



Brown Ranch Annexation Committee  
Meeting No. 16  
Carver Conference Room and Via Zoom  
FRIDAY, AUGUST 18, 2023  
10:00 AM

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**MEETING LOCATION:** In-person and virtual via Zoom. See Instructions above. Carver Meeting Room, Centennial Hall;  
124 10<sup>th</sup> Street, Steamboat Springs, CO

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**A. PRIOR MEETING RECAP**

**1. Approval of Minutes**

**1.a. August 08, 2023, Meeting Summary.**

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**B. CURRENT DISCUSSION**

**2. REVIEW OF UPDATED ANNEXATION AGREEMENT AND  
PROPOSED BALLOT LANGUAGE FOR STR TAX.**

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**C. PUBLIC COMMENT**

PUBLIC COMMENT IS SCHEDULED FOR 30 MINUTES, AND IT SHALL BEGIN AT 11:30 A.M. OR THE CONCLUSION OF THE ABOVE AGENDA ITEMS, WHICHEVER COMES

FIRST. THOSE ADDRESSING THE COMMITTEE ARE REQUESTED TO IDENTIFY THEMSELVES BY NAME AND ADDRESS. ALL COMMENTS SHALL NOT EXCEED THREE MINUTES. ALL COMMENTS SHALL RELATE ONLY TO TOPICS OF DISCUSSION ON TODAY'S AGENDA.

### **3. PUBLIC COMMENT**

# AGENDA ITEM #1.a.

## Brown Ranch Annexation Committee (BRAC) Wednesday, August 8, 2023 Meeting Summary

Attendance: Robin Crossan, Joella West, Tom Leeson, Leah Wood, Kathi Meyer, Jason Peasley (BRAC); Jason Lacy (Third Party Facilitator); Kim Weber, Chuck Cerasoli, Mark Beckett, Jon Snyder, Angela Cosby, Matt Barnard, Rebecca Bessey, Dan Foote, Brad Calvert (City staff); Robin Schepper, Sheila Henderson (BRAC Communications); Emily Katzman (YVHA staff)

### A. PRIOR MEETING RECAP

#### 1. Approval of Minutes

Minutes (the official video recording) from the July, 26 2023 meeting were approved unanimously. First by Kathi Meyer; Second by Leah Wood.

#### 2. Communications and Public Outreach Update

Sheila Henderson provided the following update:

- Attending Mainstreet Steamboat Farmer's Market each Saturday for BRAC outreach.
- Meetings scheduled in each of the district schools later in August to connect with teachers and staff.
- Communications Team is trying to decide if another town hall should be scheduled. Timing: between 8/22 and 9/5? Consider making it a City Council meeting dedicated to public comment? Group decided to revisit this conversation at end of BRAC meeting.

### B. CURRENT DISCUSSION

3. Jason Peasley, YVHA Executive Director, shared the following updates and information. For details, see [YVHA's packet material here](#).

Following up on a conversation during the 8/1/23 City Council meeting, YVHA shared information about unit types and income levels that will be served by Brown Ranch. Rental units at full buildout: 1369. Ownership units at full buildout: 895. Rental units Phase 1: 747. Ownership units Phase 1: 377. This unit mix is based on YVHA's demand study and is subject to change as demand shifts.

Q: Robin Crossan: If the demand changes and you have to change your business model – for example, the demand study indicates you need to offer more ownership units or single-family homes, are you able to do that?

A: Jason Peasley: Yes. That is part of the purpose of the “ghost blocks” (contingency blocks). We have a bit of flexibility within the neighborhoods that would allow us to build more single-family detached homes, which requires more land.

#### Outstanding Negotiation Points: Regional Park

- City Parks & Rec staff visited Brown Ranch on 8/3/23 to walk the site and tour the two Regional Park options.

- YVHA followed up with Routt County Planning Director to understand the entitlements process for a park in unincorporated Routt County: there is specific language in the recently updated Routt County Master Plan that encourages development of parks adjacent to urban centers. Because the Regional Park would include sports fields, this would be a Conditional Use process, which would require approval from the Routt County Planning Commission and Board of County Commissioners.
- Angela Cosby, Steamboat Springs Parks & Recreation Director, provided the following update: Staff concluded that of the two options, Option 1 (40 acres north of Urban Growth Boundary) would provide the best opportunity for a Regional Park, due to both the topography and amount of space. Next steps:
  - Feedback from Colorado Parks & Wildlife.
  - Understand access options (primary and secondary emergency access)
  - Understand potential impacts of airport overlay zones.
- Matt Barnard: Option 2 would not be conducive to development of sports fields.
- Q: Joella West: CPW has indicated they will not have a response until August 30<sup>th</sup>. Are we stuck until we get that response?  
 A: Angela Cosby: CPW is our go-to scientific resource. We need to wait for CPW's feedback and recommendations. It is important for the community to understand that the part of Brown Ranch that is north of the UGB is not dedicated open space. YVHA has indicated it intends to hold that land for 20 years, then it could be a future development area.
- Jason Peasley: For the Annexation Agreement, we should have a discussion on the timing of utilities and access to the Regional Park.
  - YVHA has suggested it could get utility stubs to the edge of the UGB by the end of Phase 1, or about halfway through the total project.
  - Q: Robin Crossan: can we work on a trigger point within Phase 1 to start working on the park?  
 A: Jason Peasley: yes, we can work on that, but we also need to remember this is not the only park. There will also be a 22.5 acre Community Park developed as part of Phase 1, as well as the Sports Barn complex and neighborhood parks,
  - Leah Wood: The trigger point should include a certain number of units developed by YVHA as well as a capital-raising threshold by the City.
- Airport Overlay Zone: Rebecca Bessey, Steamboat Springs Planning Director, offered the following clarification: the Airport Overlay Zone only applies within the City's jurisdiction for zoning. If the regional park is not located within that boundary, it doesn't have that overlay on it. That does not mean Routt County doesn't have its own overlay, and there may be other considerations due to grants and operations of the airport.

**STR tax funds:**

- Jason Peasley asked for confirmation that City Council is generally agreeable to dedicating 75% of STR revenues to YVHA for Brown Ranch. Additionally, if there is a ballot question for a multiple year fiscal obligation, it must be tied to an Annexation Agreement. President Crossan confirmed this statement.
- Q: Jason Peasley: What is the process to draft ballot language?

- A: Dan Foote: There is a range of ways the ballot question could be worded. Two basic structures: Simple (“shall the City allocate funds per this annexation agreement?”) Or a more complicated option with technical question, including TABOR language that creates flexibility for the City to issue bonds.  
Q: Robin Crossan: how would the ballot language being approved by the community impact STR revenues in 2023 and 2024?  
A: Dan Foote: I recommend tying the question to fiscal years, starting in 2025. City Council could allocate STR funds for 2023 and 2024 because City is already collecting funds in 2023. The 2024 funds could be budgeted and appropriated.
- Q: Robin Crossan: Do the allocations for 2024 and 2025 have to be memorialized in the Annexation Agreement?  
A: Dan Foote: The Annexation Agreement would lay out how the City intends to commit to allocating STR revenue to Brown Ranch, but there would be subsequent procedural steps.
- Q: Robin Crossan: What happens if we get to 9/5/23 and approve the STR ballot language on second reading, but then something happens and there is not an executed Annexation Agreement?  
A: Dan Foote: Once ballot language is certified, there is not an opportunity to pull it back and there will be an election regardless.
- Next steps:
  - Dan Foote to update DRAFT Annexation Agreement with 75% appropriation language and 2023/2024 appropriation language.
  - Dan Foote to draft ordinance for STR ballot question. Will likely present two ballot language alternatives for City Council to consider on 8/22.
- Q: Jason Peasley: could there be a simple ballot question that commits 75% of STR tax to YVHA without specifying Brown Ranch?  
A: Dan F: yes, that is possible, but may not be desirable to the City.
- Leah Wood asked if YVHA can collaborate in drafting the ballot language.  
A: Dan Foote: can share language on 8/15 or 8/16 and give YVHA an opportunity to review and provide written comment.

#### **Fiscal Impact Analysis (City of Steamboat Springs General Fund)**

- YVHA and City staff mutually agree that there is a fiscal gap of \$1,203/unit per year for the City to provide services to Brown Ranch. This anticipates a micro transit plan for Brown Ranch (Scenario 5).
- Kathi Meyer, YVHA Board of Directors, provided the following update: The YVHA Board of Directors met on Friday to discuss this issue. The Board made a commitment to pay the City \$1,203 in perpetuity to fill the gap.
  - That payment will increase with inflation per the Consumer Price Index.
  - Payment will be assessed on a per unit basis upon the issuance of a Certificate of Occupancy pre-rated for the fiscal year.
  - If per unit costs are not paid, City can deny future building permits.
  - Obligation sunsets if City approves a property tax to fund operations.

