



Town Council Meeting Minutes - Draft

Mayor Jason Gray
Mayor Pro Tem Kevin Bracken
Councilmember Ryan Hollingshead
Councilmember Laura Cavey
Councilmember Desiree LaFleur
Councilmember Caryn Johnson
Councilmember Tim Dietz

Tuesday, July 6, 2021

6:00 PM

**Town Hall Council Chambers
100 North Wilcox Street
Castle Rock, CO 80104
Phone in: 720-650-7664
Meeting code: 146 918 8397
www.CRgov.com/CouncilMeeting**

This meeting is open to the public and will be held in a virtual format in accordance with the Town Council Electronic Participation, Connected, and Hybrid Meeting Policy. Public may choose to attend in person at Town Hall, or electronically or by phone if preferred. This meeting will be hosted online and can be accessed at www.CRgov.com/CouncilMeeting, or phone in by calling 720-650-7664, meeting code 146 918 8397 (if prompted for a password enter "July6Council"). All Town Council Meetings are also streamed online in real time at www.CRgov.com/WatchCouncil, and are broadcast for Comcast Cable subscribers on Channel 22 (please note there is a delay to the broadcast).

All times indicated on the agenda are approximate. Remote participants please visit www.CRgov.com/CouncilComments to sign up to speak to an item, and for related instructions. Public Comments may also be submitted in writing online by 1:00 p.m. July 6, 2021, to be included in the public record.

COUNCIL DINNER & INFORMAL DISCUSSION

INVOCATION - Mark Marble, CRPD Chaplain

CALL TO ORDER / ROLL CALL

Mayor Gray opened the meeting at 6pm.

Present: 6 - Councilmember Cavey, Councilmember LaFleur, Councilmember Johnson, Councilmember Dietz, Mayor Pro Tem Bracken, Mayor Gray

Not Present: 1 - Councilmember Hollingshead

PLEDGE OF ALLEGIANCE

COUNCIL COMMENTS

Councilmember LaFleur gave a shout out to the Town for the great fireworks show.

Councilmember Deitz feels we need to keep Castle Rock a stronghold and grow smart and make decisions for a balanced future for Castle Rock and not just downtown. If ballot issues don't pass, we need to find funding for Police and Fire needs.

Mayor Pro Tem Bracken hopes everyone is having a great summer.

Mayor Gray echoed Councilmember LaFleur's comments on the 4th of July.

[PROC
2021-007](#)

Proclamation: Honoring the 50th Anniversary of the Castle Rock Senior Activity Center (Presentation on July 9, 2021, at Senior Center's Golden Celebration - Approved on June 15, 2021 by a vote 7-0)

Mayor Gray conveyed that the Senior Center requested that the proclamation be presented to them at their event this Friday.

[PROC
2021-008](#)

Proclamation: Smart Irrigation Month [Town of Castle Rock, CO] (For Presentation Approved on June 15, 2021, by a vote 7-0)

Mayor Gray read the Proclamation into the record.

UNSCHEDULED PUBLIC APPEARANCES

Public that addressed Town Council:

Gary Godfrey, resident of 8 years, appreciates what everyone does and what goes on in Town. He is a strong supporter of growth and development that is responsible and balanced. He commented that Front Street and Castle Gate are finished and look great. He is a small business owner and talks to a lot of other small businesses. Some have a good location but the cost of rent is rising. He would like leadership to understand that small businesses are the backbone to the Town who is paid by the small business owner in Castle Rock. He would like Council to keep in mind what it will cost our small business owners to stay in business. Godfrey stated his pet peeve is lousy cell coverage, so he is putting together information and will create a survey to bring value added data coverage back to a growing community.

Greg Hernandez, resident, thanked Council for their service. He stated some citizens spread misinformation on social media. We are all in agreement we need to maintain level of service for police and fire; and if you don't vote you shouldn't complain. The Town needs trained officers and asks people to spread the word and let them know how they can help.

TOWN MANAGER'S REPORT

[ID 2021-071](#)

Update: Calendar Reminders

David Corliss, Town Manager, extended appreciation to Town staff involved in the fireworks. The next Council meeting is on July 20; and the Water Resources Committee met today on possible purchase of water rights. This is a sizeable issue and they would like to discuss it at an Executive Session at 5pm prior to the July 20 Town Council meeting.

