

**MINUTES
CARBONDALE BOARD OF TRUSTEES
REGULAR MEETING
JULY 12, 2022
CARBONDALE TOWN HALL
AND VIA ZOOM**

Mayor Pro Tem Sparhawk called the Board of Trustees Regular Meeting to order on July 12, 2022, at 6:00 p.m.

ROLL CALL:

The following members were present for roll call:

Mayor Pro Tem Trustees	Erica Sparhawk Luis Yllanes Lani Kitching Chris Hassig Marty Silverstein Colin Laird
Absent Mayor	Ben Bohmfalk

Staff Present:

Town Manager	Lauren Gister
Town Clerk	Cathy Derby
Finance Director	Renae Gustine
Town Attorney	Mark Hamilton

CONSENT AGENDA

- Accounts Payable totaling: \$660,059.96
- BOT 6/21/2022 Joint Meeting Minutes
- BOT 6/21/2022 Work Session Minutes
- BOT 6/28/2022 Regular Meeting Minutes

Trustee Kitching made a motion to approve the Consent Agenda. Trustee Yllanes seconded the motion and it passed with:

6 yes votes: Yllanes, Sparhawk, Silverstein, Laird, Kitching, Hassig

PERSONS PRESENT NOT ON THE AGENDA

There was no one present who wished to address the Board.

TRUSTEE COMMENTS

Trustee Silverstein stated that the third music in the park concert was held on Sunday. Hopefully there will be two more concerts, possibly three. Trustee Silverstein stated that the Board sent former Planning Director Janet Buck a thank you note for all of her years of service. At their next meeting the Tree Board will do a walk around town to observe the state of the trees.

Trustee Kitching informed the Board that Mayor Bohmfalk participated in a Coventure podcast – the topic was public service in small town communities. The podcast can be accessed through Spotify or Coventure’s website. Trustee Kitching attended the GCE meeting. Rifle has rejoined and they are encouraging New Castle to join. Trustee Kitching will attend the Partners in Energy workshop tomorrow.

ATTORNEY’S COMMENTS

Mark did not have any comments.

MANAGER’S REPORT

Lauren told the Board that staff will be interviewing for planning director at the end of the week. After we hire a planning director we will interview for the planning tech position. Lauren has received several applications for the finance director.

PUBLIC HEARING – NEW RETAIL MARIJUANA STORE

Applicant: Lova Carbondale, LLC
Location: 1337 106 County Road

Cathy explained that Lova’s application is unique in that a building does not yet exist at this site. Staff spoke with the State, and they verified that they routinely issue licenses for buildings that do not yet exist, and they issued a license for Lova Carbondale on May 5, 2022.

Matthew Shiffrin, representing Lova Carbondale, LLC, stated that Lova is a retail chain and they will be installing a (shipping) container building on the site.

Discussion ensued.

Trustee Silverstein asked Matthew if he is aware of the town’s excise tax and signage regulations. Matthew replied that he is aware of both the tax and the sign regulations. Trustee Silverstein asked Matthew where Lova’s cultivation is located. They have a 83,000 sq. ft. grow facility in Commerce City. Matthew noted that their other stores have had no issues/violations with the State or the other municipalities where they are located. They will be installing more cameras than is required by the State. The installation of the building should take approximately three months to complete.

Trustee Hassig asked Matthew if he is aware of the staffing challenges Carbondale is facing? Matthew stated that they already have people to hire. Trustee Hassig asked if

the building is adaptable to put an apartment on the top? Matthew stated yes, it is adaptable, that is one of the benefits of a cargo container.

Mayor Pro Tem Sparhawk opened the meeting to public comment. There was no one present who wished to address the Board so Mayor Pro Tem Sparhawk closed the public hearing.

Trustee Yllanes made a motion to approve Lova Carbondale's new retail marijuana store application with the condition that the applicant receive a Certificate of Occupancy prior to receiving the license. Trustee Silverstein seconded the motion and it passed with:

6 yes votes: Yllanes, Laird, Silverstein, Sparhawk, Hassig, Kitching

MOUNTAIN PARTNERSHIP CONTRIBUTION

Mayor Pro Tem Sparhawk stated that the Town was asked to join Mountain Partnership free of charge. The Board agreed to join Mountain Partnership. The Board concurred that they did not want to sponsor their September event. Trustee Hassig commented that it's more prudent to contribute locally rather than at a higher level.

WAIVER OF PERMIT FEES FOR YOUTH ART PARK

Lauren explained that Carbondale Arts, working in conjunction with RFTA, has been working on the final installment of the Rio Grande ARTway. The project does not officially need a building permit per the UDC, but upon Carbondale's request, all parties agreed that it would be better to submit a building permit for a courtesy review of the plans to avoid potential questions about safety and liability. The normal fees for the building permit and plan review would be \$2,101.69 which was not anticipated in the fund-raising for the project. Carbondale Arts has asked the town to waive the building permit and plan review fees.