- YVHA will fund operating gap via a revenue source of its choice which may include these mechanisms:
  - Real Estate Transfer Assessment at 1 – 2% (RETA).
  - Metro District (5 – 10 mills)
  - YVHA mill levy (\$1.6M annually)
- Jason Peasley clarified that YVHA will pay \$1,203/unit/year. The way YVHA generates that revenue is up to YVHA. This has an impact on affordability, but YVHA believes this compromise is necessary to move the project forward.
- Q: Dan Foote: you will have control of a metro district now, but 20 years from now when Brown Ranch residents govern the metro district, you will not. If a metro district is a critical component of this contribution, how will you guarantee that residents will vote to tax themselves in the future? If the metro district is funding an essential service and a future metro district does not want to tax itself, are there services that could shift away from the City to the metro district?  
A: Ultimately, it is on YVHA to pay for the gap. We are taking on that risk.
- Tom Leeson: at full buildout, there will be no future building permits. How would the City remedy if YVHA cannot meet its financial obligation?
- Q: Robin Crossan: are you aware of a similar project in the mountains so you can understand ownership unit turnover?  
A: Jason Peasley: Miller Ranch in Eagle.
- Tom Leeson: In the Annexation Agreement language, we need to clarify the sunset would only occur if there is a comprehensive change in how the City's General Fund is funded (adding 1 mill specifically to support fire, for example, would not trigger a sunset on YVHA's obligation to fill the gap).
- Q: Tom Leeson: Is there any concern about using CPI to index inflation?
- A: Kim Weber: CPI is not a perfect tool, but it is the best we have. I do not have major concerns.
- The group acknowledged this is a big step forward.
- Next steps: Update Annexation Agreement language to incorporate this concept. Share with City Council in advance. Get full council feedback on 8/22.

### **Capital Revenue and Expenses**

- President Crossan shared an update: The City is anticipating a \$1M Congressionally Directed Spending grant for the Core Trail extension, as well as matching dollars committed by Routt County. The City is hopeful it can begin construction in 2024 and be "at the doorstep" of Brown Ranch by end of 2025.
- Leah Wood, YVHA Board President, shared updates to the Brown Ranch revenue and expense analysis. The City's side of the ledger is comprised of expenses that have broad community benefit and solve existing community needs:
  - Highway 40 expansion (City share = \$56,000,000; YVHA share = \$22,000,000)
  - Elk River Water Treatment Plant (City share = \$17,860,000; YVHA share = \$43,000,000)
  - Core Trail Extension (\$2,395,313)

- Changes made to YVHA's capital analysis since August 1, 2023:
  - Revenue: YVHA would like flexibility to sell 4 acres adjacent to Overlook subdivision in addition to 23-acres between Community Park A and US40, in order to generate additional capital to fund Brown Ranch infrastructure.
  - Reduced City grant revenue projections to \$2.5M over full buildout, per direction of City staff.
  - Expense: Brown Ranch share of Elk River water treatment plant expenses now allocated pro rata across all three phases, rather than being allocated in Phase 2 only.
  - Expense: Reduced transit expenses to reflect transit level of service contemplated in DRAFT Annexation Agreement.
  - Revenue and expense: removed geothermal direct pay line item and geothermal expenses. YVHA still intends to utilize geothermal heating and cooling at Brown Ranch, but is considering utilizing a third-party utility provider that would develop, own, and operate the system.
- Questions and Discussion:
  - Q: Kim Weber: it looks like you increased self-supported project value by \$10M. Did anything change in the master plan?  
A: Jason Peasley: No, we used that to demonstrate that is a tool we have at our disposal to close the gap. We can do that in two ways: increasing density or changing AMI mix. Changing AMI mix is the option of last resort.
  - Q: Kim Weber Timing: Elk River Water Treatment Plant: In this proposal, would the City be fronting money before you pay the share of units that would be built after the water treatment plant is constructed?  
A: Jason Peasley: The additional tap fees for the water treatment plant would be assessed across all three phases, on a per unit basis at building permit. We are anticipating the City bonds for this expense.
  - Jon Snyder, Steamboat Springs Public Works Director: The City's share of US40 improvements (\$56.6M) will not be eligible for STR tax revenue utilization. That is a huge chunk of money the City does not currently have. Also, the Traffic Impact Study indicates those upgrades will be needed earlier in the project than the capital analysis currently contemplates.
    - Leah Wood: the Traffic Impact Study seems to indicate the improvements to US40 will be needed whether or not Brown Ranch is developed, however, Brown Ranch accelerates the need and will help fund those improvements by paying its \$22M share of the project.
    - Jason Peasley: we recognize US40 is a significant existing problem. Because of Brown Ranch, there is a \$22M share of the project that is eligible for STR funds because of the type of neighborhood we're building. This is an existing problem that is here whether you want to tie it to Brown Ranch or not.
  - The final Traffic Impact Study will take a month to review. Can fast track analysis of cost share.

- Leah Wood: it is unrealistic to expect that a capital budget over 20 years will be fully sourced at this point in the project. That said, before YVHA begins construction on any phase of the project, we will have a fully sourced sub-project. It is important to remember that we have other tools too, which is why we are partnering with a private developer. They have access to both debt and equity markets that can fill the gaps if grants, philanthropy, etc. do not materialize at projected levels. Alone, YVHA doesn't have access to that capital. However, that type of capital is expensive. We will only build those units if they are affordable and meet the needs of the community.
- Q: Robin Crossan: Do you know who will build the ownership units?  
A: Jason Peasley: No.
- Q: Robin Crossan: How do we ensure that while The Michaels Organization (private developer) is a part of the project, it cannot or will not just turn around and raise rents? What are the stop gap measures to ensure affordability?  
A: A land lease between YVHA and TMO is the mechanism to make sure Brown Ranch remains affordable. We are aligned with TMO in that the goal is to develop affordable housing. The partnership will look similar to other partnerships YVHA has made to develop housing but on a larger scale: YVHA finds a development partner with a common goal. Both parties have "bottom lines." For YVHA, it is housing units that meet the needs of the community, while shielding YVHA from majority of development risk. For a private developer, there is a financial return expectation since they are taking on risk and bringing significant capital to a project. We don't move forward with a project until both parties meet their thresholds. Once that happens, we close on all the financing to make the project work. Throughout the project lifetime, there are head winds, including cost overruns, but that is a risk the developer takes on, not YVHA.
- Robin Crossan: this information has to get out to the public. There is a lot of misconception in the public about your development partnership.
- Leah Wood: the contributions YVHA and City are making to the project are what make the project feasible. This is how we get affordability.
- Jason Peasley: we need private development partners to do what we cannot do. The land costs represents about 1-2% of the project total. Infrastructure is about 20% of total project costs. There is another 75% of project costs (the housing construction) that another party is taking the risk on.
- Q: Joella West: Do you have a timeline to bring on a for-sale developer? What happens if a developer does not want to develop for-sale housing product?  
A: Jason Peasley: The Michaels Organization has committed to build all the infrastructure both rental and ownership units. They have a first right of refusal to develop the ownership units. We will know whether they are going to do so by the time we break ground on infrastructure. Otherwise, YVHA will issue an RFP to find a development partner for the ownership units.
- Leah Wood: we understand the for-sale component is a critical part of this project. We heard this loud and clear from our community. But we have to start



with annexation and infrastructure. We are further ahead than we anticipated by bringing on a partner to develop both the infrastructure and the rental housing. But that is not because of a lack of prioritization on the for-sale housing.

- Joella West: you need to make sure that what you just said gets to the rest of Council and the public. There has been a lack of discussion about the actual plans for Brown Ranch.
- Next steps:
  - YVHA to provide City Council packet material for 8/22 to describe partnerships and implementation strategy.

### **Vesting Term**

Kathi Meyer: In this context, vesting has to do with the volume of housing units and non-residential units YVHA can develop at Brown Ranch. YVHA is seeking assurance that a future City Council cannot downzone Brown Ranch while property is being developed. Vesting is critical to accessing financing. vesting term of 20 years with a ten-year extension after 1,100 units delivered.

Robin Crossan: City Council understands this issue. City Council needs to discuss the 10-year extension after 1,100, but I think we're close on this.

### **Traffic Impact Study**

- After going through substantial revisions per the City's initial review, the Final Traffic Impact Study was delivered to City on Monday 8/8/23.
- Three City staff members will review the study.
- The goal of the study is to understand existing conditions on US40, Brown Ranch's impact to traffic on US40, and allocate the appropriate share of costs to improve traffic conditions. That cost share informs the Annexation Agreement.

### **Elk River Water Treatment Plant cost share:**

- Jon Snyder reported that the water distribution engineer needs two more weeks to complete the study.
- Q: Kathi Meyer: where is the financial risk?  
A: Jon Snyder: The biggest unknown to developing the water treatment plant is the cost of acquiring the property.

### **Water Rights Dedication Fee in Lieu**

- Jason Peasley: YVHA heard the City determined YVHA's Water Rights Dedication Policy fee in lieu would be \$10.5M. The range of possible fees was \$3M - \$40M. But YVHA hasn't seen any substantiation for that fee.
- Jon Snyder: That is due to attorney-client privilege.

### **Planning Application**

- YVHA submitted the Planning Application for Brown Ranch and is currently under review.

