

The Board of County Commissioners met in regular session on July 12, 2016. Those present for the session were Lynn M. Padgett, Chair; Ben Tisdell, Vice Chair; Don Batchelder, Member; Connie Hunt, County Administrator; Marti Whitmore, County Attorney; and Hannah Hollenbeck, Deputy Clerk of the Board.

- **Note – This meeting was recorded for reference purposes.**

A. 9:01 Call to the Public:

The "Call to the Public" agenda item is a time when the public may bring forth items of interest or concern. No formal action may be taken on these items during this time due to the open meeting law provision; however, they may be placed on a future posted agenda if action is required.

There were no call to the public items.

B. 9:02 The Board of County Commissioner convened as the Board of Equalization to review the following items:

1. Assessor Report of Taxable Real and Personal Property

Susie Mayfield, County Assessor, was present.

Mayfield presented the yearly report. She reported that the assessed value for personal property increased \$701,900 from 2015; the assessed value for real property had increased \$382,110 compared to 2015.

There was a brief discussion regarding San Miguel Power Association (SMPA) infrastructure placed at the Ridgway Reservoir Dam. Mayfield said that it was her understanding that the equipment had been located at the Dam for some time, but only recently became operational.

G. 9:24 General Business:

2. Request for approval of warrants:

M/S/P – Motion was made by Commissioner Batchelder and seconded by Commissioner Tisdell to approve the warrants as presented. The motion carried unanimously.

3. Request for approval of the July 5, 2016 minutes:

Commissioner Padgett requested several revisions. The July 5, 2016 minutes would be included on a subsequent meeting agenda.

4. Acknowledgement of receipt of Cornerstone Metropolitan District Numbers 1 and 2 Annual Report:

Commissioner Batchelder recommended that the Board acknowledge receipt of the report, but note that the budget report and audit were missing.

M/S/P – Motion was made by Commissioner Batchelder and seconded by Commissioner Tisdell to acknowledge receipt of the incomplete Annual Report of the Cornerstone Metropolitan District Numbers 1 and 2. The Board directed the County Administrator to follow up with Cornerstone in order to obtain the missing Budget Report and Audit. The motion carried unanimously.

5. Request for approval and authorization of Chair's signature on Professional Services Agreement with Kent Hudson for OpenGov conversion:

M/S/P – Motion was made by Commissioner Batchelder and seconded by Commissioner Tisdell to approve and authorize Chair's signature on Professional Services Agreement with Kent Hudson for OpenGov conversion. The motion carried unanimously.

6. Request for approval and authorization of Chair's signature on Pre-Disaster Mitigation (PDM) Program for the Log Hill Fire Protection Defensible Space Project and on its Fiscal Impact Form:

Hunt reported that Ouray County was acting as the fiscal agent for West Region Wildfire Council (WRWC); the grant contemplated increased funds for Ouray County for administrative time.

M/S/P – Motion was made by Commissioner Batchelder and seconded by Commissioner Tisdell to approve and authorize Chair's signature on Pre-Disaster Mitigation (PDM) Program for the Log Hill Fire Protection Defensible Space Project and on its Fiscal Impact Form.

Commissioner Padgett asked about the reoccurrence of a reference to May 2015. She directed Hunt to get clarification about the date, and assurance from WRWC that the projects were implementable within 45 days, per the contract.

With no further discussion, the motion carried unanimously.

9:46 The Board took a short break:

C. 10:00 Public Hearing – Hearing on Formation of Ouray County Road 1 Public Improvement District (PID)

- 1. The purpose of the proposed District is the improvement of the currently unpaved portion of County Road 1 by chip seal, such improvement to be funded by issuance of a bond to be repaid from a mil levy assessed against all property within the District.**

Based upon the facts presented at the hearing, the Board may consider adoption of a Resolution.

- 2. Possible consideration of Resolution 2016-038 forming the District and Ordering an Election on Issuance of Bonds and Imposition of Mill Levies:**

Paul Sunderland, Special Counsel, was present. Michelle Nauer, County Clerk and Recorder and Susie Mayfield, County Assessor, were also present.

Commissioner Padgett opened the public hearing and explained the purpose. Whitmore stated that she had a personal financial interest in the matter, as she was a property owner within the District, and she recused herself from participation as the County Attorney representing the County in the matter.

