



Town Hall 551 Hot Springs Blvd
Pagosa Springs, CO 81147

MINUTES

Town Council Meeting
May 20, 2025 @ 5:00 PM

A regular meeting of the Pagosa Town Council was called to order on May 20, 2025, at 5:00 PM in the Town Hall 551 Hot Springs Blvd.

COUNCIL PRESENT: Mayor Pierce, Council Member Bergon, Council Member DeGuise, Council Member Lindner, Council Member Martinez, and Council Member Williams

COUNCIL ABSENT: Council Member deGraaf

I. CALL MEETING TO ORDER

II. ROLL CALL

III. PLEDGE OF ALLEGIANCE

IV. DISCLOSURES AND/OR CONFLICT OF INTEREST – Council Member Bergon said she will recuse herself from Comfest selection due to employment with one of the organizations.

V. PUBLIC COMMENT – Mr. Eddie Archuleta said he would like answers on the property behind Tractor Supply and the jake brake signs on Put Hill. He asked about the speed bump on San Juan Alley. Mayor Pierce said she will call him on those items.

Mr. Bill Hudson said WW Clyde is responsible for the utility work being completed on the Main Street project, but that the PAWSD utility is available to help out. He said the Metro District PowerPoint from Bob Cole was missing the information that the Board cannot benefit from the development, yet the Metro Board will all benefit from their development.

Mr. Brian Collabолletta said the noise from the Hidden Track is so bad late at night that they cannot sleep and have lost business from their rentals.

Ms. Sara Collabолletta said she has asked Hidden Track to have guests use the front patio rather than the patio under their bedroom window after 10 pm, but they have not accommodated.

VI. CONSENT AGENDA

- 1. Approval of the May 6, 2025 Meeting Minutes**
- 2. April Financial Statement and Payments**
- 3. Proclamation in Support of America 250 - Colorado 150 Celebration**
- 4. Resolution 2025-11, approving an amended project management agreement for the Upper San Juan Watershed Enhancement Partnership to administer the Pagosa Gateway river improvement project.**

Council Member DeGuise moved to approve the consent agenda, Council Member Williams seconded.

Carried.

VII. REPORTS TO COUNCIL

- 1. Sales Tax Brief**
 - a. Sales Tax Report - March 2025**

The March sales tax receipts show an increase of 8.96% over March of 2024. 2025 sales tax has shown slight increases over the same period 2024.

VIII. NEW BUSINESS

1. Selection of Organization for ComFest 2025 Participation

Three non-profit organizations were selected to participate in the three ComFest events in June, July and August. The organizations are Wolf Creek Ski Team, Spanish Fiesta, and Chimney Rock. A fourth, Habitat for Humanity, was selected as an alternate.

2. Public Hearing for 2025 Budget Amendment

Mayor Pierce opened this item for public comment. None received.

3. Resolution 2025-10, Amending the 2025 Budget

Resolution 2025-10 proposes budget amendments in the Capital Fund for the Main Street reconstruction project, the General Fund for the purchase of the property located at 1040 E Hwy 160, aka Bob's LP river property, and the Geothermal Fund for the Hwy 160 crossing.

Council Member Lindner moved to approve Resolution 2025-10, amending the 2025 Town Budget, Council Member Martinez seconded.

Carried.

IX. UNFINISHED BUSINESS

1. Town's Enclave Workforce Housing Project

The Enclave Workforce Housing Project is a proposed 70-unit housing project situated on 3.16 acres of town-owned land located at 250 Aspen Village Drive. A pre-development agreement with Servitas, LLC was signed on February 1, 2022, for the development of workforce housing units. The proposed 70-unit project is estimated to cost \$24 million, with 50% funding from the Prop 123 Equity Funding program, with low interest rates, and the town securing a COP for the remaining 50%. Proposed monthly rents range from \$1,223 for studio apartments to \$2,555 for a 3-bedroom townhome including utilities based on the 2025 CHFA rent limits at an average of 90% AMI. This housing will fund the 60% to 140% AMI families. Mr. Garrett Scharton, with Servitas, provided background on the Town's relationship with Servitas since 2022. He said rents are meant to grow more slowly than the markets, with max increases each year. The Town will retain the asset once the ground lease is paid in full. Of the seventy units, twelve are three-bedroom townhomes, the rest are studio, one-bedroom, and two-bedroom apartments. An application to Prop123 is the first step to determine if this project qualifies.

Council Member Martinez said these are very high rents for some of the families in Pagosa Springs. Staff said the Town is in control of the rents and deed restrictions, and the Town will need to have rents high enough to cover the costs, but does not have to make money on the project. The Prop123 is a 2.5% interest rate loan along with COPs at a potentially higher rate. The operating expenses are currently modeled to grow 3% per year, including utilities, maintenance, repairs, personnel, etc. A portion of the project will use a modular supplier. Staff said this project is a strong project for the Prop123 funds due to the 50% request and the low rents proposed. Use of modular suppliers is a benefit for the Prop123 application. The latest housing needs assessment shows 650 units are in need for our community.

Council Member Bergon said she wants to be sure that if rents don't change, it would not affect a renter based on their income. Council Member Williams said he would like to see townhomes on the Town's property at Apache and S 5th Street, and suggests this be included on this project. Council Member Martinez said the wages in Pagosa Springs will not support these high rents. He said there needs to be another economic driver to provide higher wages. He said this is important and addresses the need to keep talented people here. Mr. Joey McLiney said Servitas is the right company to hire for this project.

He said the project needs to be modeled out to show how the rents will support the loan payments. He said that if a sales tax is approved for the sanitation district repairs, there will be funds freed up to the Town for this project.

Servitas will provide an updated proforma and Mr. McLiney will provide his opinion to the project. This item will be presented at the June 3rd meeting to determine if the town should move forward with the Prop123 application. Community Housing Coordinator, Jeff Sams, said there is a demand for rentals in our area.

- X.** PUBLIC COMMENT – Mr. Bill Hudson said Council Member Bergon asked good questions and said the high AMI includes retirees who have big pensions. He said the Town may get a better interest rate with a voter-approved bond measure.
- XI.** MAYOR, COUNCIL, TOWN MANAGER COMMENTS/UPCOMING AGENDA ITEMS – Council Member Bergon said the AIM higher scholarship was awarded to James Jolly and Sophia Talemante. Town Manager Harris said Tuesday is a joint Town and Planning Commission work session.
- XII.** UPCOMING COUNCIL MEETINGS –
- June 3, 2025: Regular Council Meeting
 - June 17, 2025: Regular Council Meeting
 - June 23, 2025: Joint Town-County Board Meeting
 - July 1, 2025: Regular Council Meeting
 - July 15, 2025: Regular Council Meeting
 - July 28, 2025: Joint Town-County Board Meeting
- XIII.** ADJOURNMENT – Mayor Pierce adjourned the meeting at 7:43 pm.

Shari Pierce
Mayor