

A regular meeting of the Montrose City Council was held on Tuesday, February 6, 2024, at 6:00 p.m. in the City Council Chambers of the Elks Civic Building. Said meeting was posted in accordance with the Sunshine Law.

PRESENT: Barbara Bynum, J. David Reed, Dave Frank, Doug Glaspell, Ed Ulibarri, Shiloh Warthen, Ann Morgenthauer, Chris Dowsey, Greg Story, Lisa DelPiccolo, Briceida Ortega, Chris Ottinger, Dave Copeland, Tim Cox, Gunnison Clamp, William Reis, Jace Hochwalt, Scott Murphy, Jim Scheid

GUESTS: Judy Ann Files, Mario Capolarello, Kathy Crist, Fernando Belair, Larry Newlin, Patty Amori, Pat Amori, LeAnna Spadafora, Ed Spadafora, Frank Spadafora, Harold Palmer, Sue Palmer, Bob Schwab, Lori Schwab, Ken Stafford, Connie Stafford, Michael Bernhardt, Debra Twehous, Heidi Twehous, Gary Reed, Barb Pullin, Matt Box, Chuck Terry, Karen Terry, Suann Hughes, Frank Andrews, Harriet Cano, Sue Ellen Gary, Cheryl Cameron, Nancy Foote, Walter Fulton, Martin Crespín, Carol Crespín, Dean Schufeldt, Barb Schufeldt, Carol Ashley Stowers, S. Wayne Jones, Ilene Mae Lennau, Patric Byrnes, Kristy Colborn, Ken Otto, Sandy Manzanara, Rhonda Johnson, Beth Van Gorp, Richard Van Gorp, Mary Potter, Maurice Potter, Bruce Morgan, Kathy Dremick, Candy Ayotte, Ken Whitlow, Deb Whitlow, Lionel Box, Beth Short, Lyle Clugg, Christine Sorenson, Sue Wince, Dave Wince, Louise Dahl, Gary Dahl, David Hazell, Tonda Hazell, Ann Holmes, Erika Lopez, Jaime Lopez, Tom Wagoner, Sue Wagoner, Tim Garvey, Liz Mauch, Douglas Bell, Ron Abbott, Barb Abbott, Leslie Phillips, Darryl Carlson, James Richardson, Collin Galloway, Fred Hardinge, Amy Spielman, David Farley, Harlan Smid, Laura Smid, Nancy Lambeth, Scott Hawkins, Chantel Hawkins, Craig A. Bauer, Sharlene Martinson, Bill Haddock, Bob Ernst, Tamera Schlegel, S. Wayne Jones, J. Bradshaw, Janice Jantz, Rich Jantz, Marge Wiley, Ron Wiley, Sue Wagoner, Adam Renfrow, Chris Koch, Doug Snyder, Clay Bales, Jason Raible

#### CALL TO ORDER

Mayor Barbara Bynum called the meeting to order at 6:00 p.m.

#### PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

#### CHANGES TO THE AGENDA

No changes were made to the agenda.

#### CALL FOR PUBLIC COMMENT

No comments were received.

#### APPROVAL OF MINUTES

City Council considered the minutes of the January 16, 2024, special City Council meeting and the January 16, 2024, regular City Council meeting.

A motion was made by Doug Glaspell, seconded by Ed Ulibarri, to approve the minutes of the January 16, 2024, special City Council meeting and the January 16, 2024, regular City Council meeting as presented. All voted yes. Motion passed.

#### SPECIAL EVENTS ALCOHOL PERMIT APPLICATION

City Council considered an application for a Special Events Alcohol Permit in conjunction with the closure of S. Junction Avenue on Saturday, March 16, 2024, for the St. Patrick's Day Beer Fest event.

City Clerk Lisa DelPiccolo reported that an application was received from the Black Canyon Home Brewers Association to serve alcohol at the event on S. Junction Avenue between Main Street and S. First Street. Ms. DelPiccolo stated that the premises were posted in accordance with state statute, and no comments were received.

Public comment was accepted. No comments were received.

A motion was made by J. David Reed, seconded by Dave Frank, to approve a Special Events Alcohol Permit in conjunction with the closure of S. Junction Avenue on Saturday, March 16, 2024, as presented. All voted yes. Motion passed.

#### RESOLUTION 2024-03

City Council considered Resolution 2024-03 authorizing the City Manager and staff to pursue a Community Development Block Grant through the Colorado Department of Local Affairs, Division of Housing on behalf of Volunteers of America (VOA) for the purposes of the Rendezvous Apartments acquisition, rehab and construction project on 2366 Robins Way in Montrose, CO. A hearing was held.

Community Development Specialist Christopher Ottinger reviewed the purpose of the Community Development Block Grant program and the role of VOA to provide housing and health care to the homeless, veterans, youth at risk, and others.

Mr. Ottinger stated that VOA intends to rehabilitate and expand a portion of the Pavilion Gardens housing campus which is reaching the end of its functional life. A building with 30 existing housing units will be remodeled and a new 22-unit building will be added to address the critical need for senior housing within the community.

