

**OURAY CITY COUNCIL MEETING
SUMMARIZED MINUTES
MONDAY, AUGUST 16, 2021, 1 PM
320 6th Ave – Massard Room**

Zoom Meeting for Non-participants:

<https://zoom.us/j/9349389230>

Meeting ID: 934 938 9230 Passcode: 491878 Or dial: 408 638 0968 or 669 900 6833

- Electronic copies of the Council Packet are available on the City website at www.cityofouray.com. A hard copy of the Packet is also available at the Administrative Office for interested citizens.
- Action may be taken on any agenda item
- Notice is hereby given that a majority or quorum of the Planning Commission, Community Development Committee, Beautification Committee, and/or Parks and Recreation Committee may be present at the above noticed City Council meeting to discuss any or all of the matters on the agenda below for Council consideration

1. CALL TO ORDER

Mayor Nelson called the meeting to order at 1:00 pm.

2. ROLL CALL

Mayor Greg Nelson - present
Mayor Pro Tem John Wood - present
Councilor Glenn Boyd - present
Councilor Ethan Funk - present
Councilor Peggy Lindsey - present

Also present were City Administrator Silas Clarke, Finance and Administration Director Melissa Drake, Police Chief Jeff Wood, Community Development Coordinator Lily Oswald, Administrative Accounting Clerk Julie Lancaster, and City Attorney Carol Viner.

3. The PLEDGE OF ALLEGIANCE was recited

4. PUBLIC HEARING – Hotel & Restaurant Liquor License Application – Ouray Wine Garden LLC dba Ouray Wine Garden, 317 2nd Street, Ouray

Mayor Nelson opened the floor for public comment.

Amber Cunningham stated the Wine Garden has been currently running under a sales room liquor license under the Winery's name, but this gives the Wine Garden more flexibility if desired, but Ms. Cunningham has no current plans to operate any differently than they have been.

Council provided Ms. Cunningham with a copy of an email received in opposition to the license and allowed her to address concerns stated in the letter. Council felt from the hypothetical nature of the questions that the writer did not realize the Wine Garden was already operating under the sales room license from the Winery.

Dolgio Nergui said her bedroom window is 60 feet from the wine garden, and she is concerned about noise and dust from parking in the alley. Ms. Nergui also mentions that food is advertised, and asked if that is currently allowed. Ms. Nergui stated she does not support the liquor license in a residential neighborhood.

Ms. Cunningham addressed Ms. Nergui's concerns, stating the Wine Garden has been operating all summer and has not run into any of the situations Ms. Nergui objected to.

Mayor Nelson closed the floor.

5. CEREMONIAL/INFORMATIONAL

a. Proclamation 5, Series 2021 Naming September as Suicide Prevention Month

Mayor Nelson read the proclamation.

b. Introduction of Moltz Engineering Staff – CMAR for WWTP and WTP Projects

Mr. Cole Phillips from Moltz gave a brief overview of the company.

6. CITIZENS' COMMUNICATION

Mayor Nelson opened the floor for public comment.

John Nixon asked Councilors to speak directly into their microphones to be heard clearly. Mr. Nixon also spoke about the potential conflicts of interest of the short-term rental issue and Councilor Lindsey and Mayor Pro Tem Wood. Councilor Lindsey stated she would not recuse herself, because in her profession as a real estate agent, no cap would be preferable, but she is doing what she thinks is best for the City and citizens. Mayor Pro Tem Wood stated that all his properties are long-term rentals, and short-term rental regulation would not affect his properties.

Sarah Donaldson reported that she received a cease-and-desist letter from the City because of a short-term rental, but had no prior communication about licensing her short-term rental, and would like to talk with council about a solution. Mayor Nelson suggested working with Mr. Clarke and Ms. Oswald on a solution.

Mayor Nelson closed the floor.

7. CITY COUNCIL REPORTS/INFORMATION

a. Glenn Boyd – nothing to report

b. Ethan Funk – nothing to report

c. Peggy Lindsey – River Walk Trail Maintenance Event tomorrow at 7am, meeting at Oak St Bathroom

d. John Wood – CEDC meeting: Main Street Program is moving forward. Working on a business license program, starting with a presentation at the September meeting. Impact study of Ice Park on winter economy in town to be conducted in October. IPAT meeting: sustainability goals have been set, including revenue expansion. Work on capacity model. IPAT wants to address diversity and accessibility to marginalized segments of the population.

e. Greg Nelson – Love Your Gorge event on September 18th from 9 am to 1 pm, registration requested for food availability.