Commissioner Padgett asked Sunderland to explain the difference between an attorney and a commissioner who lived within the District. Sunderland explained that attorneys operated under a specific set of rules that limited conduct. Sunderland said that the Board of County Commissioners operated under a different set of rules; as long as the commissioner disclosed the interest and the Board did not feel that the commissioner should be excluded, it was fine.

Commissioner Padgett disclosed that she lived within the proposed District.

Sunderland explained that the hearing had a limited purpose that was set by Colorado Revised Statutes (C.R.S). The purpose of the hearing was for the Board to decide whether or not to create the District, based upon four criteria set forth in C.R.S. 30-20-508: 1) whether the petition has been signed by the required number of qualified electors; 2) whether the improvements proposed to be provided by the District will confer a general benefit on the proposed District; 3) whether the cost of the improvements proposed to be provided by the District would be excessive as compared to the value of the property within the District; and 4) all other matters regarding the formation of the proposed District as may be legally required. Sunderland said that there would be later public hearings to discuss alternative options, mill levies and costs.

In response to a question from a member of the public, Sunderland said that a PID could be formed for a number of reasons. He said that road improvements fit within the statute.

Marti Whitmore asked if Sunderland's interpretation of the statute was that the District could be formed based on BOCC action during the hearing. Sunderland said that it could be; the Board could also elect to send the question to the ballot. Sunderland said that it was his advice for the Board to set the District in order to mitigate the creation of uncertainty, and to allow the County to enter into intergovernmental agreements with the County Road 1 Fix citizens committee regarding the project scope and cost. Whitmore said that the formation of the District should be done by a vote of the public.

Commissioner Padgett explained the outline of the hearing and asked for a presentation from the citizens committee.

Dick Kreutzen, co-chair of the County Road 1 Fix Committee urged the Board to form the District. He said that it was imperative for the Board to form the District before the November election in order to give voters the most accurate picture of the project and the tax implications.

Kreutzen explained that the boundaries of the District were changed after a series of public meetings were held; he said that the boundaries were adjusted in order to reduce cost. He said that it made the most sense to only focus on improvements to the gravel portions of the road. After consulting engineers, it was determined that chip-sealing would be the most cost effective method. Kreutzen explained the benefits and costs savings associated with a hard surfaced road, as opposed to a gravel road. Kreutzen said that chip sealing the road would also decrease dust, and increase safety. He said that the County would experience a cost savings in magnesium chloride, gravel, and staff time. He added that the project scope included the costs for ongoing maintenance through a reserve account over eight to ten years.

Commissioner Padgett asked for the County Clerk's presentation.

Nauer explained that the committee had originally approached her in early spring, and she had identified addresses that would be applicable to the District; she determined that 999 eligible voters were within the District. She said the numbers were based on the original boundaries of the District; the boundaries had been reduced slightly, but the number of eligible voters remained the same, as the locator program was locked down due to primary elections. Nauer said that the petition was submitted to her on June 7th, with 309 signatures. Nauer and her staff verified the signatures with the voter database to ensure that all signatories were registered to vote in Colorado, and that the corresponding address was the voters' registered address. Nauer said that she also worked with the Assessor's office to verify that all addresses were within the District. Nauer stated that of the 309 signatures on the petition, 291 were valid. Nauer explained that after the petition was verified, the public hearing date was set by Board order, and public notices were mailed to 1,097 registered voters and property owners within the District.

Commissioner Padgett asked if it was Nauer's opinion that the requirements of the statute were satisfied by the petition. Nauer confirmed that it was her opinion that it did.

MaryAnn Jackson asked if the signatures were obtained before or after the boundaries were adjusted. Sunderland clarified that, per statute, signatures could not be withdrawn from a petition after it had been signed. Jackson stated she thought Sunderland was a proponent of the PID project, and that it was obviously a conflict of interest.

Commissioner Padgett asked for the Assessor's presentation.

Mayfield said that over 90 accounts were removed from the original boundaries. She said the District included approximately 1,275 accounts classified as real, personal, severed mineral, mobile homes and state assessed accounts. She said that the current assessed value, after the assessment rate was applied, was approximately \$32 million.

