

**Town of Bayfield  
Regular Town Board Meeting  
May 17, 2016  
1199 Bayfield Parkway, Bayfield CO 81122**

**Town Board Members Present:** Trustee Dallison, Trustee Davenport, Trustee Nelson, Trustee Nyberg, Trustee Sanders, Mayor Salka

**Town Board Members Absent:**

**Staff Present:** Chris La May (Town Manager), Jeff Robbins (Town Attorney), Erin Dunavant (Finance Director), Deputy Chris Tonge

**Media Present:** Carol McWilliams with the Pine River Times

The meeting was called to order @ approximately 7:00 p.m.

**Approval of Minutes:** Trustee Davenport made a motion to approve the minutes from May 3, 2016 as presented. Trustee Dallison seconded.

Roll call: 6 – 0

Motion passed unanimously.

**Approval of Bills:** Trustee Nelson made a motion to approve the bills dated May 4 through May 12, 2016. Trustee Nyberg seconded.

Roll call: 6 – 0

Motion passed unanimously.

**General Public Input:** Connie Bennett, 1391 N. Tamarack Drive Bayfield, Paula Nelson, 574 Meadow Brook Drive Bayfield, Roger Dodd, 2751 CR 509 Bayfield, and Randall Faber 872 CR 515 Ignacio, all voiced their opposition to moving the Farmers Market from Road Side Park.

**Town Updates:** Town Manager La May stated that he would like to add an item to the updates. The Pine River Library Park Planning Meeting is tomorrow from 3:30 to 6:00 pm.

**Public Hearing**

**1. Lirot Inc. Annexation (871 County Road 501)**

Town Manager La May stated that the Town has received a request to annex a 0.66 acre tract of land owned by Lirot, Inc. The property is located on the southwest corner of the intersection between Sossaman Drive and CR 501, currently in the unincorporated La Plata County. The applicant intends to use the property for a pharmacy. Referral Agency comments have been included in tonight's packet. The Town Board shall consider the physical arrangement of the project, the recommendations of the Planning Commission, any public testimony at the hearing, and the following annexation review standards:

The Board of Trustees is asked to consider the following standards in review of the annexation:

**A. The planned use of the area to be annexed is consistent with the adopted Comprehensive Plan, in harmony with the intent of the Town's land use districts and compatible with adjacent neighborhoods;**

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The initial requested zoning of the property as Business (B) is consistent with the Town's Comprehensive Plan. Property is identified in the Town's Comprehensive Plan, Future Land Use Map, as General Commercial. The land use classification includes a broad designation intended to allow for business providing a range of goods and services demanded by the local and visiting population.

**B. The open spaces have a workable program established for maintenance and upkeep;**

Property upon annexation is subject to town weed ordinance.

**C. The proposed annexation is necessary or desirable and will contribute to the general wellbeing of the community;**

As identified in the Town's Comprehensive Plan:

Policy 2: "The Town will pursue a growth strategy that manages growth through the use of fees, development requirements, careful review of subdivisions and land uses so that growth pays for itself and that the current levels of services are maintained. Maintaining the character of Bayfield as a small rural Town is also important. Artificial caps on development are not recommended but the ability for use of all growth tools should remain available to the Town Board to guide growth to fit its goals. Self-sufficiency in services and products is desired and is to be encouraged."

Policy 4: "The Town of Bayfield will ensure that an adequate spectrum of commercially zoned land exists to accommodate new businesses.

Policy 5: "Capturing 50% of local and regional spending is an economic development goal."

Policy 8: "The Town of Bayfield will continue to monitor the planning review process for commercial/industrial developments with special emphasis on promoting those activities that return significant out of area income and provide products and services to local residents."

**D. The proposed annexation will not be detrimental to health, safety or general welfare of persons residing within the corporate boundaries or injurious to property or improvements in the vicinity;**

In general, the proposed annexation does not appear to be detrimental to health, safety or general welfare of persons residing within corporate boundaries or injurious to property or improvements in the vicinity. Ingress and egress for the site needs further examination to insure that access is safe and not detrimental to traveling public. Central sanitary sewer should be extended for public health purpose.

**E. Any proposed roads in the annexation area are logical extensions of existing or planned for roads;**

There are no proposed extension of roads in the annexation. Two access points are requested, which at this point are under La Plata County's jurisdiction. The most logical location for access is directly across from Sossaman Drive; however, property owner does not own all land necessary for a consolidated access west of Sossaman Drive. Town should seek to retain this option for future, as property to the north may annex at some point in future.

**F. The extension of services is feasible and will be financed totally by the applicant; and that the applicant will post performance guarantees to assure the completion of public improvements;**

There are no proposed extension of water service by the applicant. The nearest location of a public water line is 1,000 feet to the east on the other side of the Schroder Irrigation Ditch that intersects with Sossaman Drive. Secondary location is south 2,000 feet at location in front of 634 CR 501.

