

AGENDA

CITY COUNCIL WORK SESSION

May 18, 2021

4:00 PM, City Council Chambers
130 S Galena Street, Aspen



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Meeting number (access code): 142 014 8587#

I. WORK SESSION

- I.A. Compensation Philosophy Check-in and Update
- I.B. Galena Plaza Update
- I.C. Council Goals Update



MEMORANDUM

TO: Aspen City Council
FROM: Alissa Farrell, Administrative Services Director
THROUGH: Sara Ott, City Manager
MEMO DATE: May 13, 2021
MEETING DATE: May 18, 2021
RE: Compensation & Classification Study Update

REQUEST OF COUNCIL: This work session is to provide an introduction to the City's selected Compensation and Classification Consultant, Segal, and to provide Council with an update on the Compensation and Classification Study to include the Total Compensation Philosophy. Segal has extensive experience providing independent, innovative, and results-driven services to public sector entities, and will bring a best practice and customized approach to the City's Compensation and Classification programs and policies. The primary objective of the presentation is to present the Compensation and Classification project in its entirety and to garner feedback on the Total Compensation Philosophy, which is the first stage of the project.

A total compensation philosophy is a written statement about the organization's total rewards, benefits, and compensation strategies. It answers the "why" behind employee pay, rewards, benefits, etc.

Specifically, staff seeks feedback on direction for development of the Total Compensation Philosophy. The following questions will guide the discussion:

Will Council need additional information or further refinements beforehand in order to discuss options and finalize a Total Compensation Philosophy in June?

- Are there certain components that should be weighted more compared to others? For example, housing, base pay, benefits, etc.
- Are there additional City challenges that are not captured within the stakeholder and survey feedback with attracting and retaining talent?

Segal will return for a work session in June to discuss the Total Compensation Philosophy options developed by the City's Compensation and Classification Steering Committee and approved by the City Manager.

SUMMARY AND BACKGROUND: The Compensation¹ and Classification² project scope is to develop a system to ensure salary structure³, classifications, and pay are highly competitive with other comparable entities for the attraction and retention of a qualified workforce for the benefit of the community.

Segal will present information on the scope of the project, highlighting the process for the development of the Total Compensation Philosophy. The Compensation and Classification Goals are:

- To attract and retain talent to achieve the City's goals and provide exceptional service to the community.
- Finalize a transparent and innovative Total Compensation Philosophy.
- Ensure equitable pay, parity in jobs competitive pay, and consistent and fair career advancement opportunities.
- Adopt a repeatable compensation and classification methodology and provide policies for City long-term, self-sustainability.
- Ensure alignment of total compensation philosophy with City values and culture.

An Information Only Memo on the Compensation and Classification Study was provided to Council on March 8, 2021 (Exhibit A).

An Information Only Memo on the Compensation and Classification Study was provided to Council on April 2, 2021 (Exhibit B).

In addition to Segal being selected to complete the Total Compensation Philosophy study, on May 11, 2021, Segal was awarded the Compensation and Classification Study (Exhibit C).

DISCUSSION: The last comprehensive compensation study was conducted in 2014. In order to retain and recruit a talented workforce, it is critical for the City to complete a wide-ranging and all-inclusive compensation and classification study for approximately 326 full-time employees. The compensation and classification system would link internal equity⁴ with the external labor market through a study according to the following phases:

- Phase 1: Classification System: Provide a framework to fairly and effectively manage jobs; a job evaluation methodology and system, update and revise classification system, and pay equity through internal benchmarking.

¹ Compensation refers to the wages received by an employee in the form of an annual or hourly salary.

² Classification refers to the methodology of grouping jobs together in a salary structure, noting their similarities and distinct characteristics.

³ Salary structure refers to the progression of jobs expressed as pay grades (ranges with a minimum and maximum salary limit) (SHRM.org).

⁴ Internal pay equity follows fair and equitable pay practices in accordance with both state and federal employee pay legislation.

- Phase 2: Salary Market Assessment: Ensure the City is able to attract and retain qualified and talented employees through competitive pay in accordance with the City's total compensation philosophy, evaluating the external labor market.
- Phase 3: Results: Provide final results to leadership, Steering Committee and finally, Council for review, discussion and approval.

Segal's compensation and classification presentation shall provide a project overview, project goals, work plan, employee input process and aggregate results, stakeholder interview feedback, timeline, and information on the project approach. Included in the presentation will be information on the Total Compensation Philosophy process, which will provide the framework for subsequent stages of the overall compensation and classification project. The Total Compensation Philosophy approach will consider key elements of employee compensation such as employee housing, employee and stakeholder input, pay, benefits, and communication.

Thus far, Segal has collected departmental organizational charts, compensation policies and procedures, city housing guidelines, and compensation plans. Job descriptions are being updated and completed internally for Segal to review.

A city-wide employee compensation opinion survey was conducted with a response rate of 68 percent in April of 2021. Additionally, Segal completed one on one interviews with key stakeholders throughout the organization. Information will be synthesized and used as a component in building the total compensation philosophy. Following this work session, Segal will be meeting with the Compensation and Classification Steering Committee to discuss the feedback and data obtained thus far. The Steering Committee is a cross-sectional group of employees that are actively engaged in the project and will assist in the development and refinement of a Total Compensation Philosophy. Their recommendations will be reviewed by the City Manager and then brought forward to Council in June.

RECOMMENDATION: To obtain Council's input and guidance towards the development of a City of Aspen Total Compensation Philosophy.

FINANCIAL IMPACTS: To be determined. Total Compensation Philosophy will set the stage for the next phases.

CITY MANAGER COMMENTS:



City of Aspen, CO
**Compensation &
Classification Study**

City Council Work Session

May 18th, 2021 / Patrick Bracken, Vice President & Ruth Ann Eledge, Vice President

| Agenda

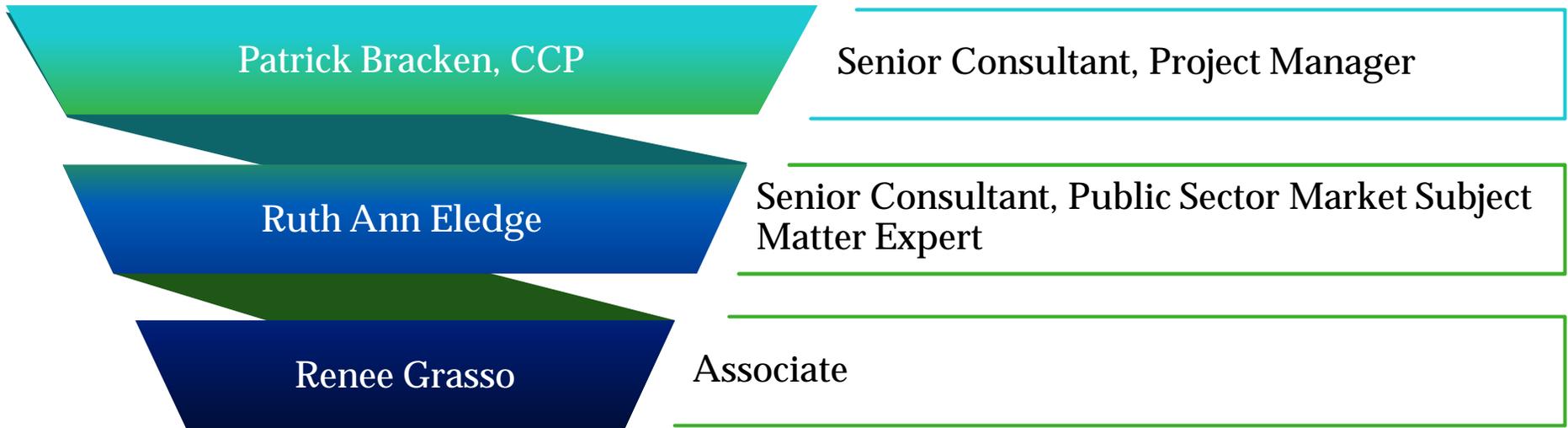
Introductions

About Segal and Project
Overview

Project Approach Details

Q&A

Segal's Project Team



City of Aspen's Compensation and Classification Steering Committee:

Courtney DeVito, Interim HR Director

Diane Foster, Assistant City Manager

Jessica Roberts, Compensation & Benefits Manager

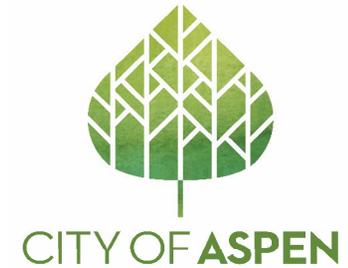
Matt Kuhn, Parks & Open Space Director

Richard Pryor, Police Chief

Tricia Aragon, City Engineer

Tyler Christoff, Utilities Director

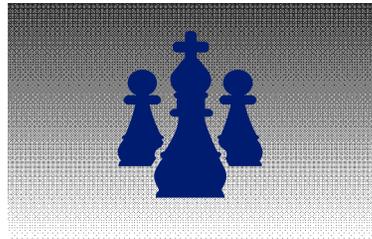
Alissa Farrell, Administrative Services Director



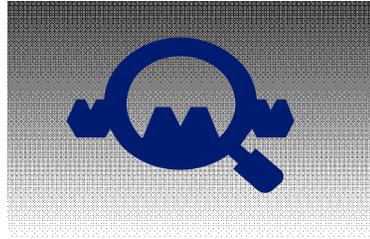
Compensation and Classification Study Goals:

1. Ensure the City is able **to attract and retain talent** to achieve City's goals and **provide exceptional service** to community
2. Finalize a **transparent and innovative compensation philosophy**. This will be the foundation for the compensation and classification study.
3. Ensure **equitable pay, parity in jobs, competitive pay**, and consistent and fair career advancement opportunities.
4. Adopt **repeatable**, compensation and classification methodologies and provide policies for **City long-term, self-sustainability**.

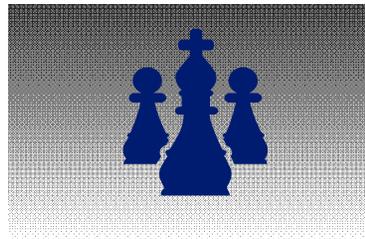
Proposed Compensation Work Plan



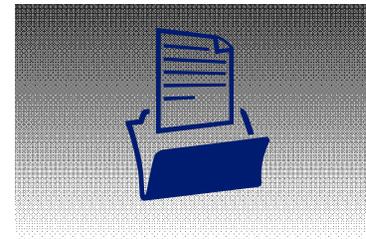
Step 1:
Project
Initiation



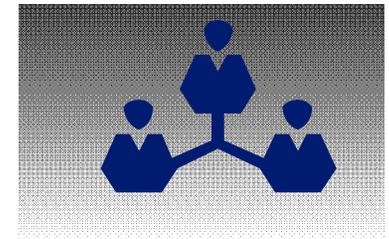
Step 2:
Compensation
Market
Assessment



Step 3:
Classification
Analysis



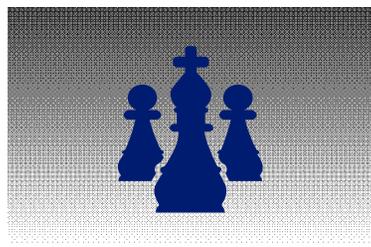
Step 4:
Recommendations
Development



Step 5:
Present Final
Results to the
City

Each phase of the Compensation & Classification project will be guided by the development of the Total Compensation Philosophy Statement.

Proposed Compensation Work Plan



Step 1: Project Initiation

Collect data

Conduct
stakeholder
interviews and city-
wide interview

Develop written
total compensation
philosophy
statement

- 12 Stakeholder Interviews Completed
- City-wide Employee Compensation Survey Completed
 - 219 employees responded
(68% of employees responded)
- Internal Data Collection Completed

Each phase of the Compensation & Classification project will be guided by the development of the Total Compensation Philosophy Statement.

Employee Compensation Feedback - Survey Themes



Why Employees work for the City: Benefits, Quality of Life, & Co-Workers.



Why Employees leave the City: Better Pay, Career Opportunities, & Better Location/ Situation.



Top concerns for Employees: Housing, Pay, Cost of Living.

