

**The Town of Bayfield
Regular Meeting of Town Board
11 W. Mill Street, Bayfield Co 81122**

January 15, 2008

Town Board Present: Rick Smith, Russ Jones, Carol Blatnick, Mayor James Harrmann, Daryl Yost, Tom Au and Niel Hieb.

Staff Present: Justin Clifton, Town Manager, Pat Anselmo, Town Clerk, Joe Crain, Town Planner, Dirk Nelson, Town Attorney, Jack McGroder, Intern, Theresa Hill, Administrative Assistant.

Planning Commissioners: Robert Piccoli, Chair, and Pamela Smith.

Media: Carole McWilliams, Pine River Times, Karen Boush, Durango Herald.

Approval of Minutes: December 4, 2007, December 18, 2007:

December 4, 2007 Minutes: Carol Blatnick asked that 'ergo' on page two be changed to 'therefore'. She then moved to approve the minutes of December 4, 2007 as corrected.

Rick Smith seconded. The vote was six in favor. Motion carried.

December 18, 2007 Minutes: Tom Au wanted to make *sure* that the minutes were explicitly clear that Goff Engineering was the engineer for the Town spanning the Sunrise Estates era. Because of their involvement in the reviews of the Sunrise Development projects, Tom is not convinced that Goff could be relied on to give an unbiased opinion of the work that was done, (or not done, as the case may be).

Tom also wanted the minutes to mention the gentlemen who approached the Board at the end of the meeting. The man did not give his name, but said that he owns a home in Cinnamon, and it has a 'lot' of water in the crawl space.

Carol moved to approve the minutes of December 18, 2007 with the requested additional information. Russ seconded. The vote was six in favor. Motion carried.

General Public Input: Carol McWilliams urged the Board to consider moving the regularly scheduled board meeting set for February 5 to allow people to participate in the presidential caucus.

Teddy Jack was present to ask why he was 'the only one on North Street who could not park in the town's right of way'. He asked what guidelines Ron was using when he had the letter compiled. Teddy quoted Section 13-24 of the Bayfield Town Code. He said he has been at his present address for fifteen years. This is the first year that his parking in the town's right of way has been an issue.

The Mayor asked Teddy to make an appointment with the Town Marshal to resolve this. Caroline Hull addressed the Board. She brought a letter regarding her position on agenda items #16 and #15. She said she is not going to be here at 10:30 tonight. She resides next to the old Fox Tower. She thinks that preserving it as a historical site is a good idea. At first she was not in favor of allowing modular homes at this location. But if they don't impact her property in a negative way, she is in favor of having them in there. She added that modular homes qualify for financing on the market.

The Mayor closed the public hearing.

Justin introduced Jack McGroder, the Town's new Intern, to the board.

Agenda Item #1: Approval of Bills: Justin explained that on the payables list handed out tonight, there are two invoices for attorneys. They are for two different entities; one invoice is for the changeover, (dissolution) of the Sanitation District. The invoice for Kogovsec reflects the consultant's fee to earmark the federal money for the project. Now that the final conversion has taken place, the Town will probably continue at least a month or two with them. The \$7500 represents legal fees for three months. Their efforts brought \$400,000 to the table. The Town will not be using their firm on a regular basis. Carol asked about the payment for meter replacement at the laundry. She wondered if it was damaged in the vandalism that occurred there recently. Justin confirmed that this bill is not related to the vandalism.

The \$25,000 was part of the incentive for the School District to install pre-treatment systems required for continued sanitation service.

The assets have been transferred from the Sanitation District to the Town of Bayfield.

The loans are in process of being transferred.

The Board had questions about water billing for the landscaping strip along the Highway 160 corridor.

Carol Blatnick moved to approve the payment of bills as presented. Tom Au seconded. The vote was six in favor, motion carried.

Agenda Item #2: Planning Commission Report: Robert Piccoli read his report.

The Board had no questions.

Agenda Item #3: Town Updates: Justin asked for specific questions. Rick Smith asked if Justin had received any response to the RFP for an IT systems company.

Daryl wanted to be sure and acknowledge Pine River Valley Bank and Lewis Merc for their monetary contributions to help with construction costs of the senior center.