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Property is currently served by private septic system. San Juan Basin Health indicates that the septic system may have some issue. Central sewer services are available to the property, albeit with some necessary extension of main line. Property should be tied into to Town sewer service. Staff understands that if applicant elects to continue to use the septic system, there would be necessary improvements. Staff suggests that dollars would be better spent completing the extension to the central sewer. Applicant appears willing to complete the improvements. The Board of Trustees will memorialize the proposed improvements and any financial arrangement and performance period in the annexation agreement.

**G. Sufficient water rights associated with land areas proposed for annexation shall be dedicated to the Town, or acceptable alternative arrangements have been made;**

Water rights are typically conveyed at annexation. Town understands that the property has one (1) share of Los Pinos Ditch Water. Staff recommends conveyance of water shares at time of annexation.

**H. Either the revenue or the public benefit to be gained from the Town's portion of increased tax base is acceptable given the increased cost of services provided;**

The annexation of commercial property is positive for the Town's overall revenue. Commercial property, typically with a higher market value, is assessed by the County Assessor at a higher rate (29%) than residential (7.9%). The proposed use also includes some general retail, which would be taxable at the 3% Town sales tax.

Town service levels are not expected to increase dramatically based on annexation, and therefore, the benefits should remain positive.

**I. The applicant shall pay all costs incurred by the Town for reviewing annexations proposals, including fees charged by consultants and specialists needed to address important issues.**

The applicant has deposited money and signed agreement to pay cost incurred by the Town for reviewing the annexation proposal, including fees charged by consultants and specialists. Language will also be included in annexation agreement with the Board of Trustees.

The Planning Commission recommended the Board of Trustees approve the Lirot, Inc. Annexation with the following conditions:

- 1) Property shall be zoned Business (B).
- 2) Property owner shall extend or pay for a pro-rated share of the cost of extending a public water main to the property, when a public water main is located within one hundred feet (100') of the property, and pay appropriate water plant investment fees, then in effect at time of connection.
- 3) Property owner shall install a sanitary sewer manhole and extend an eight inch (8") sanitary sewer main in CR 501 right-of-way to manhole located in front of Lot 1, Hardy Subdivision within 180 days of annexation, and pay appropriate sewer plant investment fees, then in effect.
- 4) Property owner shall pay Dave and Linda Hardy a reimbursement fee for proportionate share of the cost to extend sanitary sewer to the east side of CR 501.
- 5) Property owner shall convey to the Town of Bayfield any and all shares of Los Pinos Ditch Water for uses on the property and pay the pro-rated share of cost to convert irrigation shares to municipal use or provide cash in-lieu of water right.

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- 6) Property owner shall complete a traffic impact study for review and approval by the Town of Bayfield and La Plata County Engineering, and provide for any necessary improvements identified based on traffic impact study.
- 7) Property owner shall work cooperatively with the Town and/or La Plata County with the reconfiguration of the Sossaman Drive and CR 501 intersection and with adjacent property owner to the north for cross access easement if consolidated access is requested of the adjacent property owner in the future.

Property owner shall reimburse the Town actual costs incurred by the Town for preparations and review of the annexation process.

Staff recommends approval of Resolution 368, A Resolution of the Board of Trustees of the Town of Bayfield, Colorado, Making Findings of Fact Regarding the Eligibility for Annexation of the Property Described in the Petition for Annexation Filed with the Town of Bayfield by Lirot Inc.

Mr. Eric Nelson, Summit Engineering, stated that he is representing the applicant. He also stated that he believes this annexation would be a benefit to the Town of Bayfield.

**2. CRG Subdivision – Final Plat**

Town Manager La May stated that the Board has seen the CRG Subdivision in Sketch Plan and Preliminary Plan. Tonight is the Public Hearing for the Final Plat outlining the boundaries of the distinct properties, so that they are separate legal parcels of land. The annexation agreement has not been finalized, so no action will be required tonight.

**Action Agenda Item #1: Consideration Of Resolution 368, A Resolution Of The Board Of Trustees Of The Town Of Bayfield, Colorado, Making Findings Of Fact Regarding The Eligibility For Annexation Of The Property Described In the Petition For Annexation Filed With The Town Of Bayfield By Lirot, Inc.**

Town Manager La May stated that approval of Resolution 368 says that the Lirot property is eligible for annexation.

Trustee Nelson made a motion to approve Resolution 368, a resolution of the Board of Trustees fo the Town of Bayfield, Colorado, making findings of fact regarding the eligibility for annexation of the property described in the petition for annexation filed with the Town of Bayfield by Lirot, Inc. Trustee Davenport seconded.

