



City of Colorado Springs

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

Meeting Minutes Council Work Session

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Monday, January 27, 2020

10:00 AM

Council Chambers

1. Call to Order

Present 8 - Councilmember Jill Gaebler, Councilmember David Geislinger, Councilmember Don Knight, Councilmember Bill Murray, Councilmember Andy Pico, President Richard Skorman, President Pro Tem Tom Strand, and Councilmember Wayne Williams

Absent 1 - Councilmember Yolanda Avila

2. Changes to Agenda

Sarah B. Johnson, City Clerk, stated item 9.B will be held at 1:00 PM and items 8.D. and 8.E. will be taken following that item.

Consensus of City Council agreed to these changes on the agenda.

3. Regular Meeting Comments

There were no Regular Meeting Comments.

4. Review of Previous Meeting Minutes

4.A. [20-042](#) City Council Work Session Meeting Minutes January 13, 2020

Presenter:

Sarah B. Johnson, City Clerk

Attachments: [1-13-20 City Council Work Session Meeting Minutes Final.pdf](#)

The minutes of the January 13, 2020 Work Session meeting were approved by Consensus of City Council.

5. Executive Session

5A. Open

5A.A. [20-040](#) Caitlyn Harmon v. Ronald L. Payton and City of Colorado Springs, Case No. 19CV32702

Presenter:

Wynetta Massey, City Attorney

Attachments: [2020-01-28 CAIC Memo to Council](#)

Marc Smith, Corporate Division Chief, Office of the City Attorney, stated with the recommendation of the Civil Action Investigation Committee, the City is requesting authorization to defend.

President Skorman polled City Council regarding authorizing the City to represent the City employee. Consensus of City Council agreed.

5A.B. [20-038](#) Isaiah Morello v. City of Colorado Springs, et al. Case No. 19CV32871

Presenter:

Wynetta Massey, City Attorney

Attachments: [2020-01-07 CityCouncil Memo](#)

Marc Smith, Corporate Division Chief, Office of the City Attorney, stated with the recommendation of the Civil Action Investigation Committee, the City is requesting authorization to defend.

President Skorman polled City Council regarding authorizing the City to represent the City employee. Consensus of City Council agreed.

5B. Closed

6. Staff and Appointee Reports

6.A. [20-041](#) Agenda Planner Review

Presenter:

Sarah B. Johnson, City Clerk

Attachments: [Agenda Planner Review 1-27-20.pdf](#)

Councilmember Knight asked why the public hearing for the Trailside at Cottonwood Creek PUD development plan scheduled for February 25,2020, which was previously denied for a zone change four or five months ago, was not required to wait a full year for a resubmittal. Peter Wysocki, Director, Planning and Community Development, stated the City Code allows a sooner resubmittal at the discretion of a manager if new evidence and conditions have changed with the application.

7. Presentations for General Information

7.A. [19-748](#) Local Residential Real Estate Market Update and 2020 Forecast

Presenter:

Bob Cope, Economic Development Officer
Harry A. Salzman, Salzman Real Estate Services

Attachments: [Presentation to City Council 2020 Outline - Harry A. Salzman](#)
[Harry Salzman - Presentation Slides](#)

Bob Cope, Economic Development Officer, introduced Harry A. Salzman, Salzman Real Estate Services, and identified several of Mr. Salzman's credentials.

Mr. Salzman gave an update of the Colorado Springs residential real estate market and gave an overview of the forecast for 2020. He presented the December 2019 top ten outperforming metro markets report in which the City ranked 9th out of 100 metro areas. Mr. Salzman gave an overview of the Pikes Peak Association of Realtors (PPAR) year-end statistics, real estate as an investment, home inventories, housing demands, the increase of residential uses from 2018 to 2019, housing prices, and housing affordability.

Councilmember Murray asked how many closings there were. Mr. Salzman stated there were 18,292 closing in PPAR through MLS.

Councilmember Geislinger asked what programs the PPAR has to offer prospective homeowners who need assistance in purchasing a home due to student debt or are struggling to make a down payment. Mr. Salzman stated he will bring up those concerns at the next PPAR board meeting.

Councilmember Knight stated the tradeoff of what homeowner pays in taxes between Gallagher and the Taxpayer's Bill of Rights (TABOR) only applies to residents who do not live in a special district.