Justin was asked to quantify the level of serviceability they are planning on with the new waste water treatment facility, i.e., what are the requirements for loading per day. Justin responded that the new plant is designed to meet anticipated growth demands for the next fifteen years.

Daryl asked if LPEA has signed the electrical easement for the waste water site. Justin replied no, they have not signed it yet, it is still in process.

Dave Akers will make the decision on the settlement offer (State fine for the Town regarding the non-compliance of the Sanitation District). They custom design their fines, the fines are mandated. Justin said this is a good example of bad government. If they make us pay a fine, we will have less money to spend on upgrading and building the system. They are levying fines for other towns in Colorado as well. If the Town is given a settlement order, Justin can dispute it. He does not know what the final settlement offer will be. The State budgets this money, they already expect to receive the fines from the towns. However, Justin said, 'until we get a final offer, it is speculation that they will fine us'.

Carol asked Marty to give a short update on his projects. He replied that they poured concrete Thursday, Friday and Monday. He anticipates a fourth major inside (foundation) concrete pour this Friday. The steel has not yet arrived, it is scheduled for

delivery the fourth week of January. He has back filling to do before the steel arrives. They used heated water to mix the concrete. He has ground thaw pipes placed to keep the concrete warm as it cures out. Marty explained 'we will probably exceed the winter budget by 15 to 20 percent. But there are other areas that they can move money around'. The soils mitigation costs for the Senior Center area ran about \$25,000. Tom asked Justin if the Town has a contractor on board yet for the Sewer Plant. Justin replied 'Yes, Southwest Contracting, it is the same process as we have with FCI. We pay them for consulting services; they will be one of a few companies that bid the project. They are available, currently doing estimates and acting as consultants to the Town.'

Agenda Item # 4: Snow Plowing: Justin wanted to let the Board know of the effort that the Public Works put forth to get the snow cleaned up. Some people were rude. Others asked for improved service. There were people who were upset that they had to shovel their drives after being plowed in. The snow was so heavy the plow trucks had difficulty moving some of it. The crew plowed for 30 hours straight. It is still a work in process. But, all essential areas are safe. Some sidewalks, especially the one at Sossaman, are buried. Because the sanitation filters froze up, the crew had to deal with that as a priority. There were also power outages that they had to deal with.

Justin held a conversation with Teddy Jack, and assured Teddy that he has not been singled out by Town staff.

Daryl said the town staff did a monumental job, with all the problems they had to deal with.

Carol said she is concerned about all the equipment that broke down and asked if they can get it fixed before the next storm. Justin answered in the affirmative, 'we will get it all fixed and be ready to go'.

Tom asked if the Town has an emergency plan for getting fuel if the stations are down. Justin said 'yes, we do have plan, the town of Ignacio offered their fuel, and the county also'. He added, 'some local folks have a significant supply on hand that they are willing to offer to the town in case of an emergency'.

Agenda Item # 5: David Black Easement Agreement: Justin said that there are a couple of items that the Board needs to address. The first is the group of outstanding invoices that Dave Black is requesting a waiver for, as a concession to him for granting the easement. The Town had given David a warranty on the driveway, good for one year. Justin has requested outside opinions on the quality of the work on the driveway. His sources said the work on the driveway is good. The unpaid invoices run about \$700.00. Justin confirmed that the Town will address the water seepage. Gabe Candelaria (Alpine Construction) was the primary contractor for the water line work. He is here tonight and can answer any questions that the Board may have. David said he approved the work as presented on a set of plans that he reviewed. He believes that the plans have been altered since his approval, or in other words, the plans now presented are not those that he based his approval on. Justin said the plans being used now are the plans David o.k.'d. It is unfortunate, but it cannot be proven one way or another.

Tom asked what the Town standards for subdivision roads were, and what the course of action would be if in fact the roads fail. 'What warranty do we give contractors?' Justin replied, 'a two year warranty period'.