Roll call: 6 – 0

Motion passed unanimously.

**Action Agenda Item #2: Consideration Of Approval Of Annexation Agreement Between Lirot, Inc. And The Town Of Bayfield**

Trustee Davenport made a motion to approve the Annexation Agreement between Lirot, Inc. and The Town of Bayfield. Trustee Dallison seconded.

Roll call: 6 – 0

Motion passed unanimously.

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**Action Agenda Item #3: Consideration Of Approval Of Ordinance 398, An Ordinance Of The Town Of Bayfield, Colorado Annexing Certain Territory To The Town Known As The Lirot, Inc. Annexation**

Trustee Nelson made a motion to approve Ordinance 398, an ordinance of the Town of Bayfield, Colorado annexing certain territory to the Town known as the Lirot, Inc. Annexation. Trustee Nyberg seconded.

Roll call: 6 – 0

Motion passed unanimously.

**Action Agenda Item #4: Consideration Of Approval Of Lirot Inc. – Annexation Plat**

Trustee Dallison made a motion to approve the Lirot Inc. Annexation Plat. Trustee Nelson seconded.

Roll call: 6 – 0

Motion passed unanimously.

**Action Agenda Item #5: Consideration Of Approval Of CRG Subdivision – Final Plat**

Trustee Davenport made a motion to continue consideration of approval of CRG Subdivision – Final Plat to the June 7<sup>th</sup> meeting. Trustee Nelson seconded.

Roll call: 6 – 0

Motion passed unanimously.

**Action Agenda Item #6: Discussion And Possible Action – Farmer’s Market**

Town Manager La May stated that the Community Assessment prepared by Downtown Colorado, Inc. suggests that the Town support farm to table options and that there is a strong desire from the community to have fresh foods, and since there are agricultural producers in the area, it is a good match. The Community Assessment further suggests that the Town consider incentivizing a co-operative market for health foods and fresh produce, working with the farmers market to provide a foundation for the program. Representatives of the Town conducted an outreach Wednesday, May 11, 2016 at the Pine River Library to among other items, discuss with members of the Farmers Market the relocation of the Farmers Market to Downtown, more specifically Mill Street in front of Joe Stephenson Park, although there are likely other options. There was lively debate and many issues covered including concerns about losing US 160 exposure and the tourist trade, taxable items and tax collection, business licensing, permitting, access, parking, and the differences between crafters and growers. The members of the Farmers Market present desire to continue using Riverside Park for their Farmers Market, and suggest that relocating would be detrimental to their business. The Farmers Market has moved up its opening in Roadside Park to Saturday, May 21, 2016. The vendors expressed concern about not being able to use Roadside Park after advertising for the event. Staff is concerned about a number of issues involving the “informal” Farmers Market. The Farmers Market vendors place signage on US 160 right-of-way advertising the Saturday market, use a public park at no cost, are not licensed in the Town for business, nor hold sales tax licenses. Access into and out is problematic and poses a safety risk and the long term plan (Access Control Plan) calls for limitations on that access to right-in, right out. Staff is of opinion that the use of Roadside Park for Farmers Market should be discontinued, and relocated to the Downtown.

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After discussion between the Board of Trustees, staff, the Town Attorney and vendors from the Farmers Market, it was decided that the Farmers Market would be allowed to remain in Road Side Park, through this season. All vendors are required to obtain a Transient Dealers License through the Town Hall. The Board of Trustees advised the Farmers Market Vendors to organize a committee and appoint two representatives to communicate with staff.

**Action Agenda Item #7: Consideration Of Amended And Restated Water Change Agreement Between The Los Pinos Ditch Company And The Town Of Bayfield**

Town Manager La May stated that the Town of Bayfield owns a total of approximately 227 shares in the Los Pinos Ditch Company. The Town's shares equate to approximately 25% of the total number of outstanding Company shares and about 2.88 cubic feet per second (cfs) of the 11 cfs water right decreed to the Los Pinos Ditch. The Town previously changed approximately 1.0 cfs of its Company share water to municipal use. Bayfield recently filed a water court application in Case No. 15CW3017 to change its remaining 1.88 cfs of Company share water to municipal use. The application in Case No. 15CW3017 also includes claims for an alternate point of diversion for the Bayfield Pump Station conditional water right and a plan for augmentation including exchange. Prior to filing the application in Case No. 15CW3017, Bayfield entered into an agreement with the Los Pinos Ditch Company in 2013 to allow the Town to change its Los Pinos share water to municipal use. The agreement also allowed the Town to carry up to 1.31 cfs of the Town's Schroder Ditch water rights in the Los Pinos Ditch; following water court approval of the Los Pinos Ditch as an alternate point of diversion for the Town's Schroder Ditch water rights. It also reserved carriage space in the Los Pinos Ditch for an additional 1.0 cfs of other water that the Town might acquire in the future. The 2013 agreement established assessment rates for all Company share water carried in the Los Pinos Ditch for municipal uses and carriage space reservation fees for the Town's other water. Since entering into the agreement in 2013, the Town staff and management have determined that it would be advantageous to reserve additional carriage space in the Los Pinos Ditch for other water sources that the Town might acquire in the future. The Town and the Ditch Company have negotiated certain changes to the 2013 agreement, which are set forth in the proposed Amended and Restated Water Change Agreement for your consideration. Highlights of the Proposed Amended and Restated Agreement include:

