

The regular meeting of the Vail Town Council was called to order at approximately 6:00 P.M. by Mayor Chapin.

Members present: Dave Chapin, Mayor
 Jenn Bruno, Mayor Pro Tem
 Dick Cleveland
 Kevin Foley
 Kim Langmaid
 Jen Mason
 Greg Moffet

Staff members present: Greg Clifton, Town Manager
 Matt Mire, Town Attorney
 Patty McKenny, Town Clerk

1. Citizen Participation

Mayor Chapin spent a moment recognizing Morrie Shepard, Vail's first ski school director who passed away, who worked with many of the pioneers of Vail.

Patti Langmaid, resident, expressed opposition to the patio at the Village Parking structure as an extension of La Cantina. She demonstrated the proposed size of the patio noting that it would ruin the beautifully landscaped area and entrance to Vail Village.

Penny Wilson, resident, thanked the town for the berm at their property and expressed support for keeping the two hour timeframe as free parking.

Bill Hanlon, resident, thanked council for honoring he and his wife as the July 4th parade grand marshals and also shared his thoughts about Vail as a community moving forward, to sustain it as a recreational mountain community with young & active residents and a continued priority to create more housing.

Leah Obrien, resident, read from a draft proclamation from the Vail Rotary Club acknowledging polio days which will be celebrated on Oct. 24.

Michael Cacioppo expressed his opposition to reducing the free parking from 2 hours to 90 minutes and his concerns about the county's ballot questions 1A.

Kim Langmaid requested council's consideration of the following two topics:

1. Requested support for a feasibility review of the property next to the Middle Creek Housing project to use for more workforce housing.

There was not enough council support for this study; it was noted the parcel is already zoned as natural area preservation district.

2. Requested staff time to help determine next steps needed to pursue bighorn sheep collaborative regarding East Vail property.

There was council support of this request to have staff time dedicated to this topic.

2. Consent Agenda

2.1. Minutes from September 5, 2017 meeting

Moffet moved to approve the minutes from Sept. 5; Bruno seconded the motion and it passed (6-0; Mason abstained).

2.2. Minutes from September 19, 2017 meeting

Moffet moved to approve the minutes from Sept. 19; Bruno seconded the motion and it passed (7-0).

2.3. Resolution No. 36, Series of 2017, A Resolution Approving the Operating Plan and Budget of the Vail Local Marketing District, for its Fiscal Year January 1, 2018 through December 31, 2018

Moffet moved to approve Resolution No. 36; Cleveland seconded the motion and it passed (7-0). It was noted that the VLMD approved the 2018 budget earlier that day. Foley noted that he proposed at that time using some of the VLMD budget to fund iconic events, i.e. music and dance, and using the savings of that in the General Fund for housing efforts.

3. Town Manager Report

Presenter(s): Greg Clifton, Town Manager

Clifton highlighted his first report as a sample of what he would like to provide moving forward. Council supported this communication report.

Greg Hall, Public Works Director, presented an update about the Red Sandstone Elementary school parking structure estimated costs. He noted that the design and construction for the engineering items related to accommodating the building with further upward expansion would create additional costs for the project. There continued to be support for this component of the project. Hall also spoke briefly about the parking rates that were recently adopted.

4. Presentations / Discussion

4.1. Short Term Rental policy discussion

Presenter(s): Kathleen Halloran, Finance Director

Action Requested of Council: Staff is requesting further clarification from Council on policy direction and will return with an ordinance on November 7th.

Background: Over the course of two public input sessions this summer and four Council meetings, staff has received direction on regulations for the short term rental market. There are several other policy considerations that staff would like Council's direction prior to developing an ordinance.

Staff Recommendation: Direct staff on additional policy changes, if any, prior to a proposed ordinance scheduled for November 7th.

Finance Director Halloran presented some final components of this short-term rental policy in order to draft the legislation addressing regulations. The items staff is reviewing included:

- Revise the current ordinance to remove the 14-day threshold to require a license
- Create a penalty / fine structure for the unlicensed operation of short-term rentals
- Require an affidavit to be signed by the licensee to acknowledge trash, noise and parking violations as well as verifying life safety precautions are in place.* Staff has another suggestion based on additional research. Please see below for details on the concept of a third party inspector.
- Require a local property contact for each rental which must be posted in the interior of the rented unit for renters, as well as documented with the town.