### **Other outstanding items**

Dan Foote walked through other outstanding questions and items:

- General Plan of Development: Needs direction and clarification on phasing language used in annexation agreement.  
Jason Peasley: if there are triggers in the annexation, it should be based on a metric that is calculable, like the number of units or EQRs. Unless there is a specific issue associated with a particular location (like fire station).  
Solution: Dan will substitute 450 units for references for Neighborhood A wherever possible.
- Wastewater Service Section: Current language indicates there is enough capacity to serve Brown Ranch. There is a note that YVHA will confirm this.  
Jon Snyder: This note refers to transmission of sewer from Brown Ranch to the plant. YVHA needs to confirm whether trunkline needs to be upsized. This doesn't need to be resolved for annexation purposes and will be handled during development review.
- Parking requirement for fire facility: Adequate to meet the needs of the facility.
- Land dedication: YVHA is requesting a credit for land dedication for the City's share of the land. City Council needs to discuss.
- STR tax contribution: Sounds like we have agreement on the amount and the general nature of the ballot question. What is the structure of the annual allocation process?
  - BRAC decided to develop a multi-year forecast similar to the City's Capital Improvements Plan process.
  - Dan Foote: City needs accountability mechanism to ensure funds are spent in compliance with the ballot language.

Next steps: Dan Foote will revise DRAFT Annexation Agreement to reflect conversations about general operating fund and parks. City will get a revised DRAFT Annexation Agreement out next week.

### **C. PUBLIC COMMENT**

Public comment occurred at 11:30 am. 7 community members provided comment. These notes are intended to summarize the nature of the comments but do not capture comments verbatim. Please listen to the meeting recording for additional detail.

Sonja Macys: Here wearing 2 hats. Personal: I would like everyone to think back to 2 years ago. A question was posed: What does this project look like if it's successful? My answer was public process. Maps show protected riparian area around Slate Creek as meaningful open space. This is in all the planning documents. It was a committed that was made open space for 20 years. It's my understanding now that we're pushing a regional park in that area. What is a regional park? Commercial-scale developed recreational facility. That is not what I had in mind for open space. [changing hats, now speaking as a County Commissioner]. Board of County Commissioners tabled a letter of support because it is unclear to BCC what level of consideration has been given to the County. A planning application for a regional park in unincorporated Routt County would come through both Planning Commission and BCC. The Housing Authority and City can agree all day long, but the County should be part of land use process when we talk about land use in the County. Is it a big giant field with lights in the County?

Lou Tortora: I am on the Board of YVHA as well as City Planning Commission. I am pretty happy with the way things have gone. You have worked hard to get this through. I am also impressed by the amount of public input. I can say on 3 or 4 years on Planning Commission, I've seen 3 or 4 planning commissioners leave because of housing issues. The importance of housing still needs to be emphasized. In terms of the discussion we've had about The Michaels Organization and Lowe: I'm very comfortable with the capabilities of both groups. In conversation about gaps\_\_\_\_\_. What I haven't seen is the cost about losing workforce. Other than that from a personal level: I have not worked in an environment of altruistic true believers. They have a passion for providing affordable housing. I hope we can continue forward.

Jim Engelken: Congratulations to YVHA for coming forward with a solution on operating expenses. Thank you, it's about time. That is a great step forward. My concern is \$1203 doesn't include transit. Transit is expensive. The people of Steamboat Springs are very concerned about traffic levels. You need an extensive, very robust transit system to mitigate the traffic. Again, I am concerned for your ability to get this by the community. Traffic and impacts to US40 and quality of life are concerning. I've also heard something recently that will also get people concerned: the cost of parks, money the City does not have. That would typically be passed onto the developer. Voters will somehow, some way, at some point, be skeptical. The challenges of outreach are huge and I do not have a solution. The level of misinformation, lack of understanding on huge complicated issues is a problem.

Nancy Engelken: I am here with 2 different hats. I was the City's housing coordinator between 2008 – 2010. City Council dismantled the housing program and got rid of deed restrictions. Political will is an unknown quantity. Since 2008, the world has changed around affordable housing funding. You cannot squeeze a turnip. I want this project to succeed. Affordable housing has been needed for 25 – 30 years. At the same time, I don't want the "trust us" scenarios to result in the City general fund being the only resource available to fill those gaps. There must be

a stopgap in the annexation agreement that if those funds don't come through, that the general fund is protected and will not cause lower levels of service for everyone in Steamboat Springs. Finally: For maintaining permanent affordability, where is the Community Land Trust that was recommended by The Colorado Health Foundation? I want you to succeed and I want the City to be protected at the same time.

Barry Kaplan: I am representing Colorado Crane Conservation Coalition, I am a board member. I want to thank all the individuals and entities who have been working on this project for so long. It is a wonderful project. In the visioning process, the community clearly stated the need for meaningful open space. It's part of our quality of life and part of our community's commitment. It's part of what makes this place a community not just a resort town. Wildlife has to be protected. We are not the only inhabitants of this valley. Yes, we need to balance our needs. We need to honor that commitment for open space. Especially in that corner near CR 42, where there is an iconic crane nest.

Bill Jameson: Let's talk about water first. Any facts you put out have to talk about more than raw water. You have a raw water supply. But that's just a start. Mr. Snyder has talked repeatedly: your problem is but for Brown Ranch. You would never build the Elk River Treatment Plant without Brown Ranch. You have your redundancy. Let's talk about risk of the Elk River Treatment Plant: YVHA's proposal is to do it on a per-unit basis. The risk is on the City. You would have acquired a site at 300 EQR, started construction at 600 EQR, completed the plant at 800 EQR. What's your exist strategy if this thing shuts down at 500 units? What happens if this thing shuts down at 1100 units? You have a plant you have no need for. Yeah it's nice, but who is going to pay for it? You better have a real good exit strategy and real good protection on how you will pay for it. Next: traffic. The idea that we have a problem now will only be exacerbated. It may be bad now, but it will be intolerable with Brown Ranch. Brown Ranch better be coming with a substantial amount upfront. That operating budget backfill is totally inadequate.

Larry Desjardin: President of Keep Routt Wild. I am speaking to relay our deep concerns about the recent proposal to add a regional park north of Brown Ranch. This was not part of the discussion of parks in Brown Ranch during the planning discussions. Going forward with this park will have negative impacts on wildlife. The northern part of Brown Ranch exists on identified summer mule deer range. This last winter has taken an enormous toll on mule deer. Summer habitat is important for deer's winter survival. Similarly, the migration paths are needed for mule deer to move to winter habitats. When we develop this area, migration corridors are pinched. That is a key component to today's declining success of mule deer. This proposal will further exacerbate the problem. This proposal is also in an identified sharp tail grouse area, which is a Tier I species that have also been impacted by development and habitat loss. CPW analysis is critical to determine if the proposal will impact grouse leks, which are breeding areas. In general, it's best to keep development as concentrated as possible. We ask you to reconsider placing the regional park at the proposed location outside the Urban Growth Boundary. We also ask you to consult with CPW before any plans are finalized. Thank you.

In response to public comment:

- Angela Cosby, City of Steamboat Springs Parks & Recreation Director clarified development of parks: YVHA is responsible for construction and maintenance of neighborhood parks. City is responsible for construction and maintenance of community and regional parks. That is in line with our Community Development Code and what we do with any other development.
  - Leah Wood clarified the Fiscal Impact Study does include transit costs. YVHA has agreed to cover the operating fiscal gap for the City.
  - Jason Peasley clarified that YVHA will be contributing an estimated \$22M to US40 improvements. Problems on US40 will get worse not “but for Brown Ranch” but because of growth in the community more generally, particularly if affordable housing is not built in Steamboat Springs and more people continue to move to Hayden and Craig and commute to Steamboat.
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Jason Lacy Summarized where we are and what needs to be accomplished:

- Finalize discussion on Regional Park. Need to work through issues related to County coordination, wildlife impacts, and access. Agreement between City and YVHA on timing and triggers for utility delivery.
- STR tax issue: 75% level is preliminarily agreed upon. Work on Annexation Agreement language regarding appropriating 2023 and 2024 funds and work up ballot language concepts to share with YVHA.
- Fiscal Impact Analysis: Language drafting. Explore whether language is needed to account for future unknowns. Funding proposal by YVHA would be in perpetuity. Sunset option if general property tax.
- Capital Analysis:
  - Need City Council to weigh in on YVHA’s gap-closing approach and accept City’s capital share (US40 expansion).
  - Finalize YVHA/City cost share on water treatment plant based on City’s study.
  - Water Rights Dedication Fee in Lieu: YVHA not yet comfortable with \$10.5M fee without substantiation. Staff will discuss.
- Vesting: City Council to confirm acceptance of YVHA’s position.
- Annexation Agreement drafting updates.
- YVHA will provide narrative on plan on for-sale units for 8/22 City Council meeting.

#### **D. NEXT MEETING**

Additional BRAC meeting schedule for: Friday 8/18/23 from 10 – 12pm. Purpose: review Annexation Agreement language. No negotiating. Will take public comment.