Segal Stakeholder Feedback Themes

Recruitment

Advantages

- Flexible Work Schedule
- Lifestyle, Stability and Professional Development
- Unique Perks

Challenges

- Limited Pool of Qualified Candidates
- Affordable Housing

Compensation and Benefits

Advantages

- Attractive Pay Ranges
- Benefits Program

Challenges

- Identifying Peer Employers
- Maintaining Competitive Pay
- Ability to Reward High Performers

HR Strategy

Advantages

- Goodwill with HR
- Confidence in HR Ability

Challenges

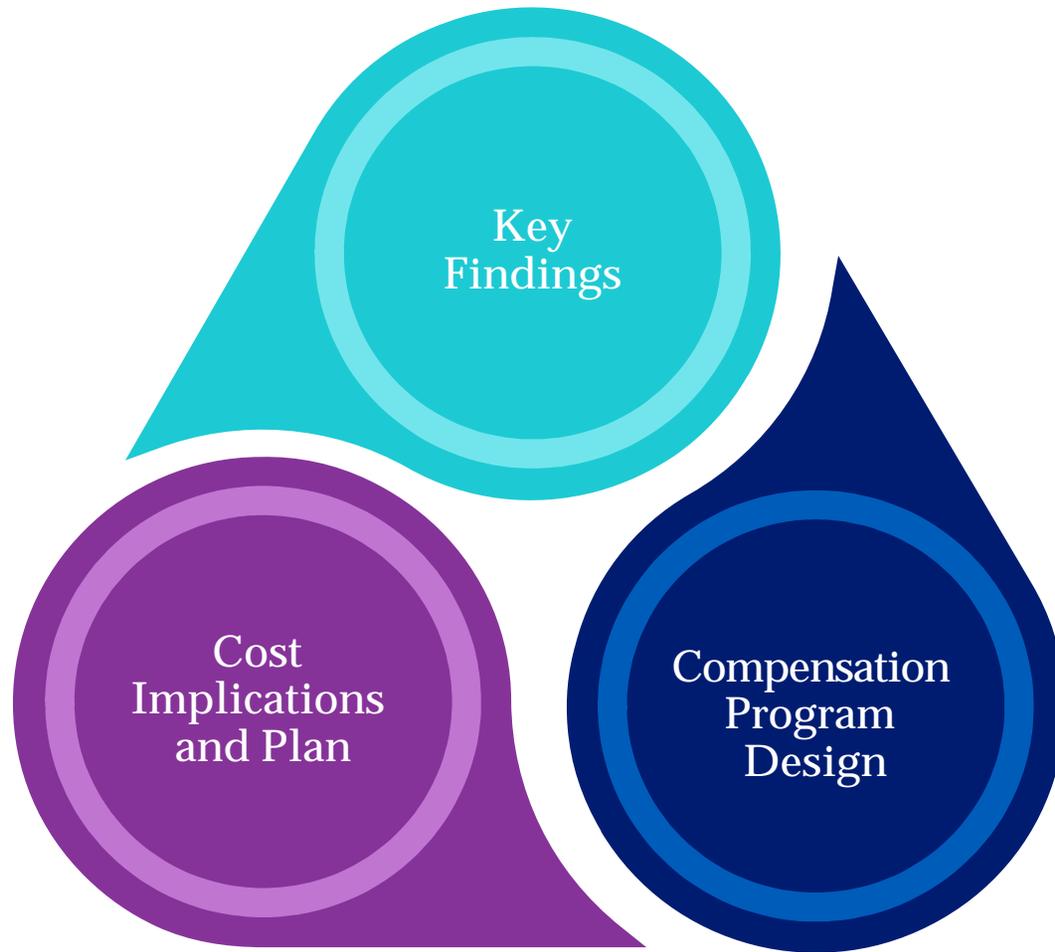
- Understanding and Transparency in Decision Making
- No Written Total Compensation Philosophy (Under Development)
- Need to Develop Innovative Solutions to Workforce Planning

Compensation & Classification Project Timeline

Anticipated Timeline in Months

Step	1	2	3	4	5	6	7
Step 1: Project Initiation	Active	Active					
Step 2: Classification Analysis		Active	Active	Active			
Step 3: Salary Market Assessment			Active	Active	Active	Active	
Step 4: Develop Recommendations					Active	Active	Active
Step 5: Present Final Results							Active

Final Report of Findings and Recommendations

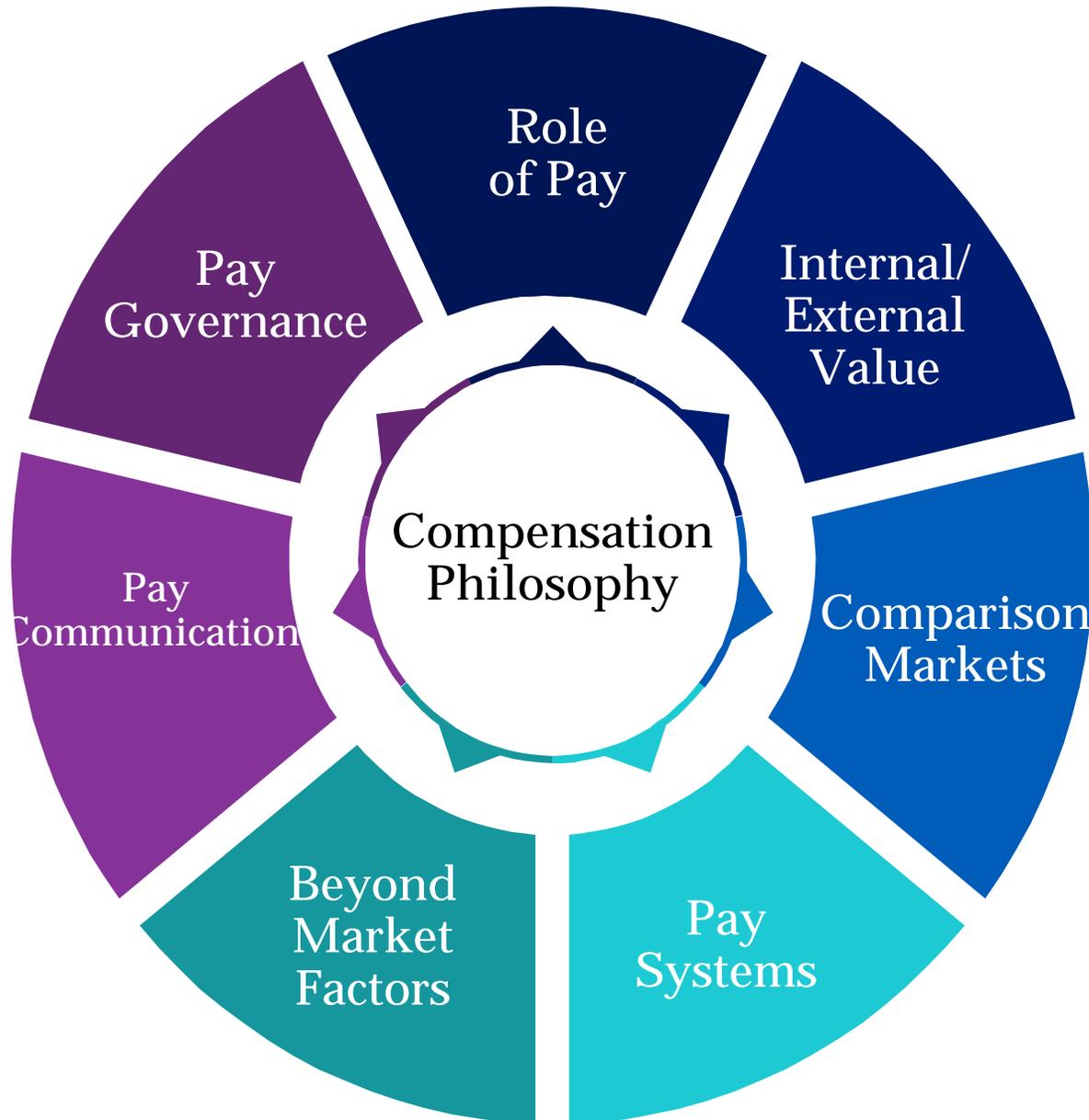


Recommendations Development:

1. Develop pay schedule(s) to cover all jobs covered by the study
2. Recommend grade assignments for all job titles covered by the study
3. Develop recommended implementation plan
4. Prepare a report of our findings
5. Present findings

Compensation Philosophy Framework

The common components of a framework that supports and aligns with the City's mission and strategic plan



Considerations:

- **Segal will return in June** to bring options for a total compensation philosophy. Does Council need additional information beforehand or have further refinements?
- Are there **certain components** that should be **weighted** more compared to others? For example, housing, base pay, benefits, etc.
- Are there additional City **challenges** that are not captured within the stakeholder and survey feedback with **attracting** and **retaining talent**?

The compensation project will help the City attract and retain qualified and talented employees.

Thank You!



 **Segal**

Patrick Bracken, CCP
Vice President

pbracken@segalco.com
202.833.6452

 **Segal**

Ruth Ann Eledge
Vice President

reledge@segalco.com
214.466.2460



Exhibit A: INFORMATIONAL MEMORANDUM

TO: Mayor and City Council

FROM: Courtney DeVito, Human Resources Director
Jessica Roberts, Compensation and Benefits Manager

THRU: Alissa Farrell, Administrative Services Director

MEMO DATE: March 8, 2021

RE: Information Only: Compensation & Classification Study Update

The purpose of the following informational memo is to update Mayor and Council on the City's 2021 Compensation & Classification study along with the progress of the development and refinement of a Total Compensation Philosophy¹. The Total Compensation Philosophy shall serve as a guiding framework and foundational approach in advance of the upcoming Compensation & Classification study.

SUMMARY: The overall compensation² and classification³ project scope is to develop a system to ensure salary structure,⁴ classification and pay is highly competitive with other comparable entities for the attraction and retention of a highly qualified workforce for the overall benefit of the Aspen community. This effort begins with the development of a total compensation philosophy which will establish the formal guidelines for employee compensation, and support employee retention and growth. Moreover, the scope includes adhering to current and future pertinent compensation laws and for internal pay equity⁵.

BACKGROUND: In early 2021, the Human Resources Department and City Manager's Office solicited request for qualifications (RFQs) to elicit a competitive bid process to retain a compensation consultant for the development of a City Total Compensation Philosophy. Ten proposals were received. After an extensive interview process, The Segal (Segal) Group was selected for the Total Compensation Philosophy project. Segal has extensive experience in

¹ Total Compensation Philosophy is an organizational statement and set of practices that guides the organizations compensation and benefits programs. This statement links these programs to the overall business objectives of the organization and ensures compliance with equal pay legislation and that differences in pay are allowable (SHRM.org).

² Compensation refers to the wages received by an employee in the form of an annual or hourly salary.

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providing independent, innovative, and results-driven services to public sector entities throughout the country. *Attachment A* includes the Segal Proposal for a Total Compensation Philosophy.

In conjunction, a cross-sectional compensation and classification steering committee was developed. This team is and over the course of the next year, actively engaged in the project by providing guidance, offering diverse organization-wide perspectives while continuing to gather a deep understanding of compensation principles and practices. Throughout the compensation project, the steering committee will act as a liaison between departments and the project and offer feedback to the compensation project managers.

The cross-sectional steering committee has been instrumental in the selection of Segal and will also assist in the Compensation & Classification RFP interview process for the selection of a consultant as well.

Secondarily, the Compensation & Classification RFP closed on March 26, 2021 and ten (10) bids are under review with finalist interviews scheduled forthcoming. The Consultant proposal is scheduled for review in an upcoming City Council Meeting at the end of April or early May 2021. This study will support the City in maintaining a highly qualified work force through a competitive compensation program to benefit the community. Competitive compensation programs ensure that the City is able to attract and retain staff critical to City operations and services. Compensation programs generally have a life cycle of three to five years, and the current compensation program was implemented in 2015. This multi-phase study will provide the City with an updated compensation philosophy, classification system, internal equity review, and external labor market⁶ analysis (see project summary below).

In advance of hiring an external Consultant, Human Resources is updating all full-time, job descriptions in collaboration with Department Directors. Job descriptions are a crucial component of the compensation and classification study, ensuring that the selected Consultant will have access to up to date and accurate job descriptions from which to build the City's new compensation structure going forward.

Overall, these comprehensive compensation projects will allow the City of Aspen to address any compensation and classification barriers preventing the City from attracting and retaining the necessary talent to achieve the City's organizational goals.

COMPENSATION PROJECT SUMMARY:

Stage 1: RFQ – Total Compensation Philosophy:

The Segal Group has been selected as the Consultant for the Total Compensation Philosophy development. The compensation philosophy is the formal guiding statement and/or document that details the organization's position about employee compensation. The compensation philosophy supports the organization's business goals and objectives, while ensuring that the organization is competitive, and identifies the City's relevant external labor market(s). This statement and/or document typically includes specifics on how the organization will pay employees in relation to the identified labor market, with competitive pay typically indicating that employee pay should be at or above the external labor market.

⁶ External labor market refers to the comparison of individual salaries in other similar organizations for similar jobs/positions.

Stage 2: RFP - Compensation & Classification Study: Vendor submissions are presently under review.

RFP Phase 1: Provide a framework to fairly and effectively manage jobs; provide a job evaluation or job architecture system, and an updated and revised classification system.

RFP Phase 2: Ensure that the City is in compliance with Colorado's Equal Pay for Equal Work Act along with federal and state laws. The City is requesting a statistical and legal review of individual salaries to ensure fair and equitable pay.

RFP Phase 3: Align the City's internal compensation structure with the external labor market. This final phase will provide a comprehensive review of employee salaries and will consider key issues such as salary compression. This phase is critical to ensure that employee salaries accurately reflect the City's updated compensation philosophy.



Exhibit B: INFORMATIONAL MEMORANDUM

TO: Mayor and City Council

FROM: Courtney DeVito, Human Resources Director
Jessica Roberts, Compensation and Benefits Manager

THRU: Alissa Farrell, Administrative Services Director

MEMO DATE: April 2, 2021

RE: Information Only: Compensation & Classification Study Update

The purpose of the following informational memo is to update Mayor and Council on the City's 2021 Compensation & Classification study along with the progress of the development and refinement of a Total Compensation Philosophy¹. The Total Compensation Philosophy shall serve as a guiding framework and foundational approach in advance of the upcoming Compensation & Classification study.

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Exhibit C: MEMORANDUM

TO: Mayor and City Council
FROM: Alissa Farrell, Administrative Services
THROUGH: Director Sara Ott, City Manager
MEMO DATE: April 28, 2021
MEETING DATE: May 11, 2021
RE: Resolution #037 Compensation and Classification Contract

REQUEST OF COUNCIL:

Staff requests Council approve a contract with The Segal Company (Segal) for the Compensation and Classification Study.

SUMMARY AND BACKGROUND:

In conjunction with the compensation and classification study, Segal has recently been selected to complete the development of a total compensation philosophy as foundational and instrumental step before proceeding with the compensation and classification study.

In March, the City submitted a request for proposal (RFP) for a Compensation and Classification study. After reviewing all submittals with the City's steering committee and interviewing the top three consultants, the committee has selected Segal.

An information only memo was provided to Council on April 2, 2021 (Attachment C). This memo detailed the progress of the total compensation philosophy and the compensation and classification RFP process. Since then, Segal has been selected as the finalist for the compensation and classification RFP project.