Corliss noted that there is no meeting on August 3 so Council can attend National Night Out; there is a State Demographer presentation, a Council meeting on August 17, a Downtown Issues meeting on August 24, and a Budget Open House on August 31. Corliss listed the open houses for Council scheduled for September and October.

Moved by Councilmember Dietz, seconded by Councilmember Johnson, to Call an Executive Session on Water Rights Acquisition on July 20, 2021 at 5pm. The motion passed by the following vote:

Yes: 6 - Cavey, LaFleur, Johnson, Dietz, Bracken, Gray

Not Present: 1 - Hollingshead

[ID 2021-072](#)

Update: Second Quarter Major Projects

[ID 2021-073](#)

Development Services Project Updates

Tara Vargish, Director of Development Services, stated the neighborhood meetings are the obligation of the applicant and staff attends to answer process questions and hear feedback. The meetings were previously in person and then they went to virtual meetings last year. They found an increase in attendance online and so they have kept many of them virtual or hybrid meetings where you can attend in person or online. Vargish outlined all of the neighborhood meetings that are scheduled so far in July through August.

[ID 2021-074](#)

Update: Quasi-Judicial Projects

Tara Vargish, Director of Development Services, briefly summarized major projects in process:

Dawson Trails rezoning - expect submittal soon

Canyon South Annexation & Zoning - Eligibility hearing August 17

Millers Landing Rezoning - in process

221 Wilcox Street - in process

Promenade Multi-Family - going to Planning Commission July 22 and Council August 17

TOWN ATTORNEY'S REPORT

[ID 2021-075](#)

Lanterns Metropolitan District No. 2 Proposed 2021 Debt Issuance of Limited Tax Senior Cash Flow General Obligation Bonds, Series 2021A

Mike Hyman, Town Attorney, stated that Lanterns Metro District 2 has fulfilled their obligation of our Town Code that when they finance or refinance bonds they notify the Town to provide information and give Town Council an opportunity to review and comment before the bonds are issued. Council may only comment. The bonds are being issued for a 35 year maturity; however the Town would prefer it is a 30 year maturity. The Town would also prefer that they be issued without compounding interest. They have complied with our Code and they can move forward.

ACCEPTANCE OF AGENDA

Moved by Councilmember Johnson, seconded by Councilmember Cavey, to Accept the Agenda as presented. The motion passed by the following vote:

Yes: 6 - Cavey, LaFleur, Johnson, Dietz, Bracken, Gray

Not Present: 1 - Hollingshead

CONSENT CALENDAR

[ORD 2021-012](#) **Ordinance Amending the Control and Removal of Rubbish and Weeds in Chapter 8.12 of the Castle Rock Municipal Code to Comply with the Colorado Noxious Weed Act Requirements Adopting the 2021 Town of Castle Rock Noxious Weed Management Plan by Reference (Second Reading - Approved on First Reading on June 1, 2021 by a vote of 7-0)**

[RES 2021-063](#) **Resolution Accepting the Conveyance of Certain Real Property from Crystal Valley Metro District No. 1 By Quitclaim Deed**

[RES 2021-064](#) **Resolution Approving a Variance Pursuant to Chapter 9.16.070.E of the Castle Rock Municipal Code for Night Time Construction Activities Related to the 2021 Pavement Maintenance Program**

[RES 2021-065](#) **Resolution Approving the Town of Castle Rock Fire and Rescue Department Standards of Cover, 2020 Edition**

[RES 2021-066](#) **Resolution Approving an Equipment and Services Acquisition Agreement with Techneaux Technology Services LLC for the SCADA Backhaul and Radio Network Design and Installation Project**
[Entire Castle Rock Water Service Area]

[MIN 2021-012](#) **Minutes: June 15, 2021 Town Council Meeting and June 23, 2021 Study Session**

Moved by Mayor Pro Tem Bracken, seconded by Councilmember Johnson to approve the Consent Calendar as read. The motion passed by a vote of:

Yes: 6 - Cavey, LaFleur, Johnson, Dietz, Bracken, Gray

Not Present: 1 - Hollingshead

ADVERTISED PUBLIC HEARINGS & DISCUSSION ACTION ITEMS

[DIR 2021-016](#) **Discussion/Direction: Possible Ballot Measures related to Funding Police and Fire Departments, Lodging Tax for Parks and Recreation, Sales Tax for Open Space, TABOR Time Out for Town Priorities**

David Corliss, Town Manager, stated the Ordinance to place the ballot issues on the November ballot would come to Town Council on July 20 if they choose. The challenge is that growth increases services needed; and there are approximately three families a day added to our population. We enjoy excellent public safety services and we need to figure out how we can continue that level of service. The Town also has a great Parks department that continues to win awards, is nationally recognized, and is breaking attendance records. Staff looks at existing

resources and if there is anything that can be cut. We are a full service community and offer all services for a very small mill levy. We are behind in staffing for Fire and a new Fire station that costs about \$2M per year to staff it. Response times are critical.