City Council meetings:

- August 22, 2023 – Placeholder for first reading of STR allocation ballot language.
- September 5, 2023 – Placeholder for second reading of STR allocation ballot language. First reading of Annexation Agreement ordinance?

- Communications update: postponing further Town Halls until after 9/5.

Meeting summary prepared by Emily Katzman, YVHA Development Project Manager – August 8, 2023

# AGENDA ITEM #2.

## E. Fiscal Sustainability/General Fund Operations

1. The parties' fiscal impact analysis identifies a \$1,203 annual impact per unit to the City's general fund that results from extending City services (general government, streets, transit, fire, police, parks) to Brown Ranch. This deficit is net of revenues the City expects to receive directly or indirectly from the Brown Ranch development.
2. YVHA agrees to reimburse the City to offset the Brown Ranch impact to the general fund on an annual basis. The payment shall be in the amount of \$1,203 per residential unit that has been issued a certificate of occupancy in the Brown Ranch (the "Annual Operating Contribution"). The Annual Operating Contribution shall be payable on January 31 of each year based on the number of units with Certificates of Occupancy or Temporary Certificates of Occupancy as of the previous December 31. The amount of the Annual Operating Contribution shall be adjusted on January 1 of each year in accordance with the Consumer Price Index published by the United States Department of Commerce ("CPI-U") then applicable to Routt County (currently, the Denver-Aurora-Lakewood statistical area).
3. YVHA's obligation to pay the Annual Operating Contribution shall terminate or be reduced if the City imposes a new or increased property tax. In the case of the City imposing a new property tax, the Annual Operating Contribution shall be reduced by the amount of revenue accruing to the City from that property tax from properties in Brown Ranch. In the case of the City imposing an increased property tax, the Annual Operating Contribution shall be reduced by the amount of revenue accruing to the City from the increase in property tax from properties in Brown Ranch.

## E. Fiscal Sustainability/General Fund Operations

1. The parties' fiscal impact analysis identifies a \$1,203 annual impact per unit to the City's general fund that results from extending City services (general government, streets, transit, fire, police, parks) to Brown Ranch. This deficit is net of revenues the City expects to receive directly or indirectly from the Brown Ranch development.
2. YVHA agrees to reimburse the City to offset the Brown Ranch impact to the general fund on an annual basis. The payment shall be in the amount of \$1,203 per residential unit that has been issued a certificate of occupancy ~~issued~~ in the Brown Ranch (the "Annual Operating Contribution"). ~~—The Annual Operating Contribution shall be payable on January 31 of each year on the basis of based on~~ the number of units with Certificates of Occupancy or Temporary Certificates of Occupancy as of the previous December 31. The amount of the Annual Operating Contribution shall be adjusted on January 1 of each year in accordance with the Consumer Price Index published by the United States Department of Commerce ("CPI-U") then applicable to Routt County (currently, the Denver-Aurora-Lakewood statistical area) U.S. Consumer Price Index All Urban Consumers ("CPI") beginning on January 1, 2024 and using the 2023 CPI.
3. ~~YVHA agrees to fund the Annual Operating Contribution from the one or more of the following sources:~~
  - a. ~~A real estate transfer assessment imposed on the initial and each subsequent sale of a unit in the Brown Ranch assessed at rate of 1% or more.~~
  - b. ~~Property tax revenues raised by a special district or metropolitan district to be formed by YVHA. If YVHA elects to use this source, YVHA shall provide the City with its plan to form the district(s) and obligate it/them to fund the Annual Operating Contribution prior to the issuance of the first building permit for the project.~~
  - c. ~~YVHA's existing mill levy. If YVHA elects to use this source, YVHA provide the City with its plan to extend the existing mill levy prior to issuance of the first building permit.~~
- 4.3. YVHA's obligation to pay the Annual Operating Contribution shall terminate or be reduced in the event that if the City imposes a new or increased property tax to defray its costs of providing one or more of the services described above. In the case of the City imposing a new general property tax, the Annual Operating Contribution shall be reduced by the amount of revenue accruing to the City from the that general property tax from properties in Brown Ranch. In the case of the City imposing an increased property tax, the Annual Operating Contribution shall be reduced by the amount of revenue accruing to the City from the increase in property tax from properties in Brown Ranch. In the case of the City imposing a new or increased property tax to provide one or more of the specific services referenced above, YVHA's reimbursement obligation shall be reduced by lesser of the tax revenue from Brown Ranch or that portion of the reimbursement payment that is attributable to the relevant service or services per the table attached as Exhibit "H", with the CPI adjustment referenced above.



5. ~~The City may elect to reduce service levels in any year for which YVHA does not make the Annual Operating Contribution required by this Subsection 7.E.~~

## 9. SHORT-TERM RENTAL TAX

A. The City agrees to allocate 75% of the Short-Term Rental Tax funds to YVHA for the development of affordable and attainable housing, including infrastructure other than water and wastewater, at Brown Ranch. The allocation shall be based on actual collections.

The Parties hereby agree and acknowledge that all costs and expenses of the development of Brown Ranch shown in the attached Exhibit “E” are eligible for use of the Short-Term Rental Tax funds.

B. The City shall satisfy the City’s commitment to contribute Short-Term Rental tax revenues to YVHA as follows:

- 1) Fiscal Year 2023 supplemental appropriation in the estimated amount of \$ \_\_\_\_\_ (i.e. 75% of Fiscal Year 2023 STR tax revenues);
- 2) Fiscal Year 2024 appropriation in the estimated amount of \$ \_\_\_\_\_ (i.e. 75% of Fiscal Year 2024 STR tax revenues and any Fiscal Year 2023 STR Tax revenues not appropriated in 2023 per Paragraph 1);
- 3) Submission of a multiple-fiscal year financial obligation for voter approval of the allocation of 75% of STR tax revenues for Fiscal Years 2025-2042, inclusive.

C. Use of STR Tax Funds for Phase 1 City Projects.

- 1) As provide for in Schedule 1 of Exhibit E, YVHA’s proportionate share of Phase 1 off-site improvement in which the City has an associated cost (excluding the Combined Public Safety Facility, the funding of which is provided elsewhere in this Agreement) is \$20,752,610. YVHA shall pay to the City the first \$20,752,610 of STR Tax funds allocated to it from the City, for the purpose of design and construction of Phase 1 Improvements that are to be constructed by the City. Funds restricted for this purpose shall be held with other City funds but shall be accounted for as restricted funds and shall be used for no purpose other than the construction of Phase 1 Improvements. The City may consolidate these funds to prioritize the construction of Phase 1 Improvements. YVHA shall have no other obligation for the payment of its proportionate share of Phase 1 off-site improvement in which the City has an associated cost (excluding the Combined Public Safety Facility, the funding of which is provided elsewhere in this Agreement).
- 2) The City shall be responsible for identifying funding sources for that portion of the costs of constructing Offsite Improvements not attributable to YVHA from the City’s Capital Improvements Fund, other developer contributions, grant funding, and other sources. The City does not guarantee a completion date for Offsite Improvements. Their completion is expressly conditioned on the appropriation of funds by the City to satisfy the City cost share. However, the City shall consult with YVHA as to the timing and prioritization of construction of Offsite Improvements.

D. Following YVHA's payment to the City provided for in Section C.1) above, YVHA shall use the STR Tax allocation for on and off-site infrastructure projects undertaken by third party utility providers and for onsite infrastructure projects undertaken by YVHA, as further outlined in Exhibit TBD, and for vertical construction of housing units. In determining the sequence and priority of projects for STR Tax funding, YVHA shall consult with the City and take into account the following factors:

- a. Maximizing each party's access to and use of grant funds;
- b. Promoting the timely development of affordable and attainable housing at Brown Ranch;
- c. Promoting the efficient and cost-effective development of Brown Ranch;
- d. Minimizing the administrative burdens to the parties by limiting cash transfers;
- e. Applicable regulatory requirements, including CDC requirements.

E. YVHA acknowledges that the City's use of STR Tax revenues is restricted by the terms of the ballot question approving the STR Tax and that it is necessary for the City account for the proper use of STR Tax funds. YVHA agrees to maintain all books, accounts, records, payment ledgers, invoices, and other documents relating to the use of STR Tax funds for a period of three (3) years from the expenditure of STR Tax funds and to permit the City to inspect these documents upon request of the City's Finance Director. YVHA agrees that if any STR Tax funds are to be paid to YVHA Affiliates or business partners, that the transfer of STR Tax funds shall be conditioned on the YVHA Affiliate or business partner agreeing to these record keeping and inspection requirements.

## 9. SHORT-TERM RENTAL TAX

A. ~~Allocation.~~—The City agrees to allocate 75% of the Short-Term Rental Tax funds ~~up to \$10,500,000 per year to YVHA for the development of affordable and attainable housing, including infrastructure other than water and wastewater, at Brown Ranch. YVHA's share of the costs of Brown Ranch infrastructure other than water and wastewater infrastructure.~~ The allocation shall be based on actual ~~collections.~~collections.

The Parties hereby agree and acknowledge that all costs and expenses of the development of Brown Ranch shown in the attached Exhibit “E” are eligible for use of the Short-Term Rental Tax funds.