Other topics reviewed with public input included:

1. Joint ownership. Specifically this entails a required sign-off by a neighbor sharing a party wall, for example a duplex owner. ***Does Council wish to include a requirement relating to joint ownership in the ordinance?***

Public comments were heard from:

Stephen Connelly: permission should come with the renewal process

- Penny Wilson, Leah O'Brien: requested that HOA should become part of the approval process
- Dennis Linn: supported co-owner consent
- Michael Cacioppo: doesn't support taking away people's property rights

Council requested more info about the joint ownership language in terms of sign off and violation of property rights.

2. Safety: Council has initially approved the town requiring an owner-signed affidavit verifying that the owner has complied with short term rental safety requirements such as CO2 monitors, smoke detectors and occupancy limits. Sample checklists are attached (**Attachment A**) which provides a lot of detailed considerations.

Public comments were heard from:

Dennis Linn: requested government involvement for home inspections in an effort to keep a Vail standard for accommodations

Stephen Connelly: doesn't support third party inspections

Council supported:

- ✓ a checklist affidavit that was life-safety oriented only
- ✓ No third parties contractors involved for inspections
- ✓ No inspections

3. Safety: Based on additional research, staff would like to propose another option for addressing safety concerns. Rather than rely on an affidavit, the owner could be required to obtain an inspection from a third party company as part of the annual licensing process. Staff would suggest that a standard checklist form be used by the inspector and could provide a list of accepted vendors. ***Does Council wish to require an affidavit or an outside inspection prior to licensing and license renewal?***

4. Also on the topic of safety, citizens have expressed concerns with snowy/icy exterior walkways and stairs as potential hazards to vacationing guests. ***Does Council wish to include exterior walkways in the safety requirements?***

There was not any council support for third party inspections related to numbers 3 and 4.

5. Council previously discussed tracking violations of the town's current noise, trash, and parking ordinances for the purposes of license revocation. ***Does Council wish to add a regulation to enable the town staff to revoke a business license if a certain number of verified violations occur for a particular rental unit? Staff believes that license revocation may be an effective enforcement tool. It could be structured with a revocation hearing and applicable criteria to ensure a fairly administered process.***

There was some discussion about the licensing and revocation of licenses as a useful tool for monitoring the STR environment. Staff will continue to research this component keeping it simple and stream-lined in administrative efforts. Stephen Connolly noted the goal as preserving the quality of life for everyone in the neighborhoods.

6. With enforcement in mind, the posting of a rentals license number on the exterior of the unit would greatly improve reporting of complaints or violations that must be verified by police or code enforcement. A call into Dispatch or responding officers may not be able to readily identify if the location is a rental or confirm the exact address and unit number. Without a confirmed location, it will be difficult to prove that a violation has occurred. Other communities such as South Lake Tahoe, Hood River, Oregon, and Santa Cruz County, California have implemented an exterior posting of the license number. South Lake Tahoe for example uses a 12"x12" sign placed near the main doorway and Santa Cruz signs are limited to 216 square inches. Any regulation surrounding exterior signage would have to first be approved by the Design Review Board (DRB). ***Does Council support exterior posting of license numbers?***

In general there was not support of posting the exterior of the properties but rather it was suggested using some kind of database that identifies information about the properties used for short term rental. There was support for interior posting of ownership information to be required within 5 feet of the front door

7. Since the last Council discussion on STRs, staff has learned of new legislation passed in San Francisco that is gaining traction with other municipalities. The new regulation requires hosting platforms such as VBRO or Airbnb to verify that a rental is licensed with the municipality prior to listing the advertisement. The hosting platforms are allowed to use multiple methods to verify licensing. Other municipalities pursuing this same regulation include Santa Monica, California and Miami-Dade County, Florida. ***Does Council wish to pursue requiring hosting platforms to confirm licensing prior to posting a rental online?***

This item was supported but it was suggested to possibly include it at a later date.

Halloran also noted a number of items that are currently active to implementing their program i.e. software research, database updates, identify enforcement practices and how to communicate with owners, drafting educational tools and communications, forms for the str licensing, identify how to track complaints. Legislation would be drafted and presented at the next meeting taking into consideration the input.

5. Action Items

5.1. Resolution No. 32, Series of 2017, Resolution supporting Eagle County Ballot Issue 1A – funding mental health and substance abuse services in Eagle County through the taxation of retail marijuana

Presenter(s): Dave Chapin, Mayor

Action Requested of Council: Council is asked to vote on the resolution.

Moffet moved to approve Resolution No. 32, Series of 2017; Langmaid seconded the motion and it passed (7-0). There was no public input on the topic.