David is asking for invoices to be waived because, he explained, when he started the subdivision process, he was not aware that engineering fees would be assessed to the lot owner. He is only asking some value for granting an easement to the Town. He is asking for a two year warranty on the driveway from the Town to warrant the towns work. David said the PRV has water in it. He understands that the town will move it (PRV) completely. He understands that the town will dig up the dirt that has the asbestos shards in it, remove it and bring in clean dirt. David continued, Item 6 and 7 run together. In the process of doing the job, the service lines did not end up where he anticipated they would be. The water services to the three homes are convoluted. His line, Broadheads line, and McCoys line are in the same ditch. David feels that the seepage is a result of the way the pipe was put in. In his opinion, Lot 119 D has been negatively impacted by the placement of the waterline. David is not sure of the source of the seepage water. He then addressed Item #8 on his list of demands. He wants to bring back a plat, redrawn, to deal with the place where the new PRV is situated. It is far too high above ground. He was not shown what the PRV would look like; he did not realize that it would be as ugly as it is. He wants to bring a map back, without incurring further fees and no further engineering review fees from the Town. He explained the narrative about the existing line. He can't build on top of the easement, so there is a need for a new easement. The water line is in place, the easement needs to go with it. He is asking that the Town work with him. Daryl questioned David, 'do you intend to sign the easement agreement?' David replied, 'yes, I'll sign it tomorrow'. Justin has the easement available tonight for David to sign.

David said he should never have given land to Fox Farm, he got burned.

Daryl responded, 'concerning the engineering, are all of those engineering criteria met already?' David wants to bring a different plat back to the board. He had an approved plat, before the engineered plans were done. The placement of the water line is not where the map reflected. They include the plat; they do not include the engineered drawing. David wants to start again. He has delivered a list of eight items to the Town, which he expects, the Town to comply with if he is to sign an easement. This list was included in the packet. Justin commented on the following:

The Redraw of The plat: David wants the existing fee waived and any news fees not implemented. Justin mentioned that all subdivision agreements reflect that the property owner is responsible for engineering fees. Justin thinks that the SIA is in place. David said it cannot be, the easement hasn't been granted. Russ commented that every developer pays for engineering fees. Justin agreed, 'yes they do'. Rick was concerned because the invoices involved do not have anything to do with the project. David agreed, 'no, they do not'. Rick suggested the Town move the water line back where it was, move the PRV and go back to the beginning. Russ noted, David wanted to subdivide, the Town needed an easement. The board felt that this *was* the agreement.

David responded the Town did not do what the agreement said. The water lines were relocated; David was not satisfied with the placement. Justin moved forward on good faith. Russ's stance was, 'there is no negotiation. David's requests are not justified'. Justin concluded the only way to move forward is to make a decision on each item. Rick concurred, the Board should vote on each item. Daryl and Tom agreed to this. The other four wanted the agreement to be addressed in its entirety.

Driveway Warranty: The entire Board was in agreement with giving David a two year warranty on the driveway work.

Weed Mitigation, Removal of PRV and Concrete vault, CAP Shards: These items have already been agreed to by the Town.

Water Service Lines: David wants the Town to take the responsibility of fixing the water lines if anything goes wrong. Usually, if the line is on the owner's property, it is the property owner's responsibility to fix. Russ asked how this relates to the perceived wrong doing on lot 114 D. Russ said 'It does not. Give him a two year warranty on the water line and let the liability stay with the property owner. Amend #6 to that effect.' Everyone on the Board agreed with this.

Water Seeps: Justin explained that *anytime* dirt is disturbed, water makes its way through following the course of least resistance. He doesn't feel the town should take steps to rectify this problem. Russ commented, 'cap everything, concrete the old pipe, do everything reasonable'.

Neil Hieb said the Town should not commit to anything other than removing the PRV, and an attempt to prevent future seeps. The Board agreed, the Town will remove the old PRV and see that the existing pipe is sealed with concrete. Gabe asked if the Town was going to remove the entire concrete vault. The reply was 'yes'. All board members voted yes to removing the old PRV and sealing the existing pipe.

David retorted, 'the water seep is the issue'. He wants the town to discover where the seepage is originating and if it is coming from any pipe. Neil commented the Town cannot take the responsibility for all seeps from now on. Rick said, 'the Town will look at the area where it is seeping. That is it'. Daryl queried, 'how will you fix a line from the 1900's?' Gabe said the old flume is redwood; it will not be easy to find. There is an irrigation canal close by; it would be really difficult to make a determination. If you have to dig back into the asbestos line, you would exacerbate the problem instead of fixing it. You will not find it by digging a two foot area. He asked if David wants the town to dig another 200 feet of his land. David agreed that if the redwood line is the source, he would be satisfied with the towns fixing it.