B. The City shall ~~seek to~~ satisfy the City's commitment to contribute Short-Term Rental tax revenues to YVHA ~~'s share of the costs of the Offsite Improvements~~ as follows:

- 1) Fiscal Year 2023 supplemental appropriation in the estimated amount of \$\_\_\_\_\_ (i.e. 75% of Fiscal Year 2023 STR tax revenues);
- 2) Fiscal Year 2024 appropriation in the estimated amount of \$\_\_\_\_\_ (i.e. 75% of Fiscal Year 2024 STR tax revenues and any Fiscal Year 2023 STR Tax revenues not appropriated in 2023 per Paragraph 1);
- 3) Submission of a multiple-fiscal year financial obligation for voter approval of the allocation of 75% of STR tax revenues for Fiscal Years 2025-2042, inclusive.
- ~~4) The commitment of revenues from Fiscal Years 2023-2032, inclusive, is conditioned on YVHA completing construction and obtaining certificates of occupancy for four hundred fifty (450) affordable and attainable housing units within six (6) years of the effective date of the Annexation Ordinance. If YVHA fails to satisfy this condition then the City's total obligation for Fiscal Years 2023-2032, inclusive, shall be reduced in proportion to the number of units that are completed. For example, if YVHA completes three hundred (300) units, then the City's total obligation for Fiscal Years 2023-2032 shall be reduced to two thirds (2/3) of the original commitment.~~
- ~~5) The commitment of revenues from Fiscal Years 2033-2043, inclusive, is conditioned upon YVHA completing construction of Phase 1, with completion of construction of Phase 1 having the meaning set forth in Subsection 13.B, and YVHA securing funding for the balance of YVHA's share of on- and off-site improvements. If YVHA does not complete Phase 1 or provide evidence to the City that YVHA has secured the required funding within ten (10) years of the effective date of the Annexation Ordinance, the City shall be relieved of any obligation to provide STR tax revenues from Fiscal Years 2033-43 and the use of those funds shall be subject to appropriation by the City Council.~~

~~DC.~~ Use of STR Tax Funds for Phase 1 City Projects.

1) As provide for in Schedule 1 of Exhibit E, YVHA’s proportionate share of Phase 1 off-site improvement in which the City has an associated cost (excluding the Combined Public Safety Facility, the funding of which is provided elsewhere in this Agreement) is \$20,752,610. YVHA shall pay to the City the first \$20,752,610 of STR Tax funds allocated to it from the City, The City shall restrict STR Tax funds for the purpose of design and construction of Phase 1 Improvements that are to be constructed by the City at final plat or other development approval. Funds restricted for this purpose shall be held with other City funds but shall be accounted for as restricted funds and shall be used for no purpose other than the construction of Phase 1 Improvements. The City may consolidate these funds to prioritize the construction of Phase 1 Improvements.

2) YVHA shall be responsible for payment of the difference, if any, between YVHA’s share of Offsite Improvements and the City’s STR Tax contribution. YVHA payments shall be paid at the time of final plat or other development approval. The City shall restrict these funds for design and construction of the Offsite Improvements. The City may consolidate these funds to prioritize the construction of Offsite Improvements. have no other obligation for the payment of its proportionate share of Phase 1 off-site improvement in which the City has an associated cost (excluding the Combined Public Safety Facility, the funding of which is provided elsewhere in this Agreement).

1) The City shall be responsible for identifying funding sources for that portion of the costs of constructing Offsite Improvements not attributable to YVHA from the City’s Capital Improvements Fund, other developer contributions, grant funding, and other sources. The City does not guarantee a completion date for Offsite Improvements. Their completion is expressly conditioned on the appropriation of funds by the City to satisfy the City cost share. However, the City shall consult with YVHA as to the timing and prioritization of construction of Offsite Improvements.

2) The City may withhold development or building approvals if the YVHA share of Offsite Improvements is not fully funded. The City may also withhold development or building approvals if the City is unable to fund its share of and proceed with construction of Offsite Improvements if the City Council determines during the development review process that existing infrastructure is inadequate to absorb the impacts of additional Brown Ranch development.

C. Following YVHA’s payment to the City provided for in Section C.1) above, YVHA shall use the STR Tax allocation STR tax revenues allocated for use to defray YVHA’s share of the costs of Brown Ranch infrastructure may be used for offsite infrastructure projects undertaken by the City, on and off-site infrastructure projects undertaken by third party utility providers, and for onsite infrastructure projects undertaken by YVHA, as further outlined in Exhibit TBD, and The parties do not intend Short-Term Rental tax revenues to be used for vertical construction of housing units. The parties shall allocate STR tax revenues to various Brown Ranch infrastructure projects through a ten-year infrastructure plan (“Infrastructure Plan”).

1) The parties shall complete negotiations for the initial Infrastructure Plan by August 1, 2024. The City shall appropriate funds for projects identified for funding in 2025 from STR Tax revenues

~~for Fiscal Years 2023 and 2024 in the budget for Fiscal Year 2025 and also via supplemental appropriations of Fiscal Year 2025 STR Tax revenues. Scheduling of projects for Fiscal Years 2026 and thereafter shall be provisional only and subject to appropriation in subsequent budget years.~~

~~2) The parties shall update the Infrastructure Plan in August 1 of each succeeding year (i.e. August 1, 2025 for the 2026 Infrastructure Plan, etc.) and the City shall appropriate funds in its budget for the then current Infrastructure Plan Year (i.e. Fiscal Year 2026 for the 2026 Infrastructure Plan).~~

3) In determining the sequence and priority of projects for STR Tax funding, ~~the parties~~ YVHA shall consult with the City and take into account the following factors:

- ~~a.~~ Maximizing each party's access to and use of grant funds;
- ~~b.~~ Promoting the timely development of affordable and attainable housing at Brown Ranch;
- ~~c.~~ Promoting the efficient and ~~cost-effective~~ cost-effective development of Brown Ranch;
- ~~d.~~ Minimizing the administrative burdens to the parties by limiting cash transfers;
- ~~e.~~ Applicable regulatory requirements, including CDC requirements.

~~4) The parties shall negotiate in good faith to reach a mutually agreeable resolution of any disputes. In the event the parties cannot agree, the City Council shall have final approval authority over the Infrastructure Plan.~~

#### ~~D. Use of STR Tax Funds for Phase 1 City Projects.~~

~~1) The City shall restrict STR Tax funds for the purpose of design and construction of Phase 1 Improvements that are to be constructed by the City at final plat or other development approval. Funds restricted for this purpose shall be held with other City funds but shall be accounted for as restricted funds and shall be used for no purpose other than the construction of Phase 1 Improvements. The City may consolidate these funds to prioritize the construction of Phase 1 Improvements.~~

~~2) YVHA shall be responsible for payment of the difference, if any, between YVHA's share of Offsite Improvements and the City's STR Tax contribution. YVHA payments shall be paid at the time of final plat or other development approval. The City shall restrict these funds for design and construction of the Offsite Improvements. The City may consolidate these funds to prioritize the construction of Offsite Improvements.~~

~~3)2) The City shall be responsible for identifying funding sources for that portion of the costs of constructing Offsite Improvements not attributable to YVHA from the City's Capital Improvements Fund, other developer contributions, grant funding, and other sources. The City does not guarantee a completion date for Offsite Improvements. Their completion is expressly conditioned on the appropriation of funds by the City to satisfy the City cost share. However, the City shall consult with YVHA as to the timing and prioritization of construction of Offsite Improvements.~~

~~4)3) The City may withhold development or building approvals if the YVHA share of Offsite Improvements is not fully funded. The City may also withhold development or building approvals if the City is unable to fund its share of and proceed with construction of Offsite Improvements if the City Council determines during the development review~~

~~process that existing infrastructure is inadequate to absorb the impacts of additional Brown Ranch development.~~

~~E. Use of STR Tax Funds for Phase 1 YVHA Onsite Infrastructure or Third Party Offsite Infrastructure~~

~~1) — The City shall contribute STR Tax revenues to YVHA or third party infrastructure projects via cash payments to the entity undertaking the project. Timing of payments shall be as determined by the parties in the Infrastructure Plan.~~

2) YVHA acknowledges that the City's use of STR Tax revenues is restricted by the terms of the ballot question approving the STR Tax and that it is necessary for the City account for the proper use of STR Tax funds. YVHA agrees to maintain all books, accounts, records, payment ledgers, invoices, and other documents relating to the use of STR Tax funds for a period of three (3) years from the expenditure of STR Tax funds and to permit the City to inspect these documents upon request of the City's Finance Director. YVHA agrees that if any STR Tax funds are to be paid to YVHA Affiliates or business partners, that the transfer of STR Tax funds shall be conditioned on the YVHA Affiliate or business partner agreeing to these record keeping and inspection requirements.

