



City of Colorado Springs

City Hall
107 N. Nevada Avenue
Colorado Springs, CO
80903

Meeting Minutes Council Work Session

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Monday, June 13, 2022

10:00 AM

Council Chambers

How to Watch the Meeting

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- Stratus IQ Channel 76 / 99 (Streaming)

Estimated agenda item times are provided for planning purposes and do not constitute notice of a specific time for any item. Items may take more or less time than estimated. City Council may amend the order of items.

1. Call to Order and Roll Call

Present 9 - Councilmember Yolanda Avila, Councilmember Dave Donelson, Councilmember Stephannie Fortune, President Pro Tem Randy Helms, Councilmember Nancy Henjum, Councilmember Bill Murray, Councilmember Mike O'Malley, President Tom Strand, and Councilmember Wayne Williams

2. Changes to Agenda

There were no Changes to Agenda.

3. Regular Meeting Comments

There were no Regular Meeting Comments.

4. Review of Previous Meeting Minutes

4.A. [22-343](#) City Council Work Session Meeting Minutes May 23, 2022

Presenter:
Sarah B. Johnson, City Clerk

Attachments: [5-23-22 City Council Work Session Meeting Minutes Final](#)

President Strand stated Councilmember Henjum's name was misspelled on page seven of the May 23, 2022 City Council Work Session Meeting Minutes. Sarah B. Johnson, City Clerk stated she will make that correction.

The minutes of the May 23, 2022 Work Session were approved as revised

by Consensus of City Council.

5. Executive Session

5A. Open

There was no Open Executive Session.

5B. Closed

There was no Open Executive Session.

6. Presentations for General Information

There were no Presentations for General Information.

7. Staff and Appointee Reports

7.A. [22-211](#) City Financial Report - Q1 2022

Presenter:

Charae McDaniel, Chief Financial Officer

Attachments: [June Financial Report thru Q1.22](#)

Charae McDaniel, Chief Financial Officer, presented the Quarter 1 2022 financial update and went over revenue activity through March 31, 2022, sales tax trends, general fund revenue, general fund expenditures, and economic indicators.

Councilmember Williams asked where the City is in regard to Lodgers and Automobile Rental Tax (LART) revenue prior to the pandemic. Ms. McDaniel stated in 2019 there was \$1.8M, 2020 was \$1.1M, 2021 was \$1.6M, and 2022 is \$2.5M.

President Pro Helms asked if a slowdown in Sales and Use Tax revenue collection is anticipated. Ms. McDaniel confirmed they do, but do not see it as problematic because they believe it will be within what they are anticipating.

Councilmember Murray asked why there is a decrease in the valuation of homes. Ms. McDaniel stated single-family dwelling units generally carry a higher valuation than multi-family dwelling units, but with the two combined, it resulted in the decrease.

Councilmember Henjum asked what the deficit of dwelling units are in the City. Ms. McDaniel stated according to the Housing and Building Association (HBA), 12,135 units.

Councilmember Donelson asked if they project the price of homes and interest rates will decrease. Ms. McDaniel stated they do not project those rates.

President Pro Tem Helms asked if the occupancy rate decline is due to the increase of the building of hotels. Ms. Mc Daniel confirmed it is and that the rate is cyclical due to the tourist season.

Councilmember O'Malley asked what has been learned from the 2008-2009 recession. Ms. McDaniel stated the City is in a much better financial position that it was during the 2008 through 2010 time period and the reserve funds are much healthier than they were then.

Councilmember Murray stated there are currently eight hundred homes for sale and does not believe there needs to be incentives for development offered when there is an excess of inventory which is a surplus and not a shortage.

7.B. [22-342](#) Agenda Planner Review

Presenter:

Sarah B. Johnson, City Clerk

Attachments: [Agenda Planner Review 6-13-22](#)

President Strand stated there will be a Special City Council Work Session held on June 20, 2022.

Councilmember Murray requested a copy of the TischlerBise recommendation regarding the proposed development fees. Charae McDaniel, Chief Financial Officer, stated she will provide that information.

