



## **Town Council Meeting Minutes - Final**

Mayor Jason Gray  
Mayor Pro Tem Jason Bower  
Councilmember Jess Loban  
Councilmember James Townsend  
Councilmember Kevin Bracken  
Councilmember Caryn Johnson  
Councilmember George Teal

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**Tuesday, February 18, 2020**

**6:00 PM**

**Council Chambers  
100 N. Wilcox Street  
Castle Rock, CO 80104**

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**This meeting is open to the public. All times indicated on the agenda are approximate.**

### **COUNCIL DINNER & INFORMAL DISCUSSION**

**INVOCATION - Pastor Donald Haymon II, Calvary Apostolic Church of Denver**

### **CALL TO ORDER / ROLL CALL**

**Present:** 6 - Councilmember Townsend, Councilmember Bracken, Mayor Pro Tem Bower, Councilmember Johnson, Mayor Gray, Councilmember Teal

**Not Present:** 1 - Councilmember Loban

### **PLEDGE OF ALLEGIANCE**

### **COUNCIL COMMENTS**

Mayor Gray announced that HBS was in the process of purchasing Haulaway Trash Service effective March 1st. He acknowledged that compliance with our code had been a bit lenient due to the ongoing Haulaway service issues and that moving forward the hope was to have a good business relationship with the new owner and eliminating the code enforcement issues.

Councilmember Townsend acknowledged a community resident who took the time during a difficult situation to thank the Castle Rock firefighters who responded to a recent accident, rescuing her son. Townsend thanked the Castle Rock fire department and commended her effort and kindness to reach out to acknowledge the first responders.

Councilmember Teal acknowledged the efforts of Mayor Gray in the effort to resolve the Haulaway Trash situation.

Councilmember Johnson thanked the Community Relations team for their efforts to present the 2019 Report to the Community as well as the open houses for Councilmember districts and the new Facilities Maintenance building.

Councilmember Bower announced a new art cooperative headed by Castle Rock resident and artist, Nick Lucey. One of their programs is a veterans art therapy program in collaboration with Hobby Lobby which teaches veterans with PTSD how to paint. The cooperative was also involved with the new Phillip S. Miller mural on the SmarterChaos building downtown as well as the wood carving of a beaver in Festival Park. They have an upcoming art show on March 26th. Councilmember Bower also announced that he will not be running for re-election in

November.

[ID 2020-016](#)**Senator Jim Smallwood, Colorado State Senate - Presentation**

Senator Smallwood addressed Council and presented an update on current legislative issues.

[APPT  
2020-001](#)**Appointment: Historic Preservation Board Representative to the Design Review Board**

**Moved by Council Member Johnson, seconded by Mayor Pro Tem Bower to Appoint David Goode for a partial term ending May 31, 2020 to the Design Review Board. The motion passed by the following vote:**

**Yes:** 6 - Townsend, Bracken, Bower, Johnson, Gray, Teal

**Not Present:** 1 - Loban

[DIR 2020-005](#)**Discussion/Direction: Scheduling an Executive Session on March 3, 2020 for the purpose of meeting with Executive Recruiting Representatives**

Consensus of Council was to schedule an executive session to discuss recruitment for the upcoming Town Attorney vacancy.

**Moved by Mayor Gray, seconded by Council Member Johnson to schedule an Executive Session on March 3, 2020. The motion passed by the following vote:**

**Yes:** 6 - Townsend, Bracken, Bower, Johnson, Gray, Teal

**Not Present:** 1 - Loban

**UNSCHEDULED PUBLIC APPEARANCES**

Mike Boyle, resident, addressed Council in regard to the continuing issues with trash service provided by Haulaway as well as the Town's efforts as related to code enforcement and compliance.

**TOWN MANAGER'S REPORT**

Councilmember Teal in response to the earlier public comment, requested the Town Manager to speak to code enforcement related to the recent trash issues. Town Manager, David Corliss, offered that the Community Relations division could reach out to citizens to remind them of our ordinance requirements.

[ID 2020-017](#)**Update: Monthly Department Reports**

Corliss introduced a social media outreach video campaign highlighting news and information that is within the monthly department reports prepared for Council.

[ID 2020-018](#)**Update: Legislative Update**

Kristin Read, Assistant Town Manager, provided an update on the current legislative session items that would impact the Town to include House Bill 1287 which would allow people to sue for alleged violations of the Colorado Constitution. The Colorado Municipal League is in opposition to HB 1287 and in discussion with Town legal staff, they also recommend opposing this bill.