They look at staffing standards for the Police department per thousand. We are the lowest ratio of any surrounding and comparative communities.

Staff looked at possible revenue streams. The Town will need an additional \$12-\$13M per year in new revenue.

The tobacco tax is not significant and will decline over time.

The Marijuana tax has significant policy issues in the Town and County and Public Safety recommends against it.

An Occupational privilege tax contradicts our goal to attract primary employment.

Admissions tax would be minimal.

The Town's existing sales tax is 4% with 1% for the County, 2.9% for the State to total 7.9%. Sales tax is performing very well this year, but it is transitory and not sustainable. Regardless there is not enough sales tax revenue to fund the requests for public safety. If we don't grow, we would be fine, but that won't happen.

The New Home Construction Tax is based on square footage. The tax is squarely placed where we need it for police and fire. This revenue would be separate to ensure it is used for police and fire.

Staff is also proposing a 0.1% increase in sales tax that would bring in approximately \$1.5M for open space acquisition and maintenance that equates to one cent for every \$10 spent.

The Lodging Tax would be paid by visitors to our community that use our amenities such as the Recreation Centers, parks and open space. This is a common tax and would bring in \$100,000 per 1% tax.

The TABOR ten-year time out for revenue restrictions would allow the Town to retain grants and money contributed by other entities such as the County for a portion of the cost for the Crystal Valley Interchange. 21 out of the top 25 communities have opted out of TABOR. Without this passing, we will be unable to fund the interchange and the Plum Creek exit is projected to fail backing up traffic onto I-25 without the Crystal Valley Interchange. The revenues retained would go towards public safety and transportation.

The Town has not had a tax increase since 1994; and we have the lowest mill levy along the front range.

The survey conducted that the public is not supportive of raising the property tax mill levy which is currently at 1 mill, but are somewhat open to the New Home

Construction Tax, the 0.1% open space tax and the Lodging Tax. The TABOR timeout was somewhat supported. To put any of these items on the ballot, Council must adopt them by Ordinance, so would require direction from Council to prepare Ordinances for first reading on July 20 and second reading on August 17.

Jeff Brauer, Director of Parks and Open Space, stated there is a high demand for facilities and outdoor spaces to improve physical and mental health, and to connect to the community. A happy and healthy community is a safe community, and they want to provide a safe, clean and fun experience for the residents. In addition, if we miss an opportunity to acquire open space, it is gone forever.

Norris Croom Fire Chief, stated we currently enjoy a safe community. We need to maintain the level of service as we grow.

Jack Cauley, Police Chief, stated the #1 priority is a safe and secure community. We are currently recognized as the safest community in Colorado and compared to communities over 50,000 we are number one. We are currently able to accomplish that with 1.05 officers per thousand which is the lowest ratio on the front range. The Town needs additional officers and civilian staff, and our ratio will drop to .87 per thousand if we don't add additional staff. Our community expects highly trained officers with the best technology and equipment.

Corliss noted that the online comments will be uploaded to the packet.

Councilmember Johnson noted that the New Home Construction Tax would allow us to add 75 fire and police; and asked how long it would sustain that after 2026. Corliss stated they would continue to use that revenue and sales tax as Council determines to add staff.

Public that addressed Council:

Kyle Mabry (online), asked if the funds will be allocated to the general fund. Corliss stated that money will only be used for Police and Fire in a separate account in the general fund. Councilmember LaFluer confirmed that it would be reflected in the budget. Kyle asked if it would require a separate measure to move funds. Corliss stated if funds are not used, they would stay in that account and only used for Police and Fire and can only be spent if appropriated by Council. Revenue is anticipated at approximately \$12M per year.

