

**CITY COUNCIL STUDY SESSION
DURANGO CITY HALL SMITH CHAMBERS**

**09/05/2023
2:15 PM**

Hybrid Meeting Information

This meeting is being held in a Virtual/In Person format based on City of Durango Resolution R 2022-0017 adopted on April 5, 2022 by the Durango City Council.

The link to the virtual meeting is available here:

<http://durangogov.org/zoom>

Please note: If this link does not take you directly to the meeting list, please copy and paste it into the address bar of your web browser.

MAYOR:	Melissa Youssef
MAYOR PRO-TEM	Jessika Buell
COUNCIL MEMBERS:	Olivier Bosmans Dave Woodruff Gilda Yazzie
CITY MANAGER:	José Madrigal

MISSION

The City of Durango and our employees provide efficient city services, effectively maintain city assets and manage growth, are accountable, ethical and fiscally responsible, and collaborate with regional partners to improve the quality of life for our entire community.

VISION

Durango is an authentic, diverse, multigenerational, and thriving community. Our residents value and enjoy our unique natural environment and benefit from the management of our city's resources in a fiscally responsible, environmental, and socially sustainable manner.

VALUES

- * Teamwork
- * Dependability
- * Professionalism
- * Service
- * Respect
- * Innovation
- * Well-Being

STRATEGIC GOALS

- * Affordability & Economic Opportunity (AEO)
- * Diversity, Equity, Inclusion (DEI)
- * Effective Infrastructure Network (EIN)
 - * Enhanced Livability & Sense of Place (ELSP)
- * Environmental Sustainability & Resilience (ESR)
- * Financial Excellence/High Performing Government(FE)
- * Engaged and Collaborative Governance (ECG)

Theme - Enhanced Livability and Sense of Place - 2:15 PM

Council Review of Agendas 15 minutes

Downtown's Next Steps Update - EIN - 45 Minutes

Accessory Dwelling Unit (ADU) Program
Background and Upcoming Changes - AEO - 20
minutes

Upcoming Community Development Code
Amendments - AEO, ELSP & FEHPG - 20 minutes

Discussion Regarding Financial Advisory Board
Recommendation of the Proposed 2024 Capital
Projects

Adjournment - 4:40 PM

NOTE THAT ALL TIMES ARE APPROXIMATIONS



AGENDA DOCUMENTATION

Meeting Date: September 5, 2023

TO: DURANGO CITY COUNCIL FROM: DEVIN KING, MULTIMODAL MANAGER

SUBJECT: DOWNTOWN’S NEXT STEP UPDATE - EIN

BACKGROUND SUMMARY:

This study session item is to provide an update to City Council regarding the Downtown’s Next Step Design Project. The purpose of the project is to expand pedestrian space and improve pedestrian, bicycle, and transit facilities along the downtown Main Avenue corridor from 5th Street to 14th Street. These improvements will improve safety, accessibility, and access to downtown Main Avenue, in support of the Strategic Plan goals of an Effective Infrastructure Network.

The subject project has been discussed for decades and improvements were identified in both the 2012 Multimodal Transportation Master Plan and 2016 Multimodal Transportation Plan. Previous iterations of the community’s request for improvements included closing the corridor to vehicle traffic completely and developing a pedestrian-only downtown. Minor sidewalk improvements were made in 2008 after the 2006 Downtown Vision and Strategic Plan was created, which recommended a road diet and expanded sidewalks. Many of the recommendations from the 2006 Downtown Vision and Strategic Plan have been implemented except for expanded sidewalks.

In response to the global pandemic in 2020, Main Avenue was converted from 4-lanes to 3-lanes, the speed limit was reduced to 15 mph, and the bump-out program was created. The bump-out program provided businesses with additional space for pedestrian amenities such as outdoor seating and merchant sales. The bump-out program has been popular with much of the community and was supported by City Council to continue in 2022. These changes downtown created renewed interest and momentum for pedestrian and bicycle improvements along downtown Main Avenue along with an increased awareness of downtown’s accessibility deficiencies. Additionally, data from the Durango Police Department identifies 22 pedestrian and 6 bicycle crashes and 17 crashes that resulted in injuries from 2012 to 2021 along downtown Main Avenue. The total number of crashes during this ten-year period on downtown Main Avenue is approximately 399.

Due to the renewed interest, momentum, and need for increased safety and accessibility in the corridor, the project was prioritized by the Multimodal Advisory Board (MAB) for 2015 Half Cent Sales and Use Tax funds in 2022. Simultaneously, the Community Development Department launched a downtown Main Avenue visioning process in December 2021 to create a conceptual design of the corridor. That intensive public process included 6 stakeholder meetings, 2 online community questionnaires with over 2,203 responses, 1 online review of the preferred design, 3 community open houses, and 19 total Business Improvement District or city-led meetings. This input included one-on-one meetings with several downtown business owners and included participation from 94 downtown businesses in the second questionnaire.

Through that input, a preferred conceptual design was presented to City Council in June 2022. The preferred concept maintains the current roadway configuration and traffic pattern but expands the sidewalks by 5-feet on each side, adds curb extensions to the intersections, and includes two festival designed blocks between 11th Street and 9th Street.

A letter with 75 signatures from people with various associations to one of the approximately 200 ground floor businesses in the Central Business District was submitted to City Council regarding their concerns and recommendations for the Downtown’s Next Step design project. Several of the letter signees attended design project meetings and/or met individually with project staff regarding their concerns. Concerns included parking and traffic impacts with recommendations to maintain the existing traffic patterns, investigate simpler improvements, provide more parking. Many of their concerns and recommendations have been addressed. The Comprehensive Parking Management Plan adopted in January 2023 identified ways to improve parking downtown, and the city has already begun implementing several of the strategies. The preferred conceptual plan of Downtown’s Next Step maintains a 3-lane configuration and does not change traffic patterns. A preliminary traffic study has been conducted, which did not determine adverse traffic impacts due to the lane configuration and intersections not changing.

City Council adopted \$400,000 in the 2022 Budget for engineering design of the Downtown’s Next Step project. The project was advertised for design engineering bids in July 2022 once the conceptual public process was completed by Community Development. Two bids were received, and both were approximately \$1.2 million for complete design of the corridor. After negotiations with the selected bidding contractor and discussion with MAB, city staff brought a MAB recommendation to City Council at the November 1, 2022, meeting to move

forward with design in 3 phases. The initial phase was approved to include full site analysis, inventory, and traffic study of the entire corridor to ensure the project was designed holistically and efficiently. City Council approved MAB’s recommendation.

The project was contracted in November 2022 with MIG Inc for full site analysis, inventory, traffic study, and engineering design of as many blocks as the remaining budget allowed. MIG started the inventorying and site analysis phase in December 2022. Some surveying was delayed due to deep snow in December and January. Utility surveying, preliminary drainage study, geotechnical report, tree inventory, ADA evaluation, and preliminary traffic study were completed in the summer of 2023.

Multimodal and CIP Division staff meet regularly to discuss current and upcoming capital improvement projects in order to identify opportunities for efficiency and coordination and determine appropriate ways to schedule projects to ensure projects are not redundant, out of sequence, or negatively impact others. In the case of Downtown’s Next Step, the Utilities Division identified an opportunity to address necessary updates to sewer and water infrastructure prior to the construction of Downtown’s Next Step, which will avoid negative impacts to a newly constructed roadway project. This prompted the Utility Division to design improvements to the sewer and water infrastructure along downtown Main Avenue, making use of the other survey work being conducted on the Downtown’s Next Step Design project. This opportunity of project overlap meets the Strategic Plan goal of high performing government through partnership opportunities and efficiencies.

Upon relative completion of the site inventory and analysis, city staff and the MIG team determined the first phase of design should begin at the 600 and 700 blocks of Main Avenue due to the crash data on these blocks. Additionally, these blocks act as the southern gateway for Main Avenue and have a high level of pedestrian use and sidewalk activity. Due to the complexity of these blocks, including the College Drive and Main Avenue intersection, multiple underground basements and coal chutes, the need for water quality, and the need to determine the general street sections in regard to existing trees and utilities, staff is presenting a midyear budget adjustment request to the City Council Regular Meeting based on the project need and the Financial Advisory Board’s recommendation at their July 25 meeting. This request will not impact the overall design budget.

STRATEGIC PLAN ALIGNMENT:

Effective Infrastructure Network 1.1: Improve safety and connectivity for all modes of transportation.

Effective Infrastructure Network 1.7: Advance community accessibility and walkability.

ALTERNATIVE OPTIONS CONSIDERED:

There were 4 design alternatives originally evaluated during the conceptual design. Originally there was vocal community interest in designing the corridor as a pedestrian mall, closed to vehicle traffic. After an extensive public process that took all concerns into account, the preferred concept continues to meet the safety and accessibility goals in the Strategic Plan while maintaining community priorities such as parking. The chosen design addressed the various needs and goals for the project the best out of the 4 design alternatives based on public feedback, data analysis, and business input.

FISCAL IMPACT:

Total project design is estimated at \$1.2 million. Phase 1 design of the project was budgeted for \$400,000. As of May 2023, \$198,358.05 has been spent on the project for site inventory and analysis. An additional \$120,000 is necessary for phase 1 to design 2 blocks. This is due to upfront costs of site analysis and inventory, and is not anticipated to increase the \$1.2 million budget.

POTENTIAL ADVERSE IMPACTS:

Design is being carefully coordinated to mitigate impacts to business access and operations. There is potential for construction impacts in the future; however, the plan is to phase construction and work with businesses to mitigate impacts. City staff have also discussed promotion opportunities for impacted businesses to drive further business during construction times.

NEXT STEPS AND TIMELINE:

The midyear budget request will go to the City Council Regular Meeting September 19, 2023, for appropriation of an additional \$120,000 to design the 600 and 700 blocks. A public meeting will be held in the fall of 2023 to receive public feedback on the design. Phase 2 of the engineering design is being recommended for the 2024 Budget. It is anticipated that the phases will be constructed in phases as designed.

Community Questionnaire #1 Results

VISION & VALUES FOR DOWNTOWN MAIN

- Virtual City Hall Platform
- Open for 3 weeks (*from December 17 – January 7*)
- Promoted through social media, BID, flyers, posters, on trolley tv's, newsletters, etc.
- Demographics reached:
 - Female/Other - 53.2%
 - Non-White - 14.9%
 - Age 65+ - 22.6%
 - Non-English Language - 5.0%



938

Responses

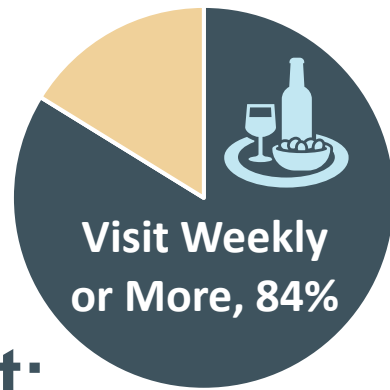


Community Questionnaire #1 Results

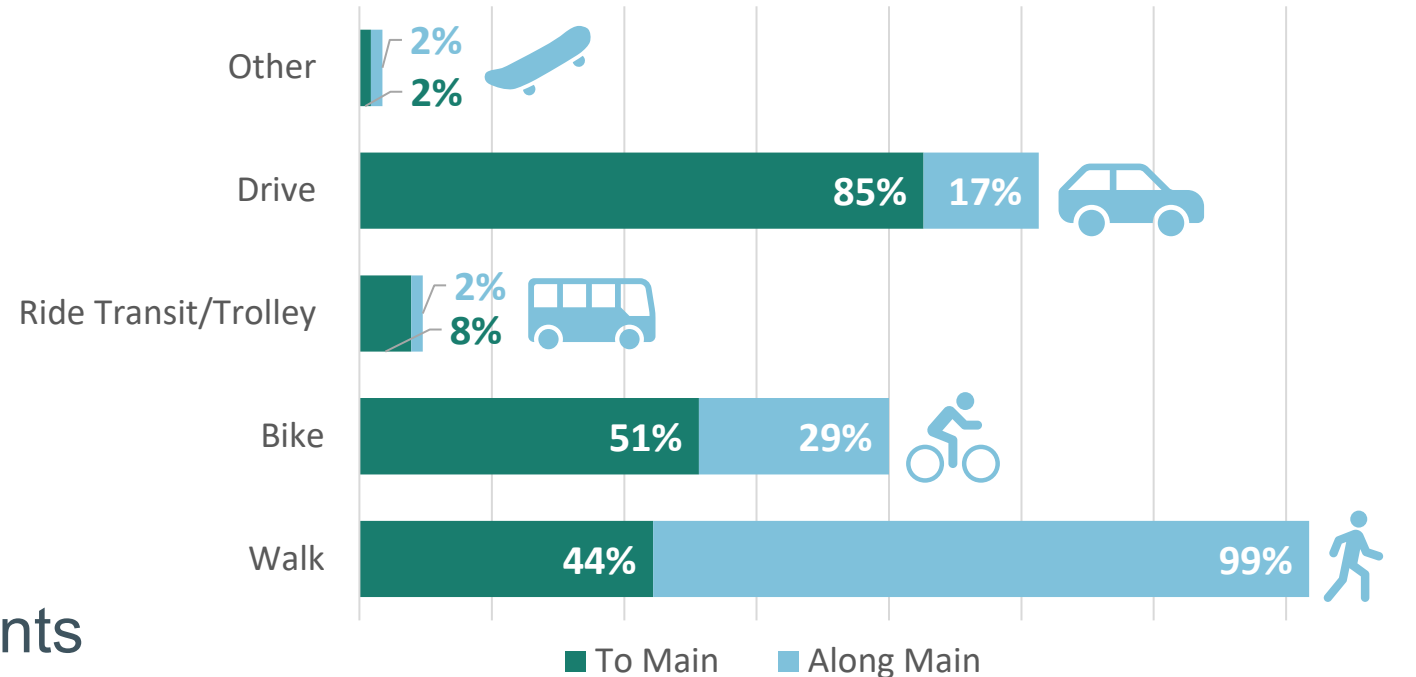
VISION & VALUES FOR DOWNTOWN MAIN

Most popular reasons to visit:

- 95% Visiting restaurants, bars, coffee shops, etc.
- 87% Shopping
- 69% Attending Special Events



Travel to and along Downtown Main



Community Questionnaire #1 Results

VISION & VALUES FOR DOWNTOWN MAIN

What's most important?



