



Town Hall 551 Hot Springs Blvd
Pagosa Springs, CO 81147

MINUTES
Town Council Meeting
July 21, 2026 @ 5:00 PM

A regular meeting of the Pagosa Springs Town Council was called to order on July 21, 2026 at 5:00 PM in the Town Hall 551 Hot Springs Blvd.

COUNCIL PRESENT: Mayor Pierce, Council Member Bergon, Council Member Martinez, Council Member deGraaf, Council Member Lindner, Council Member Shabro

COUNCIL ABSENT: Council Member Williams

I. CALL MEETING TO ORDER

II. ROLL CALL

III. PLEDGE OF ALLEGIANCE

IV. DISCLOSURES AND/OR CONFLICT OF INTEREST

None

V. PUBLIC COMMENT

None

VI. CONSENT AGENDA

1. Approval of the July 7, 13 & 16, 2026 Meeting Minutes

2. June Financial Statement and Payments

3. Quarterly Investment Report

Council Member Martinez moved to approve the consent agenda, Council Member Bergon seconded. Motion Passed

VII. PRESENTATION

1. 2025 Audit Presentation

Ms. Crimson Singleton with Squire CPAs completed the 2025 audit for the Town and GID. She provided an overview of the audit and recommendations.

VIII. REPORTS TO COUNCIL

1. Sales Tax Brief

Sales tax receipts for May of \$734,545 are flat compared to May 2025. The marijuana tax continues to decline. The new sewer sales tax was \$211,589 for May, less than expected.

2. Other Department Reports

- a. Administration Report
- b. Development Department Reports-July 2026
- c. Lodging Tax Report
- d. Municipal Court Department Report
- e. Police Department Report June 2026
- f. Parks and Recreation Update

IX. UNFINISHED BUSINESS

1. Strategic Planning Update and Discussion

Ms. Karen Daly facilitated a leadership and Town Council retreat to brainstorm and discuss strategic actions associated with the priority goals established in 2025. She provided a summary of the Council's strategic actions.

2. Ordinance 1029, Second Reading, Amending the Municipal Code to Align with Certain Provisions of State Law

Ordinance 1029 provides a stop-gap measure and a starting point for aligning penalty authority with state law. It also reflects the recent Town Charter updates authorized by voters on April 7, 2026.

Council Member deGraaf moved to approve Ordinance 1029, second reading, amending the Municipal Code to align with certain provisions of State Law, Council Member Bergon seconded. Motion Passed

3. Ordinance 1035, Second Reading, Rezoning Portion of Block 40 from R-12 to MU-R

Ordinance 1035 rezones five (5) lots within Block 40 from Town Residential-Medium Density (R-12) to Mixed-Use Residential (MU-R). The subject properties are known as Lots 7X, 9, 10, 11, 12, and 13 of Block 40 of the Townsite of Pagosa Springs (also known as 141, 157, 173, 181, & 189 S 6th Street).

Council Member Shabro moved to approve Ordinance 1035, Series 2026, second reading, rezoning the five (5) eastern lots within Block 40 of the Townsite of Pagosa Springs from Town Residential – Medium Density (R-12) to Mixed Use Residential (MU-R), Council Member Martinez seconded. Motion Passed

X. NEW BUSINESS

1. Lions Pride Mobile Food Cart - Outdoor Commercial Establishment

The owner of Lions Pride Mobile Food Cart submitted an application for an Outdoor Commercial Establishment (OCE) permit to operate a mobile solar-powered e-trike selling ice cream, drinks, and snacks along the riverwalk between Yamaguchi Park, Mary Fisher Park, Pirate Park, and Town Park.

Staff reviewed the administrative conditions, including a limited route, liability insurance, approval by the Fire Department and Health Department, an onsite trash receptacle, limited signage, navigating routes safely to avoid pedestrian conflicts, and being valid through December 31, 2026. Council Member Bergon said to require the applicant not to park his vehicle and trailer in the parks. Council Member Lindner said it may time to put something in place with regard to businesses using the parks. Mayor Pierce said she does not want to receive a lot of OCEs this summer. She agrees not to park the car and trailer in the park spaces.

Council Member Lindner moved to approve the Outdoor Commercial Establishment permit for Lions Pride on the requested route subject to the operational and administrative conditions outlined in the packet and subject to park in auxiliary parking on HSB and library, Council Member Martinez seconded. Motion Passed

Staff will bring information to Town Council regarding use of Town property for these types of businesses.

2. Resolution 2026-12, Supporting the Submittal of a Colorado Department of Local Affairs Division of Housing Grant Application for Creating Rental Units for Moderate Income Affordable Housing

DOLA's division of housing offers grants that can assist with a portion of the repair and improvement expenses associated with one of the Project 102 properties (Project 64). Resolution 2026-12 requests up to \$1.92 million towards the purchase and renovation efforts for one of the project 102 properties, noted as Project 64 in the resolution and grant application.