Wayne Harlos, resident of 28 years, spoke against tax increases. A TABOR refund was voted on several years ago and won overwhelmingly. It is not a big deal to those that are affluent, but it is to those that need to pay the light bill or buy groceries. He feels this is the tax payer's money. Additionally, he feels the New Home Construction Tax will price buyers out of the market and the Lodging Tax will affect private B&B's that need income to rent out their homes and impact them by having to take care of the accounting. Harlos is also against the 0.1% sales tax increase as it affects the poor and also feels that groceries should not be taxed.

CarynAnn Harlos, resident, feels these are all a government force taking money from people. She does not consent and if people's votes outweigh her, she still does not consent. She does not feel they can take money from people if they are

unwilling. She feels if people want to give up their TABOR refund, they can do so voluntarily. Harlos feels the lodging tax is robbing people that come through our Town and she is not sure the Police need it. She feels stealing from citizens for nice parks is not a valid function of government.

Farhan Naushad, resident, states he disagrees on the principal. Taking resources without consent is theft. He feels people can voluntarily contribute money. Douglas County is already highly taxed, and police and fire are doing a great job. Naushad feels we should think outside of the box; for instance, we don't need a fire truck to respond to a medical call and we can be more efficient.

Council Discussion:

Councilmember LaFleur thanked Croom and Cauley maintaining service levels and staffing. She stated the 2020 election didn't go the way she wanted, but she respects it. What is voted on and passed is what we go with. The lodging tax was approved in Parker, Centennial and Lone Tree and that we aren't asking for anything out of line. Corliss confirmed our sales tax is higher than some, but we also offer a full service municipality with a very low mill levy of 1 mill while others charge 17 mills.

Mayor Gray stated he takes every ballot question very seriously. We don't love raising taxes but we love having a first rate community. We are just deciding to let our residents make the decision of yes or no.

Mayor Pro Tem Bracken feels we need to be prescriptive and decide what is actually going to pass. He feels we can't put all the measures on the ballot and should target what is going to meet the goal.

Councilmember Dietz agrees with bringing it to the voter and let them decide.

Councilmember LaFleur feels the New Home Construction Tax is purely for new homes being built so does not discourage first-time home buyers that generally buy an existing home so are not affected.

Moved by Councilmember LaFleur, seconded by Councilmember Dietz, to Direct Staff to draft an Ordinance to put the New Home Construction Tax question on the November 2021 ballot. The motion passed by the following vote:

Yes: 6 - Cavey, LaFleur, Johnson, Dietz, Bracken, Gray

Not Present: 1 - Hollingshead

Moved by Councilmember LaFleur, seconded by Councilmember Dietz, to Direct Staff to draft an Ordinance to put the Lodging Tax question on the November 2021 ballot. The motion passed by the following vote:

Yes: 6 - Cavey, LaFleur, Johnson, Dietz, Bracken, Gray

Not Present: 1 - Hollingshead

Mayor Gray noted that we currently don't have funding for open space acquisition.

Mayor Pro Tem Bracken feels the 0.1% sales tax increase for open space could

compete with police and fire. He likes the open space concept, but feels it could compete and does not want to detract for the focus on police and fire.

Councilmember Dietz, asked how questions would be listed on the ballot. Corliss stated the TABOR measure would be last and Council can decide the order of the other questions.

Councilmember Johnson stated she listened to residents and that they love our open space showing it is a top priority in surveys. It would raise our sales tax from 7.9% to 8% which is where Parker is at.

Mayor Pro Tem Bracken replied that it is the only one that is a real tax increase to the residents. The others are paid by those that come into our community.

Councilmember Johnson noted that 60% of our sales tax comes from those that live outside of the Town.

Mayor Pro Tem Bracken then asked if we should divide up any TABOR refund with people outside of our Town.

Councilmember Johnson stated that the Outlets were constructed to bring sales tax into the Town and it funds many services that residents enjoy. She added that we will be unable to sustain quality services if we rely solely on sales tax revenues.

Mayor Gray stated the sales tax increase for open space is the hardest one for him; but he feels it is what the citizens want.

Councilmember Cavey noted that it is a 0.1%; which is only \$1 per \$1,000 spent in order to preserve open space for our residents that say it is important to them both in the 2017 and 2021 survey. She feels we should put it before the people and let them vote.