Commissioner Padgett noticed that the PID boundaries cut across a few parcel boundaries. She wondered how Mayfield would determine the assessed value for a lot that was split by the boundaries. Mayfield said that the parcels were larger agricultural parcels and the total valuations were very minimal. She said that if the District was formed and the project approved by the voters, then she would divide the parcel to create two accounts, one within the District and one that was outside the boundaries. She said that there was no way to do multiple taxing authorities.

Commissioner Tisdell asked if the legal description or the map would be the ultimate authority if there was a discrepancy. Mayfield thought it would be the legal description. Sunderland said that as long as the resolution and the Board's intention was clear, it would be simple to correct any discrepancy. Sunderland further explained that township and section lines were used as they were static; boundary lines were much more fluid and could be amended through a Land Use Code process.

Commissioner Padgett invited the Board to ask Sunderland any remaining legal questions.

Commissioner Batchelder asked if there was a legal definition for "general benefit." Sunderland said there was no legal definition and that it was up to the Board to determine.

Commissioner Batchelder asked about the remaining processes after this public hearing. Sunderland explained that after the District was set, then subsequent public hearings would be held to receive a more formal proposal regarding cost and ballot language. If that hearing was favorable, then the Board would consider approving language via resolution to be given to the Clerk and Recorder. Commissioner Batchelder stated that the scope of this public hearing was relatively narrow. Sandra Brown asked if there was an opportunity after the District was formed to discuss alternative improvement options. Sunderland said that there was. He further stated that the PID was just the administrative entity and that the voters authorized the actual project. If there were alternative ideas, it would need to be done by petition. Commissioner Padgett clarified that the PID was simply the shell of the project; the details regarding funding, costs, and scope would be decided by voters. Brown asked if the funding mechanism could be changed to a County-wide mill levy. Commissioner Padgett said no; the petition District was set.

Roger Berry and Barry Zane asked for clarification about the numbers of voters and property accounts within the District. Mayfield explained that the accounts were what her office had set up determining if a property was taxable, state assessed, ect. She said that the number of voters was higher, as there could be multiple electors residing at one account address. As a result, there were a higher number of voters than accounts.

Commissioner Padgett opened the hearing for public comment.

Marti Whitmore, 1937 County Road 1A, disagreed with Sunderland's reading of C.R.S. 30-20-508(4). She believed that 4(A) required the question of the formation of the District be sent to voters, unless the petition reflected 100% support of the property owners within the District. Whitmore cited a number of reasons for the Board to send consideration of the formation of the District to the voters.

Henry Jupille, 236 County Road 22A, thought that there were more than just four criteria relevant to the District's formation. He thought that more discussion was needed. He thought that the proposed cost of the project was excessive. He urged the Board to consider a County-wide mill levy to improve roads in the County.

George Kerber, 2108 County Road 22, said that his property had been removed from the District. He was strongly opposed to the project. He said that those living on the South-side of County Road 1 would benefit the most from the improvements. He suggested that the District be divided into zones, and those residing on the South side be charged higher taxes, as they would use the road more frequently.

Mike Hayward, 251 County Road 22B, said that County Road 1 was currently in the best condition he could remember. He said that he had no issue with the condition of the road. He thought that the improvements only benefited a specific group of residents. He said he would rather pay the costs to drive the road in its current condition than to have his taxes increased.

Richard Wojciechowski, 919 Sumac Lane, said that he was not in favor of the formation of the District. He thought that, if the Board was to form the District, it placed the County on a trajectory to create multiple small counties within the County. He urged the Board to put together a County-wide road improvement plan and anticipate costs for major improvements to highly traveled roadways.

James Whitmore, 1937 County Road 1A, thought that the benefits Kreutzen highlighted were hearsay until fully documented. He added that he did not think that 30% of the electors were a compelling percentage. Whitmore said that the validity of the petition was questionable, as the petition was changed after signatures were obtained.

Tim Ahearn, 472 Coral Bell Drive, said that taking County Road 1 would add approximately two miles to any trip for Coral Bell Drive residents. He said the additional costs to drive County Road 1, approximated \$1,000 per year, in addition to the increase of his taxes. He urged the Board not to form the District.

Craig Fetterolf, 1400 County Road 22, said that he was not in the proposed District. He pointed out that the County's Road Committee was currently working on long term plans for road improvements and budgeting alternatives over a fifteen year period. He was concerned about the purported general benefit of the County Road 1 improvements. He thought the creation of the District would be very expensive for the County. Fetterolf was against the formation of the District.