DISCUSSION:

The last comprehensive compensation study was conducted in 2014. In order to retain and recruit a talented workforce, it is critical for the City to complete a wide-ranging and all-inclusive compensation and classification study for approximately 326 full-time employees. The compensation and classification system would link internal equity with the external labor market through conducting a study according to the following phases:

- **Phase 1:** Classification System: Provide a framework to fairly and effectively manage jobs; a job evaluation methodology and system, update and revise classification system, and pay equity through internal benchmarking.
- **Phase 2:** Salary Market Assessment: Ensure the City is able to attract and retain qualified and talented employees through competitive pay in accordance with the City's total compensation philosophy, evaluating the external labor market.

Specific goals include:

- Ensure compensation is applied equitably and commensurate with job duties.
- Ensure the compensation and classification structure is competitive and fair.
- Ensure compensation and classification structure considers positions performing similar work with akin levels of compensable factors.
- Support career development as appropriate and retention of employees.
- Adopt repeatable job evaluation methodologies for City long-term, self sustainability.
- Align with the City's compensation philosophy.
- Deliver educational materials and information pertaining to internal equity, classification system and updated salary structure.

Note: The Pay Equity Analysis is optional and will be completed at a later phase.

In summary, the proposed work plan includes the following phases:

Phase 1	Classification System
Phase 2	Salary Market Assessment
Phase 3	Present Final Results

FINANCIAL IMPACTS:

The total fixed costs for the completion of the above phases is \$90,000. In 2020, Council approved a supplemental request designated for the 2021 budget in the amount of \$85,000 for a compensation and classification study. The additional funds in the amount of \$5,000 shall be covered through the human resources department budget.

RECOMMENDATIONS:

Staff recommends that Council approve the contract with Segal for the compensation and classification phased work. Retaining Segal for the compensation and classification study will ensure that the compensation philosophy and subsequent phases are aligned, efficient and comprehensive.

PROPOSED MOTION:

I move to approve Resolution #037, Series of 2021 to execute a Professional Services Agreement between the City of Aspen Colorado and Segal Company for professional services related to the completion of the compensation and classification study.

CITY MANAGER COMMENTS:

ATTACHMENTS:

Exhibit A: Professional Services Agreement

Exhibit B: Resolution #037, Series of 2021

Exhibit C: Compensation & Classification Study Update Information Only Memo

MEMORANDUM

TO: Mayor Torre and City Council
FROM: Robert Schober, Project Manager, Capital Asset; Michael Tunte, Landscape Architect & Construction Manager, Parks Department
THROUGH: Scott Miller, Public Works Director/Interim Assistant City Manager
DATE OF MEMO: May 14, 2021
MEETING DATE: May 18, 2021
RE: Galena Plaza Update

REQUEST OF COUNCIL: The project team has been tasked with 1) Update on Galena Plaza Design package; 2) Provide an order of magnitude cost for future implementation of the design; 3) Present the interim plan in order to have a certificate of occupancy issued for the New City Hall.

SUMMARY AND BACKGROUND: In response to the “Friends of Galena Plaza” request to reimagine the plaza design from the original plan in the GMP and per council direction (resolution #97-2019) a public outreach process was conducted in Fall/Winter of 2019. Schematic design was completed in August 2020 and with a positive response to the design, the team was directed to proceed forward and finalize. The construction documents for the new Galena Plaza design were recently completed and the design will be shared with Council during the work session.

An interim plan with limited hardscape will be installed in spring/summer of 2021. This plan will give the New City Hall building the egress paths required by code to receive a certificate of occupancy. The plan will provide a flexible space in the interim between now and full build-out of the plaza and was designed within parameters that minimal re-work will be required to construct the full design.

FINANCIAL IMPACTS: Staff continues to focus on aligning scope to the existing budget authority. As such, to ensure a certificate of occupancy can be obtained in conjunction with completion of the building and allow for use of the new space for the community as rapidly as possible, staff will have the contractor install sidewalks, sod & complete the tie in from the existing plaza to the new building & green space this fall. This work should stay within the amount budgeted in the Asset Management Plan Fund today *and* will also allow for the least amount of re-work if and when the Council would like to proceed with the more robust landscape design for the area.

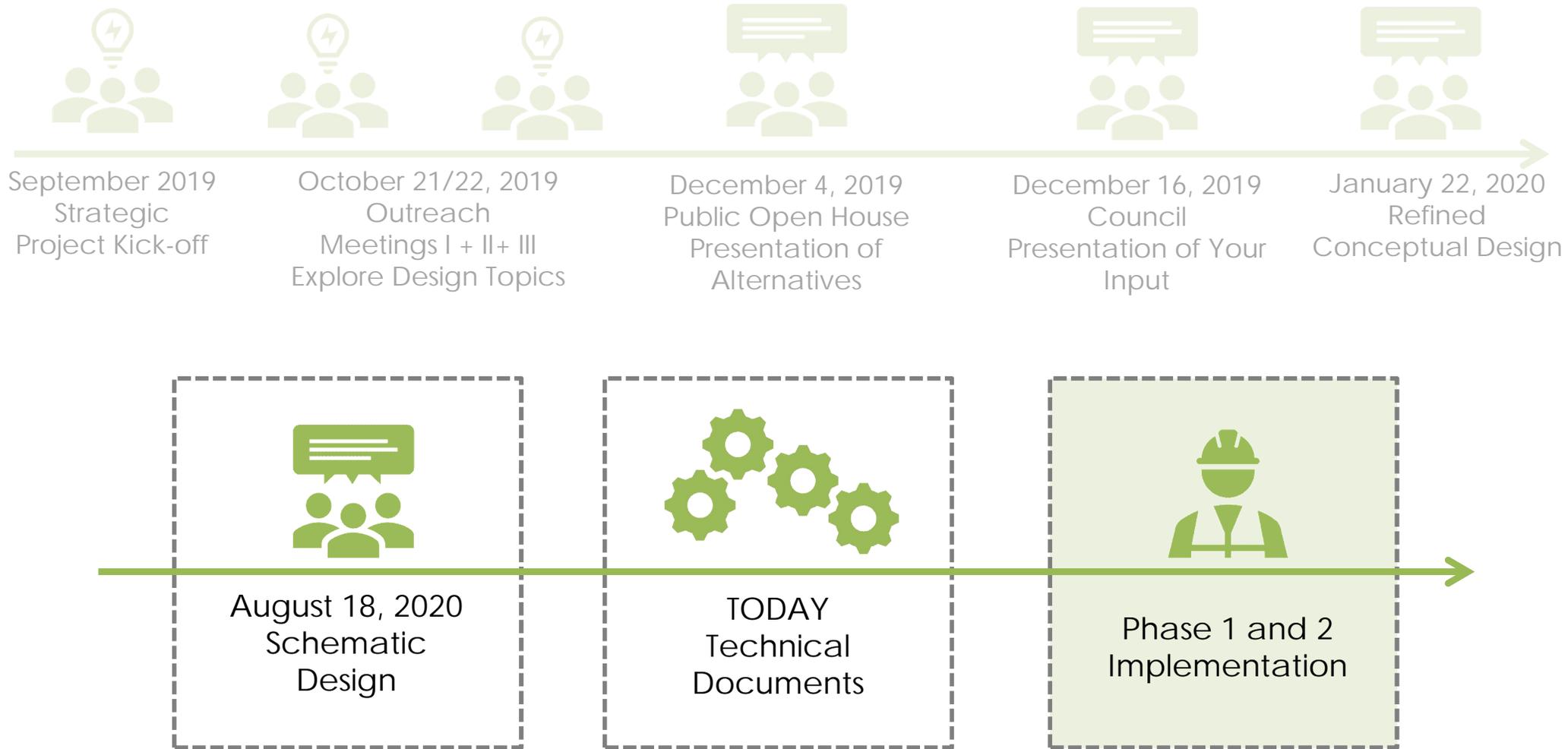
For future consideration, the Council may wish to proceed with the scope proposed through the outreach with Friends of Galena Plaza. That scope of work has been priced out by the current contractor to establish pricing in today’s dollars. Including design and administration, construction and a 20% contingency, the estimated cost for this solution is roughly \$4.0M. This estimate does include some components that will be including in the interim plan using the existing plaza landscaping budget (most notably the sidewalk hardscapes) and can be deducted from this figure, so a net new cost (in today’s dollars) is roughly \$3.5M. Depending on when this work would be performed in the future, a revised budget figure would need to include escalation for material and labor costs. Depending on the work performed, there would likely also be an allocation of costs between both the Parks and Open Space Fund and the Asset Management Plan Fund to support the project.

DISCUSSION: Staff requests Council feedback on the plans moving forward and direction on when to budget the final build-out of the plaza in out years.