8. Items for Introduction

8.A. [22-297](#) A resolution approving the administrative dissolution of the Gold Hill Mesa Metropolitan District No. 3 located near the intersection of U.S. Highway 24 and 21st Street

Presenters

Carl Schueler, Comprehensive Planning Manager, Planning and Community Development

Attachments: [GoldHillNo3DissolutionRES-2022-06-07](#)
[Exhibit A -Board Resolution](#)
[Gold Hill MD No. 3 Dissolution - Staff Presentation](#)
[Applicant Budget Committe Presentation](#)
[GOLD-HILL-MD ALIGNMENT-FINAL](#)
[Letter of Intent](#)

Carl Schueler, Comprehensive Planning Manager, Planning and Community Development present the Resolution approving the administrative dissolution of the Gold Hill Mesa Metropolitan District No. 3. He gave a brief summary of the district and presented a map of the district vicinity, original district boundaries, and anticipated future district boundaries. He explained the role of the City in metropolitan district dissolution, reasons for the dissolution, questions/comments from the Budget Committee, and next steps.

Councilmember Henjum asked how the dissolution will affect the district's responsibility for maintenance. Mr. Schueler stated the other existing districts and future districts will take over those responsibilities for ongoing operations and maintenance.

- 8.B.** [22-305](#) A resolution declaring the intent of the City of Colorado Springs, Colorado to issue its multifamily housing revenue bonds to finance the acquisition, construction, improvement and equipping of an affordable multifamily housing facility known as Paloma Garden

Presenter:

Katie Sunderlin, Senior Affordable Housing Coordinator
Steve Posey, Community Development Division Manager
John Bales, Fred Marienthal, Kutak Rock LLP
Peter Wysocki, Director of Planning and Community Development

Attachments: [Colorado Springs Paloma Gardens 2022 Inducement Resolution](#)
[CC WS Inducement Resolution_Paloma Garden 20220613](#)

Steve Posey, Community Development Division Manager, presented the Ordinance authorizing the issuance and delivery of its multifamily housing revenue Private Activity Bonds (PAB), in an aggregate amount not to exceed \$19,000,000, for the purpose of financing the acquisition, construction, improvement and equipping of an affordable multi-family rental housing facility (Paloma Garden) of 127 units (76 new and 51 rehab). He provided an overview of the site location, project proposal, alignment with HomeCOS, unit mix, and available PAB.

Councilmember Henjum asked if the PAB balance will be utilized. Mr. Posey stated they would as they still have a pipeline of projects which will use those bonds.

Councilmember O'Malley asked if solar panels will be installed on the roof of this project. Mr. Posey stated the closing will not occur for several months so there is time to review this recommendation with the developer and the project will come back for a final approval by City Council. He stated that this item is just the intent to issue the bonds.

- 8.C. [22-285](#) A resolution adopting a land use fee rebate program for affordable and attainable housing

Presenter:

Steve Posey, Community Development Division Manager

Peter Wysocki, Director, Planning & Community Development

Attachments: [AffordableHousingFeeRebateRES-2022-05-18](#)

[Fee Rebate Program CC 2022\(1\)](#)

[HomeCOS Update 2022 Incomes and Rent](#)

[ProgramRules_MultiFamilyAffordable&AttainableRentalHousingFreeRebate](#)

Peter Wysocki, Director, Planning & Community Development, introduced the Resolution adopting a land use fee rebate program for affordable and attainable housing.

President Strand asked if there is a distinction between affordable and attainable. Mr. Wysocki stated affordable housing is housing restricted for households which make eighty percent or less of the Average Median Income (AMI) and attainable housing is housing which is attainable for different lower income demographics.

Councilmember O'Malley suggested that the two issues of affordable and attainable be addressed separately.

Steve Posey, Community Development Division Manager, presented. He provided an overview of development fees, recommendations from the Development Incentives Task Force, scoring criteria, Paloma Garden scoring, Paloma Garden fee rebate, sustainable program funding, and the percentage of applications being funded by the state versus the City.

Councilmember Henjum asked if Public Safety Impact Fee falls under the Development Review Enterprise (DRE). Mr. Wysocki stated it will be collected by the DRE, but the revenue would go to their earmarked accounts.

President Pro Tem Helms asked what the AMI is for the City. Mr. Posey stated it is \$96,000 per year for a household of four.

Councilmember Williams asked if four roommates would qualify as a household of four. Mr. Posey stated they would if they applied for assistance that way.

Councilmember Henjum asked if solar panels will be added to this project. Mr. Posey stated they would have to analyze the cost and how it would affect the cost of rent.

Councilmember Donelson and Councilmember Williams stated that the denominator of the scoring criteria should reflect fifty-one project points. Mr. Posey stated they will correct that error.

