

**New Castle Special Town Council Meeting
Friday, April 24, 2015, 5:45 p.m.**

Call to Order

Mayor Pro-Tem Bruce Leland called the meeting to order at 5:46 p.m.

Pledge of Allegiance

Roll Call

Present	Councilor Riddile Councilor Metzger Mayor Gordon (arrived at 6:00 p.m.) Mayor Pro Tem Leland Councilor Stuckey
Absent	Councilor Means Councilor Breslin

Also present at the meeting were Administrative Assistant Ryan Muse and Town Attorney David McConaughy.

Meeting Notice

Administrative Assistant Ryan Muse verified that the Clerk's Office gave notice of the meeting in accordance with Resolution TC-2015-1.

Conflicts of Interest

There were no conflicts of interest.

Agenda Changes

There were no agenda changes.

Citizen Comments on Items not on the Agenda

Ryan Hoffman, new Editor for the Rifle Citizen Telegram, and reporter for the Post Independent covering New Castle, Silt and Parachute. Mr. Hoffman introduced himself to the council, and said he would be at as many council meetings as he could.

Items for Consideration

Consideration of Community Resource Housing Development Corporation Items:

- **Second Amendment of Lease-Purchase Option Agreement**
- **Letter of Support**

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- **Letter Requesting Waiver of Fees**

Attorney McConaughy said that the second amendment to the Lease-Purchase Option Agreement allowed assignment of the existing contract to a single-purpose entity called Lakota Ridge Senior Apartments LLC. The amendment accomplishes the assignment and obligates the LLC to perform everything in the contract and also reflected the option price of \$197,500k. Attorney McConaughy said it was not controversial and felt a simple motion was sufficient.

MOTION: Councilor Stuckey made a motion to approve the second amendment to the lease and option to purchase agreement. Councilor Riddile seconded the motion and it passed unanimously.

Attorney McConaughy said the proposed letter of support was also non-controversial. Either the Mayor or Town Administrator could sign the letter. The letter says there is a need for the type of housing and state the town's support of a tax credit application.

MOTION: Mayor Pro Tem Leland made a motion to authorize the Mayor or Town Administrator to sign the letter of support for CRHDC's tax credit application. Councilor Riddile seconded the motion and it passed unanimously.

Attorney McConaughy said that from the beginning of the senior housing project, CRHDC had been asking the town to consider certain concessions to assist them with the project. The town had already made one concession in a way by accepting an average of the two appraisals. He said there was a memo in the packet identifying some fees that could potentially be reduced or waived. Due to an agreement with Castle Valley Ranch, water and sewer taps cannot be discounted or reduced.

Mayor Gordon arrived at 5:53 p.m. Attorney McConaughy briefed the Mayor on what had already been discussed.

Attorney McConaughy said that the Lakota Traffic Impact Fee, which is \$1475 per unit, the town was banking for future improvements at the Highway 6&24 and Castle Valley Boulevard intersection. The Senior Housing project will benefit from the intersection improvements, and the town is contractually obligated to build it when needed.

The other fees considerations were the Plan Review Fee, which is a hard cost for the town, but there could be general fund monies to cover part of the cost. There is the \$500 per unit Recreation Facilities Development Fee. The agreement with Lakota says that the town would not adjust or increase that fee unless it is done town-wide, but it does not say the fee cannot be waived for a specific instance. He reminded the council that the recreation fee goes to pay for items such as the tennis courts, and there is agreement that says those funds would be used for such items.

The last fee consideration is the water rights dedication fee, which was originally at \$1000 per EQR, and in 2007 increased to \$6000. The reason it was raised was to

better reflect the cost to the town to acquire water rights up Elk Creek. Attorney McConaughy said he thought the Fire Station was the only entity that had actually paid a water rights dedication fee since the rate was raised.

Mayor Gordon asked how many EQRs CRHDC would own. Town Planner Tim Cain said that the water and sewer taps would be \$384k for 32 taps for the project.

Attorney McConaughy said most developers are required to bring water rights to the town, but Lakota had used all their water rights on the golf course. Because the town's existing municipal right had not been maxed out, so essentially the town sold Lakota all the remaining water rights they owned from the original 1888 purchase. The \$6000 fee is meant to be banked in the event the town needs to purchase more Elk Creek water. If the council decided to provide some reduction of the fee, it would not come out of the town's accounts, but instead it would reduce the amount of funds banked for future water acquisition.