Rick summarized, the Town will a) go to east side, b) find the redwood line, c) find the leak, d) concrete the leaking pipe. He asked, "is David ok with that?"

David started to answer, saying 'if'. But, he was cut off by Neil emphasizing that taxpayers should not have to pay for problems that were not created by the Town.

Complete Re-Drawing: Rick is not going to agree to a complete redrawing for Lot 119. Tom Au suggested giving David a 'one time review', but no more. \$750 is for the first review, \$350 for a subdivision. The Town could waive up to \$1200. Six members of the Board were o.k. with that, but Neil disagreed.

David said he would not sign the easement tonight because item #1 was not agreed to. Joe Crain informed the Board that David's vested rights expire day after tomorrow (January 17, 2008) at midnight.

Daryl made a motion to write up an agreement with all conditions as voted on tonight. Rick seconded. The vote was six in favor, motion carried.

Agenda Item #6: Extension of Vested Rights – Bay Heights Re-subdivision of Lot 119 – David Black:

Daryl made a motion to extend David Black's vested rights until the next Board meeting. Tom seconded. The vote was six in favor. Motion carried.

Agenda Item # 7: Extension of Vested Rights – Dove Ranch Subdivision – Brad Elder:

Joe Crain recommended the Board extend Dove Ranch's vested rights another 180 days, to July 17, 2008. Carol so moved. Rick seconded. The vote was six in favor, motion carried.

Agenda Item #8: Public Hearing: Ordinance # 332, Bayview Heights, (Jack Roe), The Highlands at Dove Ranch Annexation- Lot 2, Section 1, T 34 N, R 7 W, NMPM- Parcel # 5677-011-00-022:/ Waiver of 7260 Build Line:

Joe Crain addressed the Board. Bayview Heights is asking for approval of a waiver of the 7260 (elevation) build line (Section 8- 28 of The Town of Bayfield Land Use Code).

Ordinance # 332 is presented for the Boards approval; it pertains to the annexation of the Bayview Heights Inc. property into the Town. Joe suggests going through the discussion of the waiver of the build line first.

Joe gave his staff report. They held a study session several months ago. All referrals have responded. Criteria pertinent to the topography have been met. However, the engineer is not comfortable with the road plans. The road won't be built to a certain standard until a building permit is pulled on lot 36. The road needs to be strong enough to accommodate cement trucks.

Mr. Roe's plans for an outdoor swimming pool meet the emergency water supply conditions placed by the Upper Pine Fire District.

The Roes are going to have a sprinkler system inside the house.

Their sewer needs will be served with an ISDS (individual septic disposable system).

Jack is responsible for getting water from the new tank to his house on lot 36. Building materials remain unchanged. In response to the fire mitigation requirements, there will be a 25 foot cleared zone around the house and a periodic thinning of vegetated areas down below. The site plan is satisfactory. Design standards have been met with a minimal disturbance of vegetation. Vegetation clearing will only occur on the footprint where the house is located. The Planning Commission recommended approval of the waiver contingent upon meeting the seven conditions listed in Joe Crain's report. This will allow Jack Roe to build one habitable structure above the 7260 elevation line as long as he adheres to:

- 1) follow all design commitments and other commitments made at the waiver hearing
- 2) that the applicant post a bond ensuring completion of the driveway
- 3) that asphalt paving of the drive way be completed prior to the issuance of a Certificate of Occupancy
- 4) that the applicant purchases a water tap from the Town of Bayfield at the time of getting a building permit
- 5) that the applicant receives an ISDS permit from The San Juan Health Department prior to issuance of a building permit
- 6) that a landscape plan for the eastern side of the house be submitted prior to the building permit issuance, that the plan utilize berms and trees to block the view from below and to the east, that all exterior lighting be cast downward and be shielded.

The waiver will not be effective until the Towns engineer and the Upper Pine Fire District both approve the road plans.