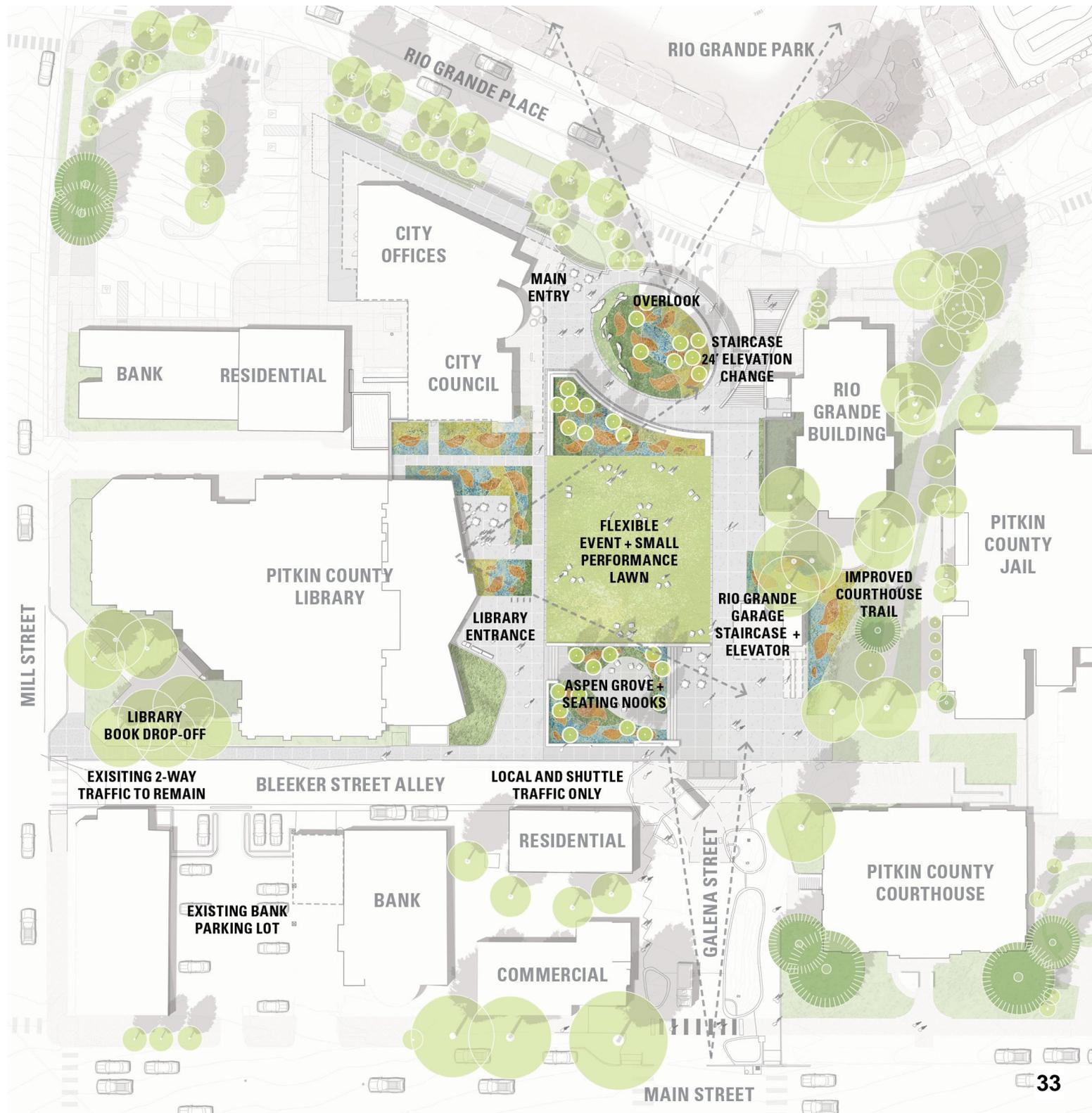
GALENA PLAZA

Aspen City Council
March 12, 2021

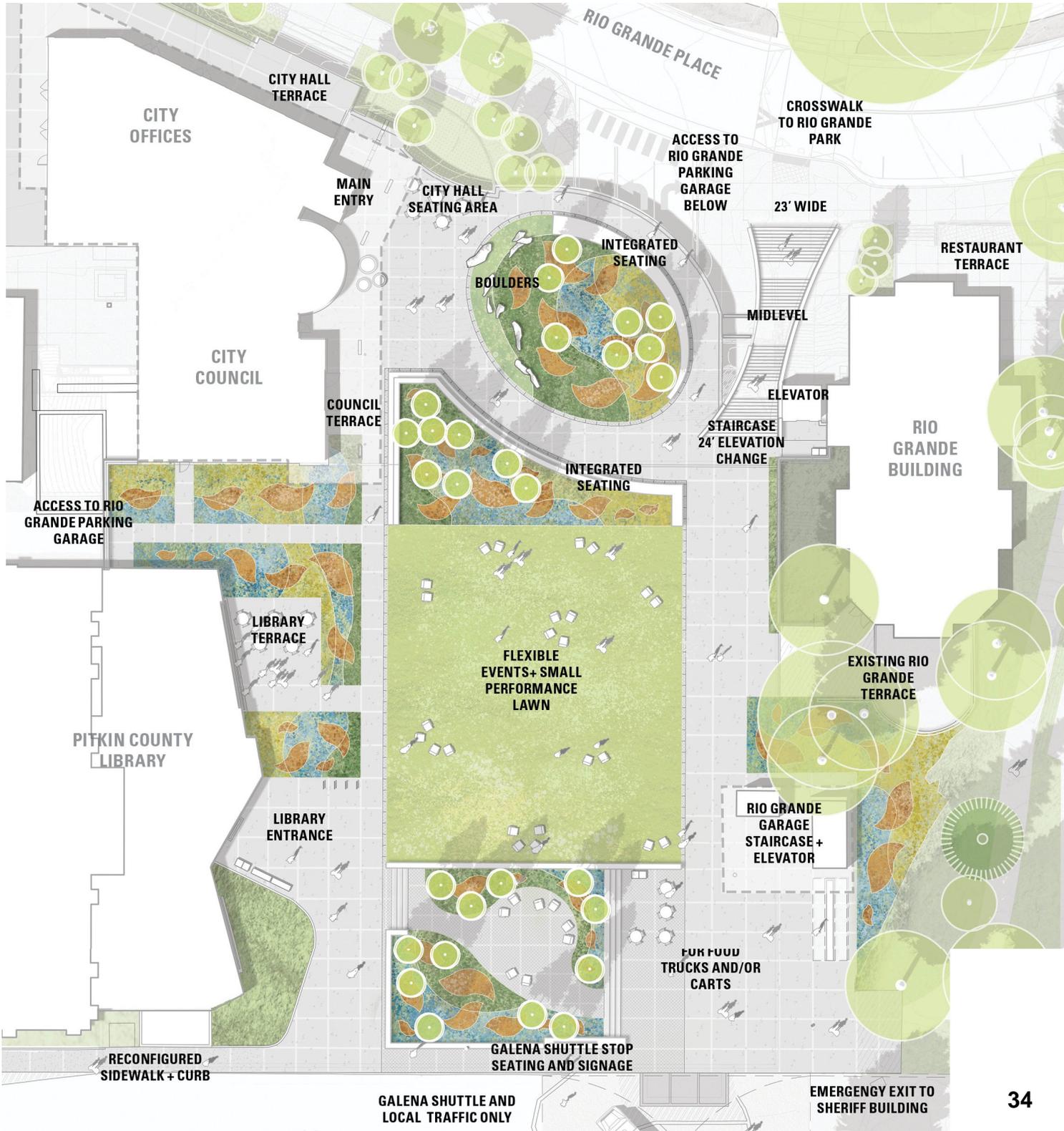
PROJECT HISTORY



BROADER VISION



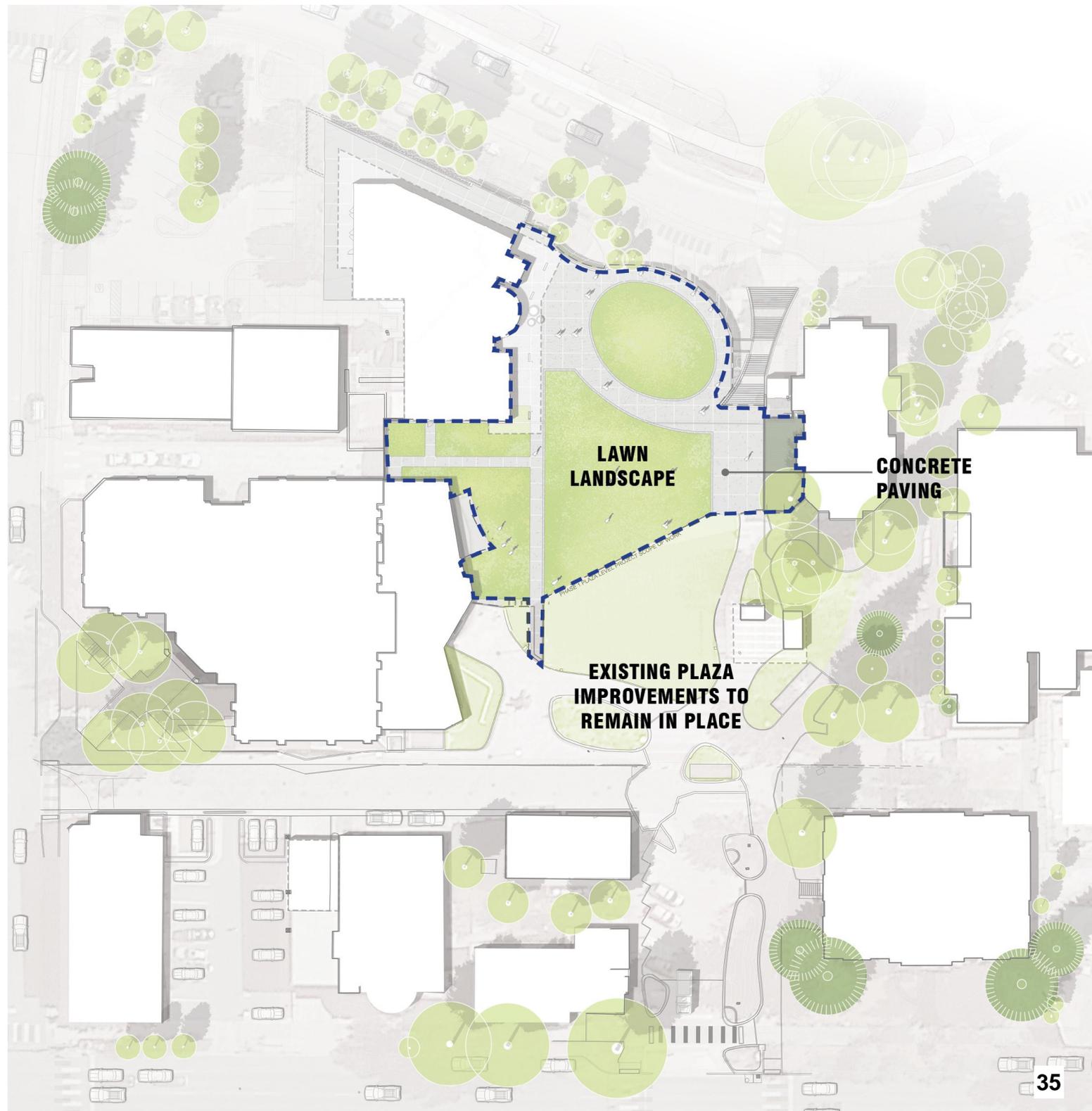
CURRENT GALENA PLAZA DESIGN



GALENA SHUTTLE AND LOCAL TRAFFIC ONLY

EMERGENCY EXIT TO SHERIFF BUILDING

PHASE 1 PLAN





MEMORANDUM

TO: Aspen City Council

FROM: Sara Ott, City Manager

MEETING DATE: May 18, 2021

RE: Quarterly Update on COVID Initiatives and Council Goals

The purpose of the May 18th work session is to provide an update on the following inter-related items:

- COVID-19 Financials, Outcomes and Plans
- 2020-2021 Council Goals

Request of Council:

This memo is largely for Council's information. A final report of COVID-19 outcomes and a final accounting of expenditures is planned for Summer 2021. At that time, Council may wish to formally accept the final report through a resolution. Unless otherwise directed by Council, this will be the final quarterly report on the 2020-2021 Council goals.

PART 1: UPDATE ON COVID-19 RECOVERY FINANCES, OUTCOMES AND PLANS

Background:

The Council adopted six COVID-19 Outcome Statements and Objectives in Resolution 33 on April 9, 2020 (Exhibit A):

- *Outcome 1:* Increase economic security to individuals and families by aiding in securing shelter, food, utilities, healthcare, childcare and transportation.
- *Outcome 2:* Encourage good mental health hygiene.
- *Outcome 3:* Support the Pitkin County Incident Management Team.
- *Outcome 4:* Proactively and swiftly work to minimize further economic disruption and actively encourage its recovery.
- *Outcome 5:* Provide essential municipal government services with minimal interruption.
- *Outcome 6:* Effectively and regularly communicate with, and listen to, the community during the response and recovery efforts.

The first COVID-19 outcomes update occurred during a July 27, 2020 work session and served

as the inaugural quarterly update to Council. Subsequent updates occurred November 2, 2020 and February 16, 2021. Staff have continued to be responsive to the community by offering innovative programs to help keep Aspen safe and open.

COVID-19 Financial Update:

In early April 2020, Aspen City Council confronted the economic and social impacts of the COVID-19 pandemic by designating \$6 million to be used to achieve a series of outcomes listed in Resolution 33 (Series of 2020). Since that time, a variety of programs have been enacted to achieve these outcomes. In total, the City of Aspen has spent and committed \$4,353,225. Remaining funds total \$1,646,775 in the COVID-19 Recovery Fund. See the attached document (Exhibit B) for more information on each program and expenditure.

The City of Aspen has spent approximately \$20,205 on COVID-19 Recovery Fund programs since staff's update to City Council on February 16, 2021. Expenditures on PPE for staff and the public; warming stations for winter activation; mask zone collateral; and assistance to childcare providers continued throughout the months of February, March, and April.

COVID-19 Outcomes and Plans Update:

Paid Parking: The City of Aspen suspended paid parking in residential zones during the beginning of the pandemic in March 2020. Paid parking in the residential areas resumed on May 3, 2021. The cost of parking in residential zones is \$8 per day. The City of Aspen has taken an educational approach to enforcement at this time.

Mask Zone: The City of Aspen extended and amended the mask zone ordinance on April 27, 2021. The new ordinance, which went into effect at the beginning of May 2021, requires people to wear a mask 1) when indoors and 2) when outdoors if they cannot remain 6 feet away from people who are not from their household. This ordinance is in effect until June 7, 2021.

COVID-19 Testing: The free testing kiosk in front of the City of Aspen's offices on Galena Street remains open. There are a variety of other testing sites available as well. PCR and antigen tests both available. Some testing sites operate by appointment only while other sites are available for walk-in services.

COVID-19 Vaccinations: The City of Aspen partnered with Pitkin County's Incident Management Team (IMT), Aspen Valley Hospital, RFTA, the Music Associates of Aspen, and volunteers to create a mass vaccination center at the Benedict Music Tent in Aspen. This center was open from January through April 2021. Mass vaccinations have ended due to a lack of demand; however, vaccine options remain available. Locations in Pitkin County have administered 15,901 vaccine doses as of May 10, 2021.

Permits for Restaurants in the ROW: Staff is preparing for a summer season that will include outdoor dining and bicycle shop usage in the right of way. Per City Council's direction, restaurant and bicycle shop activity in the right of way will only allow temporary structures (e.g. tents) or non-enclosed framed structures that have been inspected for life-safety and building code compliance. Restaurants and bicycle shops will be required to provide their own safety barriers for these structures. Staff will continue to waive land use application review, building permit review, and growth management/affordable housing

mitigation fees for these structures, as well as provide expedited approval of permits.

Special Events: The Special Events Department produces and permits special events in the City of Aspen. These events benefit participants and promote and market Aspen’s vitality to our community and its visitors. The department will continue to evaluate special events based on their ability to follow safety protocols, adhere to public health orders, and minimize their impacts on permanent businesses and the community.

PART 2: UPDATE ON 2020-2021 COUNCIL GOALS

This is an update only; no direction is being sought during the work session.

Background:

During the 1st Quarter of 2020, City Council formally adopted Resolution #16 establishing the 2020-2021 Council Goals (Exhibit C). The 2020/2021 Council Goals consist of eight individual goals organized into two distinct tiers, as follows:

Tier I Goals

1. Affordable Housing
2. Childcare Sustainability
3. Waste Management
4. Stormwater Financing

Tier II Goals

5. Energy Conservation
6. Community Engagement
7. Local Businesses
8. Boards and Commissions

COVID-19 response and recovery efforts continue to be the focus of many departments within the City, including those championing the Council goals. Nevertheless, based on Council feedback during the last two updates, staff have been able to refocus efforts to progress City Council goals while continuing to contribute towards COVID initiatives as the primary objective. Since the last update staff have presented specific, in-depth updates on goals or initiatives tied to goals at Council Work Sessions. A few accomplishments and activities of note include:

- Discussions advanced significantly on updates to the fee-in-lieu for Affordable Housing (AH) Mitigation, improvements to the AH credits program, and other land use ordinances related to AH, with changes passed on 5/11/21.
- Kids First and Communications distributed a parent needs questionnaire to gather information on how parents intend to use childcare as COVID restrictions wind down and businesses open further.
- Multiple departments collaborated to successfully deliver expedited or adapted services in support of local businesses, and have provided in-kind and direct dollar savings of nearly \$450,000 to date.

- EHS hired a full-time staff member in May to enhance waste diversion and reduction assistance to businesses and multi-family complexes.
- Engineering and Finance crafted refined options for stormwater funding, with Council providing guidance for next steps.

Each goal lead will present a brief update and field any questions. Goal leads are as follows:

- Affordable Housing – Sara Ott, Phillip Supino, Pete Strecker, and Scott Miller
- Childcare Sustainability – Shirley Ritter and Ron LeBlanc
- Waste Management – CJ Oliver and Liz Chapman
- Stormwater Financing – Pete Strecker and April Long
- Energy Conservation – CJ Oliver and Ashley Perl
- Communications Strategy – Alissa Farrell and Denise White
- Local Businesses – Phillip Supino, Mitch Osur and Ron LeBlanc

Exhibit D provides a scorecard on the status of the Council Goals. For easy reference, Exhibit E contains Council memos issued on various goals between February 17 and May 11, 2021.

Exhibit List

- A – Resolution 33-20 COVID Recovery Outcomes
- B – COVID Recovery Expenditure Report
- C – Resolution 16-20 Council Goals
- D – Council Goal Scorecard
- E – Council Goal References and Memos issued since February 16, 2021

EXHIBIT A: RESOLUTION NO.33

(SERIES OF 2020)

A RESOLUTION ADOPTING SIX OUTCOME STATEMENTS AND RELATED OBJECTIVES FOR THE CITY OF ASPEN COVID-19 RELIEF EFFORTS AND DIRECTING THE CITY MANAGER TO PREPARE SPECIFIC TACTICS TO IMPLEMENT THE OBJECTIVES.