Mayor directed staff to draw up letter in opposition to the HB 1287 for Council review.

Councilmember Teal spoke against drafting a letter of opposition to HB 1287.

Councilmembers Bower and Johnson asked for additional background information prior to taking a position.

Councilmember Townsend was in favor of drafting a letter of opposition to the bill but favored staff to present additional information for Council review. Townsend's concern was potential liability issues as related to municipal staff, police officers and first responders.

Mayor Gray directed staff to bring back additional information for Council consideration.

#### [ID 2020-019](#)

#### **Update: Crystal Valley Interchange Brochure**

David Corliss, Town Manager, spoke to the Crystal Valley Interchange brochure as a strong advocacy piece to be distributed to our legislators and their staff. The brochure identifies why this is an important part of Castle Rock infrastructure as we continue to look for funding partners and federal grant money.

#### [ID 2020-020](#)

#### **2019 Service Contract Year-end Reports**

#### [ID 2020-021](#)

#### **Development Services Project Updates**

#### [ID 2020-022](#)

#### **Update: Quasi-Judicial Projects**

Councilmember Johnson asked Corliss to clarify the requirements of quasi-judicial.

Corliss explained that when an applicant has filed a preliminary project inquiry it is appropriate to speak with them. When an applicant has filed a formal application for zoning or a site development plan, at the point of the submission is when it then becomes quasi-judicial.

### **TOWN ATTORNEY'S REPORT**

No report.

### **ACCEPTANCE OF AGENDA**

**Moved by Councilmember Johnson, seconded by Mayor Pro Tem Bower, to Accept the Agenda as presented. The motion passed by the following vote:**

**Yes:** 6 - Townsend, Bracken, Bower, Johnson, Gray, Teal

**Not Present:** 1 - Loban

## **CONSENT CALENDAR**

**Moved by Councilmember Johnson, seconded by Mayor Pro Tem Bower, to Approve the Consent Calendar as read. The motion passed by the following vote:**

**Yes:** 6 - Townsend, Bracken, Bower, Johnson, Gray, Teal

**Not Present:** 1 - Loban

[MIN 2020-004](#) **Minutes: Feburary 4, 2020 Town Council Meeting**

## **ADVERTISED PUBLIC HEARINGS & DISCUSSION ACTION ITEMS**

[RES 2020-017](#) **Resolution Approving an Amendment to the Service Plan for the Bella Mesa Metropolitan District and Certifying Compliance with Town Code Section 11.02.110**

Bob Slentz, Town Attorney, spoke to the dedicated staff and increased resources that are currently in place to analyze and provide quality advice related to Metro Districts. He also noted the professional and cooperative efforts of the Metro District counsel and representatives. Slentz explained that the resolution provided for two things, a Minor Amendment to the Service Plan updating data and financial projections as well as allowing the Metro District to proceed with a twenty-five million dollar bond issuance which is submitted to Council for review and comment as required by Town ordinance.

The District has projected the maturity as not later than December 1, 2049 with the bonds paid off within a 30 year period. Any subordinate debt would have to come back to Council for review at a future date.

The resolution additionally confirms property tax limitation of 55.66 mills which is lower than most residential metropolitan districts in Castle Rock and requires all bond principal and interest to be discharged 40 years from issuance. The recommendation from Town staff was to approve the Resolution.

Dave Corliss, Town Manager, acknowledged the Town Attorney's financial acumen in reviewing and preparing this item before Council. He emphasized that the 40 year term related to the municipal infrastructure is the debt of the Metro District, which is reasonable in that the debt does not last beyond the infrastructure it was meant to finance.

Council Member Townsend clarified that Town Staff had properly and thoroughly vetted this project as related to the public interest concerns which are of heightened public interest.

Council Member Bracken questioned if the Metro District board membership was public knowledge, when the forty year term started, and if the 5.5% interest rate was set for the length of the term.

Corliss responded that the interest rate is set with the bond issuance. The mill levy is determined by the Metro District board on an annual basis within the caps established allowing for an appropriate adjustment to establish sufficient cash flow.

Jennifer Ivey, Bella Mesa Metro District general counsel, explained that they had worked with the metro district to bring back a resolution that the Town would support including the removal of the subordinate debt and providing for other parameters and provisions addressing concerns as related to the Service Plan.