Councilmember O'Malley commented that the resident's utility bill should be as close to zero as possible.

Councilmember Avila and Councilmember Williams asked why points regarding the child opportunity score were included as criteria for this senior-living project. Mr. Posey stated it is considered for all projects, but they will revisit that regarding the scoring system.

Councilmember Donelson asked if children would be allowed to live in this facility. Mr. Posey stated they would not unless they were adult caregivers,

Councilmember O'Malley asked if the City has collaborated with El Paso County or the State regarding this proposed rebate. Mr. Posey stated the County is aware of the rebate, but he is not aware if they will be offering any incentives at this time and the City is also being recognized at the state level regarding this program. Jeff Greene, Chief of Staff, stated the County does offer rebates in regard to sales and use tax for affordable housing projects sponsored by the Colorado Springs Housing Authority (CSHA) and are also considering projects sponsored by other affordable housing providers.

Councilmember Henjum asked if any businesses will be approached regarding additional funding for these types of projects. Mr. Posey confirmed they are, and they will report back to City Council regarding any progress which is made.

Councilmember Murray requested an update regarding any negotiations with Amazon. Mr. Posey confirmed they will provide that information.

Councilmember Fortune asked if there is a current housing shortage. Mr. Posey stated the City is sixteen thousand units short if the amount of income and what families can afford is considered.

Councilmember Murray stated City Council need to focus on acquiring attainable and affordable housing, not just providing available housing. Councilmember Donelson, Councilmember Fortune, Councilmember Williams, and President Pro Tem Helms stated they believe all three housing types need to be offered.

- 8.D. [22-339](#) An Ordinance amending Section 810 (Refunds) of Part 8 (Tax Returns and Payments) of Article 7 (Sales and Use Tax) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, pertaining to Refunds

Presenter:

Charae McDaniel, Chief Financial Officer

Attachments: [SalesTaxHousingRefundORD-2022-04-22](#)

Charae McDaniel, Chief Financial Officer, presented the Ordinance amending Section 810 (Refunds) of Part 8 (Tax Returns and Payments) of Article 7 (Sales and Use Tax) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the City Code pertaining to refunds. She stated this proposed Ordinance adds a new section to the Sales Tax Code that allows the owner of a qualifying Affordable Housing project to be eligible for a refund of City taxes paid for the purchase or use of construction materials and in conjunction with the Affordable Housing Fee Rebate Program, the refunding of Sales and Use Tax paid for construction material on qualifying Affordable Housing projects will provide additional incentive for Affordable Housing projects. Ms. McDaniel stated to qualify for the refund, the project would need to meet the following requirements: the project is located in the City, is new construction, substantial rehabilitation of an existing

multi-family dwelling, or conversion of an existing commercial building to multi-family housing, consists of five or more dwelling units that qualify as income-restricted, has received a final certificate of occupancy, and dwelling units in the project will remain as affordable housing for a minimum of fifteen years.

Councilmember Henjum and Councilmember Williams asked if non affordable housing units could receive an incentive if they offered some of their units as affordable housing. Mr. Posey stated they will discuss that.

Councilmember O'Malley proposed a sunset clause of 2024 or 2026 to revisit this refund. Councilmember Williams stated City Council always has the opportunity to revisit it without having to put a sunset clause on it.

Councilmember Williams stated he prefers that four-plex's not be excluded from this refund. Ms. McDaniel stated they will look into that.

8.E. [22-301](#) Resolution Endorsing Extension of the Pikes Peak Rural Transportation Authority Capital Program

Attachments: [5 RES_PPRTANov2022Ballot-2022-05-23](#)
[1 Draft PPRTA 3 Ballot Language without Projects](#)
[2 PPRTA 3 Project List 20220609](#)
[3 PPRTA 3 Project List with Detail 20220609](#)
[4 PPRTA 3 Map of Projects](#)
[Council Work Session 20220613_PPRTA3](#)

Gayle Sturdivant, City Engineer/Deputy Public Works Director, Public Works Department, presented the Resolution endorsing extension of the Pikes Peak Rural Transportation Authority (PPRTA) Capital Program. She provided a background of the PPRTA, draft ballot language for the November 8, 2022, Coordinated Election to extend the fifty-five percent of the one-cent sale tax for transportation capital improvements for a period of ten years, the City's project lists, schedule, and next steps.