## **CITY OF STEAMBOAT SPRINGS**

### **ORDINANCE NO. \_\_\_\_\_**

#### **AN ORDINANCE FOR THE PURPOSE OF SUBMITTING TO A VOTE OF THE ELECTORS OF THE CITY OF STEAMBOAT SPRINGS, COLORADO THE QUESTION WHETHER THE CITY SHOULD COMMIT 75% OF SHORT TERM RENTAL TAX REVENUES TO FUND THE CONSTRUCTION OF INFRASTRUCTURE FOR THE DEVELOPMENT OF BROWN RANCH**

**WHEREAS**, the voters of the City of Steamboat Springs in 2022 approved a 9% tax on Short-Term Rental accommodations in order “to increase the stock of affordable and attainable housing by providing incentives and contributions to facilitate the development of affordable and attainable housing at locations including, but not limited to, Brown Ranch and to provide funding for infrastructure associated with affordable and attainable housing, including, without limitation, energy, stormwater, water, wastewater, and multi-modal transportation”; and

**WHEREAS**, the orderly and efficient development of Brown Ranch depends on the City providing Short-Term Rental tax revenues to fund project infrastructure and to provide these revenues on a predictable and reliable schedule; and

**WHEREAS**, the City Council and the Yampa Valley Housing Authority (“YVHA”) have provisionally agreed to include in the Brown Ranch annexation agreement a provision committing 75% of Short-Term Rental tax revenues, up to an annual maximum payment of \$10,500,000 with adjustments for inflation, to provide partial funding for YVHA’s share of on- and off-site infrastructure, with the commitment conditioned on YVHA’s delivery of housing units and YVHA’s securing additional revenue sources to fund project infrastructure costs; and

**WHEREAS**, the Section (4)(b) of the Taxpayers Bill of Rights (“TABOR”), Article X, Section 20 of the Constitution of the State of Colorado, prohibits the City from entering into financial obligations to be paid in future fiscal years from revenues from future fiscal years (“multiple-fiscal year financial obligation”) without obtaining advance voter approval; and

**WHEREAS**, the City Council wishes to submit to the voters the question whether to approve a multiple-fiscal year financial obligation pursuant to which the City will pay to YVHA on an annual basis 75% of Short-Term Rental tax revenues, up to a maximum of \$10,500,000 annually, with adjustments for inflation, on the terms and conditions set forth in the annexation agreement approved on September 5, 2023 by Resolution No. \_\_\_\_\_.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STEAMBOAT SPRINGS, COLORADO, THAT:**



### **Section 1**

At the regular municipal election on November 7, 2023, there shall be submitted to a vote of the qualified and registered electors of the City the Ballot Issue set forth below, which question shall be similarly stated on the Ballot Label and Notice of Election.

#### **FORM OF BALLOT TITLE AND TEXT**

#### **"VOTE YES OR NO ON THE FOLLOWING"**

**WITHOUT INCREASING TAX RATES OR IMPOSING ANY NEW TAXES, SHALL THE CITY OF STEAMBOAT SPRINGS COMMIT TO NOT ADJUST THE RATE OF ITS SHORT-TERM RENTAL TAX FROM ITS CURRENT 9%, AND TO ALLOCATE 75% OF ITS SHORT-TERM RENTAL TAX REVENUES PER YEAR FOR FISCAL YEARS 2025-2042, WITH ADJUSTMENTS FOR INFLATION, TO THE YAMPA VALLEY HOUSING AUTHORITY, FOR THE DEVELOPMENT OF AFFORDABLE AND ATTAINABLE HOUSING, INCLUDING INFRASTRUCTURE, AT BROWN RANCH, [AS SET FORTH IN THE ANNEXATION AGREEMENT APPROVED ON SEPTEMBER 5, 2023, BY CITY COUNCIL RESOLUTION NO. \_\_\_\_] **OR** [WITH THIS BALLOT ISSUE BEING CONTIGENT UPON THE CITY APPROVING AN ANNEXATION AGREEMENT PRIOR TO NOVEMBER 7, 2023], WITH THE CITY'S COMMITMENT REGARDING SUCH SHORT-TERM RENTAL TAX REVENUES BEING TREATED AS A MULTIPLE-FISCAL YEAR FINANCIAL OBLIGATION WITHIN THE MEANING OF ARTICLE X, SECTION 20(4)(B) OF THE COLORADO CONSTITUTION?**

1. Yes \_\_\_\_\_
2. No \_\_\_\_\_

### **Section 2**

The qualified and registered electors of the City shall be allowed to vote on the Ballot Issue.

### **Section 3**

The election on the proposed Ballot Issue shall be held as part of a "coordinated election" as such term is defined in the Uniform Election Code of 1992, as amended, by mail ballot or at such polling places within the City as designated by the Clerk and Recorder of Routt County, Colorado.

### **Section 4**

The election on the Ballot Issue shall be conducted by the judges and clerks who shall be designated by the County Clerk and Recorder of Routt County, Colorado.

## **Section 5**

The provisions of registration of electors and for voting by absentee ballot on this Ballot Issue shall be in accordance with the Uniform Election Code of 1992, as currently amended.

## **Section 6**

The votes at said election shall be registered on voting machines or paper ballots and the ballot label shall read similarly to the form of the Ballot Title and Text provided in Section 1 hereof.

## **Section 7**

The election on the Ballot Issue shall be held and conducted, and the votes cast on the Ballot Issue aforesaid shall be returned and canvassed, and the results declared in the same manner as provided by law for the return, canvass and declaration of the officers of the City.

## **Section 8**

The Clerk and Recorder of Routt County, Colorado and the City Clerk of the City are hereby jointly charged with the duty of giving such notice containing such information as is required by law.

## **Section 9**

This ordinance shall take effect five (5) days after publication following final passage.

## **Section 10**

If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion of this Ordinance.

## **Section 11**

That pursuant to Section 7-11 of the Charter of the City of Steamboat Springs, Colorado, the second publication of this ordinance may be by reference, utilizing the ordinance title.

## **Section 12**

A public hearing on this ordinance shall be held on \_\_\_\_\_, 2023, at any time after the meeting is called to order at approximately 5:00 P.M. in the City Council Chambers at Centennial Hall, at the corner of 10<sup>th</sup> Street and Oak Street, Steamboat Springs, Colorado remotely via zoom at <https://us02web.zoom.us/j/985289877>.

### **Section 13**

Subject to the approval of the voters as provided in this Ordinance, the City Council is authorized to take all actions necessary or appropriate to effectuate this Ordinance, including the title and text approved by the voters.

**INTRODUCED, READ AND ORDERED PUBLISHED**, as provided by law, by the City Council of the City of Steamboat Springs, at its regular meeting held on the \_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Robin Crossan, President  
Steamboat Springs City Council

ATTEST:

\_\_\_\_\_  
Julie Franklin, CMC, City Clerk

**FINALLY READ, PASSED AND APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Robin Crossan, President  
Steamboat Springs City Council

ATTEST:

\_\_\_\_\_  
Julie Franklin, CMC, City Clerk

## **CITY OF STEAMBOAT SPRINGS**

### **ORDINANCE NO. \_\_\_\_\_**

#### **AN ORDINANCE FOR THE PURPOSE OF SUBMITTING TO A VOTE OF THE ELECTORS OF THE CITY OF STEAMBOAT SPRINGS, COLORADO THE QUESTION WHETHER THE CITY SHOULD COMMIT 75% OF SHORT TERM RENTAL TAX REVENUES TO FUND THE CONSTRUCTION OF INFRASTRUCTURE FOR THE DEVELOPMENT OF BROWN RANCH**

**WHEREAS**, the voters of the City of Steamboat Springs in 2022 approved a 9% tax on Short-Term Rental accommodations in order “to increase the stock of affordable and attainable housing by providing incentives and contributions to facilitate the development of affordable and attainable housing at locations including, but not limited to, Brown Ranch and to provide funding for infrastructure associated with affordable and attainable housing, including, without limitation, energy, stormwater, water, wastewater, and multi-modal transportation”; and

**WHEREAS**, the orderly and efficient development of Brown Ranch depends on the City providing Short-Term Rental tax revenues to fund project infrastructure and to provide these revenues on a predictable and reliable schedule; and

**WHEREAS**, the City Council and the Yampa Valley Housing Authority (“YVHA”) have provisionally agreed to include in the Brown Ranch annexation agreement a provision committing 75% of Short-Term Rental tax revenues, up to an annual maximum payment of \$10,500,000 with adjustments for inflation, to provide partial funding for YVHA’s share of on- and off-site infrastructure, with the commitment conditioned on YVHA’s delivery of housing units and YVHA’s securing additional revenue sources to fund project infrastructure costs; and

**WHEREAS**, the Section (4)(b) of the Taxpayers Bill of Rights (“TABOR”), Article X, Section 20 of the Constitution of the State of Colorado, prohibits the City from entering into financial obligations to be paid in future fiscal years from revenues from future fiscal years (“multiple-fiscal year financial obligation”) without obtaining advance voter approval; and

**WHEREAS**, the City Council wishes to submit to the voters the question whether to approve a multiple-fiscal year financial obligation pursuant to which the City will pay to YVHA on an annual basis 75% of Short-Term Rental tax revenues, up to a maximum of \$10,500,000 annually, with adjustments for inflation, on the terms and conditions set forth in the annexation agreement approved on September 5, 2023 by Resolution No. \_\_\_\_\_.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STEAMBOAT SPRINGS, COLORADO, THAT:**

## **Section 1**

At the regular municipal election on November 7, 2023, there shall be submitted to a vote of the qualified and registered electors of the City the Ballot Issue set forth below, which question shall be similarly stated on the Ballot Label and Notice of Election.