Jeff Davis, 3 Sunray Court, was against the formation of the District. He said his taxes were slated to increase by 20%. He asked what city, county or state government would allow taxes to be raised by that amount, particularly for an asset he didn't use. He said that County Road 1 was mainly used as a bypass.

Chris Carr, 664 Marmot Drive, representing the Fairway Pines Homeowners Association, said that he personally collected over 90 signatures on the petition. He had talked with many residents that were for and against the proposed improvements. As a result of the discussions with residents, the committee had scaled back the proposal to 6.8 miles in order to reduce costs. He had been approached by residents who had previously been against the improvements that were now supportive of the improvements. He strongly supported the project and the formation of the District.

Aleta Jupille, 236 County Road 22A, asked if the County used general fund dollars in relation to the creation or submission of the County Road 1 PID formation process. Jupille thought that the County had paid for the petitioner's lawyer, in addition to extensive Road and Bridge Department resources and the petition verification and notification process. Jupille quoted CRS 30-20-506 that required the petitioners to file a bond or cash deposit before the hearing or with the filing of the petition for an amount sufficient to pay for costs incurred during the PID process. She asked again how much the County had spent on the process. Jupille stated the petitioners did not follow the rules set by statute.

Peggy Howe, 5594 County Road 1, thought that the petition was flawed, as it had been altered after signatures were obtained. She said that the PID should not be approved.

Roger Berry, 167 Sunrose Lane, pointed out that the mill levy for the Ridgway Library was 3.6; he thought that residents could easily do that for County roads. Berry stated that he knew the access issues and the road's condition when he purchased property on Log Hill Mesa. He said that it was the County's responsibility to fix the road, not a portion of residents. He urged the Board to address the underfunding of the Road and Bridge department. He did not think the PID project was a good community effort.

Kathy Beckhardt, 416 County Road 22A, was against the formation of the PID. She agreed with Marti Whitmore that consideration of the District's formation should be placed on the ballot. She pointed out that taxpayers were unlikely to approve a county-wide mill levy increase for the Road and Bridge department if the PID project was approved.

MaryAnn Jackson, 3102 County Road 22, felt that those living on County Road 22 were underrepresented and would be outvoted by those living on the South-side of Log Hill. She asked how the boundaries were selected. She said that she supported a County-wide mill levy, but did not support the PID project.

Stephen King, 230 Sunrose Lane, thought that the petition was not valid, as it had been changed after signatures were obtained. He said that paving the road would increase the amount of traffic and speeds.

Carey Skomal, 4652 County Road 1, said that a hard surface road would destroy the rural character of the County. He suggested it be placed on the ballot for consideration, or it should be abandoned. He said that a County-wide mill levy increase should be put to the voters. He wanted the Road and Bridge department abolished, and all projects contracted out.

Dave Beckhardt, 416 County Road 22A, explained that the petitioners had originally approached him to join the Citizen's Action Committee (CAC) due to his civil engineering and construction experience. Beckhardt noted that the CAC was not the County Road 1 Fix Committee that submitted the petition. He had told the CAC at the time that he was not sure a PID was the way to go, but could keep an open mind. He joined the CAC committee and focused his involvement to the technical options. He was now against the formation of a PID. He thought that the PID funding mechanisms created huge inequities. He stated that chip-sealing the 6.8 miles likely would increase speeding and traffic that should be utilizing Highway 550. Beckhardt did not think there were currently any assurances that these issues could be reduced sufficiently. Beckhardt stated the proposed PID would promote a piecemeal approach to the broader County road issues; he thought it would be more appropriate for the County to develop County-wide solutions for endemic road issues. Beckhardt stated that the PID process was divisive, rather than having overwhelming support. He added that the County should try to reduce constant road deterioration by reducing speeding and traffic that should be using highway 550, and by instituting a lower speed limit for heavy trucks. He did not support the PID.

Karla Waltz, 221 Snowy Peaks Drive, was against the creation of the PID. She said most residents used Highway 550 and that the proposed improvements would not benefit her in any way.

Jan Lederer, 120 Ponderosa Drive, said that she had signed the petition, but after further consideration, she was no longer a proponent of the project. She asked what the legal liability of the PID group would be in a lawsuit was brought for failure to maintain the road, or if there was an accident. Sunderland said that there was no legal liability on the petition group for failure to maintain the road.