Mr. Ottinger stated that VOA is requesting \$2.86 million, or \$55,000 per unit, to cover a gap in financing, and the total project cost is \$22 million. If approved, the City will serve as a pass-through entity. No additional burden will be placed on the City budget and there is no requirement for a grant match.

Mr. Ottinger introduced project manager Doug Snyder who was present to answer questions.

Mayor Barbara Bynum opened the hearing.

Public comment was accepted. No comments were received.

Mayor Bynum closed the hearing.

A motion was made by Dave Frank, seconded by Doug Glaspell, to adopt Resolution 2024-03 as presented. All voted yes. Motion passed.

#### AMENDMENTS TO THE CONTRACT FOR THE SALE OF HISTORIC CITY HALL

City Council considered proposed amendments to the contract for the sale of the historic City Hall building at 433 S. First Street in Montrose.

City Attorney Chris Dowsey reported that following the staff relocation to the new City Hall building, the City was approached by the owners of the future Rathbone Hotel to purchase the historic City Hall building and a contract was put into place. Due to unanticipated increases in the cost of renovation and construction of the Rathbone Hotel, the closing date was moved from August 2023 to August 2024. Mr. Dowsey said another amendment to the contract is requested to return a portion of the earnest money to the Rathbone owners. The City can market the property if desired, and if a secondary buyer materializes, the Rathbone owners will be given the opportunity to complete the closing under the existing contract within 30 days.

Mr. Dowsey stated that Rathbone owners Clay Bales and Jason Raible were present to answer questions.

Public comment was accepted. No comments were received.

A motion was made by J. David Reed, seconded by Doug Glaspell, to approve amendments to the contract for the sale of the historic City Hall building at 433 S. First Street as presented. All voted yes. Motion passed.

#### ORDINANCE 2656 – SECOND READING

City Council considered Ordinance 2656 on second reading, an Ordinance of the City of Montrose, Colorado, authorizing the conveyance of an interest in City-owned real estate pursuant to § 1-9-2 of the Official Code of the City of Montrose (Utility Easement). A hearing was held.

Public Works Director Jim Scheid reported that Ordinance 2656 is for a utility easement and Ordinance 2657 is for an access easement for the Rathbone Hotel. Mr. Scheid stated that no changes were made to the ordinances since both were passed on first reading on January 16. Mr. Scheid said a map is included in the meeting packet for clarification and the easements allow access on an area used as an alleyway by the City.

Mr. Scheid recommended adoption of both ordinances.

Mayor Barbara Bynum opened the hearing.

Public comment was accepted. No comments were received.

Mayor Bynum closed the hearing.

A motion was made by Dave Frank, seconded by Doug Glaspell, to adopt Ordinance 2656 on second reading as presented. All voted yes. Motion passed.

#### ORDINANCE 2657 – SECOND READING

City Council considered Ordinance 2657 on second reading, an Ordinance of the City of Montrose, Colorado, authorizing the conveyance of an interest in City-owned real estate pursuant to § 1-9-2 of the Official Code of the City of Montrose. (Access Easement)

Mayor Barbara Bynum opened the hearing.

Public comment was accepted. No comments were received.

Mayor Bynum closed the hearing.

A motion was made by Doug Glaspell, seconded by Dave Frank, to adopt Ordinance 2657 on second reading as presented. All voted yes. Motion passed.

#### TRIBUTARY STREET EXTENSION CONSTRUCTION CONTRACT

City Council considered the approval of \$698,645.88 in expenditures for construction of the Tributary Street Extension Project. This includes the award of a construction contract to Oldcastle SW Group (dba United Companies) in the amount of \$639,645.88, a survey and engineering support contract to Del-Mont Consultants in the amount of \$24,000.00, natural gas extension expenditures of \$10,000.00, and up to \$25,000.00 in expenditures to Delta-Montrose Electric Association for powerline extensions.

City Engineer Scott Murphy reported that this topic was discussed at a previous work session with no subsequent changes. Mr. Murphy said that this project is the next infrastructure road

extension within Colorado Outdoors, and development has progressed to a point where the road can be built.

Mr. Murphy reviewed the bid process. Three bids were received with United Companies submitting the low bid. Mr. Murphy stated that construction is scheduled to begin in March with completion toward the end of summer. The road will be constructed alongside the medical center, the new hotel, and the Flex Park. The Riverfront Trail will remain closed until the project is completed. Mr. Murphy said the cost of the project exceeded the budgeted amount due to market demand.

Public comment was accepted. No comments were received.

A motion was made by Doug Glaspell, seconded by Dave Frank, to approve \$698,645.88 in expenditures for construction of the Tributary Street Extension Project as presented. All voted yes. Motion passed.