Supporting and enjoying local businesses	76%
A comfortable, safe experience for bicyclists and pedestrians	50%
Other	31%
Gathering with others in the community	28%
Showcasing Durango's unique identity and character	20%
Unique experiences at different times of year	14%
Efficient travel along Main for cars	8%

“Other” Responses:

- Economic prosperity
- Cleanliness
- Historic preservation
- Personal safety

Community Questionnaire #1 Results

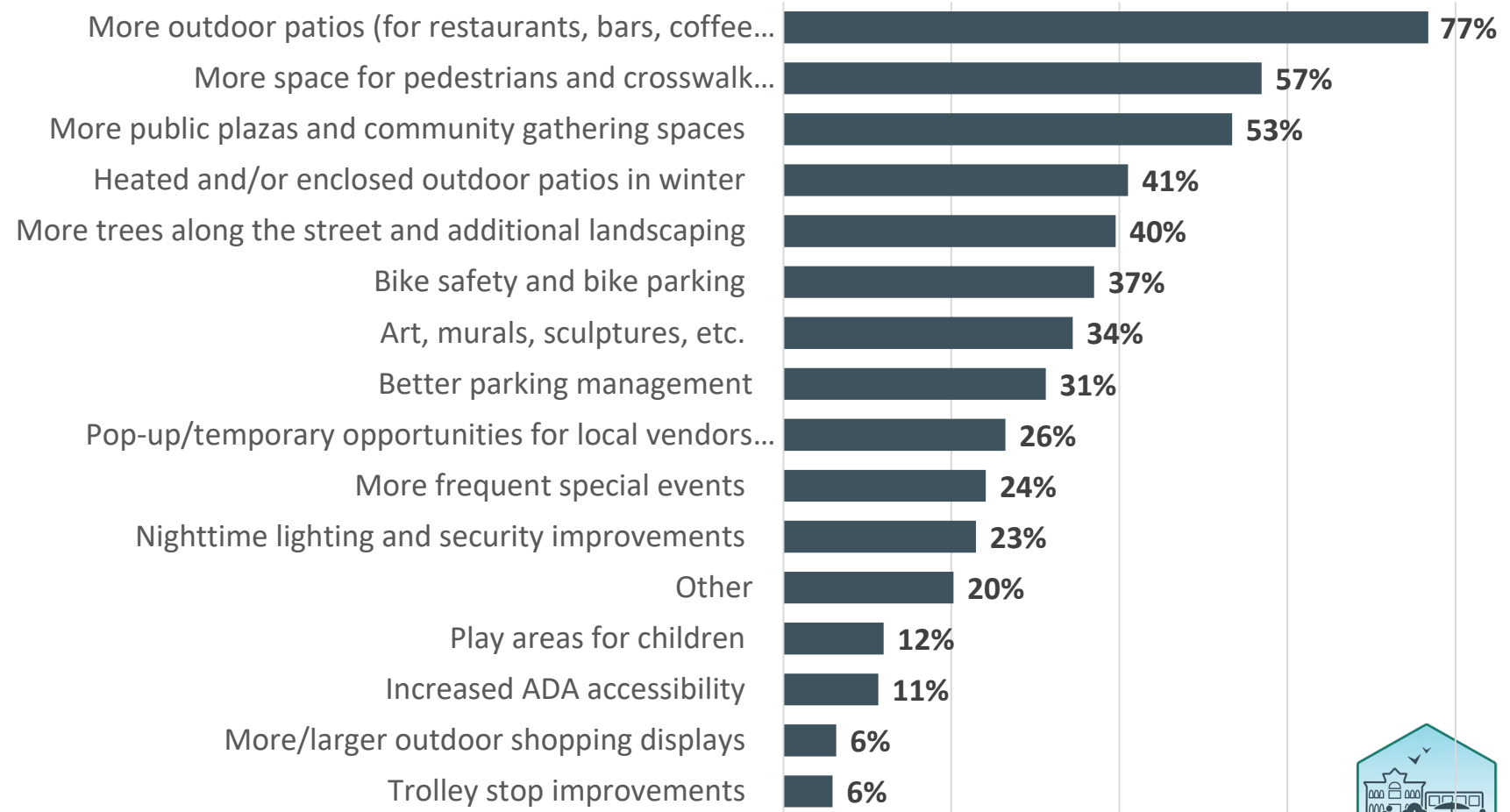
VISION & VALUES FOR DOWNTOWN MAIN

What elements would you most like to see considered in the design?

- More and winterized patios, pedestrian facilities, plazas, trees and landscaping, bike facilities

Common “Other” Responses:

- Pedestrian mall, parking garage, noise management





AGENDA DOCUMENTATION

Meeting Date: September 5, 2023

TO: DURANGO CITY COUNCIL

FROM: LILY OSWALD & DAN ARMENTANO
COMMUNITY DEVELOPMENT DEPARTMENT

**SUBJECT ACCESSORY DWELLING UNIT (ADU) PROGRAM BACKGROUND
AND UPCOMING CHANGES - AEO**

SUMMARY

This item is an informational update and does not require formal Council action at this time. The goal of this Study Session is to clarify the status of the ADU program and to inform Council of the direction staff is taking with ADU updates.

To begin, staff will provide a brief overview of the ADU program background and the incremental changes since its adoption in 2014. Staff will be available to answer any clarifying questions from Council. If any Code amendments are advanced as this program continues to evolve, they will result in recommendations from the Planning Commission followed by formal action from the City Council via ordinances. This code amendment process will involve public hearings and opportunities for public feedback and engagement. Anticipated next steps to the City's ADU program include:

- Monitor evolving statutes and best practices
- Possible incremental updates to align with community goals

BACKGROUND

Community Development staff has been working on departmental updates, process improvements, and code amendments to enhance customer service, improve employee engagement, and achieve Strategic Plan goals. Foundations to Durango's current ADU program include:

- **2013** – Determined goals through public process and community engagement
- **2014** – Adopted the Land Use & Development Code (LUDC) with established ADU provisions
- **2019** – Expanded opportunity for integrated ADUs in EN-4, EN-5, and EN-6
- **2022** – Circulated Community Survey to gauge public perception of ADUs and proposed changes
- **2022** – Removed minimum lot size requirement for integrated ADUs
- **2022** – Added opportunity for Alternative Compliance for some ADU design elements
- **2022** – Introduced the '*ADUs for Locals Rebate Program*' (\$80,000 total)

STRATEGIC PLAN ALIGNMENT

This initiative applies primarily to the **Affordability & Economic Opportunity (AEO)** objective in the Strategic Plan while also addressing elements of the **Enhanced Livability & Sense of Place (ELSP)** and the **Financial Excellence & High Performing Government (FEHPG)** objectives.

AEO

1.2 Support the production of a variety of housing types through incentives, partnerships, efficient review processes, and other mechanisms with a particular emphasis on middle-income housing.

ELSP

3.2 Through a robust and inclusive planning processes, create a framework of coordinated district plans that embrace the unique character of Durango and provides a vision for the future.

FEHPG

1.3 Identify innovative revenue streams that create a long-term structurally balanced operating budget. Determine long-term revenue solutions for core services, housing innovation, storm water management considering ballot initiatives for debt service or cash funding.

4 Update the municipal code as needed.

FISCAL IMPACT

None.

NEXT STEPS AND TIMELINE

Durango's ADU program continues to adapt and align with the community's goals and priorities. The Community Development Department will continue to monitor statutes and regulations regarding ADUs to ensure the city maintains its unique ADU provisions while making proactive text updates to remain innovative and effective.

ATTACHMENTS

1. Study Session Presentation
2. Map of Existing ADUs and Allowed ADU Types by Zoning District (DA)



SEPTEMBER 5, 2023

ACCESSORY DWELLING UNIT (ADU) PROGRAM BACKGROUND & UPDATES

LILY OSWALD | DAN ARMENTANO

STRATEGIC PLAN GOAL:

AFFORDABILITY & ECONOMIC
OPPORTUNITY

Mission (Why we exist)

“The City of Durango and our employees provide, efficient city services, effectively maintain city assets and manage growth, are accountable, ethical, fiscally responsible, and collaborate with regional partners to improve the quality of life for our entire community.”

Vision (What we want to be)

“Durango is an authentic, diverse, multigenerational, and thriving community. Our Residents value and enjoy our unique natural environment and benefit from the management of our City’s resources in a fiscally responsible, environmental, and socially sustainable manner.”

Values (What we believe in)

Teamwork | Dependability | Professionalism | Service | Respect |
Innovation | Well-Being

PURPOSE

PROVIDE INFORMATION ON
DURANGO’S ADU PROGRAM,
ITS BACKGROUND, AND
UPCOMING ADU CODE
AMENDMENTS TO REFLECT
COMMUNITY GOALS.

STRATEGIC PLAN ALIGNMENT

These initiatives apply primarily to the **Affordability & Economic Opportunity (AEO)** objective in the Strategic Plan while also addressing elements of the **Enhanced Livability & Sense of Place (ELSP)** and **Financial Excellence & High Performing Government (FEHPG)** objectives.



BACKGROUND

2013

COMMUNITY ENGAGEMENT

Outreach and engagement efforts to inform the Land Use & Development Code (LUDC) update, including ADU regulations and standards.

2014

LUDC ADOPTED

LUDC goes into effect with established ADU provisions based on zoning district.

2022

COMMUNITY ENGAGEMENT

Community survey circulated to gauge public perception and knowledge of ADU program, regulations, and a potential new *incentive program* (“ADUs for Locals Rebate Program”).

2022

LUDC AMENDMENTS

ADU program amended in the LUDC to reflect community goals and feedback and incentivize ADUs as an affordable housing option.

ADU PROGRAM CHANGES SINCE 2014

2019

Expanded ADUs for
EN-4, EN-5, and EN-6
(Integrated ADUs only)



2022

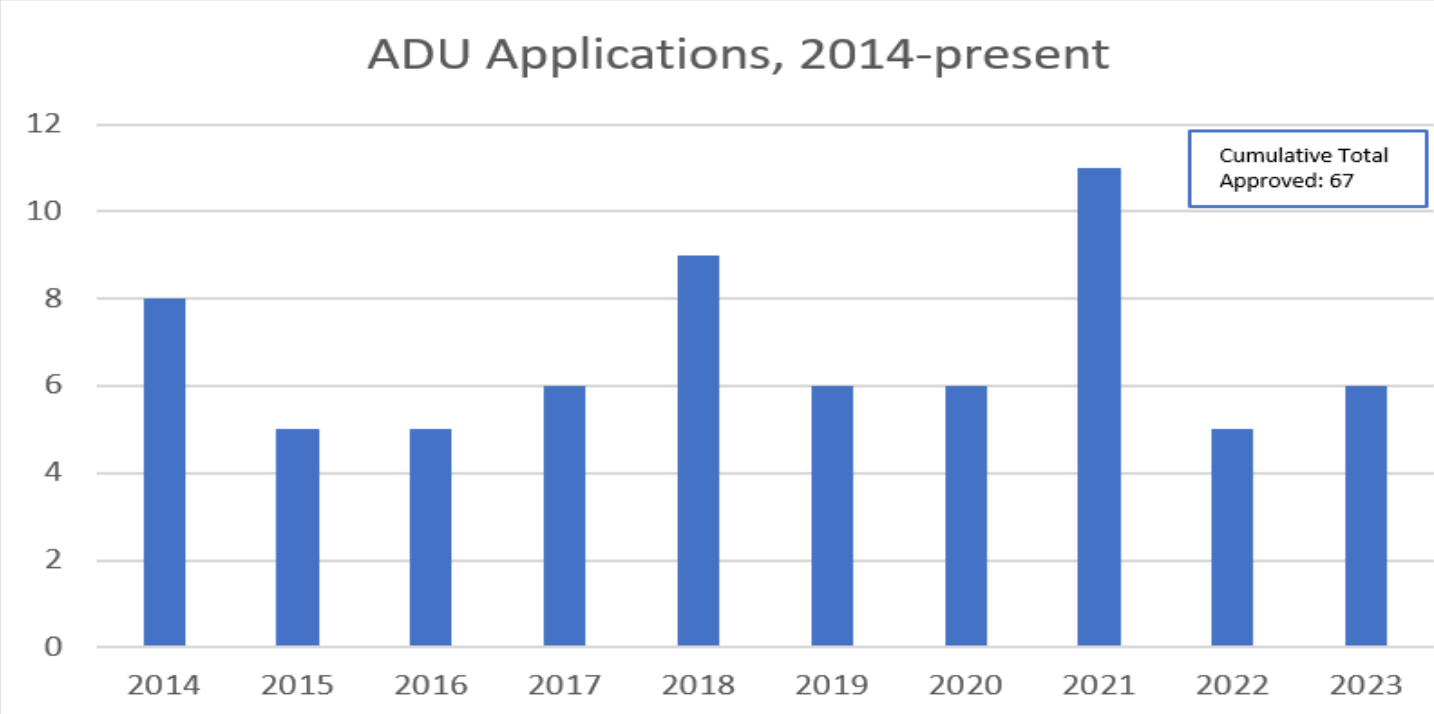
Removed minimum lot size requirements for integrated ADUs