WHEREAS, there have been proposals brought before City Council to fund relief and recovery efforts related to the City of Aspen's Local Disaster Emergency Declaration; and

WHEREAS, the City Council has evaluated these proposals and believes adopting specific outcome statements and related objectives for the City and directing the City Manager to prepare specific tactics to implement the objectives will best serve the City in providing relief efforts.

NOW THEREFORE, be it resolved by City Council, that the City of Aspen hereby adopts the following five outcome statements and related objectives for the City of Aspen Covid-19 relief efforts and to direct the City Manager to prepare specific tactics to implement the objectives:

Outcome #1: Increase economic security for vulnerable people by aiding in securing shelter, food, utilities, healthcare, childcare and transportation.

Objectives:

- A. Quickly distribute funds to individuals and families through non-profit and governmental partners.
- B. Amend City housing policies that can provide temporary relief.
- C. Educate residents on how to communicate with lenders and landlords regarding changes in personal financial circumstances
- D. Reduce barriers to accessing healthcare through education.
- E. Deliver public transit in a safe and reliable manner.
- F. Ensure safe, reliable and affordable childcare remains in the community for working families.

Outcome #2: Encourage good mental health hygiene.

Objectives:

- A. Regularly encourage neighbor-to-neighbor connection in new ways that

account for social distancing requirements.

- B. Financially support professional mental health services in the community.

Outcome #3: Support the Pitkin County Incident Management Team.

Objectives:

- A. Frequently communicate with the Incident Management Team Incident Commanders and the community.
- B. Provide staffing for the Incident Management Team.
- C. Advocate for and be a funding partner for COVID-19 testing for the community at- large.
- D. Advocate for and be a funding partner for purchasing personal protective equipment.
- E. Assist with planning for 'opening of town' with protocol to minimize disease relapse in the community.

Outcome #4: Proactively and swiftly work to minimize further economic disruption and actively encourage its recovery.

Objectives:

- A. Serve as a connector to aid small businesses and landlords seeking assistance through state and federal programs.
- B. Leverage business expertise to establish Aspen-centric economic recovery roundtables
- C. Provide flexibility to commercial leaseholders in City-owned properties.
- D. Take a regional approach to recovery efforts to leverage the Western Slope's collective business, educational and government expertise and voice with state and federal agencies
- E. Identify and respond to gaps in state and federal business aid programs that can be reasonably be filled by the City of Aspen through a loan or grant program.

Outcome #5: Provide essential municipal government services with minimal interruption.

Objectives:

- A. Prioritize services and service levels.
- B. Plan services to match available financial resources.
- C. Be a responsible employer in the care and welfare of City employees.

Outcome #6: Effectively and regularly communicate with, and listen to, the community during the response and recovery efforts.

Objectives:

- A. Provide timely and accurate information on the City's progress towards these outcomes.
- B. Collaborate and utilize extensive communication strategies and tools, including deploying new tools, for ensuring the City is meeting audiences where they are

today.

And further, the City Council wishes to have further work sessions to evaluate the community benefits and considerations of:

- Advancing private sector construction projects to shovel ready through permit review and extension of the spring construction season;
- Possible temporary relief of land use code requirements for accommodation, retail and restaurant industries; and
- Collaboration with major tourism partners to emphasize Aspen's unique and valued experiences to launch an open for business campaign and events when appropriate.



Torre, Mayor

I, Nicole Henning, duly appointed and acting City Clerk of the City of Aspen, Colorado, do hereby certify that the foregoing is a true and correct copy of the Resolution adopted by the City Council at its meeting held on

Nicole Henning

**EXHIBIT B: STATUS OF EXPENDITURES FOR COVID-19 OUTCOME AREAS
May 2021**

Outcomes:

1	Increase economic security for vulnerable people by aiding in securing shelter, food, utilities, healthcare, childcare, and transportation.
2	Encourage good mental health hygiene.
3	Support the Pitkin County Incident Management Team.
4	Proactively and swiftly work to minimize further economic disruptions and actively encourage its recovery.
5	Provide essential municipal government services with minimal interruption.
6	Effectively and regularly communicate with, and listen to, the community during the response and recovery efforts.,

Fund	Purpose	Budget	Spent	Committed	Remaining	Notes
General Fund	County support for financial assistance	\$500,000	\$500,000	\$0	\$0	First payment of \$200K was issued April 23 and matched by ACF donor. Second payment of \$300K was issued directly to County on September 15.
General Fund	Assistance to small businesses, purchase of protective equipment and/or temporary staffing, individual assistance through ACF and other non-profits.	\$3,000,000	\$2,637,134	\$336,511	\$26,355	Details below in gray.
			\$922,959			All payments have been made. This was for up to one third of rent plus CAM for up to three months for commercial renters (total of \$1M set aside for this program).

Fund	Purpose	Budget	Spent	Committed	Remaining	Notes
			\$458,978	\$41,022		Payment of \$250K made on May 8 to ACF for the Aspen to Parachute Relief Fund. Second payment of \$150K on July 31, and another payment of \$44K was made November 21.
			\$200,572			\$200K processed 8/19. Committed funds for a revolving loan program with a 1% interest obligation and repayment terms over 4 years.
			\$200,000			Payment made on June 16 to ACRA (as a loan, one-third will be waived for repayment) in tandem with additional \$300K release of funds from the Tourism Promotion Fund balance. This was coupled with \$500K of ACRA's own funds to promote Aspen as a tourist destination during these challenging times.
			\$158,528			Committed funds for additional arts grants. These funds would be in addition to \$142K in non-RETT revenue within the Wheeler Opera House Fund for distribution in 2020. \$304,528 was awarded. Some contracts are still in process.
			\$130,245			Expenditures to date on PPE for staff and the public, including gloves, masks, hand sanitizer and cleaning products, and plexiglass coverings.

Fund	Purpose	Budget	Spent	Committed	Remaining	Notes
			\$109,350	\$180,650		City of Aspen Health Protection Team including full time staff, equipment, technology, specific printing and record keeping systems. Estimated cost for 17 months is ~\$290,000.
			\$81,936			Expenditures to date on protective barriers for restaurants/businesses to safely occupy right-of-way spaces for expanded commerce while maintaining spacing for public health preservation.
			\$110,161	\$114,839		Communications professional services and termed labor for face coverings campaign, Latinx outreach, social media support, general communications messaging and campaign review.
			\$80,023			Special Projects Manager to assist with COVID (economic vitality revolving loan program, etc.)
			\$39,012			Warming Stations for Winter Activation. City's required match to \$50K grant from State is \$5K.
			\$37,475			Mask zone creation and communication
			\$30,000			ACRA Street Team for summer tourist education on public health orders.
			\$29,029			Expenditures to date on the \$25 gift card program plus \$1,608.50 for materials (equivalent of 847 cards). Anticipating a few more to trickle in.

Fund	Purpose	Budget	Spent	Committed	Remaining	Notes
			\$26,886			Personal Protective Equipment - Face masks and buffs purchased for school district
			\$21,980			Virtual Town Hall Meetings
Housing Development Fund	Direct rental / mortgage assistance for residents throughout the Valley in deed restricted APCHA units.	\$1,500,000	\$477,459	\$0	\$1,022,541	The County's financial assistance program was paused in July. In 2021, the City has partnered with Aspen Family Connections to release new financial support for individuals and payments will be released beginning in May.
Kids First Fund	Additional financial aid, support of program staffing levels and cleaning, and improvements to Kids First offices to ensure safe working conditions	\$1,000,000	\$402,121	\$0	\$597,879	Details below in gray.
			\$354,380			Enrollment subsidies and rent assistance to individual programs, communication on financial aid opportunities
			\$45,888			Reconfiguration of Kids First offices for a safer working environment
			\$1,854			PPE for Kids First
Total		\$6,000,000	\$4,016,714	\$336,511	\$1,646,775	

EXHIBIT C: RESOLUTION #106

(Series of 2020)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ASPEN, COLORADO, ADOPTING THE 2020-2021 CITY COUNCIL GOALS

WHEREAS, the City Council has a long history of establishing goals to direct priorities for the City; and

WHEREAS, the City Council adopted Strategic Focus Areas in December 2019 to guide the work of City Administration; and

WHEREAS, City Council endeavors to be strategic in its deliberations regarding these goals to ensure that current opportunities, needs and challenges facing the community are fully considered; and

WHEREAS, the goals of City Council guide the actions of City Council and the City Administration in budgeting and programming initiatives; and

WHEREAS, City Council desires to formally adopt year 2020-2021 goals to guide the City in shaping its future.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASPEN, COLORADO,

Section 1. That the City Council of the City of Aspen hereby adopts the following City of Aspen 2020-2021 Council Goals and does hereby authorize the City Manager to pursue said goals.

Tier I Goals

1. **Affordable Housing** – Advance the quality of life through affordable housing opportunities that address financing, incentives, and maintenance through partnerships.
 - A. **Resources:** Increase the City's resources for affordable housing development by leveraging existing funds in tandem with partnering with regional entities.
 - B. **Incentives:** Review adopted regulations that affect the development of affordable housing including a study of the affordable housing fee-in-lieu rate, the Certificate of Affordable Housing Credit program, employee generation and mitigation rates, and multi-family replacement requirements.
 - C. **Financing:** Establish and utilize a financial advisory board to advise, evaluate, and make recommendations on the long-term economic stability of affordable housing development.
 - D. **Maintenance Focus:** Work with partner agencies and homeowner associations to formulate options to address delayed affordable housing maintenance, including insufficient capital reserves policies.

2. **Childcare Sustainability:** Engage with the business community and local stakeholders on ways to finance and expand childcare availability and create workforce development

opportunities.

- a. **Education.** Increase the awareness regarding the value, benefits, and success of Kids First and early childhood education programs.
 - b. **Resources:** leverage the collective interests of the Roaring Fork Valley to identify and advance opportunities to increase capacity, with emphasis on the need for quality infant and toddler spaces.
 - c. **Workforce:** Encourage workforce development and program expansion through creative and immediate actions that develop a qualified workforce and talent pipeline for early childhood educators.
3. **Waste Management:** Develop a long-range community waste management plan to reduce waste in the highest impact landfill diversion areas.
- a. **Incentives.** Evaluate and implement incentives that increase voluntary diversion of solid waste.
 - b. **Policy.** Evaluate and consider policy changes that address wildlife conflicts, balances community values surrounding construction impacts, and supports the longevity of the community's landfill.
4. **Stormwater Financing:** Identify and implement capital funding sources to address and expand the aging stormwater system as well as finance projects focused on treating outfalls to the Roaring Fork River.
5. **Energy Conservation:** Reduce the energy use in commercial and multi-family buildings through increased incentives and the advancement of Building IQ, which requires energy use tracking and improved energy efficiency.

Tier II Goals

6. **Community Engagement:** Create and implement a community engagement strategy that incorporates participation data to inform and increase future public participation in policy decisions.
7. **Local Businesses:** Analyze opportunities to retain and attract essential, small, local and unique businesses to provide a balanced, diverse and vital use mix supporting the community.
8. **Boards and Commissions:** Evaluate decision making authority for quasi-judicial boards and commissions.

INTRODUCED, READ AND ADOPTED by the City Council of the City of Aspen on the 10th day of March 2020.



Torre, Mayor

I, Nicole Henning, duly appointed and acting City Clerk do certify that the foregoing is a true and accurate copy of that resolution adopted by the City Council of the City of Aspen, Colorado, at a meeting held, March 10, 2020.

Nicole Henning, City Clerk

EXHIBIT D: SECOND QUARTER 2021 SCORECARD SUMMARY

Tier	Status (1-10)	Goal	Lead (s)	Accomplishments (Feb. 2020 - Present)	Next Steps (Q2 and Q3 2021)	Expected Completion Date(s)
1	<i>Goal - Affordable Housing: Advance the quality of life through affordable housing opportunities that address financing, incentives, and maintenance through partnerships</i>					
	8	Resources: Increase resources for affordable housing development	Scott Miller & Pete Strecker	<p>The City is continuing outreach with other partners for their interest in a possible collaborative approach to future development of the Forest Service site for affordable housing.</p> <p>Development of the Lumberyard site continues to progress, with Council approval to solicit bids for a design team. Once a vendor is selected, schematic design will be achieved and provide parking alternatives and phasing options.</p>	Until greater specificity around the scope of the development (whether for sale or rental, and the estimated costs) can be achieved, it is difficult to provide the financial options around these specific projects. Right now, the earliest timeframe to receive some financial modeling for the Lumberyard would be late Fall 2021.	There is no projected completion date for this goal currently. Projects continue to be inserted and/or prioritized and will continually require financial considerations that are unique to each.
	8	Incentives: Review adopted regulations to improve incentives	Phillip Supino	Ordinances 10-13, 2021 are on track for passage on 5/11/21. These amendments reflect conversations with Council in several work sessions - and include an update to the fee-in-lieu for Affordable Housing (AH) mitigation, improvements to the AH Credits program, removal of incentives for lodge development that reduced AH mitigation and clean-ups to multi-family replacement policies.	Upcoming discussions will include: 1) Residential mitigation requirements - credit for existing and subgrade. 2) Policy and regulatory changes to multi-family replacement 3) Analysis and proposals for amendments to 26.700 and 26.575.020, in identifying new opportunities for AH development and retuning of mitigation requirements.	1 and 2, Q3 (2021); 3, Q4 (2021) or Q1 (2022)
	0	Financing: Establish a financial advisory board	-	<u>Initiative removed for 2020 & 2021</u>		-
	6	Maintenance: Formulate options to address delayed housing maintenance	Scott Miller & Sara Ott	Ongoing litigation is seen as a critical step to resolution of legal and financial matters. APCHA board is addressing policy changes in this area as well.	Resolve litigation and APCHA policy.	This is ongoing throughout 2021.