#### ORDINANCE 2659 - FIRST READING

City Council considered Ordinance 2659 on first reading, an Ordinance of the City of Montrose, Colorado, amending the zoning district designation of a portion of the property located at the northwestern corner of Miami Road and 6700 Road from "R-2" Low Density District to "R-3" Medium Density District.

Planner II William Reis reviewed the location of the property. Mr. Reis stated that the property is 37.31 acres with 16.7 acres to the north of Cedar Creek zoned R-3, and 20.61 acres south of Cedar Creek zoned R-2. The property owner is requesting a rezone of the southern portion from R-2 to R-3. The property was originally annexed and zoned in 2007.

Mr. Reis reviewed rezone criteria, the intent of the R-3 zoning designation, zoning standards and dimensional requirements for the R-2 and R-3 zoning designations, and the maximum density allowed under each.

Mr. Reis recommended approval of the rezone request stating that the proposal meets rezone criteria, is in compliance with the Comprehensive Plan and its goals and objectives, and is compatible with existing uses in the surrounding area. Mr. Reis stated that the Planning Commission recommended approval with a vote of 4-3.

City Engineer Scott Murphy reviewed how the development of infrastructure coincides with subdivision, development and budgeting processes.

Community Development Director Jace Hochwalt gave an overview of housing types, a housing forecast through 2040, and the need for middle density which the R-3 designation would allow through Planned Development and Conditional Use Permit processes. Mr. Hochwalt also reviewed the results of a recent community survey. A total of 1,236 responses were received

and indicate that median income is up 25 percent while housing costs have increased 78 percent in 5 years, and mortgage payments have increased 125 percent over 5 years creating a housing crunch.

Mr. Hochwalt stated that staff supports the rezone request, and the Planning Commission recommended approval with a vote of 4-3.

Applicant Chris Koch stated that the Sugarpine development is intended to be compatible with the surrounding area while adding diversity in housing options. Mr. Koch reviewed outreach efforts and stated that Cedar Creek will be restored as a natural waterway within the development. Mr. Koch presented design concepts for the development which will include townhomes, duplexes and fourplexes.

City Attorney Chris Dowsey reported that under the recently updated Land Use Code, a denial of the request is a final decision and would not be subject to a de novo hearing. Mr. Dowsey said that an agreement between the adjacent HOAs and the original property owner was signed by all parties in 2007 and was released by all parties in July 2018.

Mr. Dowsey stated that the role of City Council is to consider all facts and apply them to the Code. If the facts are in conformance, the request should be approved. If the facts do not meet Code standards, there should be a denial. Mr. Dowsey stated that the City Council could approve the request with conditions. He recommended against conditional approval because the conditions would not be found in a title search.

City Councilors discussed the request, the need for housing within the community, and the zoning of the surrounding area. Concerns were raised about maximum densities allowed if the property was sold. Mr. Hochwalt reviewed maximum densities under each zoning designation and when Conditional Use Permit and Planned Development Processes are needed. The zoning of the surrounding area was reviewed again. City Councilors also questioned whether conditions in the area had changed substantially since the initial zoning. City Councilors discussed health, safety, and welfare aspects, whether the area is appropriate for the requested zoning designation, and whether rezone criteria are met.

Public comment was accepted.

Ken Otto, Patrick Byrnes, Sue Ellen Gary, Martin Crespín, Gary Reed, Scott Hawkins, Adam Renfrow, Lyle Clugg, Suzanne Newlin, John Bradshaw, Ann Holmes, Nancy Foote, Sharlene Martinson, Dave Farley, Fernando Belair, and Matt Box spoke in opposition to the rezone request citing concerns related to traffic, health, safety and welfare, school capacity and affordability of the proposed units.

Mr. Koch stated that he is asking for a style of home and not for increased density, and that the density of the proposed project is less than what is allowed under the current zoning.

A motion was made by J. David Reed, seconded by Ed Ulibarri, to deny the rezone application.

Mayor Barbara Bynum restated for the record that following the Comprehensive Plan and following the Municipal Code, conditions are not substantially different to allow for a rezone of the property.

All voted yes. Motion passed.

#### YOUTH CITY COUNCIL REPORT

Youth City Councilor Shiloh Warthen reported that the Montrose Youth City Council is in the planning stages for a food drive beginning in March. The plan is to partner with multiple entities and businesses within the community. Ms. Warthen asked for assistance in spreading the word.

#### STAFF REPORTS

No staff reports were made.

#### CITY COUNCIL COMMENTS

City Councilor Ed Ulibarri commented on the design of the planned Sugarpine housing project and the statement made by the community.

City Councilor Dave Frank encouraged community members to register for the 2024 Citizens Police Academy on March 23.

Mayor Barbara Bynum reported that the February 19 work session was moved to Tuesday, February 20 due to the Presidents' Day Holiday.

#### MOTION TO ADJOURN

At 8:25 p.m., a motion was made by Dave Frank to adjourn the meeting with no further action taken.

ATTEST:



Lisa DelPiccolo, City Clerk





Barbara Bynum, Mayor