Added Alternative Compliance option for ADU design

Expanded options for off-street parking

Adopted the ADUs for Locals Rebate Program

ADUS BY THE NUMBER



*** NOTE:** # of approved ADU applications does not align directly with the # of COs issued for ADUs.

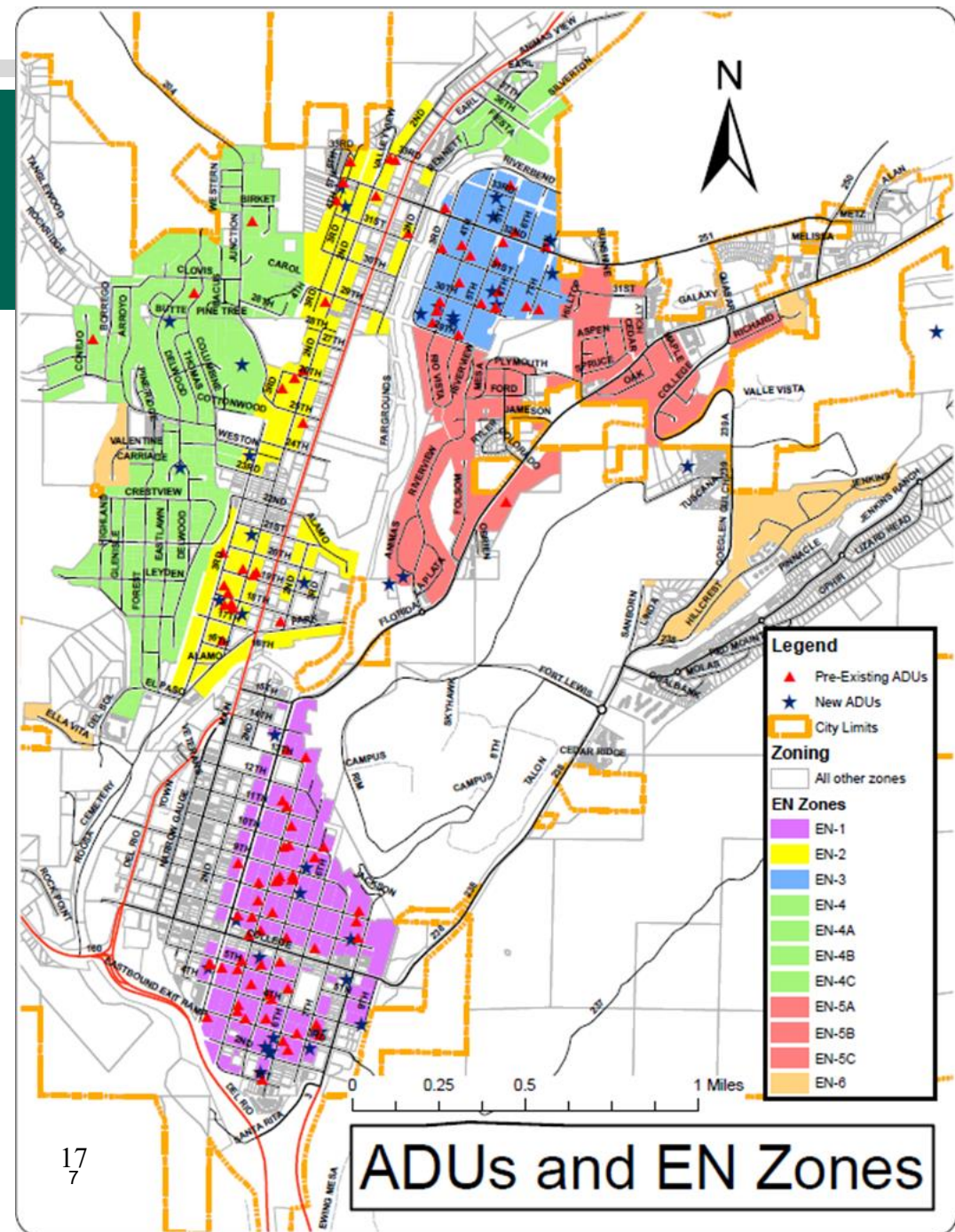
This is due to a variety of factors, including the market and cost of building, permit expiration, feasibility, etc.

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total# COs
ADU COs	2	5	5	11	4	7	1	4	4	1	44

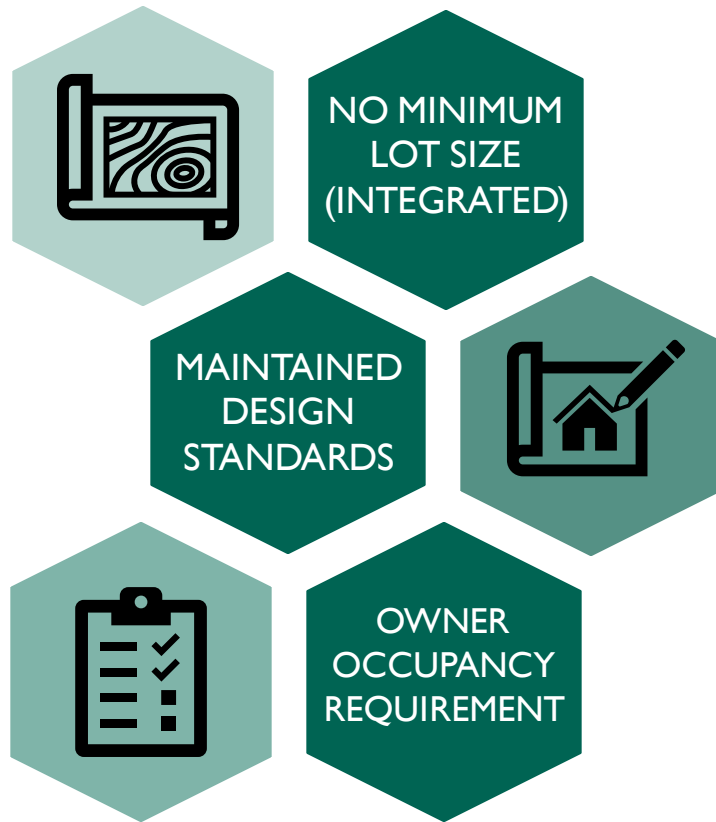
Developed ADUs

ADUS BY THE NUMBER

- • Most new ADUs are detached and located in EN-1, 2, & 3:
- • EN-1: 19
- • EN-2: 7
- • EN-3: 11
- • EN-4: 2
- • EN-5: 1
- Other: 5



CURRENT KEY ADU PROVISIONS

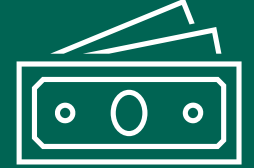


COMMUNITY-BASED, INCREMENTAL CHANGES ENCOURAGED OWNERSHIP & AFFORDABLE HOUSING OPPORTUNITIES (MISSING MIDDLE)

RESULT:

- Everyone in Durango has the option to have an ADU (except in subdivisions with pre-existing restrictions).
- The City rarely receives complaints related to ADUs.
- The community largely appreciates and accepts ADUs as a housing option, which aligns with different neighborhood contexts.

ADU FOR LOCALS REBATE PROGRAM



\$80,000 total to be divided among 10 completed ADUs - meeting criteria (\$8,000 per ADU)

Recent ADU permits:

- **11 Limited Use Permits issued** for ADUs (2022-2023)
- **5 ADUs completed** (2022-2023)
- **1 rebate issued** (2023)
 - 'Current ADUs' are in a variety of stages in the development pipeline

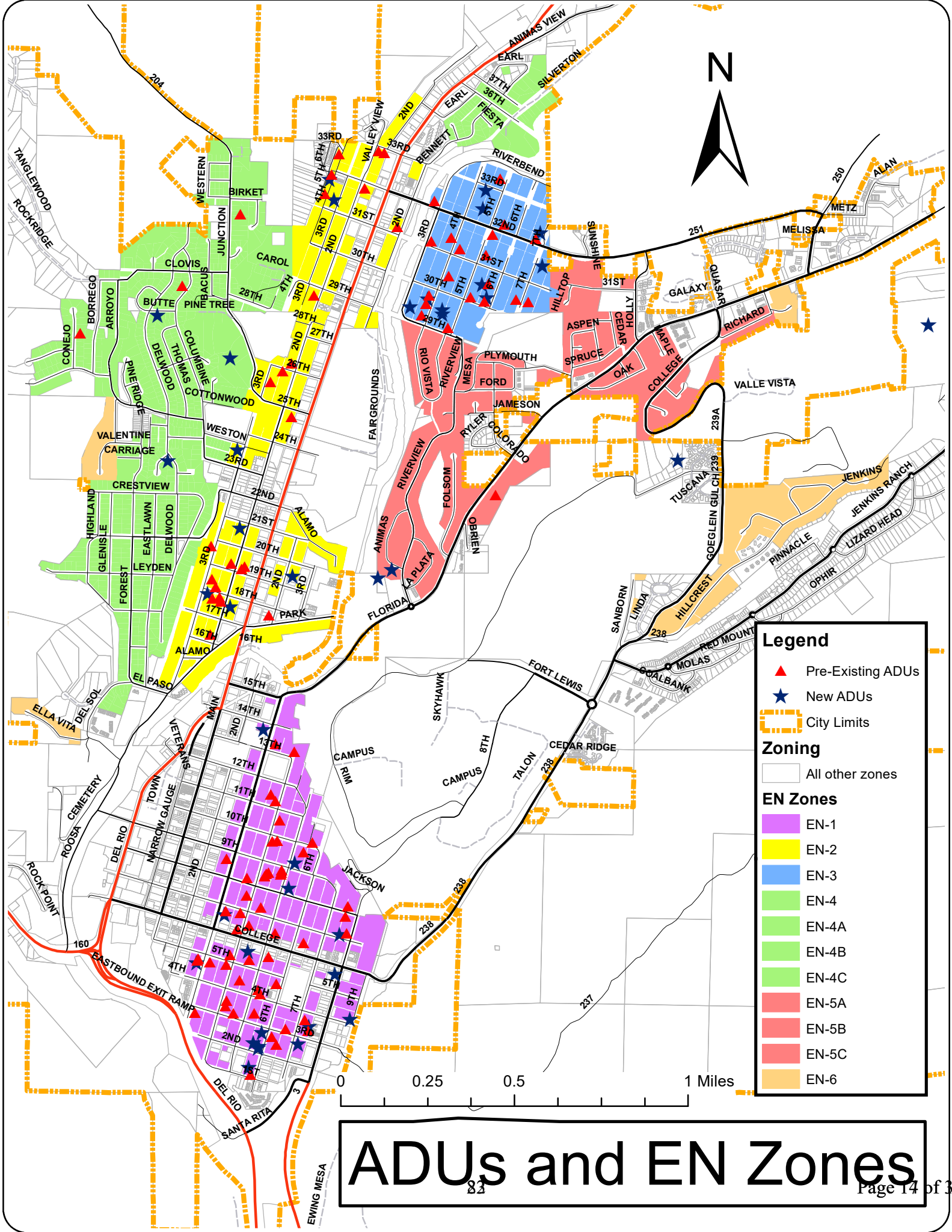
Increased interest in ADUs following the Rebate Program has exceeded staffs' expectations.



ADU PROGRAM GOALS | WHERE ARE WE GOING?

- *Continue to track/align with best practices and changing statutes*
- *Possible changes to the LUDC to align with community/goals*
 - *Clarify public improvement requirements*
 - *Review min. lot sizes*
 - *Rebate program*
 - *Parking standards*

QUESTIONS?



ADUs and EN Zones



AGENDA DOCUMENTATION

Meeting Date: September 5, 2023

TO: DURANGO CITY COUNCIL

**FROM: LILY OSWALD, EVA HENSON, DANIEL
MURRAY & SCOTT SHINE
COMMUNITY DEVELOPMENT DEPARTMENT**

**SUBJECT UPCOMING COMMUNITY DEVELOPMENT CODE AMENDMENTS –
AEO, ELSP & FEHPG**

SUMMARY

This item is an informational update about forthcoming Code updates related to the Community Development Department. The overarching goal of these code amendments are to achieve Strategic Plan goals of Affordability & Economic Opportunity, Enhanced Livability and Sense of Place, and Financial Excellence and High Performing Government. Staff has worked collaboratively with community members, customers, and other departments to craft these amendments to be effective in accomplishing these goals.

At the Study Session, staff will briefly describe the status and content of upcoming Land Use and Development Code (LUDC) amendments that relate to the following:

- Community Development Boards and Commissions Reconfiguration,
- Parking Standards,
- Process Improvements including public hearings and building permit fee updates, and
- Fair Share Program Updates.

The goal of this Study Session is to inform Council of these amendments and how they help achieve Council goals. Staff will be available to answer any clarifying questions from Council. As these Code amendments are advanced, they will result in recommendations from the Planning Commission followed by formal action from the City Council via ordinances.

BACKGROUND

Community Development staff has been working on departmental updates, process improvements, and code amendments to enhance customer service, increase transparency to development and review processes, and achieve Strategic Plan goals. To begin, staff will provide a brief overview and status of each of these LUDC update processes followed by greater detail on anticipated next steps.