Barry Zane, 1621 Canyon Drive, had conflicting views: he thought that the idea was good; however, there seemed to be no urgency to complete the project. On the other hand, he thought that improving the road

would be beneficial for land values. He agreed with previous statements that there should be a County-wide increase for Road and Bridge improvements. He also agreed that the petition signatures were invalid.

Commissioner Padgett closed the public comment portion of the hearing.

Responding to public comment, Sunderland clarified that he was not the Committee's attorney; he said that he was hired to represent Ouray County, given Whitmore's recusal. He said that he was tasked with assisting the Committee to develop a petition that would be the most expeditious for County's time.

Sunderland further clarified that the petition could be modified under two circumstances: first, for administrative clarifications; and second, for any other reason, as deemed appropriate. Per Colorado law, once a petition has been signed, the signature could not be withdrawn or invalidated. Sunderland addressed the question of the committee submitting a bond: he said that the County had previously indicated that they were willing to put up limited County general fund dollars, and would not require the Committee to submit a bond before the public hearing.

Commissioner Tisdel said that the Board had received some public comment that asked specific legal questions regarding the proposed project. He asked if it was necessary for the Board to waive the road standards on County Road 1. Sunderland said that it was not required. Commissioner Tisdel asked if the County needed to acquire additional right-of-way or easements in order to complete the project. Sunderland said it was his understanding that there would be no need to acquire additional right-of-way.

Commissioner Batchelder said that Sunderland had previously stated that the Board could elect to form the District, as opposed to forming it by popular vote. Sunderland said that this was correct, as long as the statutory requirements were met. Sunderland had previously stated that there was no specific case law on the matter, but that the Board had received input from residents stating that formation of the District should be put to a vote.

Commissioner Batchelder asked if the petitioners agreed that forming the PID via BOCC resolution at this point made sense in order to empower the entity to negotiate with the Board so the voters had a clear picture of the project. Kreutzen confirmed this was correct. Sunderland said that the District needed to be formed in order to enter into an intergovernmental agreement with the County; without it, there would be not entity to contract with.

Commissioner Batchelder asked for a show of hands from the audience if there were aware of other residents that could not attend the meeting. The majority of the audience members raised their hands.

The Board briefly discussed the draft resolution. Commissioner Tisdel asked if the boundaries could be changed during the public hearing and codified in the resolution. Sunderland said that any changes to the boundaries would need to occur before the Board made a decision on whether or not to set the District. He reminded the Board that the District and the corresponding resolution were simply mechanisms to put the issue on the ballot and to negotiate the project scope.

Commissioner Batchelder thought it was advisable to continue the hearing. He recommended an evening meeting in order to allow for additional public comment and further Board deliberation.

Commissioner Padgett asked if the Board was to put the District formation question on the ballot, what mechanisms were available to discuss the PID scope in the meantime. Sunderland said that there would be no way for the County and the committee to discuss the scope without an IGA, as a result, the voter would have no reassurance of a signed obligation for the project to be completed.

Commissioner Padgett directed GIS staff to verify that the map and the legal description of the proposed District boundaries were the same.

M/S/P – Motion was made by Commissioner Batchelder and seconded by Commissioner Tisdel to recess the hearing until July 26, 2016 at 6:00PM in order to take public comment and for Commissioner deliberation. The motion carried unanimously.

The Board recessed the public hearing until July 26, 2016 at 6:00PM

12:31 Lunch:

D. 1:06 The Board of County Commissioners convened as the Local Licensing Authority to consider the following items:

Request: Request for approval of a Marijuana Cultivation Facility License
Applicant: Dalwhinnie Farms LLC Cultivation License
Location: 6142 County Road 23

Bryan Sampson, Associate Planner, was present. Travis Howard and Reed Porter, applicants, were also present.

Sampson presented the application. He stated that the existing arena facility would be used as the cultivation facility. No exterior modifications were proposed to the structure; all changes would be interior to the building. Sampson explained that the property was still permitted as a commercial equestrian facility via special use permit. It was unclear what traffic access was allowed by the special use permit, in addition, there was also a private residence on the property. Sampson said that the property owner had adequate water supply to maintain the operation's anticipated need. Sampson said that staff recommended that the Board approve the application with 23 conditions.