5.2. Resolution No. 33, Series of 2017, Resolution of Support for the Vail Park And Recreation District Ballot Issue at the November 7, 2017 Special Election

Presenter(s): Dave Chapin, Mayor

Action Requested of Council: Council is asked to vote on the resolution.

Mike Ortiz, Director of VRD, spoke on behalf of the election and proposed ballot question. Moffet moved to approve Resolution No. 33, Series of 2017; Foley seconded the motion and it passed (7-0). Michael Cacioppo expressed support of this ballot proposal.

5.3. Resolution No. 34, Series of 2017, A Resolution in Support of Ballot Question 1 on the November 7, 2017 Town of Vail Election Ballot; and Setting Forth Details in Regard Thereto

Presenter(s): Dave Chapin, Mayor

Action Requested of Council: Council is asked to vote on the resolution.

Moffet moved to approve Resolution No. 34, Series of 2017; Foley seconded the motion and it passed (7-0). There was no public input on this topic.

5.4. Resolution No. 35, Series of 2017, A Resolution Approving a Development Agreement Between the Town of Vail, The Vail Local Housing Authority and Sonnenalp Properties, Inc.

Presenter(s): George Ruther, Director of Community Development

Action Requested of Council: Approve, Approve with Conditions or Deny Resolution No. 35, Series of 2017.

Background: Sonnenalp Properties Inc. owns real property within town limits with a physical address of 501 N. Frontage Rd. W. The owner wishes to develop deed restriction property for employee housing which will consist of 65 residential dwelling units within one building, parking and walkway improvements as well as renewable energy options. In exchange for the Deed

Restriction, the Town shall pay the Developer \$4,225,000 (the "Town Contribution"). The Town Contribution is based on a per Unit price of \$65,000 (for 65 Units).

Community Development Director George Ruther presented background and noted the town will call upon the new Vail InDEED program to help fund the project. The 65 new Solar Vail rental units would be a combination of studio, one and two bedroom and 16 of the new apartments at Solar Vail would be available for businesses and individuals not associated with Sonnenalp Properties. This involves purchase of 65 deed restrictions on property at \$65K per unit for total of \$4.225 million. There was Public input heard at this time:

Chris Romer, VVP, noted that Eagle County did not license businesses in incorporated Eagle County and expressed support for the project and the public-private partnership.

Rick Smith, Chief Administrative Officer for the new Vail Health, expressed support for the project which shows vision and courage.

Steve Lindstrom, VLHA, noted their recommendation, thanked Goerge Ruther for working this public-private partnership and noted these kinds of projects will be pursued as a model.

Moffet moved to approve Resolution No. 35, Series of 2017, A Resolution Approving a Development Agreement between the Town of Vail, The Vail Local Housing Authority and Sonnenalp Properties, Inc.; Bruno seconded the motion and it passed (7-0).

6. Public Hearings

6.1. Second reading of Ordinance No. 14, Series 2017, an Ordinance adopting a budget and financial plan and making appropriations to pay the costs, expenses and liabilities of the Town of Vail, Colorado for its fiscal year January 1, 2018 through December 31, 2018

Presenter(s): Kathleen Halloran, Finance Director

Action Requested of Council: Approve or approve with amendments Ordinance No. 14, Series 2017

Background: Please see attached memo

Staff Recommendation: Approve or approve with amendments Ordinance No. 14, Series 2017

Chapin opened the public hearing at this time. There was a review of the memo included in the council packet. There was some discussion about the housing budget, salaries, and transportation items.

Cleveland moved to approve on second reading, Ordinance No. 14, Series 2017, an Ordinance adopting a budget and financial plan and making appropriations to pay the costs, expenses and liabilities of the Town of Vail, Colorado for its fiscal year January 1, 2018 through December 31, 2018. Bruno seconded the motion and it passed (6-1; Foley opposed). Foley expressed concern about the ability to sustain the increases in wages over time. Cleveland noted the town has been an average payer and budget for next year is in line with that philosophy. Public input was invited and Steve Lindstrom spoke about the housing budget and the need to fund it as a program. He also thanked Cleveland for his years of support and actions related to housing. .

There being no further business to come before the council, Moffet moved to adjourn the meeting and Bruno seconded the motion which passed (7-0) and the meeting adjourned at 8:40 p.m.

Respectfully Submitted,

Attest:

Dave Chapin, Mayor

Patty McKenny, Town Clerk