Herm questioned the 25 foot clearance requirement for fire mitigation. Caroline Hunter, architect for Mr. Roe explained that they are not building on top of the hill, but the home will be situated down below the top of the hill, just a little. There are existing trees that will be preserved. The trees will block the sight from Mr. Vaughn's vantage point.

Regarding Mr. Crain's Condition #3, there will be an outside swimming pool with an insulated pool cover. The pool will be kept full all year round. It will feed to a dry hydrant line for the fire department's use in case of an emergency.

According to Caroline Hunter, the water supply to the irrigation system will be fool proof, if water comes out of the spigot there is water available to the system.

The roof will be constructed of a metal that is designed to look like slate.

The exterior is New England style Caroline said for fire mitigation; there are varying elements to the equation.

When she finished her presentation, she turned the time over to Jim Flint.

Jim said the Fire department is mandating a 14 foot wide road, the entire lengths up to new water the tank consisting of base rock. Mr. Flint, on behalf of Mr. Roe is proposing a 12 foot asphalt surface. Jim confirmed that they are willing to comply with Souder Millers plan for drainage.

The fire department wanted a dry hydrant situated away from the house connected to the pool.

The Mayor opened the public hearing. Pat Vaughn, 44441 Highway 160, is the property owner to the east of the proposed subdivision. He is one half mile away from it.

He acknowledges that Mr. Roe house will be visual on the skyline to the west. He suggested 'tweaking' the landscape plan for the benefit of both the Town and himself. He will be reasonable, but would like to be involved in the final approval of the landscaping plan.

Pam Smith asked how tall the existing trees were. Caroline answered roughly 25 foot. Caroline added that the roof is 32 foot at its peak.

They intend to plant trees around the house, which will be approximately 12 to 14 feet tall. Aspen usually reach a height of 30 feet.

These would be the only trees shielding the Roe house from Mr. Vaughn.

Jim said there will be a solid 3 foot high privacy wall around the pool.

Pam Smith wanted to confirm that lighting will be shielded and downcast.

The Mayor closed the public hearing. Joe suggested the Board not take this to a vote until the property is annexed. This subdivision consists of thirty nine acres of land. There is an annexation agreement in the packet.

Herm opened the public hearing for consideration of annexation for the The Highlands @ Dove Ranch. No comments were received. The Mayor then closed the public hearing.

Consideration of Annexation: Rick wanted to confirm that everything is covered in the annexation agreement.

Dirk replied, "I believe so, yes". This is just for the one house, on the entire parcel.

Carol moved to approve Ordinance 332, annexing certain property owned by Bayview Heights, Inc. into the Town of Bayfield and designating the land use for the property.

Rick seconded. The vote was six in favor. Motion carried.

Rick Smith moved to approve the annexation and development agreement between the Town of Bayfield and Bayview Heights Inc. Carol seconded. The vote was six in favor. Motion carried.

Joe Crain then directed the Boards attention back to the waiver.

Rick Smith moved to grant the waiver request for The Highlands at Dove Ranch for a single home above the 7260 elevation line contingent upon meeting the eight conditions as outlined by Joe Crain. Daryl seconded. The vote was six in favor, motion carried.

Agenda Item # 11: Public Hearing/ Consideration for Ordinance # 333, Elston Annexation, 588 County Road 501, SW ¼ SE ¼ Section 2, T 34 N, R 7 W, NMPM, Parcel # 5677-024-00-011:

The Mayor opened the public hearing for the request. The cost estimate prepared by Russell Engineering runs \$520,000 for improvements that must be done in order to get this annexation going. Joe Crain said the request for annexation came to the Town about a year ago. The parcel consists of three lots on the east side of County Road 501.

Lot 1 is residential; lots 2 and 3 will be business. The middle lot will be retail. The third lot (easternmost) is planned for mini-storage units. The project faces CR 501 and the developer will be required to place a left turn lane into the development to serve lots two and three. Lot 1 will be served by the existing driveway. The County will have complete jurisdiction over the design, bonding, and construction of the left turn lane on CR 501.

One of the conditions of approval of the final plat will be that the plat not be recorded until La Plata County issues a new permit and the developer has bonded with the County to assure completion of the construction for the turn lane off of CR 501. The County engineer will have to approve the turn lane. There must be adequate access for all the units. They must guarantee adequate access and must dedicate a permanent easement for access use.