Commissioner Tisdel asked if the special use permit and the marijuana cultivation license could overlap. Sampson said that it could, but that the indoor arena would now solely be used for the cultivation of marijuana. He thought there was sufficient space on the property for Dalwhinnie Group, the property owner, to continue to operate the commercial equestrian facility, if they chose to do so.

Commissioner Batchelder asked if there should be an additional condition that prohibited the operator of the commercial equestrian facility from having schools or licensed day cares within 1,000 feet of the cultivation property. Whitmore agreed that it would be a good idea to include it, as the County's ordinance prohibited operation of cultivation facilities within 1,000 feet of schools or licensed day cares. After a discussion, the Board agreed to include an additional condition that stated: *"The Applicant may not operate if a school or licensed day care facility is operated by the Property Owner or Property Owner's assigns, agents, or lessees anywhere on the property that is within 1000 feet of the cultivation facility. If written agreement is obtain limited use of the property for a school or licensed day care facility, such agreement shall be provided to County staff."*

Travis Howard, applicant, provided a brief history of the company.

Commissioner Batchelder stated there was no mention in the lease that the applicants had access to water rights. He suggested that the lease be amended to reflect that the applicant had access to adequate water to fulfil the obligations of the permit. The Board agreed to add an additional condition that stated: *"The Applicant shall provide documentation that water rights have been leased or otherwise obtained, and that legal access has been confirmed by lease or other agreement."*

Commissioner Padgett requested that the standard average daily vehicle trip restriction be added as an additional condition. The Board agreed to add *"Traffic counts for the marijuana cultivation facility are limited to no more than 14 ADT's per day."*

M/S/P – Motion was made by Commissioner Batchelder and seconded by Commissioner Tisdel to approve a marijuana cultivation facility license for Dalwhinnie Farms, LLC with the 23 conditions proposed by staff, and with the addition of three conditions as agreed by the Board. The motion carried unanimously.

E. 1:54 Continuation of Public Hearing from April 19, 2016 – Amendment to Final Plat of Elk Mountain Resort PUD – Phase 1A:

1. Applicant: David Masters, Masters and Viner, PC., authorized agent for Elk Mountain Resort, LLC

Purpose: Request for approval of an amendment to the final plat of the Elk Mountain PUD Resort/Conference Center, Phase 1A. The purpose of the amendment is to allow for the construction and use of a modified on-site wastewater treatment system (OWTS), to restrict the use of the property to maintenance and marketing only, and to prohibit any commercial use.

2. Request for approval and authorization of Chair's signature on Agreement for Implementation of Ouray County Resolution 2016-036

Mark Castrodale, Planning Director, was present; David Masters, authorized agent for Elk Mountain Resort, LLC was also present.

Castrodale read the proposed plat notes.

M/S/P – Motion was made by Commissioner Batchelder and seconded by Commissioner Tisdel to approve the amendment to the final plat of the Elk Mountain PUD Resort / Conference Center, Phase 1A. Commissioner Batchelder further moved to approve and authorize Chair's signature on Agreement for Implementation of Ouray County Resolution 2016-036. The motion carried unanimously.

F. 2:01 Public Hearing – Special Use Permit

1. Review of Planning Commission's recommendation regarding a Special Use Permit / Commercial Equestrian by Mark Shambaugh, authorized agent for Emagene Calvert:

Mark Shambaugh, authorized agent for the applicant, was present.

Castrodale presented the application. He said that the proposed use was much narrower than what was allowed by the Land Use Code. Castrodale said that staff recommended that the Board approve the application with eleven conditions, pursuant to Land Use Code Section 5.

Commissioner Tisdel said that the agreement for driveway access needed to be recorded. He suggested it be added as an additional condition. The Board agreed to add: *"The driveway access agreement (easement) shall be executed and recorded."*

Commissioner Tisdel continued to say that it was his preference that the facilities avoid white PVC-style fencing.

Shambaugh provided a short history of the business. He addressed Commissioner Tisdel's concern regarding fencing by stating that all fences would be traditional split-rail fences. He said that the driveway easement agreement would be executed and recorded as soon as the Board made a decision on the special use permit. Shambaugh explained that the business was designed to be a small operation with no

large expositions or programs. There would be no loudspeakers installed, or outdoor lighting that was inconsistent with the Land Use Code.