8. Items for Introduction

- 8.A. [19-746](#) Resolution approving the 2020-2024 Consolidated Plan and 2020 Annual Action Plan for the use of federal block grant funds (CDBG, HOME, ESG) provided through the U.S. Department of Housing and Urban Development.

Presenter:

Catherine Duarte, Senior Analyst, Community Development Division
Peter Wysocki, Director of Planning and Community Development

Attachments: [Colorado Springs ConPlan Public Comment Draft 12.31.19](#)
[2020-2024 ConPlan_2020 Action Plan Council Resolution](#)
[2020_2024 Infographic_Jan7](#)
[2020-2024 ConPlan and 2020 Action Plan - Jan27 CC presentation](#)

Catherine Duarte, Senior Analyst, Community Development Division, presented the 2020-2024 Consolidated Plan and 2020 Annual Action Plan for the use of federal block grant funds provided through the U.S. Department of Housing and Urban Development (HUD). She gave an overview of the HUD planning regulations, 2014-2019 accomplishments, 2020-2024 financial implications, 2020-2024 funding priorities, and 2020 annual action plan. Ms. Duarte went over the contingency plan, long term trends, priority needs, goals and strategies, what is new for 2020, public participation, and next steps.

Councilmember Knight stated the change in population statistics should reflect the 355 homes which were lost due to a catastrophic event.

Councilmember Williams asked what condition would qualify for substandard housing and a lack of a complete kitchen facility. Steve Posey, HUD Program Manager, stated, per the HUD definition, it could be a missing cooking appliance, refrigerator, or plumbing which is not working properly.

- 8.B.** [20-019](#) A Resolution declaring the intent of the City of Colorado Springs to issue \$21 million of Multifamily Housing Private Activity Bonds to finance the construction of an affordable multifamily housing development known as Draper Commons

Presenter:

Steve Posey, HUD Program Manager, Planning & Community Development

Peter Wysocki, Director of Planning and Community Development

Attachments: [PAB Resolution for CC Draper Commons](#)

[Vicinity Map](#)

[Prelim Inducement Res Draper Commons](#)

[Colorado Springs Chamber & EDC Support Letter](#)

[Colorado Springs Downtown Partnership](#)

[Independence Center letter of support for Draper Project](#)

[Innovations in Aging letter of support \(November 2019\) \(002\)](#)

[Pikes Peak Community Foundation Letter of Support 12.13.2019](#)

[Silver Key ltr of support](#)

Steve Posey, Community Development Division Manager, presented the Resolution declaring the intent of the City to issue \$21 million of Multifamily Housing Private Activity Bonds to finance the construction of an affordable

multifamily housing development known as Draper Commons. He gave an overview of the City's Private Activity Bonds (PAB), recent allocations, project description, and project support. He identified the Resolution specifics and prior inducement Resolutions.

President Pro Tem Strand asked if financing this project will affect the other anticipated PAB projects. Mr. Posey stated the City will have the capacity to fund the other proposed projects as well.

**8.C. CPC CA
20-00006**

Discussion of possible amendments to Chapter 7 (Planning, Development and Building) of City Code pertaining to accessory dwelling units.

(Legislative)

Presenter:

Hannah Van Nimwegen, Senior Planner, Land Use Review Division
Peter Wysocki, Director of Planning and Community Development

Attachments: Attachment 1 - Option Breakdown

Attachment 2 - Work Session ADU Presentation - 9.9.19

Council Work Session Minutes - 9.9.19

Work Session ADU Presentation - 1.27.20

Hannah Van Nimwegen, Senior Planner, presented the Ordinance amending Chapter 7 (Planning, Development and Building) of City Code defining and establishing standards for accessory dwelling units (ADU). She went over the various form of ADUs, options for single-family, and the town meetings. Ms. Van Nimwegen requested City Council's preference moving forward.

President Skorman stated they may want to revisit the option of detached ADUs. Councilmember Pico stated they should not start over and they need to stick with the decisions previously made.

Councilmember Gaebler gave a brief PowerPoint presentation of why the City needs ADUs.