Councilmember Williams stated the ballot language needs to remain general in terms of the project, so the specifics of the project needs are met at the time of construction.

President Strand asked how many members are on the PPRTA Board. Ms. Sturdivant stated there are twenty-one members.

Councilmember Henjum asked if the Nevada Safety Study will be listed as a B-list priority. Ms. Sturdivant confirmed it is until more transit and ridership is established.

Councilmember Donelson asked if the Nevada Safety Study was a result of high speed through the Nevada corridor. Ms. Sturdivant stated speed was one of the concerns as well as accidents and the traffic volume.

Councilmember Donelson asked if there is a legal ruling regarding cutting through Monument Valley Park. Ms. Sturdivant stated they will be avoiding parkland and will use right-of-ways if possible.

Councilmember Henjum asked how the project will be communicated to the broader community. Ms. Sturdivant stated the corridor study will provide a range of solutions and they are looking for the best ways to communicate them to the public.

President Pro Tem Helms stated the way the Platte Corridor Project is listed may cause voters to vote "no" on the ballot measure. Ms. Sturdivant stated they are working to clear up any misunderstanding surrounding that project.

President Strand requested additional information on Capital Programs. Ms. Sturdivant stated those are programs which have a specific focus for discreet capital improvement needs that are going to arise over time.

Councilmember Murray asked is the PPRTA ballot measure is passed when the Marksheffel and Powers Boulevard Extension Projects will be completed. Ms. Sturdivant stated the Marksheffel Project would be completed in 2028 and Powers Boulevard Extension Project engineering piece would be completed in 2025.

Councilmember Henjum requested additional information regarding the vote on ConnectCOS and how it interfaces with PPRTA. Ms. Sturdivant stated ConnectCOS will provide a presentation to City Council, and they are separate actions.

Councilmember Williams spoke about the importance of collaboration with the PPRTA and identified some of the improvements they have made in the community.

9. Items Under Study

There were no Items Under Study.

10. Councilmember Reports, Open Discussion and Takeaways

Councilmember Williams stated he and several Councilmembers attended the Colorado Springs Fire Department (CSFD) Annual Awards ceremony, he reminded everyone to vote in the upcoming June 28, 2022 Primary Election, he stated he is working as an advisor for the Grand Junction, CO election, and he has been helping the Kenya Court of Appeals prepare for their election.

Councilmember O'Malley stated he also attended the CSFD Annual Awards ceremony and gave recognition to the firefighters who protect the City.

President Pro Tem Helms stated the annual Western Street Breakfast will be held from 5:30 to 9:00 AM on Wednesday, June 15, 2022, which benefits the military community and stated the Pikes Peak Rural Transportation Authority (PPRTA) supports the trails in the community such as the reopening of the Pikes Peak Greenway Trail.

President Strand stated he attended the Colorado Springs Police Department (CSPD) promotion ceremony, the Community Service Officer graduation ceremony, and the event honoring the crew of the USS Colorado.

Councilmember Avila stated she attended the PPRTA ribbon cutting ceremony for the Airport Road Pedestrian Bridge over Spring Creek, Southwest Airlines gardening project for Deerfield Hills and a mural project in the Southeast and gave a commencement speech for the Colorado School for the Deaf and Blind's graduation ceremony.

Councilmember Donelson stated he attended the Wasson High School GED and English as a second language graduation ceremony, ran a half marathon in Boulder, CO in order to qualify to run the Pikes Peak Ascent in September 2022.

Councilmember Fortune expressed gratitude for all of the City's help with the aftermath of the snowstorm which caused a lot of downed branches and

trees, reminded everyone that tomorrow, June 14, 2022 is Western Wear Day, and announced that the Colorado Avalanche won the Western Conference and will be going to the Stanley Cup Finals.

Councilmember Murray encouraged everyone to vote in the upcoming June 28, 2022 Primary Election.

Councilmember Williams stated a press release just came out today regarding Bent County and Colorado Springs Utilities proposed intergovernmental agreement regarding future water supply agreements.

Jeff Greene, Chief of Staff, stated one of the City's priorities is the cleanup of the aftermath of the snowstorms which occurred approximately two weeks ago and encouraged property owners who reside in the Wildland Urban Interface (WUI) to enroll in the City's Mitigation Program and the City will pick up the mitigation debris from the front of your house.

11. Adjourn

There being no further business to come before City Council, Council adjourned.

Sarah B. Johnson, City Clerk