2011.

Items for next meeting: Core trail and non motorized transportation.

Commissioner Mitsch Bush noted that she has been looking at the easements for the core trail and there are some things that need to get worked through.

COMMUNITY REPORTS/CITY COUNCIL DISCUSSION TOPIC:

3. Fire District Consolidation discussion.

Fire District Board members present: Kathy Connell, Scott Haverner, Jim Ficke, Allan White and Cliff Heltzel. Fire District staff Allison St. John and Paul Sachs were also present.

Ms. Kathy Connell stated that the Board, along with City Council President Hermacinski and Council Member Reisman, have been working on this for months. Stabilizing a funding source is the big problem and there is a need for a tax which could be offset by a reduction in food and utility costs. After research

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they found out that this would not be enough. Additionally, after receiving feedback from TPAB they realized that there is a lack of understanding and felt that if they went to the ballot for a tax in the next 12 months it would fail.

It is important for Council and the Board to agree that there is funding problem which will get worse as the population grows and the present intergovernmental agreement (IGA) will not allow us to move into the future. They feel that it is necessary to throw out the IGA and rewrite it to allow for finding a stabilized funding source. She emphasized that the change would mean that a District Board would run the Fire District, not the City. She asked, do we agree that our community is larger than just the City limits? The Board does not want to move forward until these items are addressed.

Mr. Lindroth explained the "4 tiers of protection": 1. public education, understanding the dangers of fire and prevention; 2. building codes and how they are enforced; 3. On duty crews of 8 personnel with ability to handle two minor incidents at the same time, 1 moderate/small fire, and beyond that; 4. call back of off duty forces. A 4th tier protection is needed any time the fire goes beyond a "room and contents" fire.

He stated that 20 percent of the calls are "two call out" calls that require off duty staff and volunteers. As danger increases the ability to have 4th tier get to a fire in timely manner decreases. In the district they are meeting response times only 5 percent of the time. He believes that the City and the District have the capability to improve together, better than separately; to properly locate fire stations and to look at the community as a whole.

Open and consistent interaction with the public is important and relocating a fire station to justice center area does not do any good, there needs to be a strategic plan regarding station location. Additionally, they need to build a training facility to train personnel to fight high-rise fires.

Mr. Lindroth clarified that turning full governance over to the district board would mean that he would work for the Board directly. Ms. Connell clarified that if we rewrite the IGA the City's assets and personnel are turned over to the district.

With respect to the annual budget process, Ms. Connell stated that the Board would set an annual budget and then it would come before the Council to approve. She stated that they want to create a structure that will make it easier for the District to go the voters for a stable funding source. Council needs to understand that the rewritten IGA will not work unless both parties collectively move towards a stabilized funding source.

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Council Member Bentley agrees that there needs to be much education now before going to the voters. Ms. Connell also noted the importance of having the media to work with us.

Council Member Reisman asked what happens if a consolidation vote does not pass. Mr. Scott Havener stated that the questions will be structured so that if one did not pass then it would be null and void.

PUBLIC COMMENT: No one appeared for public comment.

Council Member Bentley believes it is exceedingly important to continue on this path and get through the difficulties.

City Council President Pro-Tem Quinn agrees. It is clear that there is an impending crisis and a single District Board is a better entity to go to voters for funding source.

Council Member Kounovsky agrees that this is the appropriate track to take.

Council Member Myller does not feel that it is necessary for the City to have its own fire department.

Ms. DuBord noted that the Consolidation Committee unanimously recommends consolidation. There will be difficult things to talk about when transferring millions to a different entity; however it is the best way to go.

City Council President Hermacinski believes there will be cost savings in operating with a single governing body.

**CONSENT CALENDAR: MOTIONS, RESOLUTIONS AND ORDINANCES
FIRST READINGS**

- 4. MOTION: Motion to approve the Chamber Special Events Funding as recommended by the Special Event Funding Committee.**

City Council President Hermacinski read the motion into the record.

Council Member Magill noted that he sat on the Special Events Funding Committee. There were a lot of bike events including the Quiznos Pro Challenge. He believes that the \$65,000 in funding is a fair number.

Discussion commenced on the process.

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MOTION: Council Member Magill moved and Council Member Bentley seconded to approve the Chamber Special Events Funding as recommended by the Special Event Funding Committee. The motion carried 7/0.

5. **RESOLUTION: A resolution restricting trucks over 12,000 pounds with exceptions for Transit Vehicles and Construction Vehicles on Crawford Spur Road.**

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

City Council President Hermacinski noted the need to clarify whether transit vehicles will include taxi service or not.

City Council President Pro-Tem Quinn thinks taxi service should be included.

Council Member Reisman asked about the traffic study and if it looked at re-routing the triangle, one ways, etc. Mr. Shelton stated that with the level of service of intersections this would just moved the problem around. There is not a lot of traffic volume on any of those streets to trigger improvements. Little steps can be taken to make improvements.

Council Member Bentley is okay with small "people movers" being allowed.