All referral comments have been received. The town engineer had several comments. Staff recommends approval of the commercial subdivision with following conditions:

1) All recommendations and requirements of the Town Engineer by addressed on the Final Plat prior to recordation. 2) That all recommendations of the Director of Public Works be addressed prior to plat recordation. 3) That an SIA be signed by the developer and that adequate bond or surety is in place prior to recordation. 4) That the Final plat cannot be recorded without La Plata County Engineering issuing a new driveway permit for the project and that an adequate bond or surety be placed with the County to ensure that construction of the left turn lane is completed satisfactorily 5) That all lots being created connect to the Bayfield Town Water and Sewer system 6) That all concerns of the Town Attorney be resolved 7) That the final plat is not to be recorded until the Town engineer and town attorney are satisfied that all engineering and legal concerns have been addressed on the final plat.

Jim Flint was invited to speak on behalf of Doug Leming. Jim said he only wanted to discuss one item. Mr. Leming wants to separate access of the two business lots. Rick asked if the road is the access from the existing storage units. Jim replied 'Yes'. Dirk remarked that there will need to be dedicated road access between the existing storage units and the new storage lots. Joe recommends that Mr. Leming be required to grant the permanent access easement prior to plat recordation. Dedication of the Easement will need to be recorded along with plat. The sewer line does not follow the county road. The Mayor opened the public hearing. No one offered comments. The public hearing was closed the Board moved on to Consideration of the request for annexation.

Rick moved to approve Ordinance # 333, an ordinance of the Town of Bayfield annexing certain property owned by LaVonne Elston into the Town of Bayfield and designating the land use for the property. Tom Au seconded. The vote was six in favor, motion carried.

Agenda Item # 12: Approval of Elston Annexation and Development Agreement:

The Annexation and Development Agreement has a blank space reserved for water dedication. Rick moved to approve the annexation and development agreement for the Elston property contingent upon meeting the eight conditions as presented in the staff report submitted by Joe Crain. Tom seconded. The vote was six in favor. Motion carried.

Agenda Item # 13: Public Hearing/ Consideration: Final Plat, Elston Subdivision:

The Mayor opened the Public hearing portion for final plat approval for the Elston subdivision. No comments were given. The Mayor closed the public hearing.

Consideration of final plat: Tom moved to approve the final plat for the Elston subdivision, with the eight staff recommendations, (Dirk had requested a permanent access easement from the existing storage lot unit to the new storage lot facility). Carol seconded. The vote was six in favor, motion carried.

Agenda Item # 14: Approval of Elston Subdivision Improvement Agreement:

Joe re-emphasized that the Elston subdivision will need to be bonded.

Carol moved to approve the SIA for Elston. Niel seconded. The vote was six in favor. Motion carried.

Agenda Item # 15: Public Hearing: Fox Farm Planned Unit Development, Request to Allow Modular Structures:

Joe spoke regarding the La Plata County Community Development Corporation. Their opinion is that it is necessary to allow modular units to be allowed on the remaining affordable unit lots to make the project viable. When the PUD was processed through the Planning Commission and the Town Board (2005 – 2006), it was indicated by the applicant that all of the 52 affordable units would be ‘stick built’. Now they want to allow modular homes on the eighteen available lots. They have removed the clause that prevented modular homes. Joe reminded the Board that general government cannot restrict modular homes. The PUD is a contract; they must get the Town to agree to accept the construction of modular units on the lots. Staff recommends that, if the Town Board approves the request to allow modular structures within the Fox Farm PUD, that two conditions apply: 1) that the developer submits pictures and/ or renderings of the proposed modular structures for the Board approval prior to the building permit issuance. 2) that no mobile homes are allowed in the PUD as per the Bayfield Land Use Code. Kim Welty spoke on behalf of the Fox Farm project. She explained that there are so many advances in the systems built construction; it permits rapid building and lowers the costs to build.

Tim Cline, Rocky Mountain Housing, gave a short presentation on conventional, stick built, modular homes, and the systems built homes.

The systems built construction homes go through several inspections, they must meet the same codes as site built homes.