BOARDS & COMMISSIONS RECONFIGURATION

Council has asked Community Development staff to review the current Boards and Commissions structure and identify opportunities to reduce redundancy, increase efficiency, and lessen administrative burden and costs to run meetings. After analyzing existing boards and commissions and their requirements in the Charter, staff is proposing to combine the Planning Commission, Design Review Board, and Board of Adjustment to a modernized 'Planning & Design Commission' (PDC) to fulfil these roles. This reconfiguration aligns with Council and Departmental goals for streamlined processes and innovative customer service while maintaining opportunities for public participation.

PARKING STANDARDS

The City adopted the Comprehensive Parking Management Plan in December of 2022. This plan included recommended changes to the City's parking code provisions and demand management. The Community Development Department is partnering with Walker Consultants, the City's Sustainability Coordinator and Transportation Department, and Ryan Cornell to ensure the updates to the City's parking requirements in the LUDC are informed and unique to the community.

PROCESS IMPROVEMENTS & FEE UPDATES

There is an opportunity for the decision-making authority to be delegated down the review hierarchy to improve process, minimize costs and administrative complexities, and appropriately focus staff efforts, while continuing to ensure compliance with LUDC development standards. The objective of these changes is to ensure there is an appropriate scale of review process and decision making relative to the permit type while providing sufficient opportunities for public input. Council indicated interest in moving forward with these process improvements during a Study Session on May 16, 2023. The proposed process improvements include:

- Final Planned Development, Development Plan: From Planning Commission to **Administrative**
- Minor Planned Development Amendment: From Planning Commission to **Administrative**
- Minor Subdivision: From Planning Commission & Council to **Administrative & Planning Commission**

The City of Durango's building permit fees and use tax are one form of revenue collected by the Community Development Department and directed to the city's general fund. City staff is exploring updating the current 2013 building permit fees to reflect the 2023 ICC building valuation data. Staff has gained feedback from the Code Alignment Working Group, Planning Commission, and City Council at a study session to pursue this fee update. The next step is for staff to engage the building community on the proposed building valuation update. Staff will present this proposal to Council for consideration and action in late 2023 with the potential for implementation in January 2024.

FAIR SHARE UPDATE

The Fair Share Program was adopted in 2009 and is very much due for an update. Following Council's direction, the City's efforts to accomplish this are well underway. Supported by a \$120,000 grant from the Department of Local Affairs (DOLA), the City has partnered with Root Policy Research to create a more effective Fair Share Program. Based on the number of projects currently in process, staff is proposing a two-stage update to the Program. The first stage is a relatively simple update to allow for more agile partnerships to fulfill Fair Share requirements. Staff would like to implement this update by the end of 2023. The second stage will be a more comprehensive overhaul that will be prepared using the findings of Root Policy Research's analysis that is currently underway.

This first stage of amendments will make minimal changes to the operation of the Fair Share program to allow the use of Public-Private Partnerships (P3) to comply with Fair Share and will reduce the financial gap to make it more feasible for developments to provide a percentage of set-aside homes (16%) for affordable-attainable housing. These amendments will enable deployment of Housing Fund resources to facilitate unit construction to increase available housing inventory. Staff will provide additional details on these amendments during the Study Session and the proposed redlines are attached to this agenda document.

For reference, Affordable Housing is defined as housing affordable to households with incomes at or below 80% Area Median Income (AMI). Attainable Housing is defined as households with incomes above 80% AMI but not exceeding 125% AMI is defined as households earning 80%-125% AMI.

Management of the Fair Share program is based on two documents. The Fair Share Ordinance in the Land Use Development Code (LUDC) contains the rules and standards adopted by City Council through the public hearing process. The Fair Share Administrative Manual contains the detailed information and procedures needed to administer the program. Changes to the Manual require a Council resolution, which is a lower bar for amendment. The proposed changes currently before Council require changes to both the Fair Share Ordinance and the Manual, thus there is a request to amend the LUDC with an Ordinance and to amend the Manual.

STRATEGIC PLAN ALIGNMENT

These initiatives apply primarily to the **Affordability & Economic Opportunity (AEO)** objective in the Strategic Plan while also addressing elements of the **Enhanced Livability & Sense of Place (ELSP)**, and **Financial Excellence & High Performing Government (FEHPG)** objectives.

AEO

1. Create housing opportunities to support multigenerations & mixed-income community workforce and increase affordability to bridge the disparity between income and home/rental prices.
- 1.1 Identify and commit resources and revenues towards implementing a long-term plan that encourages housing opportunities for mixed-income demographics with an emphasis on workforce housing.
- 1.2 Support the production of a variety of housing types through incentives, partnerships, efficient review processes, and other mechanisms with particular emphasis on workforce housing.

ELSP

- 3.3 Design and allocate resources to construct improvements to downtown Durango and other mixed-use districts throughout the City.

FEHPG

- 2.0 Continuous Review of Policies and Ethical Practices.

FISCAL IMPACT

Much of the work for the amendments has been completed by City staff. Where outside assistance has been necessary, staff has utilized previously-appropriated funds or outside funding.

Consolidating the Planning Commission and Design Review Board will result in a more efficient development review process, which will decrease costs to the developer/applicant over the review period, and result in less City resources going toward staff time for coordinating meetings and staff reporting. Improving review processes and updating the City's building permit valuation procedures will reduce waste and will move permit charges to more accurately reflect the current cost of construction.

The Fair Share program has not proven effective in meeting community goals regarding workforce housing. These two-part updates will improve the effectiveness of the program and will reduce staff time needed to administer the program. The updates are being paid for by a grant from the Department of Local Affairs (DOLA) and a small match from the City's Housing Fund. Staff anticipates the updates providing more flexibility in achieving housing goals.

NEXT STEPS AND TIMELINE

Staff will attempt to advance all the amendments listed above as a coordinated package following the schedule outlined below, but it is possible that some pieces may be pulled out to run on a different timeline.

- Additional Community Outreach & Engagement: **September/October**
- Planning Commission Public Hearing: **October 23, 2023**
- City Council Request for Public Hearing and Introduction of Ordinance: **November 2023**
- City Council Public Hearing and Second Reading of Ordinance: **December 2023**
- Implementation: **January 2024**
- Second and More Comprehensive Round of Fair Share Program Updates: **Spring 2024**

ATTACHMENTS

1. Study Session Presentation
2. Community Development Boards & Commissions Refresh Memo (*Dated April 27, 2023*)
3. Fair Share LUDC Redlines Supporting Documentation
4. Root Policy Timeline and Progress Summary



SEPTEMBER 5, 2023

UPCOMING COMMUNITY DEVELOPMENT CODE AMENDMENTS

LILY OSWALD | SCOTT SHINE |
EVA HENSON | DANIEL MURRAY

STRATEGIC PLAN GOALS:

AEO, ELSP, FEHPG

Mission (Why we exist)

“The City of Durango and our employees provide, efficient city services, effectively maintain city assets and manage growth, are accountable, ethical, fiscally responsible, and collaborate with regional partners to improve the quality of life for our entire community.”

Vision (What we want to be)

“Durango is an authentic, diverse, multigenerational, and thriving community. Our Residents value and enjoy our unique natural environment and benefit from the management of our City’s resources in a fiscally responsible, environmental, and socially sustainable manner.”

Values (What we believe in)

Teamwork | Dependability | Professionalism | Service | Respect |
Innovation | Well-Being

PURPOSE

PROVIDE A STATUS ON
UPCOMING CHANGES TO
BOARDS & COMMISSIONS, P
ARKING PROVISIONS,
PROCESS IMPROVEMENTS
AND BUILDING PERMIT FEE
UPDATES, AND FAIR SHARE IN
THE LAND USE &
DEVELOPMENT CODE (LUDC).

STRATEGIC PLAN ALIGNMENT

These initiatives apply primarily to the **Affordability & Economic Opportunity (AEO)** objective in the Strategic Plan while also addressing elements of the **Enhanced Livability & Sense of Place (ELSP)** and **Financial Excellence & High Performing Government (FEHPG)** objectives.





2023 COMMUNITY DEVELOPMENT DEPARTMENT WORK PLAN

**Strategic
Partnerships &
Communication**

**Process
Improvement &
Customer Service
Enhancements**

***Building
Community
Together***

**Staff Development
& Well-Being**

Code Reform



GOALS



STATUS



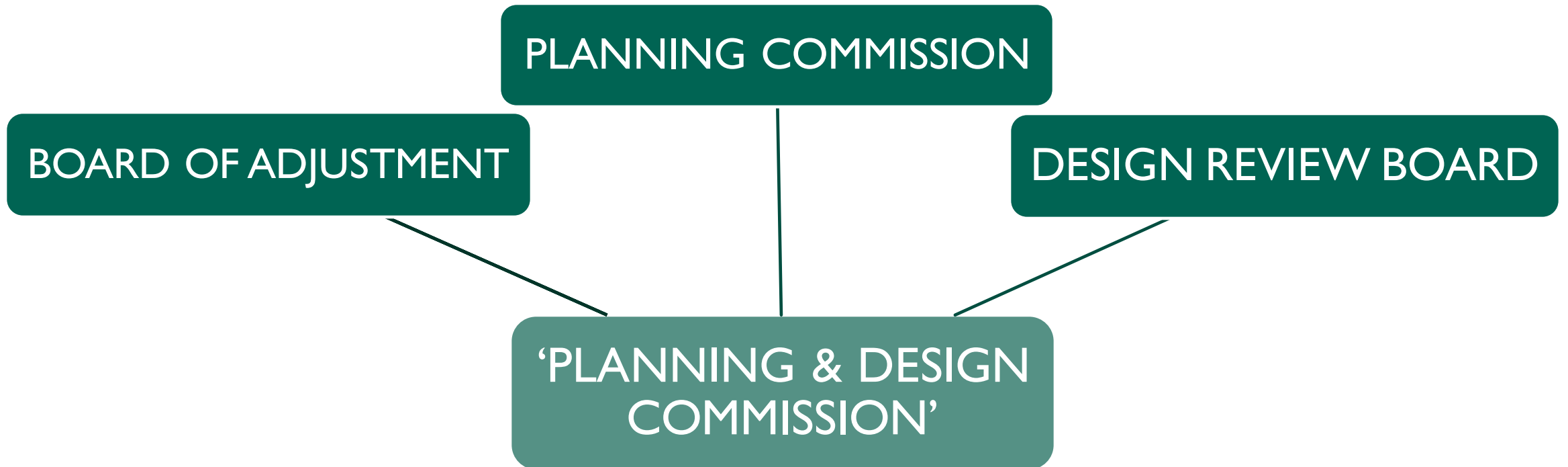
NEXT STEPS

BOARDS & COMMISSIONS UPDATE

BOARDS & COMMISSIONS UPDATE – GOALS

- *Remove redundancy* and *increase efficiency*.
- Retain and enhance a *high level of customer service, ensure transparency, and allow for adequate public input* on development proposals and other community development items.
- *Lessen the administrative burden and costs* to prepare packets and run meetings while also ensuring adequate public involvement.
- *Establish more clarity* for applicants and the public regarding the sequence of events involved in development review processes.
- Ensure the *most effective path* is in place for items that are appealed.

BOARDS & COMMISSIONS UPDATE – GOALS



BOARDS & COMMISSIONS UPDATE – STATUS & NEXT STEPS

Planning Commission & Design Review Board Joint Meetings

- *Establish new meeting process and duties as a joint board*
- *Iron-out kinks*
- *Clarify expectations*

Redline LUDC updates for consolidation

- *PC considers LUDC redlines (formal recommendation)*
- *Council considers PC recommendation and LUDC updates (via Ordinance)*

Adopt updated LUDC changes & communicate new processes

- **Timing:**
Fall – Winter 2023



BACKGROUND



STATUS &
PARTNERS

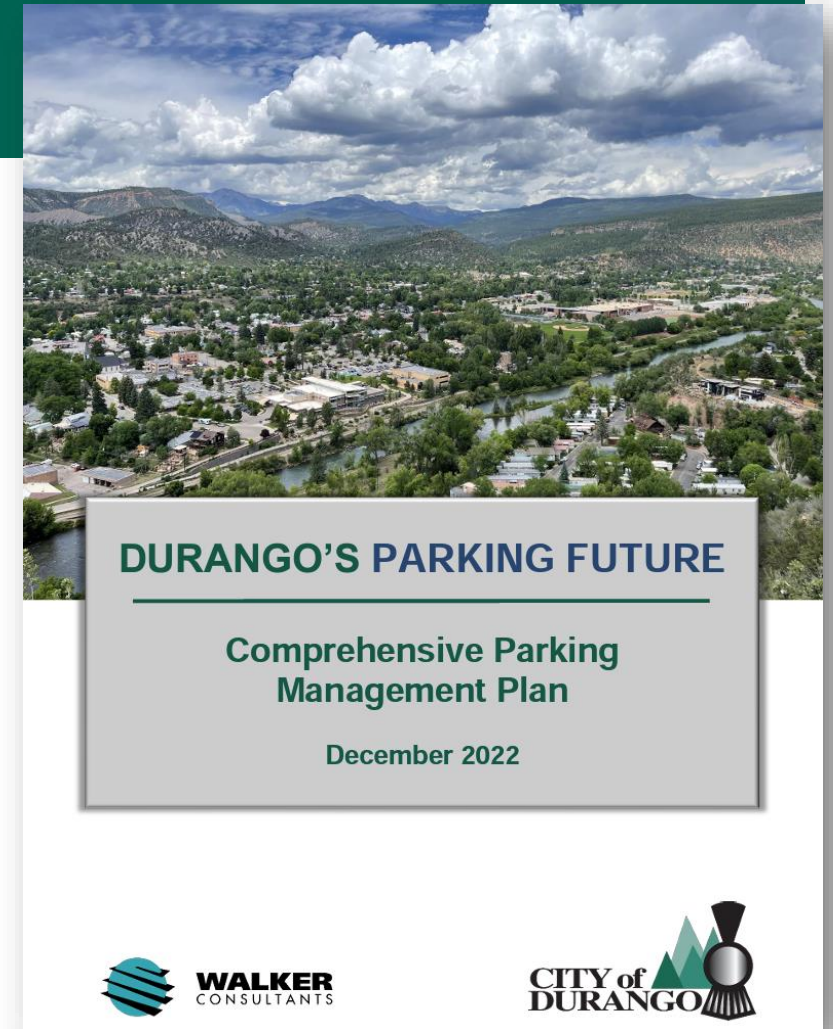


GOALS

PARKING CODE UPDATE

PARKING CODE – BACKGROUND

- **Comprehensive Parking Management Plan** (Dec. 2022) yielded recommendations for updated parking code and requirements.
- **Land Use & Development Code (LUDC):**
 - Various parking standards, dependent on zoning district and type of development/use
 - EV parking standards and bike parking/infrastructure standards
 - *Recent parking code updates have been incremental, including EV and multifamily parking standards.*



PARKING CODE UPDATE – STATUS & PARTNERS

SIMPLIFY

Working with Walker Consultants to update and simplify the City's parking standards tables and calculations for development.