Moved by Councilmember Johnson, seconded by Councilmember LaFleur, to Direct Staff to draft an Ordinance to put the 0.1% Sales Tax Increase for open space question on the November 2021 ballot. The motion passed by the following vote:

Yes: 5 - Cavey, LaFleur, Johnson, Dietz, Gray

No: 1 - Bracken

Not Present: 1 - Hollingshead

Moved by Councilmember Dietz, seconded by Councilmember Johnson, to Direct Staff to draft an Ordinance to put a Ten Year TABOR Timeout for retaining revenues for Police, Fire and Transportation question on the November 2021 ballot. The motion passed by the following vote:

Yes: 6 - Cavey, LaFleur, Johnson, Dietz, Bracken, Gray

Not Present: 1 - Hollingshead

[ORD 2021-013](#) Ordinance Approving the Second Amendment to the 2021 Fiscal Year Budget by Making Supplemental Appropriations for the 2021

Fiscal Year (First Reading)

Trish Muller, Director of Finance, presented the 2nd Amendment to the 2021 Budget.

Councilmember Johnson asked about the DDA TIF fund. Muller stated they budget within the Transportation fund because that is where that asset resides so it accommodates their accounting needs.

Councilmember Cavey wanted to ensure the figures were correct on increased revenues and budgeted expenditures. Muller stated they just highlighted more high dollar items.

No public comment.

Moved by Councilmember LaFleur, seconded by Mayor Pro Tem Bracken, that Ordinance 2021-013 be Approved on First Reading as presented. The motion passed by the following vote:

Yes: 6 - Cavey, LaFleur, Johnson, Dietz, Bracken, Gray

Not Present: 1 - Hollingshead

[RES 2021-067](#)**Resolution Approving a Construction Contract Between the Town of Castle Rock and 53 Corporation, LLC for the 2021 Police Department Parking Lot Improvements Project**

David Corliss, Town Manager, stated Assistant Town Manager Kristin Read worked on this project. This is the parking lot improvements needed for the Police department. The expansion adds 40 spaces and constructs a flood wall that is near Sellers Gulch. There will also be ADA improvements on the north side of the building. Funding will come from the Police Capital Fund and the Stormwater Fund.

Councilmember Johnson inquired about the flood wall and what will the impact to the trail be during construction.

Mark Marlowe, Director of Castle Rock Water, stated he will get information on the flood wall.

Corliss stated the trail will be maintained and will serve as an emergency exit point if their 2nd street access is impaired. The trail may need to close at certain instances temporarily during construction, but they will provide public outreach.

No public comment.

Moved by Councilmember Dietz, seconded by Councilmember Cavey, that Resolution 2021-067 be Approved as presented. The motion passed by the following vote:

Yes: 6 - Cavey, LaFleur, Johnson, Dietz, Bracken, Gray

Not Present: 1 - Hollingshead

QUASI JUDICIAL HEARINGS

[RES 2021-068](#) **Resolution Finding that Certain Property, which is the Subject of a Petition for Annexation Submitted by KGCB Industries LLC, is Eligible for Annexation Under Article II, Section 30 of the Colorado Constitution and Sections 31-12-104 and 31-12-105, C.R.S. (StorQuest - Liggett Road Annexation)**

Tara Vargish, Director of Development Services, stated this hearing is only to determine if the property is eligible to be annexed. Staff reviewed the application and determined that they met all statutory requirements.

Public that addressed Council:

Alexandra Haggarty, Attorney representing the developer, stated she was available to answer any questions.

Moved by Councilmember LaFleur, seconded by Councilmember Dietz, that Quasi-Judicial Resolution 2021-068 be Approved as presented. The motion passed by the following vote:

Yes: 6 - Cavey, LaFleur, Johnson, Dietz, Bracken, Gray

Not Present: 1 - Hollingshead

ADDITIONAL UNSCHEDULED PUBLIC APPEARANCES

None.

ADJOURN TO EXECUTIVE SESSION (not to return)

Moved by Councilmember Johnson, seconded by Councilmember Cavey, to Adjourn to Executive Session. The motion passed by the following vote:

Yes: 6 - Cavey, LaFleur, Johnson, Dietz, Bracken, Gray

Not Present: 1 - Hollingshead

Mayor Gray adjourned the meeting at 8:30 pm.

Submitted by:

Lisa Anderson, Town Clerk

[EXEC](#)
[2021-003](#)

Executive Session: Potential Property Acquisition related to the Crystal Valley Interchange Project