Joe said these homes (system built construction) are the wave of the future. The Board had two letters on the dais. The first was from Julie Simmons, Colorado Housing Inc. The second letter was from Connie Imig, Habitat for Humanity. Reid Ross said they took a vote on whether the members of the HOA would support deleting the clause that prevents modular homes. His recollection differs from what Julie said, they do not agree from her point of view. Reid said that notice was sent to every owner of 50 lots. Notifications were sent out to owners that have lots which lie outside the PUD boundaries.

Herb Bradtsky, president of their HOA association spoke. He said they held a meeting October 31. There have been several meetings since; every attempt has been made to include everyone. Connie, (Habitat for Humanity), clientele will be doing stick built homes because the owner will be doing the building.

The Mayor opened the Public hearing for the Fox Farm PUD. No comments were received.

Consideration: Sidney Zink, spoke. She has been treasurer of Habitat for Humanity. They have a huge investment in their project. They are all volunteers with CDC. She realizes that it is disconcerting for them to come back to the Town for more concessions. CDC still owns 18 lots. They never intended to be 'builders'. Their business plan empowers them to find land, acquire it, put in the infrastructure and have non-profits do the actual building. They initially anticipated \$40,000 cost per infrastructure per lot. This has now risen to \$58,000 per lot.

Rick commented that the Town has been behind the Fox Farm development from the inception. He supports the change. The Town does not enforce covenants. It is the *change* to the PUD that they need to consider tonight.

Russ's concern is that there is no local labor being used, and the sales tax will not be realized if systems built construction is allowed. Daryl commented that 'we have given and given, and given. Why don't we just turn them loose and let them do whatever?' Neil said that the town would lose close to 2 million dollars in sales of material and jobs. Reid interjected, 'they spent 1 million on infrastructure. They used all local people, and materials'. Carol Blatnick asked if they are still deed restricted lots. Reid replied 'Yes'. The lots are valued at \$58,000. They average 7,000 sq ft. They sell the lots for \$27,000. Neil commented that the system built homes are going to be built at less cost than stick built. Tim Cline said the systems built homes sell for 50 to 75 per cent of the stick built, but this is in Durango.

Rick asked Reid what cost must not be exceeded in order for them to keep the cost of the house at \$139,000, which includes the price of the lot. Reid replied that CDC owns 18 lots. Deals were made, they were not honored. Builders will not buy the lots and try to sell a home for \$139,000 because they do not make enough profit. Consequently, they cannot get financing.

Carol moved to accept staffs recommendation to approve systems built homes within Fox Farm contingent upon complying with the two conditions. Tom Au seconded. During discussion, Neil reconfirmed, the review process would be done by them.

The vote was four in favor, with Russ and Daryl opposed. Motion carried.

Agenda Item #16: Fox Farm Discussion – RE: Fox Farm Tower & Potential for New Fair Market Lot:

It was originally proposed that CDC would restore the old tower to be used as a public space in lieu of the park impact fee. They now want to make it a fair market lot that could occur under the PUD. They had two years to get the tower done, or pay the town \$39,000 as a payment in lieu of park. The Planning Commission was in favor of saving the old fox tower. The Town Board also wants to preserve the fox tower structure. Reid originally wanted the fox tower saved, but, he said, they have discovered multiple structural problems that would cost considerably more than they intended to spend to restore the building. He defended his argument, 'there is only available area for one parking space. The structure in the foundation is seriously eroded. It is not suited for a public facility, even if you did have enough parking'. Therefore, they are asking that the Board grant them a waiver for a fair market small lot, approximately 5000 sq ft. They would have to amend the PUD. The waiver on parking would be done by the Planning Commission. The costs to refurbish the tower would include gutting the structure and starting over. The frame work is substantial, but it needs a solid foundation. They are thinking the lot would serve well as an artist residence and studio. Jay Lynch is willing to undertake the rehabilitation project to determine what the foundation would cost. They do not want to alter the exterior except for a door and windows. They are asking permission to carve out a fair market lot.

CDC wants to know if the Board would be receptive to this proposal. It would be removed from the commons area and park fees would be triggered, \$39,000. When CDC closes this sale out, any money would come to the Town for affordable housing. The Towns grant was used to pay for the water and sewer taps for Fox Farm.