SUSTAINABILITY & INCENTIVES ELECTRIC VEHICLE (EV) STANDARDS

Coordinating with Devin King, Marty Pool, and Ryan Cornell to update EV parking regulations and standards for commercial and residential development. Updating incentives for multimodal parking infrastructure.

ALIGN WITH ADOPTED PLANS

Ensure LUDC is updated to align with new goals and design recommendations in the City's Transportation Management Plan, Comprehensive Parking Management Plan, Comprehensive Plan, and Strategic Plan.

PARKING CODE – NEXT STEPS

RECOMMEND A
DRAFTED REDLINE TO
THE PLANNING
COMMISSION:

LATE 2023.



SIMPLIFIED PARKING TABLES AND
CHANGES OF USE



COMBINING AND UPDATING PARKING
REDUCTIONS



STANDARDS RE: AFFORDABLE HOUSING
PROJECTS



PARKING FEE-IN-LIEU



EV STANDARDS



MULTIMODAL INFRASTRUCTURE &
STANDARDS

LUDC PROCESS IMPROVEMENTS

Status

- Code Alignment Working Group November 2022
- Council Study Session May 2023

Next Steps

- Late 2023 Redlines for Planning Commission recommendation
- Early 2024 Redlines for Council consideration and ordinance

How

- Shift project review down decision making hierarchy
 - PC to Admin
 - Council to PC
- Utilize consent agenda for PC

Goal
**Improve LUDC
permitting
process
efficiency and
effectiveness**

BUILDING PERMIT FEES UPDATE – STATUS & NEXT STEPS

Discussion and Recommendations

- *Code Alignment Working Group (CAWG) April 27, 2023*
- *City Council Study Session May 16, 2023*
- *Planning Commission May 22, 2023*

Public Engagement

- *Outreach to development community September 2023*

Public hearings to adopt updated fee schedule and implementation

- *City Council consideration of fee updates (via Resolution) - November/December 2023*
- *Implementation - January 2024*

FAIR SHARE UPDATE: CODE LANGUAGE PART I



Quick fix - limited
language to be updated



Enable City to
partner and incentivize
unit creation



Full Fair Share program changes
still to come

QUESTIONS?



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MEMORANDUM

TO: Code Alignment Working Group and City Council
FROM: Scott Shine and Community Development Staff
DATE: April 27, 2023
RE: Community Development Boards & Commissions Refresh

Introduction

Community Development is currently **providing administrative support to six boards and commissions**, including:

1. Planning Commission (PC)
2. Design Review Board (DRB)
3. Historic Preservation Board (HPB)
4. Urban Renewal Authority (URA)
5. Creative Economy Commission (CEC), and
6. Board of Adjustment (BOA).

Recently, **Council asked staff to review the current Boards and Commissions structure**. Community Development staff took this opportunity to review current structures and purposes of these various Boards and Commissions. The following question was asked, *"How would we design our Boards and Commissions if we were starting from scratch?"* We started by first identifying the goals of a restructuring initiative specific to Community Development Boards and Commissions then we collaboratively developed a proposal.

Goals

- **Remove redundancy and increase efficiency.**
- Retain and enhance a **high level of customer service, ensure transparency, and allow for adequate public input** on development proposals and other community development items.
- **Lessen the administrative burden and costs** to prepare packets and run meetings while also ensuring adequate public involvement.
- **Establish more clarity** for applicants and the public regarding the sequence of events involved in development review process.
- Ensure that the **most effective path** is in place for items that are appealed.

Community Development Boards & Commissions Refresh

Staff proposes to **combine Planning Commission, Design Review Board, and Board of Adjustment in a comprehensive, modernized and restructured 'Planning & Design Commission' (PDC)**. This consolidation will achieve the goals outlined above while still ensuring that proper legal procedures and due process are provided to customers and community members.

The PDC would have seven (7) members and one (1) alternate. The three Boards proposed for consolidation currently have five (5) members.

All members **must be residents of the City of Durango**, as currently required for the Planning Commission. A minimum of three of the positions would be community members, *“who are trained in the fields of architecture, landscape architecture, urban design, or urban planning.”*, as currently required of the DRB.

Article 8, Section 7 of the City Charter contains the following:

“Board of adjustment. The council shall, by ordinance, establish a board of adjustment and shall provide standards and procedures for such board to hear and determine appeals from administrative decisions, petitions for variances in the case of peculiar and unusual circumstances which would prevent the reasonable use of land and such other matters as may be required by the council or by law.”

Community Development staff will need assistance from an attorney to explore and affirm options for making sure this provision in the Charter is still met through the proposed restructured Board.

Applicants may request or staff may require an **Early Design Guidance session with the Planning & Design Commission** on projects if an applicant wants initial guidance or if staff has design concerns.

The timeline for these adjustments is separate from the recent action taken to consolidate other City Advisory Boards. Staff has laid out the actions necessary to accomplish this refresh for Community Development, particularly related to Land Use and Development Code amendments, and has begun drafting these amendments. Staff anticipates having the amendments completed in July/August and then advancing them through the review and approval process. The target is to have the new structure be effective January 1, 2024.

Other Boards

HPB

This Board is required by state statute in order for the City to retain its Certified Local Government status and eligibility for historic preservation funding. This Board has recently been utilizing sub-committees to speed up decision-making. This is proposed to continue and be expanded to move small, simple projects through the process quickly. No other changes are proposed at this time for this Board.

URA

This Board is required by state statute. It may be possible to move the URA Board meeting to once every two months in order to decrease administrative costs. No other changes are proposed at this time for this Board. In the long-term, the URA Board can be re-designed to be more independent and not include all of City Council.

CEC

The CEC has established itself as an effective and impactful Commission especially related to the administration of the Lodgers Tax: Arts and Culture Funds. Meetings could potentially be moved to once every two months and, if Council desired, the Council liaison position could be removed. In the long term, there is a possibility that this work could be transitioned to the Durango Creative District, but staff proposes to keep the Commission as is while that is being evaluated over the next 2-3 years.

Other Process Improvement and Increased Efficiency Tasks

Staff also identified a number of refinements that could easily be integrated into this effort to improve the efficiency and effectiveness of development review processes.

- **Consent agendas will be added** to the PDC agendas to cover minor items, grant approvals, minutes and other items. Staff will send Public Notice for these items as necessary, but place them on Consent agenda. Either a Commission member or a member of the public can attend the meeting and ask for it to be pulled off.
- Continue and expand use of sub-committees for Historic Preservation and design guidance.
- It may be possible to not have a Council liaison sitting on the Creative Economy Commission.
- Move CEC and URA to bi-monthly meeting schedule.

Upcoming Community Development Code Amendments - Attachment #3

This is a request to make limited changes to the Fair Share program to increase the amount of below market housing in Durango. The first change is to allow the use of Public Private Partnerships (P3) and to use City funds for fee reimbursements for builders creating affordable housing. Code language currently restricts or prevents (depending on the recipient) the use of subsidies to create affordable housing. The second change is to align the language of the Fair Share Ordinance and the Fair Share Administrative Manual, which conflict in whether some below market rate housing projects are subject to Fair Share payments. The Fair Share program is based on two documents. The Fair Share Ordinance in the Land Use Development Code (LUDC) contains the rules and standards adopted by City Council through the public hearing process. The Fair Share Administrative Manual contains the detailed information and procedures needed to administer the program and is adopted by Resolution.

The housing environment is now significantly different than it was in 2009, when Fair Share was adopted. Housing costs have escalated rapidly during the past decade, and the number of Federal and State programs and amount of funding that is now available is unprecedented. To update the City's ability to provide housing options, the first proposed change is to eliminate the ban in the LUDC and Manual on the use of subsidies to for-profit builders—this ban applies even when the subsidies are for affordable housing. Subsidies are incentives for builders, and for-profit builders are needed to create the amount of ownership housing Durango needs. In the 2022 Strategic Plan, Council specifically called for the use of incentives to create more affordable housing. This proposed language change would help implement that Strategic Plan goal.

Staff also wants to ensure that reimbursements such as development fees like water, sewer and road fees, can be made to developers of affordable units without running into LUDC and Manual conflicts. Development fees are a major development expense. Because most of these fees are levied by the City we are in a unique position to provide flexibility in how the costs are administered and paid.

The second fix is needed because of a conflict in language between the LUDC and the Manual. The LUDC allows what is referred to as 'simplified compliance' for projects in which all housing is either affordable or attainable. Affordable housing is defined as housing that a household making up to 80% of the area median income (AMI) can afford. Attainable housing is intended for households earning up to 125% AMI. Simplified compliance means that projects providing 100% of the project as affordable or attainable is not subject to additional Fair Share requirements. The Manual only allows 80% AMI housing to qualify for simplified compliance. The proposed change will correct this oversight to allow simplified compliance for affordable and attainable projects.

These simple changes are intended to help the City quickly respond to current opportunities to provide below-market housing. The City is working with a consulting firm from Denver called Root Policy to effect a more substantial overhaul of the Fair Share program. The results of the larger effort will be presented to Council by winter of 2024.

This proposed amendment currently before Council requires changes to both the Fair Share Ordinance in the LUDC and the Manual. Changes to the LUDC are text amendments requiring a public hearing. If Council approves the changes, the approval ordinance will be placed on the Council agenda twice for public readings. The Manual is amended by resolution, and resolutions are placed in the Consent Agenda. Approval of both the ordinance and the resolution is required, and there are two separate approval motions associated with this proposal.

LUDC and Manual Text Amendments

The structure of the following section shows the LUDC or Manual section that is being amended. Proposed language changes are shown in red font. Some current code sections are not being changed but are included because they help explain the need for the proposed amendments.

LUDC Sec. 5-4-1-2A2, *Administration*,

“Notwithstanding any other provisions of this Article, the City Council has the discretion to approve special compliance provisions for development projects with regard to unique circumstances that were not contemplated in this Article or the Administrative Procedures Manual, so long as such special provisions are reasonable and based upon the intent of this Article.”

This language was not intended to allow Council to approve significantly different or novel approaches that were not contemplated in the original drafting of Fair Share. Staff is providing the new code language below for Council to approve, allowing new methods such as the proposed use of partnerships and incentivization for housing creation.

LUDC Section 5-4-2-1, *Simplified Compliance for Certain Developments*,

“Developments in which all of the dwelling units meet the definition of affordable housing or attainable housing will be subject to simplified compliance requirements. The Administrative Procedures Manual shall provide the detailed criteria and procedures for such simplified compliance.”

Staff believes that when all housing in a project is affordable to households making 125% AMI or less it should expand simplified compliance so that it applies to projects which have up to 100% AMI, as averaged for the entire project.

Administrative Manual Section 5.4, *Simplified Compliance*

5.4. Simplified compliance: Developments will be subject to simplified Fair Share Agreements and compliance requirements if all of the following criteria apply:

5.4.1. One hundred percent of the dwelling units will be affordable upon initial sales or leases to households with incomes 80% **to 125%** of the area median income, as calculated using the criteria and methods described herein.

5.4.2. The primary funding is from federal or charitable grants, or capital investments induced by federal guarantees, **federal or state funding programs**, mortgage insurance or tax benefits. (Acceptable examples are Habitat for Humanity, Dept. of Agriculture and HUD housing programs, and rental projects using Low Income Housing Tax Credits).

LUDC Sec. 5-4-2-2, *Alternative Compliance*,

This section only mentions contributions of cash, undeveloped land, or partially developed land as alternatives to building below-market units. This section should be amended to include the option for partnerships and more diverse funding sources.

Generally. It is recognized that in some circumstances, a developer otherwise required to provide Fair Share Homes on-site within a development may be able to offer an alternative means of compliance of equal value to the City. Such alternatives, if approved by the City, might include **a public-private partnership between the developer and the City of Durango or other government or nonprofit entity**, contributions of cash, undeveloped land, or partially developed land.

Allowable Alternative Means of Compliance. Only certain alternative means of compliance will be allowed by the City, as approved by the City Council from time to time, in consideration of then current housing market conditions, and as described in the Administrative Procedures Manual.