### **FORM OF BALLOT TITLE AND TEXT**

#### **"VOTE YES OR NO ON THE FOLLOWING"**

~~WITHOUT INCREASING TAX RATES OR IMPOSING ANY NEW TAXES, SHALL THE CITY OF STEAMBOAT SPRINGS BE AUTHORIZED TO COMMIT TO SHARE 75% OF ITS SHORT-TERM RENTAL TAX REVENUES UP TO \$10,500,000 PER YEAR FOR FISCAL YEARS 2025-2042, WITH ADJUSTMENTS FOR INFLATION, WITH THE YAMPA VALLEY HOUSING AUTHORITY OR TO ALLOCATE SUCH REVENUES TO THE CONSTRUCTION OF INFRASTRUCTURE FOR THE BROWN RANCH DEVELOPMENT, WITH THE COMMITMENT FOR FISCAL YEARS 2023-2032 BEING PARTIALLY CONTINGENT ON YVHA'S SUCCESSFUL COMPLETION OF 450 HOUSING UNITS AND WITH THE COMMITMENT FOR FISCAL YEARS 2033-2042 BEING CONTINGENT ON YVHA'S SUCCESSFUL COMPLETION OF 1,124 HOUSING UNITS AND THE AVAILABILITY OF YVHA FUNDING TO COMPLETE THE REMAINDER OF THE PROJECT, ALL AS SET FORTH IN THE ANNEXATION AGREEMENT APPROVED ON SEPTEMBER 5, 2023 BY CITY COUNCIL RESOLUTION NO. \_\_\_\_ WITH THE CITY'S COMMITMENT REGARDING SUCH SHORT-TERM RENTAL TAX REVENUES BEING TREATED AS A MULTIPLE-FISCAL YEAR FINANCIAL OBLIGATION WITHIN THE MEANING OF ARTICLE X, SECTION 20(4)(B) OF THE COLORADO CONSTITUTION?~~

WITHOUT INCREASING TAX RATES OR IMPOSING ANY NEW TAXES, SHALL THE CITY OF STEAMBOAT SPRINGS COMMIT TO NOT ADJUST THE RATE OF ITS SHORT-TERM RENTAL TAX FROM ITS CURRENT 9%, AND TO ALLOCATE 75% OF ITS SHORT-TERM RENTAL TAX REVENUES PER YEAR FOR FISCAL YEARS 2023-2042, WITH ADJUSTMENTS FOR INFLATION, TO THE YAMPA VALLEY HOUSING AUTHORITY, FOR THE DEVELOPMENT OF AFFORDABLE AND ATTAINABLE HOUSING, INCLUDING INFRASTRUCTURE, AT BROWN RANCH, [AS SET FORTH IN THE ANNEXATION AGREEMENT APPROVED ON SEPTEMBER 5, 2023, BY CITY COUNCIL RESOLUTION NO. \_\_\_\_ ] **OR** [WITH THIS BALLOT ISSUE BEING CONTINGENT UPON THE CITY APPROVING AN ANNEXATION AGREEMENT PRIOR TO NOVEMBER 7, 2023], WITH THE CITY'S COMMITMENT REGARDING SUCH SHORT-TERM RENTAL TAX REVENUES BEING TREATED AS A MULTIPLE-FISCAL YEAR FINANCIAL OBLIGATION WITHIN THE MEANING OF ARTICLE X, SECTION 20(4)(B) OF THE COLORADO CONSTITUTION?

1. Yes \_\_\_\_\_
2. No \_\_\_\_\_

## **Section 2**

The qualified and registered electors of the City shall be allowed to vote on the Ballot Issue.

## **Section 3**

The election on the proposed Ballot Issue shall be held as part of a “coordinated election” as such term is defined in the Uniform Election Code of 1992, as amended, by mail ballot or at such polling places within the City as designated by the Clerk and Recorder of Routt County, Colorado.

## **Section 4**

The election on the Ballot Issue shall be conducted by the judges and clerks who shall be designated by the County Clerk and Recorder of Routt County, Colorado.

## **Section 5**

The provisions of registration of electors and for voting by absentee ballot on this Ballot Issue shall be in accordance with the Uniform Election Code of 1992, as currently amended.

## **Section 6**

The votes at said election shall be registered on voting machines or paper ballots and the ballot label shall read similarly to the form of the Ballot Title and Text provided in Section 1 hereof.

## **Section 7**

The election on the Ballot Issue shall be held and conducted, and the votes cast on the Ballot Issue aforesaid shall be returned and canvassed, and the results declared in the same manner as provided by law for the return, canvass and declaration of the officers of the City.

## **Section 8**

The Clerk and Recorder of Routt County, Colorado and the City Clerk of the City are hereby jointly charged with the duty of giving such notice containing such information as is required by law.

## **Section 9**

This ordinance shall take effect five (5) days after publication following final passage.

### **Section 10**

If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion of this Ordinance.

### **Section 11**

That pursuant to Section 7-11 of the Charter of the City of Steamboat Springs, Colorado, the second publication of this ordinance may be by reference, utilizing the ordinance title.

### **Section 12**

A public hearing on this ordinance shall be held on \_\_\_\_\_, 2023, at any time after the meeting is called to order at approximately 5:00 P.M. in the City Council Chambers at Centennial Hall, at the corner of 10<sup>th</sup> Street and Oak Street, Steamboat Springs, Colorado remotely via zoom at <https://us02web.zoom.us/j/985289877>.

### **Section 13**

Subject to the approval of the voters as provided in this Ordinance, the City Council is authorized to take all actions necessary or appropriate to effectuate this Ordinance, including the title and text approved by the voters.

**INTRODUCED, READ AND ORDERED PUBLISHED**, as provided by law, by the City Council of the City of Steamboat Springs, at its regular meeting held on the \_\_\_ day of \_\_\_\_\_, 2023.

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Robin Crossan, President  
Steamboat Springs City Council

ATTEST:

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Julie Franklin, CMC, City Clerk

**FINALLY READ, PASSED AND APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_  
\_\_\_\_\_, 2023.

\_\_\_\_\_  
Robin Crossan, President  
Steamboat Springs City Council

ATTEST:

\_\_\_\_\_  
Julie Franklin, CMC, City Clerk



# AGENDA ITEM #3.

## BRAC Public Comments

**From:** [Larry Desjardin](#)  
**To:** [City Council](#)  
**Cc:** [Gary Suiter](#)  
**Subject:** Serious Wildlife Concerns over Proposed Regional Park at Brown Ranch  
**Date:** Thursday, August 10, 2023 2:03:15 PM  
**Attachments:** [Brown Ranch comments - Larry Desjardin.pdf](#)

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Dear members of the Steamboat Springs City Council,

I am Larry Desjardin, President of Keep Routt Wild. I wish to relay our deep concerns regarding the proposed Regional Park north of Brown Ranch development and outside of the Urban Growth Boundary. I participated in focus groups around Brown Ranch addressing parks, environmental issues, and wildlife. I appreciated the outreach from YVHA to get the community's feedback. In none of these was a regional park mentioned. Instead, the northern area was to remain open space. I believe it was later changed to open space for 20 years, which was not ideal, but better than immediate development.

Attached below are my comments to the Brown Ranch Annexation Committee last Tuesday detailing just some of the wildlife concerns.

In light of these concerns, we are respectfully requesting that the City reconsider placing a regional park at the proposed location outside the urban growth boundary.

Thank you for your attention to this issue, and thank you for your service.

regards,  
Larry Desjardin  
President  
Keep Routt Wild  
Steamboat Springs

Good morning members of the Annexation Committee

My name is Larry Desjardin. I live at [REDACTED] in Steamboat Springs, and I am President of Keep Routt Wild.

I'm speaking here to relay our deep concerns about the recent proposal to add a Regional Park north of the Brown Ranch development. This proposal expands development to outside of the Urban Growth Boundary and was not part of discussions on parks within Brown Ranch when we participated in earlier planning discussions.

Going forward with a developed sports complex at that location will have deleterious impacts on wildlife.

In particular, the northern part of Brown Ranch lies in a CPW-identified mule deer migration corridor and also exists on identified mule deer summer range. As you know, this last winter has taken an enormous toll on the mule deer population and their reproductive success. Though many of these deer perished in the late winter, it is important to note that the summer range is critically important to surviving the winter ahead. About 30% of the calories consumed by mule deer in winter come from the fat stores gained in the summer. This is why summer habitat is so important for their survival.

Similarly, the migration paths are key for the mule deer to move to the most productive habitats, whether winter or summer. When we encroach on these areas we develop pinch points that constrain and impede migrations, further impacting the survival rates of mule deer. Pinching closed these migration corridors is a key component to today's declining success of mule deer. This proposal will further exasperate this problem.