Commissioner Batchelder asked Shambaugh if he would be willing to limit the activities to what was stated in the application. Shambaugh said that he would prefer to limit the activities as stated in the business plan provided in an email dated May 11, 2016.

Commissioner Padgett opened the public hearing for public comment.

William Steding, Pleasant Valley resident, urged the Board to approve the application, as it preserved and advanced the County's rural character and history. He thought that application and the business fit within the Land Use Code. He said that the property had been for sale for a long time, and it would be a shame if the application was not approved.

John Hollrah, Pleasant Point resident, said that it was important to all residents to preserve the pastoral qualities of Pleasant Valley. Hollrah thought that the application fit within the parameters of the Land Use Code, and that it would be approved; however, he still had issues with the proposed use of a commercial equestrian center. He thought it was important to narrow the uses in order to protect the residential nature of the area. He recommended restricting the use of County Road 24, and prohibition of all loudspeakers, including portable speakers.

James Kleinert, documentary filmmaker, urged the Board to approve the application. He said that the business was paramount in saving and rehabilitating horses, in addition to providing services to humans. He urged the Board to vote in favor of the small business that would provide benefits to Ouray County.

Susan Maybach, Pleasant Valley resident, said that she had kept her horses on the property for over 20 years. She supported approval of the application.

John Esty, Pleasant Valley resident, said that he lived directly across from the subject property. He was concerned with the business's proximity to his home and was concerned about the potential for the business to expand. He agreed with Commissioner Batchelder's suggestion to limit the uses of the facility.

Jason Merkley, Pleasant Valley resident, was strongly in support of the facility. He explained that he and his wife operated a small farm in the area as their primary source of income; he testified to the difficulty of making a living in agriculture. He thought there was a great need for a horse training facility in Ouray County. He urged the Board to approve the application.

Dr. Phil Patterson stated that he thought the business plan seemed well thought out, and that the applicants had done a good faith effort in mitigating neighbor's concerns regarding visual impact and operations. He also hoped that the business would help increase tax revenues. He encouraged the Board to approve the request.

David Svenson, Pleasant Valley resident, was fully in support of the application. He thought it was compatible with Ouray County's setting, culture and history. He asked the Board to approve the application.

Virginia Lamar stated that she owned Lot 2 of the Calvert Exemption that immediately bordered the property in question. She was very impressed with the proposed business and stated that she had given informal approval for an easement on the road into the property. She encouraged the Board to approve the application.

George Kerman, Pleasant Valley resident, was concerned about the view from his home; he said that he didn't like the idea of looking down at parked cars. He thought it could potentially be a detriment for residents in the Valley.

Dave Cary, Pleasant Valley resident, said that he understood the concerns from residents; however, he thought that facility was well thought out and he trusted the applicants to be respectful of neighbors. He supported approval of the application.

Dana McCollum, Pleasant Valley resident, said that she hoped the operation was successful, and pointed out that the application contemplated use of the Ouray County Fairgrounds for larger events.

Katie Merkley, Pleasant Valley resident, said that Ouray County was in danger of losing its agricultural heritage. She thought it was encouraging to see a facility of this nature willing to invest in Ouray County. She encouraged the Board to approve the request.

Commissioner Padgett closed the public comment portion of the hearing.

Commissioner Batchelder suggested an additional condition be added that stated: "*Uses shall be substantially similar to those stated in email from Mark Shambaugh dated May 11, 2016, subsection E(1).*" The Board agreed. Shambaugh agreed to the additional condition.

Commissioner Batchelder said that it was generally the expectation that a special use permit ran with the property; in order to assuage neighbor's concerns regarding other owners taking over the property, he suggested that another condition be added that stated: "*Commercial Equestrian Facility – Special Use Permit to be issued to Madison Shambaugh Horsemanship, LLC, at this property (5040 County Road 24), for the purpose of operating this business.*" The Board agreed.

M/S/P – Motion was made by Commissioner Batchelder and seconded by Commissioner Padgett to approve a Special Use Permit – Commercial Equestrian Facility at 5040 County Road 24 for Madison Shambaugh Horsemanship, LLC with the eleven conditions recommended by staff, plus three conditions agreed upon by the Board. The motion carried unanimously.