Council Member Johnson questioned the boundaries of the Bella Mesa Metro District map that had been viewed.

John Hill, Property Manager, noted that the annexation area to the north did not appear on the boundary map as displayed.

No public comment.

Mayor Pro Tem Bower acknowledged the transparency and diligence of staff review noting that metro districts are a hot topic. Council Member Teal endorsed the previous acknowledgement as well as recognized the Bella Mesa Metro District and Counsel for accommodating the Town's considerations.

**Moved by Councilmember Townsend, seconded by Mayor Pro Tem Bower, that Resolution 2020-017 be Approved as presented. The motion passed by the following vote:**

**Yes:** 6 - Townsend, Bracken, Bower, Johnson, Gray, Teal

**Not Present:** 1 - Loban

#### [DIR 2020-006](#)

#### **Discussion/Direction: Short-Term Rentals**

Kristin Read, Assistant Town Manager, presented item to Council defining a short term rental as a period of stay of 30 days or less and spoke to the types of rentals and the resulting tax revenue issues for the Town. Airbnb and VRBO do collect occupancy taxes, fees and/or lodging taxes, however neither service remits taxes to the Town. Castle Rock property owners or 'hosts' who have obtained a business license with the Town have remitted the sales tax revenue to the Town. The general sales tax rate of 4% is applicable to short term rentals currently.

Numerous area municipalities have chosen to restrict or regulate short-term rentals. There is no restriction or regulation in Castle Rock unless restricted by a neighborhood HOA.

It was noted that concerns related to short term rentals are generally related to

noise, parking, trash and transient occupants, however it is a quiet issue in Castle Rock, the Town generally has not received concerns regarding this issue.

Council Member Teal recognized short term rentals as an emerging, technology driven market but cautioned attempts to over regulate, and if item was to move forward that the rental type 'shared accommodations' with resident on site be excluded. Further he identified that this issue was a property owner right but expressed interest in a definition of corporate ownership as related to a short term rental. Teal was in favor of levying sales tax and collecting the sales tax revenue for these properties and addressing short term rentals within the code.

Council Member Bracken stated that the issue doesn't need to be fixed at this point since we are not receiving complaints and per his search the number of rentals in Castle Rock is very limited.

Council Member Townsend acknowledged that property rights are important, that his concern is when those property rights infringe on neighbors as related to parking or traffic. He questioned if at a minimum we should be collecting a lodging tax.

Town Manager, Dave Corliss, clarified under the status quo our current law on short term rentals is to collect the 4% sales tax. In the future the discussion of a lodging tax may be addressed, but at this time staff is not suggesting any additional regulation, however it would be appropriate to have definition clarification. It was also clarified that Accessory Dwelling Units or ADU's could also fall under this issue.

Mayor Pro Tem Bower addressed ADU's and how they have brought life to the downtown neighborhood and redevelopment of the Craig & Could area. Bower stated we didn't have a problem, and didn't want to regulate short term rentals, but if taxes were being paid to Airbnb and they were not remitting collected taxes to the Town that was an issue and he was in support of collecting those taxes.

Council Member Johnson asked staff for direction on how the Town can collect the sales tax.

In response, Kristin Read discussed third party services that offer for a nominal fee, the ability to provide a listing of rentals within a community. With the property address listing the Town could then send letters to the owners advising them of the requirements of a Town business license as well as the collection and remittance of sales tax revenue to establish compliance.

Council Member Teal concurred this would be a place to start and clarified that ADU's should be exempt as well as the rental type 'shared accommodations' with the resident on site. He emphasized that possibly all that is necessary is an ordinance definition.

Council Member Bracken reiterated that the current number of properties doesn't warrant the time or the effort of sales tax collection.

Mayor Gray liked the idea of providing a definition and agrees regulation is not

necessary but Town should be collecting the sales tax.

Town Manager, Dave Corliss, outlined that staff would return to Council a definition of short term rentals, how that would relate to ADU's, as well as the clarification of tax collected by the websites which should include the Town's 4% sales tax rate. The understanding was that Council was only interested in collecting sales tax which is due to the Town. There would be no additional regulation other than the required Town business license and the remittance of sales tax. The consensus of Council was to pursue this direction.

### **ADDITIONAL UNSCHEDULED PUBLIC APPEARANCES**

None.

### **ADJOURN**

Mayor Gray adjourned the meeting at 7:50 pm.

Submitted by:

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Robbie Schonher, Assistant Town Clerk