Council Member deGraaf moved to approve Resolution 2026-12, supporting the submittal of a Colorado Department of Local Affairs Division of Housing grant application for creating rental units for moderate income affordable housing, Council Member Shabro seconded. Motion Passed

3. Acceptance of Public Improvements and Bill of Sale Associated with Timberline Apartments Development

The developer agreement with Timberline Apartment Group for the Low Income Housing Tax Credit (LIHTC) project required the developer to construct public improvements within the Alpha Drive and Legacy Drive public right-of-way, including the roadway, drainage, sidewalks, crosswalks, signage, streetlights, and street trees. They were also required to provide a three-year bond to ensure the improvements were constructed as approved by the Town. The developer is obligated to repair/replace any improvements that fail within the warranty period.

The Legacy Drive public right-of-way was dedicated to the Town pursuant to the Legacy Minor Subdivision Plat #1148 recorded with the Archuleta County Clerk and Recorder's office on July 1, 2024 under reception #22402628.

The Bill of Sale formalizes the conveyance of public improvements from the developers free and clear of any construction or material liens. The Bill of Sale transfers the physical improvements to the Town for ownership and maintenance, except for any developer warranty issues that may arise. The warranty bond will be retained for the three-year period.

Council Member deGraaf moved to approve the acceptance of public improvements and bill of sale associated with the Timberline Apartments Development, Council Member Bergon seconded. Motion Passed

4. Data Center Use Classification

The Town's Land Use Development Code (LUDC) does not address the use of data centers. The most closely related use the Town has with data centers would be the use of a Warehouse, which is defined as: *A structure containing an area available for the purpose of*

storing raw materials, goods, or property. When an application is made for a type of use that is not specifically listed in Table 4.1-1, the Director shall make a determination as to the appropriate classification of a new or unlisted form of land use. Staff will work to amend the LUDC to put in place language concerning data center use.

Council Member deGraaf and Bergon said data centers should not be allowed in the Town of Pagosa Springs. Council Member Shabro said data center requirements would most likely not look to open in Pagosa Springs, however, future technology may be better suited to expand here. He does not support banning data centers, but an alternative at the county level might be possible. Council Member Lindner said staff should define data centers and ban them from our community. Mayor Pierce said there may be an option in the future where they may be desirable. She said the code could prepare the Town for the possibility in the future. Council Member Shabro said the code could require a business requesting more than 10 acres and 1 megawatt of power would require Town Council approval. Staff will bring Town Council a moratorium on data centers and have future discussion on use.

5. Updates to the Region 9 Economic Development District's Archuleta Community Development Action Plan

Region 9 Economic Development District has been working to update the region's Community Development Action Plan (CDAP) Archuleta County has a "chapter" in this plan around economic conditions and priorities/challenges that may be helpful as a reference for future grant applications and programs.

XI. PUBLIC COMMENT

Mr. Bill Hudson said the PAWSD has three funds, and two are enterprise funds. He asked how the sales tax funds are being given to the GID without abandoning the enterprise status.

XII. MAYOR, COUNCIL, TOWN MANAGER COMMENTS/UPCOMING AGENDA ITEMS

Council Member Bergon said she loved the Friday comfest. She said there was a glitch using credit cards. Mayor Pierce said a member of the public would like to do a presentation on plastics. She said they are asking for a ban of plastic utensils in Town. USDA is coming into town July 28th to discuss projects they may be able to assist the Town with. The Tourism Board will hold a strategic retreat on August 14th and Council is invited from 12-2 pm. The Chamber of Commerce will be moving offices uptown in mid-November. Renovations at the visitor center will take place for tourism staff. Staff would like a group photo of the council for the town website.

XIII. EXECUTIVE SESSION

- 1. Executive Session pursuant to §24-6-402(4)(b), C.R.S., to receive legal advice on questions related to Country Center Dr., in which event the session, or portions of the session, will not be recorded**

2. Executive Session per C.R.S. 24-6-402(4)(a): Discussion concerning the purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest related to Project 102

Council Member Martinez moved to enter executive session pursuant to C.R.S. 24-6-402(4)(b), to receive legal advice on questions related to Country Center Drive, in which event the session, or portions of the session, will not be recorded and per C.R.S. 24-6-402(4)(a) for discussion concerning the purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest related to Project 102, Council Member Lindner seconded. Motion Passed

Town Council entered executive session at 7:31 pm. Mayor Pierce called the meeting back in regular session at 9:00 pm.

XIV. RECONVENE IN REGULAR SESSION

1. Council may act in regular session on item(s) discussed in Executive Session

XV. UPCOMING COUNCIL MEETINGS

July 28, 2026 at 5:00 pm: Joint Town-County Work session at County Offices

August 4, 2026 at 5:00 pm: Regular Council Meeting

August 18, 2026 at 5:00 pm: Regular Council Meeting

September 1, 2026 at 5:00 pm: Regular Council Meeting

September 15, 2026 at 5:00 pm: Regular Council Meeting

XVI. ADJOURNMENT

Mayor Pierce adjourned the meeting at 9:01 pm.

**Shari Pierce
Mayor**