Mayor Gordon and Attorney McConaughy felt reducing the fee back the original \$1000 should be acceptable, but Attorney McConaughy cautioned that it would be setting a precedent from someone else to ask for the same. Councilor Riddile and Leland felt that reducing it back to \$1000 per EQR was acceptable.

Councilor Metzger said she agreed with the reduction of the water rights dedication fee, but did not agree with reducing the other fees and felt CRHDC was asking for a lot. Councilor Leland was concerned about reducing the recreation fee.

MOTION: Councilor Leland made a motion to waive the plan review fee for CRHDC for development of the senior housing project. Mayor Gordon seconded the motion and it passed unanimously.

Councilor Riddile suggested that the recreation fee be reduced to \$250 per unit because the developer was a non-profit.

MOTION: Councilor Riddile made a motion to approve a reduction of the public recreation fee for the CRHDC senior housing project to \$250 per unit. Mayor Gordon seconded the motion and it passed unanimously.

MOTION: Councilor Gordon made a motion to approve reducing the water rights dedication fee to \$1000 per EQR. Councilor Riddile seconded the motion.

Discussion: Councilor Leland asked that the \$6000 water rights dedication fee come back to the council on a future agenda for their consideration.

The motion passed unanimously.

Councilor Metzger asked what the total would be. Planner Cain asked for a short conference with Attorney McConaughy because he was not clear what the total would be. Attorney McConaughy said that would be unknown right now, but for purposed of the letter, it could say the water rights dedication fee would be \$1000 per EQR. The town would need to see plans to determine actual EQRs and a total cost.

Councilor Stuckey said he was concerned as a citizen, resident of Lakota Canyon Ranch and member of the Lakota HOA design review board. CRHDC had sent a letter indicating that they were not required to go through review with the design

review board, and that they would do their best to uphold the design criteria, but they had no responsibility to go through design review. Attorney McConaughy said that CRHDC brought up the subject during their meeting. He said that the overall PUD agreement said that as things are platted and subdivided they would be brought in to the HOA. There are supplemental declarations to the covenants for each plat. The Lot where the senior housing project will be located does not have a plat, and Attorney McConaughy said he had not had time to do a title search and determine if they are part of the HOA and subject to covenants. They are subject to the agreements with the town that said the Lakota property will be part of the HOA. He said they strongly encouraged them to make sure the design review committee would be supportive of their designs or it could complicate their public hearing. Councilor Leland recalled that at the charrette they discussed the need to meet the design criteria, and that discussion is part of the record.

Councilor Stuckey said he also understood that CRHDC was notified that the number of senior units would subtract from the number of units that could be built in Lakota. Attorney McConaughy said that was correct, and the total number of units was also broken down by phase. Councilor Stuckey said CRHDC was not happy about it and it needed to be discussed.

Councilor Stuckey said that he felt that if the senior units were going to count against the entire Lakota subdivision for total number of units, he felt they should be part of the HOA. Attorney McConaughy said part of the approval process could be a requirement to join the HOA and be subject to the covenants.

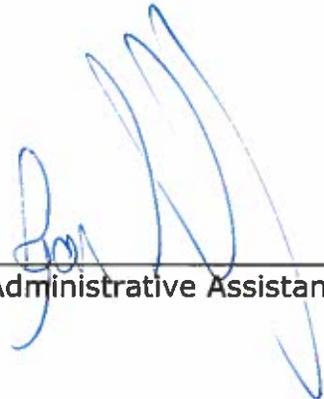
Planner Cain said that his position with CRHDC has always been that they are subject to the design review committee.

Councilor Leland pointed out that a second concession given to CRHDC was the low lease on the property, in addition to the three concessions voted on earlier.

MOTION: Councilor Stuckey made a motion to adjourn. Councilor Metzger seconded the motion and it passed unanimously.

The meeting adjourned at 6:22 p.m.

Respectfully Submitted,



Administrative Assistant Ryan Muse



Mayor Pro Tem Bruce Leland



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