3:25 The Board took a short break:

G. 3:32 General Business, continued:

1. Request for approval of uncollectable taxes – County Treasurer:

Jeanne Casolari, County Treasurer, was present.

Casolari distributed a list of uncollectable taxes.

M/S/P – Motion was made by Commissioner Batchelder and seconded by Commissioner Tisdel to approve the presented taxes as uncollectable. The motion carried unanimously.

H. 3:37 Commissioner / Administrative Reports:

Marti Whitmore, County Attorney, discussed the following:

- 1) **Water Study** – Whitmore reported that the Study was nearing completion. She had scheduled and executive session with the Board at the July 26th meeting to discuss strategy. She was planning to hold a public meeting to report on the Study's findings.
- 2) **Out of Office** – Whitmore would be out of the office July 18-20.

Connie Hunt, County Administrator, discussed the following:

- 1) **42 MWT Mining / Ruby Trust Mine** – Hunt reported that the president of 42 MWT Mining, Mickey Tiner, had met with her recently regarding donated aggregate material from the Ruby Trust Mine. The State of Colorado had requested that an affidavit be provided from the County stating the results from the pending lab tests, as well as the agreement to contribute aggregate to the County. She asked if the Board would be willing to consider an agreement for the aggregate material. The Board agreed.
- 2) **Starburst Award** – Hunt informed the Board that the County had been awarded a Starburst Award for the Grandstands Project.

Commissioner Padgett discussed the following:

- 1) **NACo Conference** - Commissioner Padgett would be attending the conference from July 21-25.
- 2) **Payment in Lieu of Taxes (PILT)** - Commissioner Padgett stated that she had received requests for support letters for next year's PILT funding.

Commissioner Tisdel discussed the following:

- 1) **Angel Creek / Thistledown Campground** - Commissioner Tisdel said that he was under the impression that the work on the Campground expansion had begun. He said that the number of camping sites were fewer than what was originally proposed on the USFS map; Commissioner Tisdel said that the original map provided by the USFS was a bit misleading. Hunt said that she had spoken with the Ouray District Ranger regarding the improvements. Hunt said that the County's Road and Bridge Supervisor had said that the County Road would not be impacted. Commissioner Padgett was concerned about implications to the County Road right-of-way. The District Ranger had promised to send a revised map.
- 2) **ATT Tower** - Commissioner Tisdel reported that the ATT tower in Ouray County was still not working properly.

Commissioner Batchelder discussed the following:

- 1) **Rockbiter Small Tracts Land Exchange** - Commissioner Batchelder stated that Whitmore had received a letter from a resident asking specific questions regarding the proposed land exchange. He suggested that the Board authorize Whitmore to respond to the question to the Board, and then forward the response to the resident. The Board agreed.
- 2) **Ridgway School Ad-Hoc Committee Regarding Workforce Housing** - Commissioner Batchelder said that he had been working with a small committee of Ridgway School District employees in order to determine if there was an available space for workforce housing in Ridgway. The committee had identified a few locations, but the most promising was the Elementary School Baseball Field. The property was half owned by the School District and half owned by the County. Ridgway Schools had indicated that there was little to no use of the field currently. He said that the committee was planning to host a public meeting before moving forward.

The Board discussed the funding mechanisms, as well as implications on planning and zoning. Commissioner Padgett stated that there needed to be some kind of compensation for the public asset. She requested that a letter be developed to state the committee's purpose and goals for the Board's consideration.

Hannah Hollenbeck, Deputy Clerk of the Board, discussed the following:

1) **High Alpine Regulations Public Hearing** – Hollenbeck said that the Board's public hearing to hear the Planning Commission's recommendation was scheduled for August 31 at 6:00PM at the Ouray Community Center, located in Ouray.

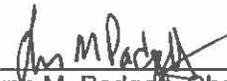
4:21 **The Board adjourned the regular meeting.**

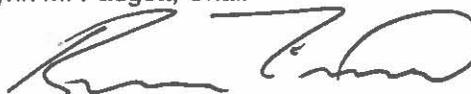
BOARD OF COUNTY COMMISSIONERS
OF OURAY COUNTY, COLORADO

Attest:




Michelle Nauer, Clerk and Recorder
By: Hannah Hollenbeck, Deputy Clerk of the Board


Lynn M. Padgett, Chair


Ben Tisdell, Vice-Chair


Don Batchelder, Commissioner