Councilmember Williams stated he does not believe R1 zoning should be changed to R2 zoning as a matter of property rights, but there should be a process in place for someone to request that change. He said going forward there should be a separate or overlay zone to permit a landowner to develop a property which permits ADUs.

Councilmember Geislinger stated this is a conflict between the property rights of people who have invested a majority of their life in their home and the property rights of the neighbors. He stated he also believes developers should be allowed to have overlay zones allowing ADUs with no restrictions in non-infill areas.

Councilmember Knight asked if the statistic from Councilmember Gaebler's PowerPoint presentation which states seventy percent of all residential area in the City is zoned single-family included Planned Unit Developments (PUD) which are zoned for single-family residences. Ms. Van Nimwegen stated she will research that information.

Councilmember Knight stated there are currently over 9,000 lots which currently allow ADUs and the City can tackle the housing situation without a mass zone change. He requested the number of ADU's located within those 9,000 lots.

Councilmember Knight stated the property rights are dependent upon how the property is currently zoned and if a property owner wants to change the zoning, there is a process for it. He stated there should only be one building/structure inside the building envelope and he is in support of an ADU zone for new development areas, but only if is requested by the developer.

Councilmember Knight stated he still supports Option 2B, which is integrated with single family occupancy, and a conditional use or variance to build an integrated unit if the neighbors do not object.

Councilmember Knight and Councilmember Gaebler requested additional details regarding the review criteria for a conditional use. Marc Smith, Corporate Division Chief, Office of the City Attorney, stated the purchase price of the property, the desire for greater economic return on investment, or mere inconvenience do not constitute by themselves the evidence for no reasonable use.

Councilmember Pico stated Option 2B is a compromise, there will always be a collision of property rights, and zoning is a contract the City made with the people who bought property within those zones. He stated he supports an ADU overlay zone in new developments which have not already been zoned and there is currently the option available to rent out rooms as well

as have live-in assistance for medical uses.

Councilmember Murray stated he supports Option 2B and requested modifications be made to the language of the use variance and the building codes pertaining to ADUs.

Councilmember Williams stated he does not support a mandatory requirement of detached ADUs for new zones, but does support a zoning code which will permit it in new zones. He recommended a review of water usage for ADUs to possibly reduce costs, stated there should be an easier process for the request of a use variance, and the building code needs to be changed.

Councilmember Geislinger stated there needs to be a discussion with the Regional Building Department (RBD) regarding ADU requirements, the use variance criteria needs to be reviewed, but he does have concerns regarding the current application of the zoning code can be used to restrict the property rights of other owners. He stated going forward, the City should not delegate to the developer the unilateral right to say that an undeveloped area cannot ever be rezoned to include ADUs in the future.

President Skorman stated the consensus of City Council is Option 2B, but figure out an easier way for a variance process to allow an exception. He states he supports it be owner occupied, possibly require certain design elements, and new development have the opportunity for ADU zones.

Councilmember Williams stated if the City is going to make a recommendation regarding a revision to the building code, there needs to be further discussion with the Fire Department and RBD to see if there are any concerns.

Councilmember Knight requested the language requiring covenant approval for an ADU permit to be explicitly spelled out in the proposed Ordinance.

Ms. Van Nimwegen asked if City Council preferred a timeline for the draft Ordinance. Councilmember Geislinger stated the sooner, the better and requested it be reviewed prior to a consultant's review of Chapter 7. Ms. Van Nimwegen stated they will work on a timeline.

City Council agreed this item should be considered by the Planning

Commission and then back to a City Council Work Session.

- 8.D. [19-642](#) A resolution authorizing the Southwest Downtown Business Improvement District to issue debt in the form of Series 2020 Limited Tax Supported and Special Revenue Senior Bonds in a total principal amount not to exceed \$50,000,000.