Trustee Hassig made a motion to grant a one-time waiver of plan review and building permit fees for the Youth Art Park installation along the Rio Grande ARTway in the amount of \$2,101.69. Trustee Laird seconded the motion and it passed with:

6 yes votes: Sparhawk, Hassig, Yllanes, Laird, Kitching, Silverstein

SECURITY ASSISTANCE FOR MOUNTAIN FAIR

Lauren explained that in the past the Carbondale police department, along with police from surrounding jurisdictions, has provided Mountain Fair with security. The police department discovered that the required number of security personnel are not available to assist with this year's event. As a result, the police asked Carbondale Arts to hire private security to ensure an appropriate level of security for this year's Fair. The estimate from the security company is between \$4,000 and \$4,500. As stated in a letter to the Board, Carbondale Arts plans to budget for this contingency situation for

Mountain Fair going forward. However, they have asked the Town to share in the unforeseen security expense in 2022. Carbondale Arts is asking the Town for a one-time contribution of up to \$2,500 to help cover the cost of security.

Trustee Kitching made a motion that the Town of Carbondale will share the cost of contracted security for Mountain Fair in 2022 up to a maximum of \$2,500 due to police staffing shortages across the Roaring Fork Valley. Trustee Silverstein seconded the motion and it passed with:

6 yes votes: Silverstein, Laird, Hassig, Kitching, Yllanes, Sparhawk

DISCUSSION ON PLACING A LODGING TAX ON THE NOVEMBER BALLOT

Lauren explained that the Trustees have been discussing whether or not to put a lodging tax increase or Short-Term Rental (STR) tax increase item on the November 2022 ballot. In the meantime, the Tourism Council submitted a formal request for a lodging tax increase from the current 2% to 4% which was initially approved by the voters in November 2003. The increase would support sustainable tourism.

Mayor Pro Tem Sparhawk opened the meeting to public comment.

Comfort Inn principal Ted Levis spoke on behalf of fellow principals Paul Hilton and Steve Wolff. Ted stated that the better the town does the better they do. They were disappointed to not be included in prior lodging tax discussions, and they were surprised at how quickly the discussion has progressed. They are a significant contributor of lodging taxes, yet they have not received any data on the results of the Tourism Council/Chamber marketing efforts partially funded by their tax revenue. There is no way to calculate what they are getting for their contribution. Marketing does not only benefit lodging but they are being asked to shoulder the contribution. Why aren't restaurants taxed, they benefit from tourism? Ted noted that the pandemic has significantly increased their costs.

Carey Shanks, Marble Distillery and Inn, stated that he agrees 100% with the Comfort Inn principals. He doesn't appreciate that he wasn't informed of the previous meetings – there is a lack of communication. He supports forming a group of stakeholders to come up with a long-term plan, all groups need to be included in the discussion and we need to take the time and do it right.

Andrea Stewart, Executive Director of the Chamber and Tourism Council, provided a budget in the packet and identified that the additional revenue would be used to hire a visitor relations liaison. The stakeholders were surveyed last October, and their feedback went in to the Tourism Council's presentation. She noted that two lodging property employees serve on the Tourism Council.

Nina Pedersen stated that the town doesn't know the STR revenue pool. She does direct STR bookings and she is concerned that if the town changes the tax they will need an honor system as no one is reviewing the revenue and the oversight of STR's. The STR tax is paid in a lump sum. The extra money is undefined – where would it go?

Brittany Halley stated that the tax is a good idea and is a step in the right direction. Tourists are contributing to the greater good of the community. However, she cautioned the town to be careful as to how much they increase the tax.

Mayor Pro Tem Sparhawk agreed that the discussion came up rather quickly. We need to do something for affordable housing. The STR tax discussion was a possible way to allocate money to affordable housing – that is the urgency. We can certainly delay putting a tax on the November ballot. The Board values the lodging community and we are not downplaying tourism.

Mayor Pro Tem Sparhawk asked the Board should we put a lodging tax increase on the November ballot?

Trustee Silverstein suggested a 5% STR tax question – it affects the person who rents the STR and the money could go towards affordable housing. As for a lodging tax, tourism revenue has gone up. He believes we are being rushed on the lodging tax question and it is a complicated topic to address so quickly.

Trustee Hassig agrees with Trustee Silverstein and believes it would be simpler to have only one question on the ballot.

Trustee Laird agreed that the Board should move forward with a STR tax – it's an equity issue. Hotels pay commercial taxes. If we agree to a lodging tax increase he believes the increased revenue should be allocated to affordable housing or possibly a circulator bus.

Trustee Yllanes stated there is a whole ecosystem of tourism. More discussion is needed with those who would be affected by a lodging tax increase. He believes the Board should move forward with the STR tax increase question.

Mayor Pro Tem Sparhawk read Mayor Bohmfalk's comments. He supports a STR and lodging tax increase. He is comfortable with putting two questions on the November ballot. However, he is interested in how the accommodations industry feels. He suggested an additional 2% lodging tax (or higher) and a 5% STR tax. He noted that the current economy won't last forever and a lodging tax should not be used as a tool to minimize tourism.

The consensus of the Board is that there is strong support for an STR tax increase question on the November ballot and directed the town clerk to reserve ballot space with the county clerk for a possible second question.

ADJOURNMENT

The July 12, 2022, regular meeting adjourned at 7:40 p.m. The next regular meeting has been scheduled on July 26, 2022, at 6:00 p.m.

APPROVED AND ACCEPTED



Erica Sparhawk, Mayor Pro Tem

ATTEST


Cathy Derby, Town Clerk