- 1) The new proposed agreement allows the Town to divert the Bayfield Pump Station water right through the Los Pinos Ditch, consistent with the request for an alternate point of diversion and plan for augmentation that Bayfield filed in 15CW3017.
- 2) The prior agreement provided that the Los Pinos Ditch Company may use any of the Town's water carried in the Los Pinos Ditch if not needed to fulfill the Town's present needs. The proposed agreement clarifies this provision and limits the Ditch Company's use of water to the Town's Los Pinos share water.
- 3) The proposed new agreement maintains this same Municipal Rate fee structure at two times irrigation rates.
- 4) The new agreement reserves 4.0 cfs of additional carriage space for any source of water, other than the Town's Los Pinos share water, with a reservation fee of \$8,000.00 per year. The space reservation fee may increase or decrease in the future by the same percentage increase or decrease in the municipal rate, but may not decrease below \$8,000.00 for the 4.0 cfs. Once Bayfield actually carries additional water in the ditch, the carriage fee will be equivalent to the Municipal Rate for the Town's Los Pinos share water, but not less than the amount of the minimum reservation fee (\$2,000.00 per 1 cfs)
- 5) The proposed agreement includes additional accounting requirements requested by the Ditch Company.

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- 6) The proposed agreement provides that the Town would pay the Ditch Company's costs for negotiating the agreement and for reviewing any of the Town's change of water rights applications, limited to \$10,000.00 per year.
- 7) The proposed agreement is perpetual with regard to the Town's Los Pinos share water. For carriage of all additional water, the proposed agreement has an initial term of 20 years, with 5-year renewals thereafter. If Bayfield is not able to obtain water court approval to use the Los Pinos Ditch as an alternate point of diversion for its Schroder Ditch and Pump Station water rights, the Town will have the option to reduce the term of the additional carriage space provisions from 20 years to 10 years.

Staff recommends the Board of Trustees approve the proposed Amended and Restated Water Change Agreement between the Town of Bayfield and the Los Pinos Ditch Company and authorize execution of the final agreement, once it is approved and executed by the Los Pinos Ditch Company.

Trustee Davenport made a motion to approve the proposed amended and restated Water Change Agreement between the Los Pinos Ditch Company and the Town of Bayfield and authorize execution of the final agreement once it is approved and executed by the Los Pinos Ditch Company. Trustee Nelson seconded.

Roll call: 6 – 0

Motion passed unanimously.

**Action Agenda Item #8: Consideration Of Appointment Of Member To Board Of Trustees**

Town Manager La May stated that at the last meeting the Board had four candidates that expressed interest in filling the vacancy on the Town Board. Through a series of votes, the candidates were narrowed down to two, Mrs. Kelly Polites and Mrs. Brenna Morlan.

Mayor Salka instructed the Board to write down their vote for Board Trustee and to sign their ballot.

Mayor Salka read the ballots aloud. Mrs. Kelly Polites received four votes (Trustees Nelson, Nyberg, Davenport and Dallison), Mrs. Brenna Morlan received two votes (Trustee Sanders and Mayor Salka).

Mayor Salka swore Kelly Polites into office of Board Trustee.

**Action Agenda Item #9: Board Reports (SWCCOG, LPCEA, RHA, SWTPR, Region 9, Other)**

Trustee Nelson stated that SWCCOG had a Board Retreat and they discussed plans for the next year.

Mayor Salka stated that LPCEA will meet on June 6, 2016.

Trustee Davenport stated that RHA will meet the first week in June.

Town Manager La May stated that SWTPR will meet in June.

Trustee Dallison stated that the Senior Board discussed their bank change from Community Bank to First National. They also discussed their rules for married couples serving on their Board.

Trustee Sanders stated that Region 9 will meet in June.

Trustee Nyberg stated that the Planning Commission will meet in June.

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**Action Agenda Item #10: Unfinished Business**

Trustee Sanders stated that he would like staff to consider reviewing current contracts that are in place. He would also like to see reports with any issues dealt with in each department.

Trustee Nelson stated that she would like staff to have a conversation with the Chamber of Commerce regarding the sign at Roadside Park.

Meeting was adjourned at 8:15 pm.