EXHIBIT D: SECOND QUARTER 2021 SCORECARD SUMMARY

Tier	Status (1-10)	Goal	Lead (s)	Accomplishments (Feb. 2020 - Present)	Next Steps (Q2 and Q3 2021)	Expected Completion Date(s)
1	<i>Goal - Childcare Sustainability: Engage with the business community and local stakeholders on ways to finance and expand childcare availability and create workforce development opportunities</i>					
	8	Education: Increase awareness of benefits of Kids First and early childhood education	Shirley Ritter & Ron LeBlanc	Kids First and Communication developed a parent needs questionnaire to help determine how parents intend to use childcare as they return to work and come out of COVID-19 restrictions. The survey has been distributed widely, using external networks, and will be open through May 28. The landing page has a great deal of information about Kids First and the need for childcare, so even if people don't take the survey, they will be able to read more about our services. Kids First participated in Prevention of Child Abuse Month in April, using pinwheels, signs, social media and an outdoor event with partners in Paepcke Park. May is Month of The Young Child.	In early June we will have survey results to share with Council and the Kids First Advisory Board, to help make recommendations for long range planning and focus. Kids First will provide an update on current and short-term planning at a June 7 work session with council. Kids First and Communication staff will continue to coordinate messaging as we move into the next quarter.	This is ongoing throughout 2021.

EXHIBIT D: SECOND QUARTER 2021 SCORECARD SUMMARY

Tier	Status (1-10)	Goal	Lead (s)	Accomplishments (Feb. 2020 - Present)	Next Steps (Q2 and Q3 2021)	Expected Completion Date(s)
	6	<p>Resources: Identify and advance opportunities to increase childcare space and financing</p>	Shirley Ritter & Ron LeBlanc	<p>Kids First staff has developed a timeline with measurables to renovate a classroom at CMC to be used for infant care. Drawings are ready for permitting, and staff have begun a conversation with an existing childcare program to operate the childcare program for infants. The Kids First director participates in the Rocky Mountain Preschool Coalition (RMPC), a group of community members that have voiced support for the state's Department of Early Childhood and continues to influence legislators regarding the programming of universal preschool (UPK). Shirley is a member of the early childhood stakeholders' group that has been convened to help draft and advocate for the legislation - HB21-1304. The City of Aspen has added its endorsement of this bill, following the approved policy guidelines. Kids First staff has helped find childcare staff in the Basalt area to access the housing that the Aspen Skiing Company has completed in Willits. They have given priority for 8 units for childcare staff in the 3-mile area surrounding Basalt.</p>	<p>In the next quarter we hope to have agreement to begin work on the new classroom space, reach agreement for the operation and begin the licensing process, followed by some staff training, and putting equipment and materials in place. The Kids First Director will continue to participate in the RMPC (and other advocacy groups) through the legislative session. The RMPC intends to continue to work regionally to address the early childhood needs of working families. Additionally, Kids First will re-convene the employer's capacity group; interest remains high to consider partnerships for childcare capacity for their workforce.</p> <p>Shirley has been involved in preliminary meetings with the Aspen School District's plans to build a new early childhood building for their Cottage program. Our hope is that they will be able to increase their space and will consider a year-round model for some of the classrooms to meet the workforce need in the community.</p>	<p>This is ongoing throughout 2021.</p>

EXHIBIT D: SECOND QUARTER 2021 SCORECARD SUMMARY

Tier	Status (1-10)	Goal	Lead (s)	Accomplishments (Feb. 2020 - Present)	Next Steps (Q2 and Q3 2021)	Expected Completion Date(s)
	6	Workforce: Take action to develop a qualified workforce	Shirley Ritter & Ron LeBlanc	Kids First is recruiting for our early childhood intern position, now that most COVID-19 restrictions have lifted, allowing us to place this person in childcare programs as part of their learning. Kids First staff hosted a workshop for high school students that may be interested in an early childhood experience. We have had overwhelming positive responses from the childcare directors for high school age, part-time aids this summer. We will help make those connections and provide training. Kids First also continues to work with CMC to deliver work-place classes for childcare staff, during their work hours, starting this fall. The Rocky Mountain Early Childhood Council (RMECC) hopes to build on this to create a more robust internship program that has incentives for staff and for the childcare programs.	Kids First plans to hire for the early childhood intern position by the end of May. Staff is working with the high school staff to develop a workplace learning programs for students starting in the fall 2021. The student would get credit for work hours, real world experience, and could take CMC classes while in high school for no cost. This model has shown to be very effective in other communities, with long-term employees as a possibility.	This is ongoing throughout 2021.
2	<i>Goal - Community Engagement: Create and implement a community engagement strategy that incorporates participation data to inform and increase future public participation in policy decisions</i>					

EXHIBIT D: SECOND QUARTER 2021 SCORECARD SUMMARY

Tier	Status (1-10)	Goal	Lead (s)	Accomplishments (Feb. 2020 - Present)	Next Steps (Q2 and Q3 2021)	Expected Completion Date(s)
	8	Communications: Create and implement a comprehensive communications plan. REVISED: Create and implement a comprehensive communications plan.	Denise White/Alissa Farrell	Staff continued to focus on current situation analysis, establishing an inventory of communications channels and assets, documenting standard operating procedures for consistency and process improvement opportunities, defining internal organization levels of service and staff roles/needs to maintain quality service, and auditing the City's current social media and website practices. Staff has also extensively researched best practices and industry trends to identify opportunities to improve current City practices while forecasting future needs. Working with the Quality Office and the consultant, data from the eChats and community survey on communications was analyzed, which helped staff identify focus areas for the strategic plan and short-term priorities. Staff provided two memos to Council, including an informational memo with survey results and a memo which accompanied a work session with Council on May 4. During this meeting, staff asked for feedback on the identified focus areas and priorities. Communications staff continue to support ongoing, real-time needs while establishing the Communications Strategic Plan's framework and first draft.	Staff will complete a few identified outreach efforts, then incorporate the new feedback with that previously gathered to complete a draft of the Strategic Communications Plan. Staff anticipates sharing a draft plan with Council, internal stakeholders, partners, and our community in September 2021 for final feedback. Following this window, staff will incorporate feedback and refine the plan, culminating in a request for final approval by City Council in November 2021.	This is ongoing throughout 2021.

EXHIBIT D: SECOND QUARTER 2021 SCORECARD SUMMARY

Tier	Status (1-10)	Goal	Lead (s)	Accomplishments (Feb. 2020 - Present)	Next Steps (Q2 and Q3 2021)	Expected Completion Date(s)
2	<i>Goal - Local Businesses: Analyze opportunities to retain and attract essential, small, local and unique business to provide a balanced, diverse and vital use mix supporting the community</i>					
	7	<p>Community Vitality: Analyze opportunities to retain and attract essential, small, local and unique businesses to provide a balanced, diverse, and vital use mix supporting the community. <i>Note: Per Council direction, this goal has a revised focus of maintaining and supporting existing local businesses.</i></p>	<p>Phillip Supino, Mitch Osur, and Ron LeBlanc</p>	<p>Multiple departments (CommDev, EHS, Downtown Services, City Clerk, and the CMO) collaborated to develop seasonal programs to support existing businesses in COVID pandemic adaptation. The program includes right-of-way use, land use code, building code and permitting waivers; consumer protection outreach; direct business consultation and support; expedited review and permitting; and excellent customer service. This program was revised seasonally to respond to climatological and health-order needs. It has provided in-kind and direct dollar financial savings of \$444,580 to date (excluding summer 2021) to support businesses.</p>	<p>Staff will plan and execute the Summer 2021 program, support discussion with Council about post-pandemic business support, and return to the downtown regulation enforcement regime.</p>	<p>This is ongoing throughout 2021.</p>
1	<i>Goal - Waste Management: Develop a long-range community waste management plan to reduce waste in the highest impact landfill diversion areas</i>					
	6	<p>Incentives: Provide incentives to increase voluntary diversion of solid waste</p>	<p>CJ Oliver & Liz Chapman</p>	<p>The City hired a temporary full-time staff member in May to assist businesses and multi-family complexes in improving their waste diversion and reduction practices (as well as educating people to properly utilize recycling options). In addition, the City has partnered with Pitkin County on an educational campaign to reduce recycling contamination (this launched in late April 2021). Staff has also been continuing the collection of household metals and glass, textiles and household batteries, and added a second yard waste collection bin at the Rio Grande Recycle Center. Staff is working with businesses and waste haulers to improve waste collection in select downtown alleyways.</p>	<p>New staff will be working with local business through the summer to improve their waste practices. This will include training, improving signage, and encouraging waste reduction and diversion practices. Staff will work with the Pitkin County Solid Waste Center to purchase additional bear-proof compost dumpsters for free use by restaurants and will meet with compost haulers to determine other strategies for improving participation in compost collection, but have run into supply shortages.</p>	<p>Ongoing through 2022</p>

EXHIBIT D: SECOND QUARTER 2021 SCORECARD SUMMARY

Tier	Status (1-10)	Goal	Lead (s)	Accomplishments (Feb. 2020 - Present)	Next Steps (Q2 and Q3 2021)	Expected Completion Date(s)
	4	Policy: Consider policy changes to address wildlife conflicts, consider construction impacts, and increase landfill longevity	CJ Oliver & Liz Chapman	Multiple departments are working together and drafting changes to the current Municipal Code to make it internally consistent, provide better wildlife protection, and encourage greater participation in waste reduction activities. Staff is continuing to monitor Pitkin County's progress to divert construction and demolition waste.	Staff is doing research to prepare a plan for Council to evaluate in Q3 2021. The plan will establish long-range strategies for reducing waste. Staff will also be sharing the progress of the County's C&D waste diversion program later in 2021.	Ongoing through the end of 2021
1	Goal - Stormwater Financing: Identify and implement capital funding sources to address and expand the aging stormwater system as well as finance projects focused on treating outfalls to the Roaring Fork River					
	8	Funding and financing: Identify and implement capital funding sources to address and expand the aging stormwater system as well as finance projects focused on treating outfalls to the Roaring Fork River.	Scott Miller & April Long	April Long and Pete Strecker presented refined funding needs and several different options for funding sources to Council in the May 4 work session. Council provided direction for those options to analyze further and those they no longer wish to pursue at this time.	April will seek opportunities for grant and partnership funding of projects proposed in 2022 and 2023. April will also expedite the infrastructure inventory to better prioritize projects and cost estimates. Pete will further analyze impacts of an operational shift of resources, the potential of using RETT as a funding source, and consideration of stormwater infrastructure projects included in the AMP. April and Pete will continue discussions on these sources during budget development.	November 2021.
2	Goal - Energy Conservation: Reduce the energy use in commercial and multi-family buildings through increased incentives and the advancement of Building IQ, which requires energy use tracking and improved energy efficiency					

EXHIBIT D: SECOND QUARTER 2021 SCORECARD SUMMARY

Tier	Status (1-10)	Goal	Lead (s)	Accomplishments (Feb. 2020 - Present)	Next Steps (Q2 and Q3 2021)	Expected Completion Date(s)
	8	Incentives: Increase incentives for commercial and multi-family property owners and renters	CJ Oliver & Ashley Perl	In partnership with CORE, the Climate Action Office helped small lodges, multi-family housing complexes, and local businesses save energy and address important capital improvements through rebates and grants from the REMP fund.	CORE has identified a handful of multi-family properties that are eligible for REMP funding to improve energy efficiency. The scope of those projects is currently under development and the work will begin this summer to make improvements to safety, comfort, and energy efficiency.	This is a foundational program that is ongoing year after year, with annual adjustments.
	4	Building Policy: Craft and implement the Building IQ policy, which includes required benchmarking followed by required upgrades for Aspen's largest commercial buildings	CJ Oliver and Ashley Perl	The Climate Action Office offered a voluntary benchmarking program in 2020, at Council's direction. There was limited interest and low participation in this voluntary program. Staff continues to refine the Benchmarking and Building Performance Metrics policy and program plan.	Staff plans to bring the Building IQ policy to City Council late summer 2021 for approval. This policy and program implementation would set Aspen on the path towards significant carbon reduction and remains the single biggest action that Aspen can take to address climate change.	Policy approval by Q4 and program implementation soon thereafter.
2	Goal - Boards and Commissions: Evaluate decision-making authority for quasi-judicial boards and commissions					
	0	Roles: Evaluate decision-making authorities	-	<u>Initiative removed for 2020 & 2021</u>	-	-

EXHIBIT D: SECOND QUARTER 2021 SCORECARD SUMMARY

Tier	Status (1-10)	Goal	Lead (s)	Accomplishments (Feb. 2020 - Present)	Next Steps (Q2 and Q3 2021)	Expected Completion Date(s)
		Status Key				
		Completed	9-10			
		On Time	7-8			
		Some Progress	5-6			
		Infrequent Progress	3-4			
		Stopped	0-2			

EXHIBIT E: MEMORANDUMS RELATED TO COUNCIL GOALS

05/2021-/11/2021

For Council convenience, this exhibit contains Council Goal materials from Council Info Memos and Council sessions held since the February 2021 Goals update. Please be aware that for the sake of length, in some cases Exhibits included with the original memos were omitted in this set.

1. Lumberyard Affordable Housing Scope of Work
2. Affordable Housing and Multi-family Code Updates (Ordinances 10-13)
3. Summer in Aspen Update
4. Communications Strategy Info Memo
5. Communications Strategy Work Session Memo
6. CORE Accomplishments Work Session Memo
7. Clean River and Stormwater Work Session Memo
8. Clean River and Stormwater Work Session Follow-up Memo

MEMORANDUM

TO: Mayor and Council Members

FROM: Chris Everson, Affordable Housing Project Manager

THROUGH: Scott Miller, Public Works Director

MEMO DATE: March 5, 2021

MEETING DATE: March 8, 2020

RE: Lumberyard Affordable Housing – 2021 Scope of Work

REQUEST OF COUNCIL: Staff is proposing the scope of work described for 2021 and into 2022 for the City of Aspen’s lumberyard affordable housing development design process. Council is asked to provide direction based on the questions for Council in each section.