Rick felt the Board would be amenable with the proposal for fixing the tower. But they are not going to be in agreement with foregoing the park fee. Neil recalled, in the initial discussion, parking wasn't an issue. The restored Fox Tower was to serve as an out of the hustle and bustle serenity park for the walking patrons of Bayfield's Mill Street area. The original deal was that CDC was to renovate the building and dedicate it to the Town. The Board conveyed their willingness to allow them to make it into a fair market lot and then sell it and pay the park fee.

Agenda Item # 17: Re-Schedule The February 5 Meeting to February 6:

Because the caucus activity will be held Tuesday night, February 5, Justin suggested moving the Town Board meeting to Wednesday February 6. The Board agreed to the re-scheduling.

Agenda Item #18: Cinnamon Heights:

Justin received information from Bayfield Development LLC, which includes a contract to perform work in Cinnamon Heights. Mr. Kasnoff had indicated to Justin that certain items on punchlist were complete. Justin said they are not.

The contractor from Missouri (contacted by George Kasnoff) said he would do the work, but he wants his deposit before he starts. Justin wondered if the Board considers the agreement met, because a contract has been negotiated to do the work. The deal was that he completes the things on the punch list.

Dirk commented that Kasnoff has not met the conditions of the agreement. Justin commented that the Town needs to either accept this as fulfilling his obligation or not. Bob Renshaw, George Kasnoff's partner, is located into Missouri. Even though Mr.

Kasnoff has made arrangements with the contractor to start work, Justin says he (the contractor) is not committed until he gets the deposit (\$2,000). Daryl suggested the Board wait until the February 19 meeting and make the determination at that time if they consider Bayfield Development LLC. in default.

Two residents that live in Cinnamon Heights, Slade Boyher and his wife Laura, 1400 Kremer Drive, # 4 spoke. Their crawl space is full of water. Structural damage is their concern. They realize that the retention pond was for irrigation for their lawn, but they feel it is a major contributing factor in the sub-water under their home. Justin told them that, even if the retention pond was drained, there would still be water in their crawl space. Justin asked them to come and visit with him. Mr. Boyher was given a copy of the punch list.

Agenda Item #19: Executive Session: Access Property:

The Board requested that this item be conducted after agenda items # 20 and 21.

Agenda Item # 20: New and Unfinished Business: The Board felt that staff needed to do more in a storm situation, i.e., not only plowing snow to the middle of the roads but hauling it away as well.

The more sidewalks the Town has, the more problems they are going to have. This emergency plan would be an item that could be addressed during Board workshops. Neil mentioned receiving a letter from the fire chief requesting that the Town provide for 24/7 coverage by our marshals office. Neil asked that the fire chief come before the Board to present his side of the story and invite Jim Harrington to come also.

He wondered if it would be possible to schedule this sometime in February or March. Russ said ‘didn’t we ask that the Planning Commission report be given in a more concise manner?’ The Board replied they did. Herm suggested perhaps staff could draft a letter to the Planning Commission and request a verbal synopsis of their activity.

Carol Blatnick informed the Town Board that she sits on the board for Youth and Family Master Plan. It is a different mind set about assets of communities. It enhances family and youth strengths.

Justin mentioned that, when the Town adopted the Sewer resolution, he did not include the pre-payment \$1500 stipulation. Now that Justin knows more about the funding, he wants to do away with it. He stressed ‘It is pointless’. He wants to consider it dead. Justin suggested meeting at 6 p.m. on February 6 to discuss PER. The lift station is much more cost efficient.

The plant will have more than enough capacity to serve Gem Village.

Justin was appointed to the Energy and Mineral Impact Assistance Advisory Committee. He will now be at the table and involved in the decisions being made.

Rick asked where we were with advertising for a new judge. Justin has not created the RFP yet.

Herm said that he has directed a man from Bayfield who serves as the judge for Pagosa to come into apply for the position.

Herm ended with ‘Thanks to the fire department for helping with the Christmas lights.’

Agenda Item # 19: Executive Session: Rick made a motion to go into executive session, citing C.R.S. 24- 6- 402 (4) (e) for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations and or instructing negotiators. Russ seconded.

The vote was six in favor. Motion carried. The Board convened an Executive Session. The regular session reconvened at midnight. Motion to adjourn, at 12:05 a.m.