Manual Sec. 5.2.4, for Alternate Means of Compliance

Alternate means of compliance with this Article such as contributions of cash, real estate or in-kind resources for the construction of affordable or attainable housing pursuant to Fair Share. **Alternate means of compliance may also include a partnership with the City of Durango or other government or nonprofit entity.** It is the intent of this Article that the city may permit alternatives to the provision of Fair Share Homes within a development, including but not limited to the payment of fees-in-lieu, which Alternative Means of Compliance, if permitted, will be described in the Administrative Procedures Manual. Such alternatives may be amended from time to time and must have a rational basis for achieving similar public benefits to the provision of Fair Share Homes in a development.

LUDC Sec. 5-4-4-3, Restrictions on Use of Third-Party Subsidies by For-Profit Builders,

This code language prohibits a for-profit developer from using developer incentives to create affordable housing.

The required sale price of a Fair Share Home by a for-profit developer may not be achieved by use of subsidies from any source other than the developer, **unless approved by City Council as based upon the relevant criteria listed in Sec. 5-4-4-3(a).** However, the City encourages the use of such subsidies to reduce prices of Fair Share Homes from the maximum amounts allowed by this Article to a lower price, or to fund or partially fund down payments and closing costs of Fair Share Homebuyers. ~~It is expected that Local nonprofit and government mortgage assistance programs will offer such subsidies on some Fair Share Homes. Nonprofit builders and developers may use subsidies to achieve the required Fair Share Home Prices.~~

5-4-4-3(a). Criteria for For-Profit Builders to Receive Housing Subsidies. Each application for housing funds shall be scored by the following criteria:

- 1. Price of housing;**
- 2. Number of Fair Share units to be built;**
- 3. Financial transparency, including sharing of developer pro forma, expected profit margin and willingness to submit to an audit of the use of project funding if requested by the City;**
- 4. Readiness to construct the units; and**
- 5. Willingness of the builder to partner with nonprofit builders, if applicable; and**
- 6. Availability of City resources and funding from other sources such as state and federal funding programs and private funding such as foundation funding is a factor in determining amounts and numbers of subsidies.**

LUDC Sec. 5-4-4-7, Cost Offsets for Fair Share Developers,

This limits what incentives the City can provide affordable housing developers. The new code language will provide another tool for the City to create below-market housing.

Fee Refunds and Waivers. Developers of Fair Share Homes ~~are entitled~~ **may be eligible for a refund incentive funding for a proportionate amount attributed to the Fair Share homes** of certain development fees and paid to the City, as follows:

1. Such refunds will be made only for fees paid in connection with the construction of a Fair Share Home in ~~Price Tiers 1 or 2, with such refund payable only after a sale to a qualified buyer has been certified by RHA.~~
2. The fees paid or allocable on a per-dwelling-unit basis that ~~could be eligible~~ qualify for such refunds are as follows:
 - a. Building permit fees;
 - b. Use tax;
 - c. Land use application fees (see Subsection B.5., below)
 - d. Water plant investment fees;
 - e. Sewer plant investment fees;
 - f. Water tap fees;
 - g. School fees;
 - h. Park fees.
3. Based on market conditions and available funding other City subsidies could apply, as determined on a case-by-case basis.
4. With regard to sewer plant investment fees, the City will, via a refund, subsidize a portion of the fee paid for connection to the South Durango Sewer District (SDSD) lines. Such portion shall be equal to the sewer plant investment fee that would have been applicable to a similar connection within the City at the time the fee was paid to the SDSD.
5. Notwithstanding the foregoing, the total amount of fees refunded for constructions and sale of a Fair Share Home shall not exceed the price discount for that home, as defined in Section 5-4-5-6, Resale Controls and Subsidy Recapture. This provision, combined with the recapture provisions described in Section 5-4-5-6, Resale Controls and Subsidy Recapture, has the effect of ensuring that there is a mechanism for fully recovering the cost of fee refunds and waivers.
6. Land use application fees will be refunded for projects that are entirely residential and in which all of the residential units have price and income restrictions equivalent to or lower than those for Fair Share Homes. At the City's sole discretion, such fees may be waived in advance rather than refunded.

Upcoming Community Development Code Amendments - Attachment #4

IHOP Grant Amount: \$120,000

Effective Date: 1/18/23

Expiration Date: 3/31/24

Resolution: 23-0010

Root Policy Cost Estimate and Timeline

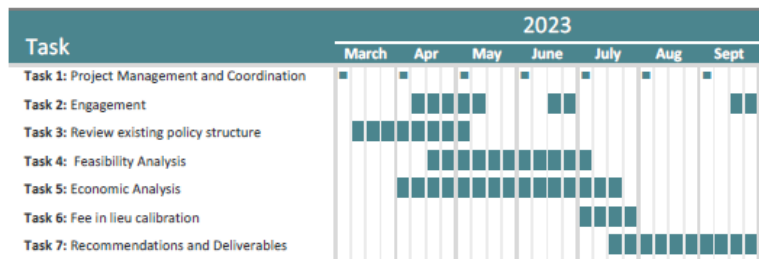
PROFESSIONAL TIME & ESTIMATED COST

Root Policy Research could complete the scope of work described in the proposal in about 500 hours for a not-to-exceed cost of \$85,410. The fee schedule is shown below by task and staff position and reflects an all-inclusive cost (professional time and direct costs).

Task	Directors (\$200/hr)	Associate (\$150/hr)	Research Associate (\$135/hr)	Total Hours	Total Fees
Task 1: Project Management and Coordination	12	8	0	20	\$3,600
Task 2: Engagement	18	24	16	58	\$9,360
Task 3: Review existing policy structure and outcomes	14	26	0	40	\$6,700
Task 4: Feasibility Analysis	35	41	28	104	\$16,930
Task 5: Economic Analysis	48	52	26	126	\$20,910
Task 6: Fee in lieu calibration	12	18	4	34	\$5,640
Task 7: Recommendations and Deliverables	36	46	42	124	\$19,770
Direct Costs (data purchase for economic analysis)					\$2,500
Total Cost				506	\$85,410

TIMELINE

Root proposes the following timeline for the proposed research tasks; this timeline can be adjusted to suit the city's needs.



Work completed as of 7/31/23

Project Management: 100%

Community Engagement: \$5,687.50 of \$9,360 budgeted; 61%

Researching affordable housing strategies and code audit research: \$5,487.50 of \$6,700 budgeted; 82%

Economic analysis of housing market: \$5,687.50 of \$37,840 budgeted; 15%

Fee calibration for housing development review: \$0 of \$5,640 budgeted; 0%

Recommendations on inclusionary housing policies: \$0 of \$19,770 budgeted; 0%

Direct cost: \$408.05 of \$2,500 budgeted; 16%

Total % of Project Completed: 24%

Summary of Progress

An update on key tasks and deliverables include:

- For the **engineering/planning** meeting, Root would like to discuss potential development incentives that could be offered to developers who build the fair share units rather than pay the fee in lieu. The goal is to know what the developers are willing to put “on the table” so to speak. Attached is a table from Littleton’s inclusionary which outlines the incentives they offer—this may help frame the types of potential incentives the city would like to discuss as an option.
- **Engagement:** Root has completed the stakeholder engagement and will include a summary of the feedback in their recommendations deliverable.
- **Feasibility:** this task is complete and summarized in the socioeconomic context document along with the inclusionary summary table sent this spring.
- **Economic Analysis:** This task is in progress, and Root will complete it after they meet with engineer/planning about incentive options.
- **Fee in Lieu:** Root has an initial draft of the fee in lieu analysis, though this could shift as Root and the City discuss overall policy recommendations. Based on the development cost method, the City could consider a fee in lieu fee up to \$434,307 per affordable unit required on for-sale developments and \$398,809 per affordable unit required on rental developments. And Root anticipates the City utilizing the Affordability gap calculation on both the for-sale and rental units (should the City adopt a rental to the fair share program). The difference in price between market-rate units and affordable units; for rental this method reflects the difference in the Capitalized value of market-rate units and affordable units.

Component	Cost
Finished Lot Cost	\$108,000
Construction Cost	\$282,011
Financing	\$8,766
Overhead and General Expenses	\$23,711
Marketing Cost	\$3,069
Sales Commission	\$8,751
Total Development Cost	\$434,307

For-Sale Calculation

	Market-Rate Sale Price	Affordable Price at 100% AMI	Affordability Gap
1 Bedroom	\$342,100	\$245,055	\$97,045
2 Bedroom	\$445,000	\$274,486	\$170,514
3 Bedroom	\$664,485	\$330,778	\$333,707
4 Bedroom	\$715,000	\$395,905	\$319,095

Rental Calculation

	Monthly Rent		Capitalized Value		Affordability Gap
	Market	60% AMI	Market	60% AMI	
1 Bedroom	\$2,064	\$1,170	\$375,283	\$142,174	\$233,109
2 Bedroom	\$2,524	\$1,404	\$495,377	\$203,217	\$292,160
3+ Bedroom	\$3,087	\$1,621	\$642,263	\$259,826	\$382,437

- **Recommendations:** Root is working on this now and anticipates having a draft to the City for review by the end of August. If Root hasn’t met with engineering/planning by that point, they can include placeholders for that portion. Once Root has a draft, a meeting will be scheduled to talk through and refine the recommendations, then finalize the report. Root still anticipates having the refined recommendations and deliverables complete by the end of September.

Additional Funding Opportunities

Prop 123 Opt-In on 7/3/23 with a 9% commitment over a three-year period is 184 units. As of 8/22/23 DOLA has not provided guidance on next steps and the Housing Innovation Division will be contacting Connor Everson for an update.



AGENDA DOCUMENTATION

Meeting Date: September 5, 2023

**TO: DURANGO CITY COUNCIL FROM: DEVON SCHMIDT, CHIEF
FINANCIAL OFFICER**

**SUBJECT FINANCIAL ADVISORY BOARD RECOMMENDATION 2005,
2015, 2019 DEDICATED SALES TAX AND WATER AND SEWER
CONSTRUCTION FUND 2024 CAPITAL PROJECTS**

BACKGROUND SUMMARY:

The Financial Advisory Board agreed with staff proposals at the meeting of the Financial Advisory Board (FAB) on August 10, 2023, the following Board Members were in attendance: Chair Anthony Savastano (Virtual), Vice Chair Jasper Welch, John Ballew, Doug Lyon, Jessica Wheeler, Tom Barney, Emma Millar, and Roger Zalneraitis.

Included in the packet is the Financial Advisory Board Recommendation as well as the proposals reviewed by the Board.

STRATEGIC PLAN ALIGNMENT:

Financial Excellence and High Performing Government

ALTERNATIVE OPTIONS CONSIDERED:

N/A

FISCAL IMPACT:

Fiscal impact will be carried in the 2024 Budget.

POTENTIAL ADVERSE IMPACTS:

N/A

NEXT STEPS AND TIMELINE:

October 10th council budget retreat.



Financial Advisory Board

MEMORANDUM

TO: Durango City Council

CC: José Madrigal, City Manager

FROM: Anthony Savastano, Chair
Financial Advisory Board

DATE: August 10, 2023

RE: Recommendation 2005, 2015, 2019 Dedicated Sales Tax and Water and Sewer Construction fund 2024 Capital Projects.

At the meeting of the Financial Advisory Board (FAB) on August 10, 2023, the following Board Members were in attendance: Chair Anthony Savastano (Virtual), Vice Chair Jasper Welch, John Ballew, Doug Lyon, Jessica Wheeler, Tom Barney, Emma Millar, and Roger Zalneraitis.

During Public Comment a petition, organized by citizen Sweetie Marbury, was given to FAB expressing concern about the Next Steps project and disruption of businesses downtown.

Discussion at the FAB meeting on Thursday, August 10, 2023, included various and sometimes pressing topics, inclusive of: 1) an urgent request for an additional re-appropriation in the 2023 budget of the 2015 Half Cent Sales and Use Tax; 2) 2024 capital budget for 2005 Parks Opens Space and Trails ("POST") Quarter Cent Sales and Use Tax; 3) 2024 capital budget for the 2015 Half Cent Sales and Use Tax; 4) 2024 capital budget for the 2019 Streets Improvement Fund; 5) 2024 capital budget for the Sewer Construction Fund; and 6) 2024 capital budget for the Water Construction Fund.

Discussion at the FAB meeting on Thursday, August 10, 2023 on an additional re-appropriation in the 2023 budget of the 2015 Half Cent Sales and Use Tax occurred resulting in a recommendation from FAB to Council. Discussion was held regarding staff's request for a re-appropriation of the 2023 budget for the 2015 Half Cent Sales and Use Tax tax due to the need for an emergency replacement of the Chapman Hill Ice Rink Flooring. The 2015 Half Cent Sales Tax serves as a dedicated fund for the cost of construction, operations or maintenance of recreation facilities, parks, trails, pedestrian and bicycle improvements ("Multimodal"), maintenance facilities used by the Parks and Recreation Department, and the urban forest, and historically serves as a source of funding for Parks and Recreation and Multimodal capital projects. FAB discussed and considered the financial impact to the fund, which will have an added expense to the fund in 2023 but will not exclude any other already planned projects. FAB also discussed and considered alternatives to full replacement. FAB was advised by staff that, according to a contractor recommendation, a full replacement is necessary to correct the issue with the flooring. Lastly, FAB also discussed and considered a legal and/or warranty claim related to the defective flooring install and were advised the city's legal department is examining available claims arising from the issues with the current problematic and likely defective flooring, but that such claims would take time to pursue and the flooring needed replacement immediately to prevent interruption of service and use. After discussion and consideration, FAB is recommending moving forward with the re-appropriation so

the floor can be replaced and the Ice Rink can be used this fall and winter. Attached is a copy of the written proposal for re-appropriation of the 2015 Dedicated Sales tax from staff adopted and recommended by FAB for approval by Council. The motion for recommendation passed unanimously.