(Legislative Item)

Presenters:

Carl Schueler, Comprehensive Planning Manager, Planning & Community Development

Peter Wysocki, Planning and Community Development Director

Bob Cope, Economic Development Officer

Attachments: [Resolution](#)

[PowerPoint](#)

[Attachment 1- Bond Resubmittal Cover Letter](#)

[Attachment 2- Draft Bond Resolution](#)

[Attachment 3- Draft Master Indenture](#)

[Attachment 4- Draft Supplemental Indenture](#)

[Attachment 5- Draft Capital Pledge Agreement](#)

[Attachment 6- Redevelopment Financing Analysis](#)

[Attachment 7- Infrastructure Cost Worksheets](#)

[Attachment 8 - Draft General Counsel opinion](#)

[Attachment 9 - Draft Bond Counsel Opinion](#)

[Attachment 10 - External Financial Advisor Letter- RBC](#)

[SWD Phase 1A PPP - 12272019 - 2](#)

Bob Cope, Economic Development Officer introduced the Resolution authorizing the Southwest Downtown Business Improvement District (BID) to issue debt in the form of Series 2020 Limited Tax Supported and Special Revenue Senior Bonds in a total principal amount not to exceed \$50M.

Chris Jenkins, President, Nor'wood Development Group, Southwest Downtown BID, identified the partners involved in the project and gave an overview of the development plan, the Vermijo and Sierra Madre right of way improvements, parkside residential units, 400S office building, block B hotel

Jeff Finn, Vice President, Nor'wood Development Group, Southwest

Downtown BID, provided a funding and cost update of the southwest downtown public improvements, the museum and park Urban Renewal Authority boundary, southwest infrastructure redevelopment tools and funds.

Mr. Cope presented the Resolution approving a cooperation agreement for redevelopment of portions of southwest downtown.

Carl Schueler, Comprehensive Planning Manager, Planning and Community Development, He presented a vicinity map and brief background and summary of the Southwest Downtown BID. Mr. Schueler provided an overview of the residential development, metropolitan districts, bond term, and next steps.

Councilmember Murray asked where the parking garage will be located. Mr. Finn stated the parking structure would be located east and north of the museum on Block B.

Councilmember Knight asked where the 2.75 percent sales tax will be coming from. Mr. Finn stated 1.75 percent is from the City of Colorado Springs sales tax increment and 1.0 percent is from the County sales tax.

Councilmember Knight stated he has objections with the four-year term of the bonds.

Councilmember Knight and President Pro Tem Strand stated the 8.0 percent interest rate for the Series A bond is not consistent with the other debt authorizations they have approved in the last six or seven month. Mr. Cope stated the interest rate is based on the scale of the risk and this project is in the early stages so the investment in the buildings has not started yet which will generate the property Tax Increment Financing (TIF), the retail sales tax, and the Public Improvement Fees (PIF). Mr. Jenkins stated there is no income stream at this point in the project so the interest will be more expensive because it is speculative.

Councilmember Pico requested additional information be presented at the January 28, 2020 City Council Budget Committee meeting regarding the four-year period of issuing the bonds in regards to the structure of Phase I, Phase II, and Phase III. He also requested the funding sources for the pedestrian bridge. Mr. Greene stated staff will provide that information.

Councilmember Murray requested the amount the bonds will grow in five to ten years which will eventually have to be refinanced be presented at the January 28, 2020 City Council Budget Committee meeting. Mr. Greene stated staff will provide that information.

Councilmember Knight stated he would like the Resolution for the cooperation agreement to include the language "not to exceed \$50M" in Section 3. Mr. Schueler stated he will include that language.

- 8.E. [20-028](#) A Resolution Approving a Cooperation Agreement for Redevelopment of Portions of Southwest Downtown, Colorado Springs, Colorado

Presenter:

Bob Cope, Economic Development Officer

Attachments: [Resolution Approving Cooperation Agreement SWDT 01.22.20](#)
[City Draft Cooperation Agreement - 1-22-20-version-clean](#)
[City Draft Cooperation Agreement - 1-22-20-version-redline](#)
[City Draft Cooperation Agreement - 2-04-20-Revised-Clean](#)
[City Draft Cooperation Agreement - 2-04-20-Revised-Redline](#)
[Urban Renewal Plan Museum Park \(final - updated\)](#)
[Exhibit - Museum + Park URA Boundary](#)
[20055695_1_SW Downtown Project Concept Plan](#)
[Exhibit D - Authority Redevelopment Pledge Agreement 1.23.docx](#)
[20055691_1_EXISTING UTILITY ADVANCED RELOCATION EXHIBIT - CIMARRON NORTH..](#)
[SWD Infrastructure -Exhibit F](#)

Please see comments in Agenda item 8.E.