BACKGROUND: Beginning June 2019, the goal of the lumberyard conceptual design process was to create community-vetted conceptual design alternatives for the development of affordable housing at the City’s lumberyard property.

The first round of community outreach occurred in fall 2019, and a second round occurred in early 2020. At a work session on July 6, 2020, DHM Design presented conceptual site master plan design options, and Council provided the team with direction for plan refinements aiming toward 300+ units. At a work session on September 14, 2020, Council reviewed proposed outreach survey questions and provided direction for the survey in the third round of outreach.

On October 26, 2020, staff presented preliminary results of the third round of outreach, and Council agreed directionally to pursue underground parking, some four-story massing in key areas, increasing the number of 1- and 2-bedroom units, an increase to the amount of ownership units, including childcare on site, allowing the ABC to provide commercial services, and paring back the co-living option – all while maintaining 300+ units on the site.

On November 23, 2020, staff presented the final results of the third round of community outreach along with a 310-unit conceptual site plan. Council was asked to verify the community feedback as a guiding tool and to verify that the 310-unit conceptual plan was preferred. Council expressed trepidation about numerous characteristics of the 310-unit conceptual plan, and primary concerns included the use of 100% underground parking and the demographics of the project’s target user mix (i.e. “who is this housing for?”). Council also expressed a preference to maintain a schedule which could allow for construction to begin in 2024.

DISCUSSION: Staff proposes the scope of work described below.

1. **Proposed RFP for full architecture and engineering (AE) design team**

The current status of the Lumberyard affordable housing design process is at a stage between conceptual master site planning and schematic design. The conceptual master site plan design team led by DHM Design was originally hired in 2019 for community outreach and conceptual master site planning and was not intended to be the full AE design team for entire development process. The next major step in the design process would be to hire an AE design team and begin the schematic design process to further develop the project design and to support the creation of a development entitlements land use application.

Staff proposes to issue a request for proposals (RFP) which would solicit offers from qualified vendors as a means for identifying and procuring the most responsible package of AE design team services for the project. Staff also proposes to retain DHM Design as project planner for the purpose of working with the AE design team to draft the land use application due to their intimate knowledge of the project and their proven ability to assemble the land use entitlements application. The AE design team would support the process of drafting the land use application, and a summary of the schematic design services sought in the AE design team RFP may include the following:

- Review the program and other initial project information formulated to date
- Prepare a preliminary evaluation of information furnished and ascertain project requirements
- Consider and propose any alternative approaches to design and construction
- Study noise mitigation techniques including materials, assemblies, building orientation, landscape, berms and/or other effective solutions, formulate recommendations
- Study any opportunities for ongoing air quality collaboration with Pitkin County, formulate recommendations
- Study multimodal transportation opportunities, formulate recommendations
- Study energy efficiency and sustainability possibilities, formulate recommendations
- Study implementation phasing opportunities, formulate recommendations
- Prepare and present a preliminary design illustrating the scale and relationship of project components including the study elements described above
- Prepare schematic design documents, consisting of drawings and other document including a site plan, and preliminary building plans, sections and elevations; and may include some combination of study models, perspective sketches, or digital modeling
- Preliminary selections of major building systems and construction materials shall be noted on the drawings or described in writing
- Review the schematic design documents in public work sessions with City Council
- Identify any necessary adjustments to the schematic design documents, which shall be scheduled schedule for inclusion during the design development phase

Staff's estimate for the scope of work described is approximately \$380,000 for the AE design team scope plus approximately \$85,000 for the land planning effort to develop the land use application.

Question #1 for Council (2 parts): Does Council wish staff to issue an RFP for a full architecture and engineering (AE) design team? And does Council wish the staff to retain DHM as project planner to assemble the land use entitlements application?

2. **Proposed Parking Alternatives Analysis**

To respond to Council's concerns about the use of 100% underground parking, staff proposes to perform an analysis of the impacts of varying levels of above-ground parking in place of 100% underground parking. To do this, staff proposes that the following alternative site plan possibilities be examined:

- Baseline: The current 310-unit plan with 100% underground parking, 33% open site landscape area and an average building height of 3.25 stories (as currently designed)
- Alternative A with 310 units, 67% underground parking, 33% podium parking, 33% open site landscape area and an average building height of 4 stories
- Alternative B with 310 units, 34% underground parking, 33% podium parking, 33% surface parking, 22% open site landscape area and an average building height of 4 stories
- Alternative C with 310 units and with reduced parking distributed as 0% underground parking, 50% podium parking, 50% surface parking, 20% open site landscape area and an average building height of 4 stories

This analysis would intend to include visual site plan layout representation of each alternative and an excavation study including excavation quantities and disposition possibilities. Staff sees two process options for performing the proposed parking alternatives analysis:

- 1) While the AE design team RFP is out for bid, utilize the DHM Design team to assemble the alternative site plan layouts described above and present those to City Council concurrent with the procurement process for the AE design team. With this approach, it may be possible for this work to be completed prior to the AE design team being contracted and starting work.
- 2) Issue the RFP and complete the AE design team selection and procurement process, and then make the parking alternatives analysis the first step in the AE design team's schematic design process. With this approach, it may be possible to see alternate approaches to parking which have yet to be considered for this project.

Staff's estimate for the scope of work described is approximately \$35,000 for the parking alternatives analysis.

Question #2 for Council (2 parts): Does Council wish to perform the parking alternatives analysis described, and if so, would Council prefer this be done by DHM Design or by the AE Design team once selected and contracted?

3. Proposed Update to the City's 2012 Housing Needs Study

To respond to Council's concerns about the project's target user demographic mix (i.e. "who is this housing for?"), staff proposes to update the City's 2012 affordable housing needs study.

In 2012, the City of Aspen published an affordable housing needs study which included a consultant study from Economic & Planning Systems, Inc. (EPS) which was focused on housing units needed in Pitkin County across income levels and household sizes. The study concluded that 650 new units would be needed by 2022 and that there is a need for affordable housing at all income levels, with a greater need at lower income levels and with a need for fewer units at upper income levels. The study included information which suggested that the City should put the most focus on housing 1- and 2-person households and with about half as many 3- and 4+ -person households.

The City's 2012 housing needs study was later set aside when the Greater Roaring Fork Regional Housing Study was released in 2019 and which suggested that the affordable housing shortfall in the upper valley had grown to 3,000 units and with more focus on income categories 2 through 4, but with half as much needed in category 1. The regional study also did not provide information about the need at the income category 5+ levels, nor did the study provide data about household size needs.

By updating the City's 2012 affordable housing needs study, Council would gain the benefit of empirical data about the quantity of housing needed along with the income levels and household sizes which are most needed. Staff's intention would be to review the details of the updated housing needs study side-by-side with the community feedback to this point and make adjustments where deemed appropriate by Council. This information could also be used for decision-making for establishing the mix of income levels for the 2022 sale of 79 affordable ownership units being constructed at Burlingame Ranch Phase 3.

Staff proposes to have DHM Design work with EPS based on their mutual knowledge of the materials to date and to have the study delivered jointly by those two firms so that it can be wrapped in the appropriate context for use as described.

Staff's estimate for the scope of work described is approximately \$45,000 for the update to the housing needs study.

Question #3 for Council (2 parts): Does Council wish to update the City's housing needs study, and if so, is the proposed approach acceptable?

4. Proposed RFQ for public/private partnership housing development interest and financing opportunities

Based on direction from Council in 2020, staff proposes to draft and issue a request for qualifications (RFQ) for public/private partnership housing development interest and financing opportunities. An RFQ provides a means for soliciting for qualified vendors for further vetting of qualifications, capabilities and services to be provided, usually through a subsequent step, which often includes negotiations and/or an RFP to a narrowed pool of pre-qualified vendors.

A draft outline is shown below:

- The City of Aspen seeks proposals from qualified housing developer partners to assist in the construction of affordable housing using traditional and innovative financing tools
- The City of Aspen intends to evaluate potential development partners based on experience, qualifications and proposed approach.
- Provide a list of all new construction development projects awarded and/or constructed over the past five (5) years, including three (3) most recent multifamily affordable development projects completed, and include any such projects working in a public/private partnership in a public housing development environment.
- Provide a description of any recent use of real estate financing methods and funding tools for new construction of affordable multifamily developments, including all applicable recent financing successfully secured from competitive application processes
- Provide three (3) public project references for development projects the respondent has successfully completed within the past three (3) to five (5) years.
- Describe any level of interest and proposed approaches for the City's upcoming projects as described in this RFQ document. Include appropriate funding sources, whether tax exempt bonds, tax credits and/or other innovative means of financing which your firm may have experience with.

Staff proposes to complete and issue the RFQ at a point when the AE design team has gotten sufficiently through the schematic design process so as to enable staff to better describe the project in the RFQ. The cost of assembling and issuing the RFQ is insubstantial.

Question #4 for Council (2 parts): Does Council wish to issue an RFO for public/private partnership housing development interest and financing opportunities, and if so, is the proposed approach acceptable?

FINANCIAL IMPACTS: To this point in the project, Council has approved the annual project budget amounts and expenditures as shown below, and with end of year budget balance having been carried forward each year, this results in the current available budget shown below:

Year	Approved Budget	Expenditures	Current Available Budget
2019	\$175,000	\$113,041	
2020	\$400,000	\$412,886	
2021	\$500,000	\$538	
Total	\$1,075,000	\$526,465	\$548,535

The information shown above is in addition to total land cost to date of \$29,250,000 and with total rent collections of over \$6 million to date.

Staff estimates of the items described in the discussion above are as follows:

Item	Staff estimate
1. AE design team schematic design including studies described	\$380,000
1a. Land planning for land use application development	\$85,000
2. Parking alternatives analysis	\$35,000
3. Update City's Housing Needs Study	\$45,000
4. RFQ for PPP development interest and financing opportunities	n/a
Total of staff estimates for the work described	\$545,000

The staff estimates shown do not include the land use entitlements process or beyond, nor will these estimates dictate actual costs. Staff will seek Council approval in advance of actual expenditures once the services have been formally proposed.

To put the above figures into broader perspective, it is not uncommon for total project design fees to be estimated as 10% of projected construction cost. With a project of 300+ units and a total development cost potentially over \$200 million, by completing the scope of work described above Council will have spent some 7% of design fees if estimated by that means. Given this context, in the event that actual bid pricing for the work exceeds the current remaining budget, staff suggests Council consider using the fall supplemental budget process to increase the budget as needed to accommodate the work.

PROJECT SCHEDULE: The scope of work described herein would aim to maintain the following estimated timeline:

- 2019 Community Outreach
- 2020 Community Outreach, Conceptual Design
- 2021 Schematic Design, Land Use Application Development**
- 2022 Land Use Application Submittal and Approval Process, Design Development, PD
- 2023 Construction Documents, Building Permit Application Process
- 2024 Construction Begins



RECOMMENDATIONS: Staff recommends that Council consider the alternatives proposed and provide the requested direction for staff.

CITY MANAGER COMMENTS:

EXHIBITS:

Exhibit A: Powerpoint Slides

Exhibit B: Conceptual master plan design slides



MEMORANDUM

TO: Mayor Torre and Aspen City Council

FROM: Ben Anderson, Principal Long-Range Planner

THROUGH: Phillip Supino, Community Development Director

MEMO DATE: April 30, 2021

MEETING DATE: May 11, 2021

RE: Second Reading, Proposed Amendments to the Land Use Code:
Ordinance #10, Fee-in-Lieu
Ordinance #11, AH Credits
Ordinance #12, Multi-Family Replacement
Ordinance #13, Lodging Credits and Incentives

REQUEST OF COUNCIL:

At a work session on April 12, 2021, Community Development staff presented proposed Amendments to the Land Use Code in response to Policy Resolution #079, Series of 2020. Following Council direction given at the work session, staff is proposing four (4) separate ordinances. This memo additionally provides updates to questions and comments provided by Council at First Reading on April 27, 2021.

Ordinances #10, #11, #12 and #13, Series of 2021 propose changes to Chapters 26.470; Growth Management Quota System and 26.540, Certificates of Affordable Housing Credits.

Council is requested to review the Ordinances in a public hearing and staff recommends approval of Ordinances 10-13 at Second Reading.

SUMMARY AND BACKGROUND:

Following several discussions in work sessions with staff, Council passed Policy Resolution #079, Series of 2020 in October of 2020. This resolution (**Exhibit A**) approved pursuit of code amendments in four areas:

- 1) Affordable Housing Fee-in-Lieu – update calculation and methodology for updating over time.
- 2) Certificates of Affordable Housing Credits program – improvements to provide clarity and optimize effectiveness of the program.

3) Existing Credits and Incentives within affordable housing mitigation requirements – bring equity to mitigation requirements across development types.

4) Multi-Family Replacement requirements – clarify and simplify and ensure that redevelopment scenarios continue to meet community goals and expectations.

Over the last 18 months, with consultant support, staff has held discussions with representatives of the development community in evaluating and now proposing code amendments in response to the Policy Resolution and the previous discussions with Council. The proposed amendments respond to Council direction, feedback from the development community, staff and consultant expertise, and were shaped to further optimize and improve the Land Use Code’s support for affordable housing development.