MOTION: Council Member Myller moved and City Council President Pro-Tem Quinn seconded to approve a resolution restricting trucks over 12,000 pounds with exceptions for Transit Vehicles and Construction Vehicles on Crawford Spur Road; clarifying the exception for all mass transit. The motion carried 4/3. Council Member Magill, Council Member Kounovsky and Council Member Reisman opposed.

GENERAL PUBLIC COMMENT

Paul Christian voiced concern with the management of a local trailer park.

6. **RESOLUTION: A resolution approving the execution of a grant from the Colorado Aeronautical Board and Division of Aeronautics to fund airport improvements and land acquisition at the Steamboat Springs Airport, designating the Bob Adams Field Airport Manager as project manager and authorizing the City Manager to execute the grant contract.**

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

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Council Member Kounovsky asked about the 44,000 dollars from operating to accommodate an unplanned expense. Mr. Shelton stated that there was an opportunity after the budget was adopted. The City had some expenses in 2010 that were eligible to be reimbursed and this grant covers some of those expenses.

Council Member Kounovsky stated that this appears to come through three items for land acquisition. Mr. Shelton stated that every year the City gets about 150,000 dollars to invest in airport capital and the City's match is about 5 percent.

Ms. Hinsvark explained that Mr. Shelton got caught in some accounting issues and he has some "wiggle room" to work with.

MOTION: Council Member Bentley moved and City Council President Pro-Tem Quinn seconded to approve a resolution approving the execution of a grant from the Colorado Aeronautical Board and Division of Aeronautics to fund airport improvements and land acquisition at the Steamboat Springs Airport, designating the Bob Adams Field Airport Manager as project manager and authorizing the City Manager to execute the grant contract. The motion carried 7/0.

7. FIRST READING OF ORDINANCE: Second 2011 Supplemental Appropriation Ordinance/Orton Property purchase.

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

Ms. Hinsvark stated that the City has a 250,000 dollar CIP problem that is being pushed out. There is 78,000 dollars is needed for design work to apply for the grant.

Mr. Shelton stated that this is a FEMA floodplain grant, which was scaled back from its original scope.

Ms. Hinsvark explained that ultimately the purchase of this property will come out of reserves. The City did not have the 750,000 dollars in the budget.

MOTION: Council Member Bentley moved and Council Member Kounovsky seconded to approve the first reading of the Second 2011 Supplemental Appropriation Ordinance/Orton Property purchase. The motion carried 6/1. City Council President Hermacinski opposed.

8. FIRST READING OF ORDINANCE: Third 2011 Supplemental Appropriation Ordinance and establishment of Quiznos Pro Challenge Race special revenue fund.

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

Council Member Magill stated that he is hesitant to believe that the return on investment will be that great.

Council Member Myller stated that there is no guarantee that this event will come again next year. However, getting this world class racing event in the community for just one year will be beneficial. The City is one of the biggest contributors, but the whole community is "stepping up".

Ms. Sandy Evans Hall stated that they are anticipating up to 10,000 people to come to town along with national and international media. This will have the biggest impact on the entire summer, similar to a World Cup. The money going to the event will be more than matched by local businesses.

Ms. Kara Givnish spoke to the Ride the Rockies event, noting that they ask the Chamber to provide entertainment and information booths as a local information point.

MOTION: Council Member Magill moved and Council Member Bentley seconded to approve the first reading of the Third 2011 Supplemental Appropriation Ordinance and establishment of Quiznos Pro Challenge Race special revenue fund. The motion carried 7/0.

9. FIRST READING OF ORDINANCE: An ordinance approving a hangar lease to Jean P. Sagouspe, Old West Management at the Steamboat Springs Airport and authorizing City Council President to sign lease documents; repealing all conflicting ordinances; providing for severability; and providing an effective date.

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

10. FIRST READING OF ORDINANCE: An ordinance vacating a utility easement located within a portion of Lot 6, Mid Valley Business Center (City South Subdivision).

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

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MOTION: City Council President Pro-Tem Quinn moved and Council Member Myller seconded to approve items 9 and 10 of the Consent Calendar; the first reading of an ordinance approving a hangar lease to Jean P. Sagousse, Old West Management at the Steamboat Springs Airport and authorizing City Council President to sign lease documents; repealing all conflicting ordinances; providing for severability; and providing an effective date; and the first reading of An ordinance vacating a utility easement located within a portion of Lot 6, Mid Valley Business Center (City South Subdivision). The motion carried 7/0.

PUBLIC HEARING: ORDINANCE SECOND READINGS

- 11. SECOND READING OF ORDINANCE: An ordinance amending sections of the City Sales & Use Tax Code to improve clarity and consistency, to capitalize defined terms, and to correct spelling or typographical errors.**

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

Council Member Bentley complimented staff's work on this ordinance, stating that it is "beautiful work".

PUBLIC COMMENT: No one appeared for public hearing.

MOTION: Council Member Bentley moved and Council Member Myller seconded to approve the second reading of an ordinance amending sections of the City Sales & Use Tax Code to improve clarity and consistency, to capitalize defined terms, and to correct spelling or typographical errors. The motion carried 7/0.