Finally, the proposal is in an identified Columbia sharp-tailed grouse productivity area. These are a Tier 1 species that have also suffered due to development and habitat loss. This demands further investigation to ensure that leks, which are their specific breeding areas, are not disturbed. These leks are not on public maps, so CPW analysis is critical here. There may be other issues including sandhill cranes and other sensitive species.

In general, it is best to keep development as concentrated as possible to prevent sprawl into sensitive habitat areas. For these reasons we ask that you reconsider placing a regional park at the proposed location outside of the urban growth boundary. We also ask that you consult with CPW on any development in the area and before any plans are finalized.

Thank you for your attention to this issue, and thank you for your service.

**From:** [REDACTED]  
**To:** [City Council](#)  
**Subject:** Online Form Submittal: City Council Contact Form  
**Date:** Friday, August 11, 2023 10:28:49 AM

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## City Council Contact Form

### Step 1

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The City Manager, City Attorney, City Clerk, and certain members of city staff, are copied on all emails in order to better assist with your inquiry.

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### Contact Information

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First Name	Jennifer
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Last Name	Day
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Email Address	[REDACTED]
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### Questions or Comments

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Please select the department(s) you want to contact:	City Council
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Please leave your comments or questions below.	
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	Dear City Council, I hope that in your negotiations with YVHA, you might have some pull in guiding this entity to review how it will move forward - even in its structure and purpose - into the future. Overall, the vision is noble - but when we look at the number of homes available for purchase within current YVHA inventory, with essentially zero
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being available for those under the 60% AMI level - I see a greater need to prioritize deed based homeownership.

I asked my friend if she would rather own or rent. She exclaimed, "Own, of course!" She rents a 1bd at Fish Creek Condos, teaches yoga and Dance at CMC and has two bartending jobs and works many doubles. Her teenage son asks when she might get a two bedroom. She can't afford one.

I asked my neighbor if he realized that most of BR was going to be rentals and a huge bulk of them owned by a national corporation. He did not. He wasn't happy to hear that. He is an electrician in town.

We live in a townhome and would both like ADUs as and are also on the edge financially (more taxes are dreaded) and still would like to help the housing crunch in Steamboat. But we don't have the funds to do our own renovation. Could STR funds help us? Grants?

Now that the net worth of YVHA is over \$6 Million dollars with a Director who earns over \$100k and they have accomplished paying their staff very fair - high wages gleaned from the rentals, it is time to demand a transition to deed restricted homeownership in order to really support those in lower wage positions develop their own equity and financial security for emergencies, retirement, and their children's futures.

My brother lives in a deed restricted community in Frisco and it is dense but small and the charming single family homes and duplexes that are owned by families working locally are not perfect (constant parking issues, neighbor stress at times due to such close proximity, and certain folks being denied because of earning just slightly too much) - it is still nice for them to have a 3% return on ALL the thousands of dollars they make in house payments every month.

Our friend who started STARS is in a deed restricted YVHA home. He is relieved to have that equity building. Unfortunately, this luxury of actually owning a YVHA home is pretty rare is you look at a their current and future proposed portfolio.

You have the power to vote yes or no to the current YVHA proposal. So much time has gone into it but you are about to sell out a huge chunk of Steamboat to a national corporation instead of demanding our legislators get federal funding for the infrastructure so that individuals who want to own homes can - otherwise a noble venture just perpetuates the poverty cycle as a rent extractor that never really leverages people into their own home. We need to stabilize the workforce. Homeownership does that.

Don't just line the pockets of a national corporation and YVHA

instead of individual families in the community in the long term.  
Thanks

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attachments here.

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**From:** [REDACTED]  
**To:** [City Council](#)  
**Subject:** Online Form Submittal: City Council Contact Form  
**Date:** Friday, August 11, 2023 2:15:13 PM

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### Contact Information

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First Name	John
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Last Name	Smith
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Email Address	[REDACTED]
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### Questions or Comments

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Please select the department(s) you want to contact:	City Council
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Please leave your comments or questions below.

I would like to comment on the recent proposal to dedicate 75% of STR tax to Brown Ranch and the overall proposal to annex Brown Ranch.  
I am a resident of and homeowner in Steamboat Sprigs. Until a lot of questions are answered, I definitely oppose the dedication of the tax revenues to Brown Ranch and the annexation of Brown

Ranch.

Why are you dedicating these funds to a project that has not even been fully defined?

You are going to dedicate these funds so that an outside developer can build 1100 rental units. All this does is to insure an unending stream of income to the developer without doing anything for Steamboat Springs need for affordable housing. Nothing else is promised in exchange for this large investment. I see no other plans that have been finalized. You don't even know if this area is going to be annexed.

What assurances do we have that anything other than 1100 rental units will ever be built? What assurances do we have that these rental units will be affordable?

What about housing that can be owned by the residents of Steamboat?

How does this solve the affordable housing crisis in Steamboat?

Let's not invest in a single piece of the puzzle without seeing what the entire puzzle looks like.

Final questions that I would like answered are:

What would Steamboat be spending this 75% of the STR tax on if it was not dedicated to Brown Ranch?

What will the city be missing out on in order to fund Brown Ranch?

What improvements Steamboat will be left undone?

Thank you.

John Smith

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attachments here.

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Email not displaying correctly? [View it in your browser.](#)

**From:** [Lynne Koehler](#)  
**To:** [City Council](#)  
**Subject:** Letter to council  
**Date:** Tuesday, August 15, 2023 9:30:45 AM

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City Council,

I work in and I love living in Steamboat Springs, so I'm often distracted with all my recreational opportunities in our HUGE "regional park". But I've tried to follow the Brown Ranch annexation negotiations as best as I can because I experience every day how our town is changing due to the lack of workers. I firmly believe the Yampa Valley Housing Authority has been negotiating in good faith with the City of Steamboat Springs to develop an annexation agreement that will provide affordable and attainable housing for our workforce. And I'm in awe of such an incredible anonymous donation that will have a positive effect on our community...well past my lifetime. I just learned the Housing Authority has agreed to pay the City more than \$1200 annually, forever, for every household in Brown Ranch. This is meant to cover things like street maintenance and snowplowing that the City currently provides to other residents at a deficit of more than \$550 per year per household. So, the Brown Ranch will help the City's operational deficit at no cost to Steamboat taxpayers!?! I've also learned that YVHA is working with a community group to build an indoor sports barn and sports fields for EVERYONE in town on 8.5 acres of the Brown Ranch. In my mind, this is a huge win for our entire community. And yet, the City negotiators are demanding 46 acres of the Brown Ranch for a regional park. Hello! 46 acres?!? Wouldn't that mean that more than 50% of the Brown Ranch would be parks and open spaces? I thought this donation was for local housing, not regional parks with multiple ball fields that will enrich the City coffers. I mean is 46 acres not the size of the huge ballparks on the Front Range, and in Grand Junction that cater to huge sports tournaments, like Triple Crown? And they're demanding this in the annexation agreement in exchange for guaranteeing the short-term rental tax approved overwhelmingly by voters last year will go to the development of the Brown Ranch. REALLY Council?!? Come on...just remove the Regional Park request from the negotiations on the Brown Ranch annexation and let's get going on providing affordable housing opportunities for our workforce.

Respectfully submitted,  
Lynne Koehler





**From:** [noreply@civicplus.com](mailto:noreply@civicplus.com)  
**To:** [City Council](#)  
**Subject:** Online Form Submittal: City Council Contact Form  
**Date:** Thursday, August 17, 2023 2:14:55 PM

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### Contact Information

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First Name	Diane
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Last Name	Brower
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Email Address	
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### Questions or Comments

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Please select the department(s) you want to contact:	City Council
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Please leave your comments or questions below.	
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Dear City Council:

I have been out of town for a couple of weeks and just became aware of the City's proposal to build a 42-acre regional park in the Brown Ranch area. I'm stunned by the City's original expectation that the proposed park would be built within the

existing Brown Ranch annexation area. If I understand the proposal correctly, It's hard for me to comprehend that the City would be willing to sacrifice 42 acres (or any number of acres) of sorely needed affordable housing for a regional park dedicated to recreation. For decades the City has put affordable housing on the back burner to recreation and other "amenities", resulting in the affordable housing crisis we are now experiencing. I wouldn't have expected this shortsightedness from the current City Council.

The Brown Ranch public input process has resulted in a very sustainable and environmentally aware proposal up to this point. A 42-acre regional park with highly developed sports fields definitely does not fit into this vision. The traffic (think of Pamela Lane), lighting, water use, impact to wildlife, etc. is not sustainable or environmentally sound. I think much more thought and input needs to be gathered before the proposal for such a regional park anywhere continues, and it certainly must not be a condition of approval for the annexation of Brown Ranch and the affordable housing which is long overdue.

Thank you for the good work you are doing. I hope you will carefully reconsider trying to develop this regional sports field park in the Brown Ranch area.

Sincerely,  
Diane Brower  
  
Steamboat Springs

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attachments here.

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