Discussion at the FAB meeting on Thursday, August 10, 2023, regarding the 2024 capital budget for 2005 POST Quarter Cent Sales and Use Tax included discussion and evaluation of the Schneider Park Restrooms, the timing and increased budget related to same, and the Greenmount Cemetery Irrigation budget proposal resulting in a recommendation from FAB. The 2005 POST Quarter Cent Sales and Use Tax serves as a dedicated fund to finance the preservation, acquisition, and maintenance of natural lands including, but not limited to, land to preserve water quality in rivers and streams, wildlife habitat, land for hiking and biking, and the creation or maintenance of parks and trails. FAB members considered, among other things, a proposed increased scope of proposed restroom improvements from the previous plans and timing of when the restrooms will be installed. Instead of having a “face lift” in 2023, it is staff’s recommendation that the restrooms be replaced in 2024 after the other significant improvements to Schneider Park are completed, which includes grading, drainage work, lighting, and the installation of Pickleball courts. In addition, the board had questions on the budgeted amount for the Greenmount Cemetery Irrigation Replacement, which currently is budgeted as a rough estimate based on a cost per acre from the design firm working on the project. The board was advised that once staff has design proposals in the coming months, the budget request may be updated. Attached is a copy of the written proposal for the 2024 capital budget for the 2005 POST Quarter Cent Sales and Use Tax from staff adopted and recommended by FAB for approval by Council. The motion passed unanimously.

Discussion at the FAB meeting on Thursday, August 10, 2023, regarding the 2024 capital budget for the 2015 Half Cent Sales and Use Tax included discussion and consideration of the scope of work to be completed on the Durango Mesa Park Project in 2024, the College and 8th Ave Safety Grant Expense, the scope of work being completed on the Roosa Avenue Connect Design + Construction, the scope of work being paid for with the budget allocations of the Midtown Safety and Connectivity project, and Downtown Next Step Design resulting in a recommendation from FAB to Council. The 2015 Half Cent Sales Tax serves as a dedicated fund for the cost of construction, operations or maintenance of recreation facilities, parks, trails, pedestrian, and bicycle improvements (“Multimodal”), maintenance facilities used by the Parks and Recreation Department, and the urban forest, and historically serves as a source of funding for Parks and Recreation and Multimodal capital projects. It was noted by member Lyon that the expenses budgeted for the Midtown safety project are for contract expenses that are currently in progress and will need to be paid, the contract work includes more than just the intersection of 15th st, Florida Road, and 3rd street, and there is not any physical construction being budgeted for in 2024. Several members noted that Downtown Next Steps needs more public input, and staff commented on the input that has happened already, and the intended input in the future. Board members also noted that the current budget is for design work with the intention of more public input once the design work is completed. It was also noted by member Zalneraitis, that the financial analysis table in the written proposal presented by staff was outdated, and members referred to the financial analysis table from the Chapman Hill floor replacement proposal which was current for their decision. Attached is a copy of the written proposal for the 2024 capital budget for the 2015 Dedicated Sales tax from staff with an amendment to correct the financial analysis table adopted and recommended by FAB for approval by Council. The motion passed unanimously.

Discussion at the Financial Advisory Board meeting on Thursday, August 10, 2023, regarding the 2024 capital budget for the 2019 Streets Improvement Fund included review of the CR250/251 project in the 2023 reappropriation resulting in a recommendation from FAB to Council. The 2015 Half Cent Sales Tax serves as a dedicated fund for the cost of funding the construction, operation

and maintenance of streets, alleys, curbs, gutters, sidewalks, and related street improvements. Attached is a copy of the written proposal for the 2024 capital budget for the 2019 Streets Improvement Fund from staff adopted and recommended by FAB for approval by Council. The motion passed unanimously.

Discussion at the Financial Advisory Board meeting on Thursday, August 10, 2023, regarding the 2024 capital budget for the Sewer Construction Fund included discussions and questions regarding Santa Rita Road resulting in a recommendation from FAB to Council. FAB requested clarity on why Santa Rita Road was included in the sewer fund. Staff responded to the inquiry stating that it is due to its inclusion in the original Santa Rita Water Reclamation Facility construction plan. Attached is a copy of the written proposal for the 2024 capital budget for the Sewer Construction Fund from staff adopted and recommended by FAB for approval by Council. The motion passed unanimously.

Discussion at the Financial Advisory Board meeting on Thursday, August 10, 2023, regarding the 2024 capital budget for the Water Construction Fund resulting in a recommendation from FAB to Council. Consideration for the line item with Next Steps construction was discussed, that line item will only be spent if Next Steps is approved to continue in 2024 after the previously discussed future public input. Attached is a copy of the written proposal for the 2024 capital budget for the Water Construction Fund from staff adopted and recommended by FAB for approval by Council. The motion passed unanimously.



Proposed City of Durango Project for Review & Recommendations

Review Item: Chapman Hill Flooring - 2023 Amendment

FAB Voting:			
Board Member	Recommend	Oppose	Abstain
Anthony Savastano (Chair)	✓		
Jasper Welch (Vice Chair)	✓		
Doug Lyon	✓		
Roger Zalneraitis	✓		
John Ballew	✓		
Tom Barney	✓		
Emily Millar	✓		
Jessica Wheeler	✓		

Overview / Background Information

Chapman Hill Flooring is concrete with a softer rubberized flooring placed on top to allow people to walk on it with skates. In 2020, when the initial flooring was replaced the glue failed or was installed incorrectly. The flooring is bubbling and unsafe. The claim is with the City legal department for damages.

Ballot Language: Funds to be used for “the costs of the construction, operations or maintenance of recreations facilities, parks, trails, pedestrian and bicycle improvements, maintenance facilities used by the Parks and Recreation department, and the Urban Forest; with all expenditures based on the recommendations of a citizens advisory board to the city council...”

Purpose

Staff is recommending a re-appropriation in 2023 to the 2015 dedicated sales tax for POST to make an emergency fix of the flooring so that it is usable when the rink opens for the ice season.



Financial Analysis

Description		2023	2024
Revenues			
	Taxes and Fees	5,959,356	5,148,523
	Multi-Modal Grant Funding	4,310,521	4,948,644
	Multi-Modal Potential Funding		
	FLAP Grant		
Total Revenues		10,269,877	10,097,167
Expenditures			
Recreation Projects			
167	Recreation Facility Improvements		560,000
233	Community Forestry Plan	50,000	50,000
251	Durango Mesa Park		4,304,008
228	Lake Nighthorse Improvements		1,211,116
269	Community Forestry Plan Update	135,000	
270	Community Garden at Riverview	25,000	
273	Plaza Area at Powerhouse	25,000	
267	Chapman Ski Hill	3,130,000	
271	Lake Nighthorse FLAP		130,000
272	ART, Santa Rita Park to Albertsons Trail		1,500,000
257	ART Rank Park to Demon Bridge		637,938
14	ART, Demon Bridge to 29th St. Trail		2,400,000
266	ART, Santa Rita Park to CR 210 Trail	655,000	500,000
	Chapman Hill Floor Replacement	250,000	
		4,020,000	11,293,060
Multi-Modal Projects			
223	Downtown across Camino del Rio to ART	61,150	221,080
224	College and 8th Safety Project		1,126,123
224	College and 8th Safety Grant Expense		1,154,877
249	MidTown Safety and Connectivity Project	120,126	70,000
255	32nd St. Traffic Calming and Connectivity Design	23,491	64,971
256	ADA Transition Plan Design and Construction - Phase 1	141,724	383,276
256	ADA Transition Plan Grant Expense (Phase 1)	2,000,000	
256	ADA Transition Plan Design and Construction - Phase 2	500,000	
256	ADA Transition Plan Design and Construction - Phase 2 Grant Expense		2,500,000
262	Downtown's Next Step Design Phase 1	491,581	50,000
New	WestPark Ave / Fassbinder		300,000
276	Roosa Avenue Connect Design + Construction	50,576	1,250,780
276	Roosa Avenue Connect Design + Construction Grant Expense		948,644
274	Junction Street Complete Street Design	100,000	300,000
274	Junction Street Complete Street Construction		
		3,488,648	8,369,751
Interfund Transfer		554,214	
	Multimodal Maintenance Fund Transfer to Public Works		200,000
	Lake Nighthorse Subsidy		200,000
	Recreation Center Subsidy		350,000
Total Expenditures		8,062,862	20,412,811
Change in Fund Balance		2,207,015	-10,315,644
Beginning Fund Balance		8,251,425	10,458,440
Ending Fund Balance		10,458,440	142,796
POSTR		4,020,000	11,293,060
MM		3,488,648	8,369,751

- With the added, unexpected expenditure in 2023 the fund balance stays positive in both 2023 and 2024.



Impact Analysis

- The flooring is currently unusable for skates to walk across.
- Parks and Rec has contractors in place to do an emergency fix so that the rink can be usable again by its scheduled opening date.
- The issue is being evaluated by the City's legal department to seek damages either from the original contractor who installed or the glue company.

Strategic Plan & Goal Alignment Analysis:

- Parks and Recreation Supports the Enhanced livability and sense of place strategic plan initiative.

Strengths / Weaknesses / Mitigating factors

Strengths:

- + 2015 Fund balance has enough in reserve to cover the emergency expense and retain a positive fund balance.
- + Parks and Recreation Staff have contractors lined up to complete the work before the ice rink is scheduled to open this fall/winter.



FAB Comments and Amendments for Recommendation:

Line-Item Amendments:

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General Comments:

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Proposed City of Durango Project for Review & Recommendations

Review Item: Projects and Budget for 2005 Dedicated Sales Tax – 2024 Capital Projects

FAB Voting:			
Board Member	Recommend	Oppose	Abstain
Anthony Savastano (Chair)	✓		
Jasper Welch (Vice Chair)	✓		
Doug Lyon	✓		
Roger Zalneraitis	✓		
John Ballew	✓		
Tom Barney	✓		
Emma Millar	✓		
Jessica Wheeler	✓		

Overview / Background Information

As part of the annual budget process, staff make recommendations for capital improvement projects midway through the current year. These projects are budgeted to commence the following year. The city does not approve funding for multi-year projects. All projects require annual funding approval.

This proposal is for the 2005 Dedicated Sales Tax for Parks, Open Space and Trails. This year, there are projects with timing consideration that are being adjusted between the 2nd half of 2023 and 2024.

Ballot Language: Funds to be used for “fifty percent used to finance the preservation, acquisition, and maintenance of natural lands, including but not limited to land to preserve water quality in rivers and streams, wildlife habitat, land for hiking and biking, and the creation and maintenance of parks and trails and fifty percent used to finance capital improvements including, but not limited, a new library, road, sidewalk and associated improvements to enhance driver pedestrian and bicycle safety...”

Purpose

Staff is proposing a budget amendment to the 2005 Parks and Open Space and Trails ¼ Cent Dedicated Sales Tax.



Finance Analysis

Description		2023	2024
Revenues			
	Taxes and Fees	2,680,262	2,469,252
	Grant Funding	193,236	-
	CTF (25-1000-63449 + 25-1000-66119)	625,000	-
	Total Revenues	3,498,498	2,469,252
Expenditures			
12	Natural Lands Preservation/Open Space Acquisition	-	1,495,000
133	Open Space Maintenance/Fire Mitigation	-	243,436
171	Park, Trail & Rec Improvements	-	615,497
237	Durango Trails	40,000	40,000
146	SMART 160 Trail	-	3,223,267
	Open Space Inventory and Needs Assessment	100,000	
253	Outdoor Pickleball Courts	1,900,000	
13	Schneider Park Restrooms		525,000
	Buckley Park Restrooms		
294	Greenmount Cemetery Irrigation		2,000,000
	29th St. River Access	-	-
	33rd St. River Access	-	-
POST MTC	Mason Center		
POST New	Neighborhood Park at Three Springs - pickleball / dog park		
	Santa Rita Park River Access		
POST Maintenance			
DMP Development / Other Projects			
Other			
	Interfund Transfers		
	POST Maintenance Transfer	370,102	-
	Total Expenditures	2,410,102	8,142,200
	Change in Fund Balance	1,088,396	-5,672,948
	Beginning Fund Balance	5,076,393	6,164,789
	Ending Fund Balance	6,164,789	491,841

- The fund will have a growing balance in 2023 anticipating many large expense projects in 2024. The fund will maintain a positive balance in both 2023 and projected 2024.



Impact Analysis

- Bids for the Pickleball Courts and Schneider Park improvements came in higher than expected at \$1,900,000. The extra expense is being mitigated by moving the funding timeline forward to prevent any further cost increases.
 - Most of the cost increases are due to grading, drainage, general park improvements to Schneider Park, and installation of lighting adjacent to the Animas River Trail along with the installation of the Pickleball courts.
- The SMART 160 Trail project is being delayed with easement discussions for portion of trail across private property and are being moved to 2024 based on the easement negotiation and consideration for balancing the fund and retaining a positive fund balance.

Strategic Plan & Goal Alignment Analysis:

- Parks support the Enhanced Livability and Sense of Place Strategic Plan goal.
 - By making these amendments we will be able to better distribute funds in accordance with timing needs of the different projects.
- Durango has sought dedicated pickleball courts for several years with several locations considered. We now have a contractor on schedule to get them installed.
- Schneider Park Restrooms will be installed after the general improvements made with the implementation of the Pickleball courts.
- SMART 160 has been delayed due to easement negotiations with a private landowner and construction of a road on private land.
- Land Acquisition is ongoing, but contract negotiations are not likely to need funding until 2024.