8. DEPARTMENT REPORTS

a. City Administrator – Silas Clarke

Stickers identifying trashcans on Main Street have been ordered. Communications and Community Engagement Coordinator position had 18 applicants, staff are narrowing those down for interviews now. Picnic tables for Box Canon were delivered last week. Electric vehicle charging station construction starting soon; state electrical permit has been submitted. Requested update on Ice Park Restrooms from OIPI and FOVF. Rotary Park and Cascade restroom deliveries are still outstanding, working on getting status on those. Successful Visitor Center Open House; Councilor Lindsey suggested hosting a luncheon to thank them for their work.

b. Finance and Administration Director – Melissa Drake

Deadline for council and mayor petition is next Monday, August 23rd at 4pm.

i. July 2021 Financial Report

All funds are in the black.

ii. Sales Tax – June Activity

Up 89% Year-to-Date compared to 2020 activity.

iii. LOT – June Activity

Up 67% compared to 2020.

iv. Box Canon Falls Visitation – July YTD

Visitation up 11% from July 2020, which was a record-breaker. Revenue up 15%.

v. Hot Springs Pool Visitation – July YTD

Visitation down 16% from July 2019. Revenue is down 9%. July 2020 had visitation restrictions, so is not being used for comparisons.

c. Community Development Coordinator – Lily Oswald

Two RV permits issued for workforce housing. City did not get awarded CDOT Revitalizing Main Street grant, but will reapply for Notice of Funding opportunity with CDOT. Short-term Housing update: 84 active licenses, 116 total units operating with the pending and “condotel” units.

d. Visitor Center Coordinator – Paula Damke

Update in packet.

Councilor Boyd asked Mr. Clarke for an update on SMPA road closures. Mr. Clarke said it is uncertain, but they are currently proposing Mid-September closures.

9. CONSENT AGENDA - none

10. ACTION ITEMS

a. Consideration and Possible Approval of Hotel & Restaurant Liquor License Application – Ouray Wine Garden LLC dba Ouray Wine Garden, 317 2nd Street, Ouray

Mayor Pro Tem Wood made a motion to approve the license application. Councilor Boyd seconded the motion.

Council Member	For	Against	Abstain	Absent
Mayor Pro Tem Wood	X			
Mayor Nelson	X			
Councilor Boyd	X			
Councilor Funk	X			
Councilor Lindsey	X			

The motion passed on unanimous roll call vote.

b. Consideration and Possible Approval of Lease with US Forest Service for Picnic Area at the Base of the Amphitheater Campground

It was discovered that the lease had expired on December 31st, 2020. This is an extension to the contract, but further discussion is scheduled to happen about the future of the picnic area ownership. Councilor Boyd asked when the talks were scheduled to happen. Mr. Clarke stated he had a meeting scheduled on the next Tuesday.

Councilor Lindsey made a motion to approve the lease. Councilor Boyd seconded the motion.

Council Member	For	Against	Abstain	Absent
Councilor Boyd	X			
Councilor Funk	X			
Councilor Lindsey	X			
Mayor Pro Tem Wood	X			
Mayor Nelson	X			

The motion passed on unanimous roll call vote.

c. Discussion and Possible Action Regarding Wastewater Treatment Plant Building Rendering and Materials Recommendation

Cooper Best from JVA presented an update on the Wastewater Treatment Plant construction project. JVA is on schedule to submit 60% plans to the City in September. Mr. Best, Mr. Phillips and Ms. Hanson presented different exterior options for the plant, including pre cast concrete and masonry walls. Masonry would be cheaper, but takes longer to construct, and with the short building season in Ouray, pre-cast would be preferable for constructing quickly. Council discussed flat or sloped roofs and the attributed staff time/risk and pros and cons associated with each.

John Nixon recommended a pre-colored, pre-textured, low maintenance option for the walls.

Councilor Boyd made a motion to approve the pre-cast option. Mayor Pro Tem Wood seconded the motion.

Council Member	For	Against	Abstain	Absent
Councilor Boyd	X			
Councilor Funk	X			
Councilor Lindsey	X			

Mayor Pro Tem Wood	X			
Mayor Nelson	X			

The motion passed on unanimous roll call vote.

Mr. Clarke announced that the executive session was scheduled for 3:00 pm with outside parties, and given the remaining time, Council would proceed with item d and then jump ahead to the future agenda items and pick up the rest of the agenda after the executive session.

d. Consideration and Possible Approval of Lot Split – Hot Springs Subdivision Parcel 4

Ms. Oswald presented the overview of the application.