9. Items Under Study

- 9.A. [19-747](#) Special Districts Overview- Session No. 7

Presenters:

Carl Schueler, Comprehensive Planning Manager

Peter Wysocki, Planning and Community Development Director

Attachments: [PowerPoint-Session 7](#)[Attachment 1- Colorado Springs Metro. District Mill Levies and Caps](#)[Attachment 2- Colorado Springs BID Mill Levies and Caps](#)[Attachment 3- Exhibit E Disclosure Form From Model Service Plan](#)[Attachment 4- Example of a Title 32 District Transparency Notice](#)[Attachment 5 - Overview of District Conversion to Resident Owner Control](#)

This item has been postponed to the February 10, 2020 City Council Work Session meeting.

9.B. [19-730](#) Discussion on the new state Marijuana Laws concerning Consumption Clubs

Presenter:

Richard Skorman, Council President

Don Knight, First District Council Member

Councilmember Knight stated if City staff is going to work on changes to City Code in regards to marijuana consumption clubs, there should be a minimum of six Councilmembers in support of it. He stated he is not in support of any changes to the law and the Mayor expressed he would veto any change in regards to consumption clubs.

Dirk Draper, President and CEO, Chamber of Commerce and EDC, stated they do not support any changes in the current laws in regards to marijuana delivery or consumption clubs because they have heard consistency from a majority of their members, site selectors, private sector defense companies, and the military, that they do not support recreational marijuana.

President Pro Tem Strand asked about the use of recreational marijuana within the City due to the close proximity of recreational sales. Mr. Draper stated the preference of the business community is to not have recreational marijuana within the City.

Councilmember Murray asked how many marijuana facilities have been solicited by and are members of the Chamber and EDC. Mr. Draper stated none because it has been the direction of the board in regards to the position taken in regards to the industry. Councilmember Geislinger asked if there is a concern in regards to the City investigation whether or not the industry is in the best interest of the City. Mr. Draper stated they would be opposed to it.

Dr. Ken Finn, gave a brief background regarding his credentials and gave an overview of the effects of cannabis usage in regards to pregnancy/in utero exposure, adolescent use/vaping, opioid epidemic, public health, and crime.

Councilmember Geislinger stated the 2014 the National Institute on Drug Abuse showed a decrease in opioid mortality in states where medical marijuana is legalized and medical marijuana has constitutional status.

Councilmember Gaebler stated marijuana consumption clubs would be a legal safe place for people to consume marijuana. Dr. Finn stated the more the industry is expanded, there will be more use by adolescents. He stated fifty percent of children with cannabis use disorder are getting marijuana from their parents, siblings, or friends.

Jeff Greene, Chief of Staff, stated the issue is the recreational distribution of marijuana within consumption clubs.

Darin Smith, Principal, Coronado High School, stated less access of marijuana for the students would be better overall for the community. President Pro Tem Strand asked if he believes student disciplinary issues are drug related. Mr. Smith confirmed they are.

President Skorman stated the state has spent hundreds of hours integrating the regulations in the consumption club bill. He stated marijuana use is already within the City and he wants to make sure it is controlled to keep people safe.

Councilmember Murray stated he does not see the difference between allowing people to consume their own marijuana in consumption clubs and allowing the clubs to sell small amounts of marijuana.

Councilmember Geislinger stated allowing consumption clubs to sell marijuana would be a major change for the City and there needs to be evidence from those proposing the change that the change would be good for the City.

Jeff Greene, Chief of Staff, stated the City needs clarity on what objectives City Council would like to achieve by 2021.

Councilmember Pico stated the consumption clubs already exist to provide a safe place for people to consume marijuana and the question is whether or not there can be recreational sales of marijuana in them.

Councilmember Williams does not think this initiative would save lives because it may cause more people to drive home under the influence. He stated he does not believe it is City Council's priority to use resources to enact a major policy change to permit the sale of recreational marijuana under certain circumstances and they should see the results from other jurisdictions which adopt the bill.

President Skorman stated not enough members of City Council want staff to move forward with a proposal.

10. Councilmember Reports and Open Discussion

There were no Councilmember Reports and there was no Open Discussion.

11. Adjourn

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

Sarah B. Johnson, City Clerk