- 12. SECOND READING OF ORDINANCE: First Supplemental Budget Appropriation Ordinance of 2011.**

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

Council Member Myller inquired about the balance. Ms. Hinsvark stated that the City loaned 954,000 dollars to the Yampa Valley Housing Authority. In the loan it was agreed to put \$550,000 dollars into a escrow account and use these funds to repair the railroad crossing. Public Works staff did some of the work on the railroad and saved money. The intent of the money was for affordable housing and it works better if we take the money out and put it in the housing fund. This is simply additional monies being moved over for better accounting.

PUBLIC COMMENT: No one appeared for public hearing.

MOTION: Council Member Myller moved and Council Member Bentley seconded to approve the second reading of the First Supplemental Budget Appropriation Ordinance of 2011. The motion carried 7/0.

CONSENT CALENDAR - PLANNING COMMISSION REFERRALS

PLANNING
PROJECTS

13. **RESOLUTION:** A resolution of the City Council of the City of Steamboat Springs, Colorado, finding the change of the Future Land Use Designation of the parcel of land known as Casey's Pond Subdivision, parcels A and C from Resort Residential to Neighborhood Residential - Medium to be in compliance with the criteria for approval of a Minor Amendment to the Steamboat Springs Area Community Plan.

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

It was noted that the Planning Commission approved this item 7-0.

MOTION: Council Member Bentley moved and Council Member Myller seconded to approve the resolution of the City Council of the City of Steamboat Springs, Colorado, finding the change of the Future Land Use Designation of the parcel of land known as Casey's Pond Subdivision, parcels A and C from Resort Residential to Neighborhood Residential - Medium to be in compliance with the criteria for approval of a Minor Amendment to the Steamboat Springs Area Community Plan. The motion carried 7/0.

PUBLIC HEARING – PLANNING COMMISSION REFERRALS

14. **SECOND READING OF ORDINANCE:** An ordinance rezoning property located in Casey's Pond Subdivision, parcels A and C; from RR-1 (Resort Residential One – Low Density) Zone District to MF-3 (Multi-Family Three – High Density) Zone District; repealing all conflicting ordinances; providing for severability; and providing an effective date.

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

PUBLIC COMMENT: No one appeared for public hearing.

MOTION: Council Member Bentley moved and Council Member Myller seconded to approve the second reading of an ordinance rezoning property located in Casey's Pond Subdivision, parcels A and C; from RR-1 (Resort Residential One –

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Low Density) Zone District to MF-3 (Multi-Family Three – High Density) Zone District; repealing all conflicting ordinances; providing for severability; and providing an effective date. The motion carried 7/0.

REPORTS

**15. Economic Development Update.
a. 2010 Financial Results – Preliminary.**

Ms. Hinsvark provided a PowerPoint presentation highlighting the following: 2010 preliminary budget versus actual: General Fund; revenues/expenditures and net changes 2005-2010; General Fund balances 2005-2010; revenues other than taxes 2005-2010; tax and assessment revenue 2005-2010; 2009-2010 sales tax collection – cash basis; General Fund expenditures; Capital Fund balances 2005-2010; Capital Fund revenues 2005-2010; 2005-2010 CIP expenditures; 2010 preliminary results; and 2009 actual results.

PUBLIC COMMENT: No one appeared for public comment.

16. City Council

Council Member Myller:

1. Has had constituent complaints on the false alarm ordinance, asking the question "how do you know it is false?" **DIRECTION**: Staff to provide an update during City Manager's Report.

City Council President Pro-Tem Quinn:

1. Noted that First Impressions was informed by the State to suspend all expenses pending a decision on massive budget cuts. This will have a significant impact on their ability to operate.

Council Member Magill:

1. Asked for an update on access to the Skate Park. Discussion commenced on this item going to the Management Team to be prioritized in the CIP. **DIRECTION**: Staff to provide an update and cost estimate under the City Manager's Report.
2. Asked for an update on late night bus service. Mr. Shelton noted that ridership has been flat this past month, but this is compared to the busy holiday season.
3. Noted that Winter Carnival was a great event.

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17. Reports

a. Agenda Review

- 1.) SSRA agenda for March 1, 2011.
- 2.) City Council agenda for March 1, 2011.
- 3.) City Council agenda for March 15, 2011.

Council reviewed the above agendas.

18. Staff Reports

a. City Attorney's Update/Report.

Mr. Foote had no report.

b. Manager's Report: Ongoing Projects.

Ms. DuBord reported on the following:

1. Received a request from Advocates to sponsor a grant that needs to flow through local government; it is for a program to provide the safe exchange of children. The Chief of Police supports this request and Finance staff is willing to do work. **UNANIMOUS CONSENT:** Staff to proceed.
2. With regard to economic development, noted that Mr. Gibbs contacted Commerce City and Mr. Shelton contacted Westminster and both are willing to talk to Council. **DIRECTION:** Staff to look into a conference call or Skype or a meeting in person after the March 15, 2011 meeting.

1.) Council representative to the HEMP Board.

UNANIMOUS CONSENT: Council Member Myller to serve as the Council representative to the HEMP Board.

ADJOURNMENT

MOTION: Council Member Reisman moved and Council Member Bentley seconded to adjourn Regular Meeting 2011-04 at approximately 8:03pm. 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 _____, 2011.