Mayor Pro Tem Wood made a motion to approve the lot split. Councilor Funk seconded the motion.

Council Member	For	Against	Abstain	Absent
Councilor Boyd	X			
Councilor Funk	X			
Councilor Lindsey	X			
Mayor Pro Tem Wood	X			
Mayor Nelson	X			

The motion passed on unanimous roll call vote.

11. DISCUSSION ITEMS

b. Future Agenda Items

- STR penalties
- Joint work session public hearing process
- Cap and trade
- ADU ordinance
- Business license/registration
- Master fee schedule
- Joint work session with beautification and PARC committees to align goals

12. EXECUTIVE SESSION – For a conference with the City attorney for the purpose of receiving legal advice on specific legal questions under C.R.S. 24-6-402(4)(b) concerning Ouray Silver Mine’s lease to the City of non-potable water for making ice at the Ice Park

Councilor Funk made a motion 2:56 pm to take a brief recess and then move into executive session at 3:00 pm. Councilor Boyd seconded the motion.

Council Member	For	Against	Abstain	Absent
Councilor Boyd	X			
Councilor Funk	X			
Councilor Lindsey	X			
Mayor Pro Tem Wood	X			
Mayor Nelson	X			

The motion passed on unanimous vote.

Executive session ended at 3:38 pm.

10. ACTION ITEMS

e. **Review and Direction Regarding Draft Ordinance 5, Series 2021 (Not First Reading) – Amending Municipal Code related to Accessory Dwelling Units**

Mr. Clarke presented in ordinance form, outlining options to for Council to choose before the official first reading of the ordinance.

Council discussed whether minimum lot size was an important regulation.

Josh Smith said there are current lots in the City where an ADU would fit that would be under the proposed 7,100 square feet minimum, so limiting lot size may eliminate otherwise suitable lots. Council discussed approving those lots by variance.

John Nixon asked what the criteria for approval would be. Because of the other requirements for the lot, Council decided not to limit the lot size and let the other rules limit whether an ADU would be permitted.

Council decided that 90-day minimum leases would be required. Mr. Nixon asked how that would be enforced. Mr. Clarke said his ideal is that each builder would sign an affidavit about the 90-day minimum leases, and trust that citizens would report any deviations.

Council decided 30 hours a week minimum was appropriate for at least one resident of the ADU, and that telecommuting would not qualify.

50 year deed restrictions would be issued in exchange for waiver of inspection and building permit fees, only to be removed if the owner paid building permit fees at the current rate when requesting removal of restrictions.

11. DISCUSSION ITEMS

a. **Potential Ballot Language for Possible Short-term Rental Taxation Referendum**

Mr. Clarke stated that he misspoke at the prior meeting about the state revolving fund loan terms; they are 30 year instead of 20, and the ballot language should be updated accordingly. Council and staff discussed how to arrive at the first year's estimated revenue that would be put in the ballot language, and decided to use prior year's increase percentage to predict 2022 revenues.

Mary Beth Miles, Chief Operating Officer of Premier Vacation Rentals, presented some statistics about short-term rentals in similar-sized towns in Colorado and the effect of a potential 15% tax increase in prices in the City, and believes that putting the brunt of the cost of the infrastructure costs on one industry is not favorable.

Dolgio Nergui questioned how the discussion started from lack of affordable housing, but has turned into funding for infrastructure, and believes it is unfair to put the burden of that on one small industry. With the ballot question tied to the state revolving fund loan, if the 15% excise tax has a considerable cooling effect on the short-term rental market, they City may not receive the money to pay back the loans.

Chris Bettin, CEO of Premier Vacation Rentals felt the ballot measure was unnecessarily punitive towards short-term rentals specifically.

13. ADJOURNMENT

Councilor Lindsey made a motion to adjourn at 5:03 pm, Councilor Funk seconded the motion. The motion passed on unanimous vote.

ATTEST:



Greg Nelson, Mayor

09/27/2021

Date



Melissa M. Drake, City Clerk

CERTIFICATION

I, Melissa M. Drake, do hereby certify that I am the City Clerk of the City of Ouray, Ouray County, State of Colorado, and that the above minutes are a true and correct summary of the meeting of the Ouray City Council held on August 16, 2021. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 2nd day of September, 2021.



Melissa M. Drake, City Clerk