Strengths / Weaknesses / Mitigating factors

- + We will maintain a growing fund balance in preparation for large projects in 2024.
- + Pickleball courts will begin construction in 2023.
- + Schneider Park will have general improvements made and addition of Animas River Trail lighting through Schneider Park.
- + We will work within timing constraints of 3rd parties to the City of Durango.



FAB Comments and Recommendations for Approval:

Line-Item Amendments:

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General Comments:

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Proposed City of Durango Project for Review & Recommendations

Review Item: Projects and Budget for 2015 Dedicated Sales Tax – 2024 Capital Projects

FAB Voting:			
Board Member	Recommend	Oppose	Abstain
Anthony Savastano (Chair)	✓		
Jasper Welch (Vice Chair)	✓		
Doug Lyon	✓		
Roger Zalneraitis	✓		
John Ballew	✓		
Tom Barney	✓		
Emily Millar	✓		
Jessica Wheeler	✓		

Overview / Background Information

As part of the annual budget process, staff make recommendations for capital improvement projects midway through the current year. These projects are budgeted to commence the following year. The city does not approve funding for multi-year projects. All projects require annual funding approval.

This proposal is for the 2015 Dedicated Sales Tax for Multimodal and Parks and Recreation projects. This year, there are projects with timing consideration that are being adjusted between the second half of 2023 and 2024.

Ballot Language: Funds to be used for “the costs of the construction, operations or maintenance of recreations facilities, parks, trails, pedestrian and bicycle improvements, maintenance facilities used by the Parks and Recreation department, and the Urban Forest; with all expenditures based on the recommendations of a citizens advisory board to the city council...”

Purpose

Staff is proposing a budget for 2024 Capital Improvement Projects for the 2015 Half Cent Sales Tax Fund.



Financial Analysis

Description		2023	2024
Revenues			
Taxes and Fees		5,959,356	5,148,523
Multi-Modal Grant Funding		4,310,521	4,948,644
Multi-Modal Potential Funding			
FLAP Grant			
Total Revenues		10,269,877	10,097,167
Expenditures			
Recreation Projects			
167 Recreation Facility Improvements			560,000
233 Community Forestry Plan		50,000	50,000
251 Durango Mesa Park			4,304,006
228 Lake Nighthorse Improvements			1,211,116
269 Community Forestry Plan Update		135,000	
270 Community Garden at Riverview		25,000	
273 Plaza Area at Powerhouse		25,000	
267 Chapman Ski Hill		3,130,000	
271 Lake Nighthorse FLAP			130,000
272 ART, Santa Rita Park to Albertsons Trail			1,500,000
257 ART Rank Park to Demon Bridge			637,938
14 ART, Demon Bridge to 29th St. Trail			2,400,000
266 ART, Santa Rita Park to CR 210 Trail		655,000	500,000
Chapman Hill Floor Replacement		250,000	
		4,020,000	11,293,060
Multi-Modal Projects			
223 Downtown across Camino del Rio to ART		61,150	221,080
224 College and 8th Safety Project			1,126,123
224 College and 8th Safety Grant Expense			1,154,877
249 MidTown Safety and Connectivity Project		120,126	70,000
255 32nd St. Traffic Calming and Connectivity Design		23,491	64,971
256 ADA Transition Plan Design and Construction - Phase 1		141,724	383,276
256 ADA Transition Plan Grant Expense (Phase 1)		2,000,000	
256 ADA Transition Plan Design and Construction - Phase 2		500,000	
256 ADA Transition Plan Design and Construction - Phase 2 Grant Expense			2,500,000
262 Downtown's Next Step Design Phase 1		491,581	50,000
New WestPark Ave / Fassbinder			300,000
276 Roosa Avenue Connect Design + Construction		50,576	1,250,780
276 Roosa Avenue Connect Design + Construction Grant Expense			948,644
274 Junction Street Complete Street Design		100,000	300,000
274 Junction Street Complete Street Construction			
		3,488,648	8,369,751
Interfund Transfer			
Multimodal Maintenance Fund Transfer to Public Works		554,214	200,000
Lake Nighthorse Subsidy			200,000
Recreation Center Subsidy			350,000
Total Expenditures		8,062,862	20,412,811
Change in Fund Balance		2,207,015	-10,315,644
Beginning Fund Balance		8,251,425	10,458,440
Ending Fund Balance		10,458,440	142,796
POSTR		4,020,000	11,293,060
MM		3,488,648	8,369,751

- The fund will have a growing balance in 2023 anticipating many large expense projects in 2024. The fund will maintain a positive balance in both 2023 and projected 2024.



Impact Analysis

- The Durango Mesa Park Demonstration Trails are currently being constructed and the Bike Park is in design phase, with construction scheduled for 2024. Design work for infrastructure is currently in progress and will continue into 2024.
- The replacement of the Chapman Ski Hill little tow rope, the big tow rope, and the lighting are being combined into one project for better ordering and cost efficiencies.
- The road improvements at Lake Nighthorse are being managed by the Federal Lands Highway Division. Design and engineering are in progress, with project bidding scheduled for 2025, and construction likely in 2026. The Lake Nighthorse Entry and Decontamination station is currently out to bid with construction anticipated to start this fall and completion in spring of 2024.
- The replacement of three existing sections of Animas River Trail is currently being designed with plan to bid for construction over the next couple of years.
- The College & 8th Safety Project did not receive construction bid responses in 2023. Staff is requesting that the funds be re-appropriated to 2024 so the request for proposals can be modified and re-bid for a summer 2024 construction.
- Phase 1 and Phase 2 of the ADA Transition Plan Design and Construction were combined into one project based on additional grant revenue that was awarded in 2023. The project will include full design and construction and will continue into 2024.
- Design of the Camino Crossing Project was paused for negotiations between the City and DFPD concerning future site implications of the River City Hall campus. Now that there has been resolution, design will resume, and funds are requested to be re-appropriated into 2024.
- The MidTown Safety and Connectivity Project is currently under design. Due to the complexity of the project and the necessary public engagement, design will continue into 2024.
- 32nd Street Traffic Calming Project has reached 95% design. The remaining funds are requested to be re-appropriated to 2024 to fund the bid package for construction.
- The Downtown's Next Step Project Phase 1 design is anticipated to continue into 2024. It is included in the midyear adjustment request to fund the up-front site analysis costs of the entire corridor. The entire design cost of all 3 phases is not anticipated to be impacted.



Strategic Plan & Goal Alignment Analysis:

- Parks department supports the Enhanced Livability and Sense of Place Strategic Plan goal.
- Transportation Department projects support the Effective Infrastructure Network Strategic Plan goal.

Strengths / Weaknesses / Mitigating factors

- + We are conglomerating several projects to realize cost efficiencies.
- + The three Animas River Trail improvement projects, which include replacement of two pedestrian bridges are being designed/engineered at one time to improve efficiencies, with plan to bid for construction as individual plans are completed and funds are available.
- + Many of the projects will impact safety and accessibility for Durango residents.
- + The fund balance remains positive based on conservative revenue projections.



FAB Comments and Recommendations for Approval:

Line-Item Amendments:

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General Comments:

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Proposed City of Durango Project for Review & Recommendations

Review Item: Projects and Budget for 2019 Dedicated Sales Tax – 2024 CIP Projects

FAB Voting:			
Board Member	Recommend	Oppose	Abstain
Anthony Savastano (Chair)	✓		
Jasper Welch (Vice Chair)	✓		
Doug Lyon	✓		
Roger Zalneraitis	✓		
John Ballew	✓		
Tom Barney	✓		
Emily Millar	✓		
Jessica Wheeler	✓		

Overview / Background Information

As part of the annual budget process, staff make recommendations for capital improvement projects midway through the current year. These projects are budgeted to commence the following year. The city does not approve funding for multi-year projects. All projects require annual funding approval.

This proposal is for the 2019 One Half Cent Sales Tax for Streets Capital Improvement Projects. This year, there are projects with timing considerations that are being adjusted between the second half of 2023, when contracts will be awarded, and 2024, when project construction commences.

This proposal is for projects funded by the 2019 Sales Tax that are managed through design by Engineering Staff and CIP Division during construction.

Ballot Language: Funds to be used for “funding the construction, operation and maintenance of streets, alleys, curbs, gutters, sidewalks, and related street improvements. Proposes expenditures of funds shall first be submitted to a citizen advisory board for a recommendation to city council.”

Purpose

Staff is proposing a budget for 2024 Capital Improvement Projects for the 2019 Streets One-Half Cent Sales Tax and are requesting a recommendation of such to City Council by the Financial Advisory Board.



Financial Analysis

Description		2023	2024
Revenues			
	Taxes and Fees	5,959,356	5,148,523
	County Contribution (Fund 42)	4,400,000	
	Total Revenues	10,359,356	5,148,523
Expenditures			
Planned Streets Projects			
260	CR250/251 Construction (50% of '23 and '24 budget will be refunded by County in Fund 42)(Construction 2023-2024)	9,309,152	
334	Durango Mesa 3 Spring Access Road Design HDR Task 2 Construction (assume 50% funding by Parks n Rec, 50% funding by Streets)		80,000
		477,250	1,500,000
314	Reconstruct Red Mountain (W 2nd to W 28th)	200,000	
313	Reconstruct Junction St (End to End) Note: On Hold	372,600	
316	Reconstruct 1st St. (4th Ave to 650 blk)	2,878,430	
307	North College Redesign and Reconstruct (Construction 2023-2024)		460,000
318	8th Ave/College St - Pavement only after MM project - Delayed		600,000
333	Reconstruct 3rd Avenue	80,000	400,000
339	Downtown's Next Step AC Pavement install at 2 blocks		
Streets: Pavement Preservation		110,000	
319	Assess /Test Master Plan Street Assets (PCI) Every 5 year	264,500	200,000
304	Alleys Grade and Pave (no drainage structures)	739,450	
308	OCFC Overlay at 5 locations		500,000
337	2024 ANNUAL OCFC OVERLAY ~\$500k/yr	283,000	
309	Seal Coat HA-5 - Various locations		300,000
328	2024 ANNUAL HA-5 SEAL COAT - Various locations	483,850	
310	Mill and replace at Escalante, Girard and Columbine (Girard, Columbine)		200,000
336	2024 Asphalt Mill and Replace	110,000	
320	Purchase Asphalt Recycler	120,000	
321	Roosa Ave Emergency Repair 4' Culvert	50,000	
322	Crack Seal		50,000
329	2024 ANNUAL CRACK SEAL at Various location	70,000	
323	Joint project with RR at 7th St crossing (Added project since budget)	60,000	
325	CDOT Paving at 14th St Eat Camino	30,000	
326	Chip Seal at 14th St W		
Future	Railbed Rehab and Crossing Lights at College and Narrow Gauge		
Sidewalks		414,000	
303	2023 ADA Ramps		200,000
330	2024 ANNUAL ADA RAMPS - Various Locations	100,000	
305	50-50 Split residential replacement		50,000
335	2024 SPLIT PYMT SIDEWALK REPAIRS		
Bridges			50,000
338	2024 Bridge repairs and upgrades		
Stormwater Conveyance Projects			
	Forest Ave and El Paso (CC1)/Add Roosa and Avendia del Sol		10,000
120	Underdrain (New)		300,000
331	2024 Alley Drainage Structure		10,000
340	Camino del Rio 13th St Crossing (Est 2 year construction)		25,000
	Design		
	Construction	16,152,232	4,935,000
Total Expenditures			
	Change in Fund Balance	-5,792,876	213,523
	Beginning Fund Balance	5,800,821	7,945
	Ending Fund Balance	7,945	221,468



- The fund will have large expenditures and encumbrances in 2023, due to construction contracting requirements to secure early 2024 construction and will continue to see projects in 2024 but will grow the fund balance in 2024 for higher reserves.
- Several of the projects are being budgeted in 2023 but will not have full expenditures of those funds in 2024. We are encumbering the funds per contract requirements for the projects so there will be funds available as certain milestones of projects are met.

Impact Analysis

- CR 250/ 251 project is being contracted in 2023 but will have multiple years of expenditures. La Plata County is committing 50% of the construction cost to their portion of \$8.8 million, based upon actual bid costs, which is an increase over their \$3.5 million commitment in 2023 from a \$6.6 million estimated construction cost.
- Several of the projects continue to be reappropriated due to lack of bids on projects that were reliant on MultiModal project completion when some MultiModal projects did not receive bids.
- Streets/Engineering is working to create joint projects with MultiModal to attempt to appeal to more bidders by creating larger projects.
- The city is competing for contractors with nearby large CDOT projects. This is one of several factors contributing to the price increase of the projects that do receive bids.
- The North College redesign will improve traffic calming, drainage, utilities, and multimodal accessibility on the road.

Strategic Plan & Goal Alignment Analysis:

- The Streets Department supports the Effective Infrastructure Network strategic plan initiatives.

Strengths / Weaknesses / Mitigating factors

Strengths:

- + Projects will continue as funding and contractors are available.
- + We will encumber funds in 2023 to get projects under contract and scheduled for subsequent years.
- + Design phases of several projects are moving to construction phases.



+ Staff is adjusting procurement procedure and timing to better align with contractor schedules and bidding.

Weaknesses:

- Projects have had price increases from design estimates to actual bid prices.
Mitigated by encumbering funds and getting projects under contract which will slow price increases.
- In 2024, we have not had adequate design management staff to ensure that consultants meet design schedules.
Mitigated by 2024 FTE request for an FTE for "Streets Design Project Manager"

FAB Comments and Amendments for Recommendation:

Line-Item Amendments:

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General Comments:

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