The following Review Criteria apply to all Amendments to the text of the Land Use Code:

26.310.050 Amendments to the Land Use Code Standards of review - Adoption.

In reviewing an application to amend the text of this Title, per Section 26.310.020(B)(3), *Step Three – Public Hearing before City Council*, the City Council shall consider:

- A. Whether the proposed amendment is in conflict with any applicable portions of this Title.
- B. Whether the proposed amendment achieves the policy, community goal, or objective cited as reasons for the code amendment or achieves other public policy objectives.
- C. Whether the proposed amendment is compatible with the community character of the City and is in harmony with the public interest and the purpose and intent of this Title.

EXHIBIT J provides a brief presentation of staff’s response to these criteria.

STAFF DISCUSSION:

A comprehensive discussion of these topics was included in the staff memos from the 4/12/21 Work Session and First Reading on 4/27/21 – included as **Exhibit B**.

The following provides a summary of each Ordinance and a response to Council comments and questions at First Reading.

Affordable Housing Fee-in-Lieu (FIL): Ordinance #10, Series of 2021

Following a review of the existing FIL calculation methodology and an analysis for legal sufficiency in 2019 and 2020, the consultant team of TischlerBise and White and Smith Planning and Law Group worked with staff in creating a new FIL calculation and methodology for regular updates.

The report describing this effort is attached as **Exhibit C**.

Ordinance #10, Series of 2021 would do three (3) things:

1) Establish a new Fee-in-Lieu Schedule by Category using a new calculation method.

Proposed Fee-in-Lieu Schedule:

Category 1: \$408,054
Category 2: \$376,475
Category 3: \$345,691
Category 4: \$302,879
Category 5: \$250,375

2) Require an annual update in January – using the National Construction Cost Index (CCI) from the Engineering News Record.

3) Require a new calculation of the FIL using new cost and revenue figures, every five (5) years.

Exhibit D provides a redline version identifying the proposed rescinded and adopted change to 26.470.050.

Response to First Reading Discussion:

1) Rental Income Assumptions in the FIL

As a reminder, the FIL calculation has two components – cost and revenue. In general, the cost side of the equation has received little comment or concern. There has been general consensus that the inclusion of costs from actual projects and land purchases is an improvement and the effect of averaging across different types of projects is a successful response.

On the revenue side of the equation, however, we have received a few comments of concern – both from Council members and members of the development community:

- Just as on the cost side – revenues can vary significantly from project to project, why not use actual revenues (less actual operating expenses) and average just as the calculation does for project costs?
- The operating expense assumption of 50% is way too high – and does not reflect reality.
- The operating expense assumption of 50% is way too low – and does not reflect reality.

- Why give so much focus to APCA's sales and rental rates? They have not been re-evaluated for a while – and the figures as stated are maximums. Do all projects pursue the maximum sales and rental rates?
- By giving so much weight to the APCA sales and revenue streams – the increases to the FIL from the current FIL – are not consistent across Categories. (Category 2 is increasing by roughly 11% and Category 4 by roughly 27%). This is going to cause negative impacts to other policy desires.

Staff's response to these concerns

- 1) The FIL is a generalized measure of what it costs to build a new unit of housing per FTE. The proposed methodology is the best effort to utilize actual costs from actual projects – balanced by the anticipated revenues using sales and rental figures in the APCA Guidelines.
- 2) It was important to incorporate both sales and rental revenue – because both sales and rental units have recently been produced and are likely to be produced in the coming years.
- 3) The methodology for both cost and revenues – was intended to get as close as possible to evaluate a new unit produced in 2021 – not consider revenues or costs related to existing units that were produced at some time in the past. This is important to consider. The FIL is an impact fee for the generation of new employees and the building of new housing for future accommodation. While staff understands the deferred maintenance and capital reserve requirements of aging units in the existing inventory, staff does not believe it is appropriate to resolve this issue through the FIL.
- 4) On the rental revenue assumption of a 50% operating expense, staff and the consultants evaluated a number of different approaches and points of view in an effort to arrive the most accurate measure of these future revenue streams. We have recommended 50% after evaluating literature and descriptions of project proformas. In the industry – we saw estimates of between 20% and 80%. In the evaluation it became clear that actual costs were highly variable – and entirely dependent on project specific qualities. Examples:
 - What quality are the appliances and other fixtures?
 - What materials were used and what type of maintenance was anticipated?
 - Does the project have an elevator?
 - Does the project have on-site management?
 - What utilities and services are included in the rent?
 - What taxes and other fees are levied?
 - To what degree is the project setting aside capital or deferred maintenance reserves?

Attempting to estimate these types of costs by project in itself would be an exercise filled with assumptions. Nonetheless, staff will track these data points as we move forward to consider in future updates if a different approach is important to consider.

- 5) While Council could consider adjusting the 50%, due to the degree of potential variability across projects, in staff and the consultant's view, it is a reasonable estimate of the operating expenses of a project. The following link is for a 2019 Survey by the National Apartment Association (NAA) that provides further support for the 50% assumption:

<https://www.naahq.org/news-publications/units/september-2019/article/2019-naa-survey-operating-income-expenses-rental>

- 6) The effect of the operating expense assumption is reduced as the rental revenue per FTE is averaged with sales revenue per FTE.
- 7) The full cause of the different percentages of increase from the existing FIL per category is dependent on the relationship of sales and rental values from the APCHA guidelines. The sales and rental revenue per FTE as extrapolated from the APCHA Guidelines are not linear in relationship to each other – and this relationship changes across Categories.
- 8) While staff understands the potential policy implications of the different percentage of proposed increase by Category, it was important to the methodology to focus on a consistent evaluation of costs and revenues. In the interest of internal consistency and the ultimate defensibility of the FIL itself, we felt it best not to also attempt to resolve other policy questions by way of the FIL update – whether impact to the AH Credits program, or the types of units the FIL may incentivize.

Staff's Recommendation

- 1) Utilize the revenue methodology as proposed. Staff can begin to monitor actual operating expenses on recently completed rental projects.

Alternatives

- 1) Eliminate rental revenue from the revenue calculation – and use sales revenue solely. This would have the effect of eliminating the assumptions necessary in deriving rental income but would also reduce the FIL from that proposed across all categories. While not recommended, staff and the consultant can evaluate this alternative.
- 2) Create a new methodology for a precise, project specific calculation of operating expenses. Staff does not recommend this path – as it would significantly delay the implementation of a new FIL and additional consultant costs would be incurred. It

is also unclear if it would translate into a significantly different outcome than that currently proposed.

2) Consideration of setting required mitigation to a single Category for all development types.

This comment from Councilmember Richards was received and understood by staff. While it is not a topic that can be resolved through the FIL update, it has been included on the affordable housing working topics that staff will further evaluate.

Improvements to Certificates of Affordable Housing Credits program: Ordinance #11, Series of 2021

In conversations with the development community, and in staff's observation, there is consensus that while Aspen's AH Credits program has been a success, there are fundamental issues with the program that prevent it from fully realizing its potential. Staff has identified these issues and continues to evaluate and explore potential solutions. The proposed code amendments do not address these fundamental issues, but instead are smaller, incremental improvements that may have the effect of allowing a specific affordable housing project to become more viable.

Ordinance #11, Series of 2021 would do four (4) things:

- 1) Provide clarity that AH Credits projects can be pursued in conjunction with other state or federal incentives for affordable housing development.
- 2) Allow for phased issuance of AH certificates to correspond with construction phasing.
- 3) Establish a Multiplier of 1.2 (20% bonus) for FTEs generated within a designated historic structure.
- 4) Provide flexibility for credit issuance in the deed-restricting of existing free-market, multi-family residential development by clarifying value of credit issuance by unit size / FTE standard.

Exhibit E provides a redline version identifying the proposed rescinded and adopted changes to several sections of Chapter 26.540.

Response to First Reading Discussion:

1) Multiplier for units located in a designated historic structure

Councilmembers Richards and Mullins requested additional information on the potential outcomes of the multiplier. Here is an example:

- Three (3), two (2) bedroom units in a designated historic structure, deed restricted at Category 3.

Current Value of Credits:

3 x 2.25 FTE = 6.75 FTE x \$345,691 (Cat 3 FIL) =
Approx. Value of \$2,333,414

With Multiplier

6.75 x 1.2 = 8.1 FTE x \$345,691 =
Approx. Value of \$2,800,097

The Multiplier brings roughly \$467,000 of additional value to the project's generated AH Credits for the units within the historic structure. The trade-off is that the project would "artificially" create an additional 1.35 FTEs worth of credit – that would not actually house employees. Staff believes this to have minimal and limited impact and if it has the effect of allowing a project to proceed that otherwise would not, the larger outcome justifies the trade-off. Staff does not view this as an additional benefit to historic preservation, but instead as an incentive towards the development of affordable housing.

Multi-Family Replacement: Ordinance #12, Series of 2021

With assistance from consultants at Design Workshop, staff is evaluating the current regulations regarding Multi-Family Replacement through analysis of redevelopment scenarios in existing multi-family properties. This study continues and is not yet ready in proposing policy or regulatory changes. At this time, the proposed amendment would clarify and clean-up the existing code but would not make any substantial changes.

Ordinance #12, Series of 2021 would do two (2) things:

- 1) Adopts minor changes to the multi-family replacement section of the code that clarify and clean-up the section but does not establish any policy or regulatory changes.
- 2) Cleans up a scrivener's error from a previous code amendment.

Exhibit F provides a redline version identifying the proposed rescinded and adopted changes to Sections 26.470.100.D and 26.470.080.D7.e.

Response to First Reading Discussion:

Councilmember Hauenstein raised a question about one of the development scenarios that is described by current code (100% Affordable) and a potential opportunity for creating additional incentive. Staff is not ready at this time to propose any changes to the policy – but it is anticipated that a much more significant code change proposal within Multi-Family Replacement will be ready for Council consideration in mid-summer, 2021.

Lodge Credit and Incentives within the affordable housing mitigation system: Ordinance #13, Series of 2021

The mitigation reduction incentive for density and unit size has tended not to translate into the lodge outcomes that were desired. Often projects are designed within the code language to meet the letter of the regulation, but not necessarily the intent. Even if the desired outcomes were fully realized, it seems that community and Council desires for affordable housing is now of a higher priority than the type of lodge product that is being produced.

In the code amendments responding to the 2016 Moratorium, Council removed the automatic credit for commercial Net Leasable in redevelopment scenarios. Instead, commercial projects need to show that this area was previously mitigated before receiving the credit. Staff recommends that lodge uses be consistent with other commercial mitigation requirements in this regard. In an important difference, staff does not recommend that mitigation for existing units be phased in over time. Instead redeveloped lodge units would be mitigated at 65%.

Ordinance #13, Series of 2021 would do two (2) things:

- 1) Eliminate the Lodge Unit Density and Size Incentive in determining AH mitigation rates.
- 2) Eliminate the automatic credit for existing lodge units in redevelopment scenarios in the calculation of a projects employee generation.

Exhibit G provides a redline version identifying the proposed rescinded and adopted changes to several sections of Chapter 26.470.

Response to First Reading Discussion:

Council did not raise comment or have questions about this topic.

PUBLIC OUTREACH: The nature of the proposed code amendments suggests that the general public would have limited interest in these particular changes. Notice has been provided as required – newspaper and agenda posting. P&Z’s consideration was also held in a public hearing on April 20 and APCHA’s Board of Directors were informed and held discussion at their meeting on April 21. Draft minutes of the P&Z hearing are not yet ready, but Council may view the WebEx meeting here: [video.apz.20210420.mp4](#) P&Z

recommended approval of the proposed Ordinances, but did communicate a recommendation that Council and staff continue to work on more significant improvements to the AH Credits Program – See **Exhibit H** for P&Z’s recommendation.

Special effort was made to announce this process to Aspen’s development community through Community Development’s newsletter and in two virtual presentations held via Zoom on April 6th and 7th. Approximately 25 individuals participated in the two sessions. Notes from these presentations and the ensuing discussions can be found as **Exhibit**

CONCLUSION: Staff is proposing amendments to four areas of the Code – resulting in four separate ordinances:

- 1) Ordinance 10 of 2021 – Fee-in-Lieu
- 2) Ordinance 11 of 2021 – Certificates of Affordable Housing Credits program
- 3) Ordinance 12 of 2021 – Multi-Family Replacement
- 4) Ordinance 13 of 2021 – Lodge Credit and Incentives

Staff recommends approval of the four Ordinances at Second Reading.

FINANCIAL IMPACTS: N/A

ENVIRONMENTAL IMPACTS: N/A

ALTERNATIVES: N/A

RECOMMENDATIONS: Staff recommends approval of the Ordinances at Second Reading.

RECOMMENDED MOTIONS: Council will need to open a public hearing and vote separately on each Ordinance.

“I move to approve Ordinance #010, Series of 2021.” (FIL)

“I move to approve Ordinance #011, Series of 2021.” (AH Credits)

“I move to approve Ordinance #012, Series of 2021.” (Multi-Family)

“I move to approve Ordinance #013, Series of 2021.” (Lodge Credit and Incentive)

CITY MANAGER COMMENTS:

EXHIBITS:

EXHIBIT A – Policy Resolution No. 079, Series of 2020

EXHIBIT B – Staff Memo, Work Session, April 12, 2021

EXHIBIT C – Draft, Affordable Housing Fee-in-Lieu Study – Phase II

EXHIBIT D – Redline, Fee-in-Lieu; Ord. 10

EXHIBIT E – Redline, AH Credits; Ord. 11

EXHIBIT F – Redline, Multi Family Replacement; Ord. 12

EXHIBIT G – Redline, Lodge Credit and Incentives; Ord. 13

EXHIBIT H – P&Z Resolution #03, Series of 2021

EXHIBIT I – Notes from outreach sessions – April 6 and 7, 2021

Exhibit A - Policy Resolution

RESOLUTION NO. 079 SERIES OF 2020

A RESOLUTION OF THE CITY OF ASPEN CITY COUNCIL ADOPTING POLICIES AUTHORIZING AMENDMENTS TO THE LAND USE CODE IN SUPPORT OF CITY COUNCIL'S AFFORDABLE HOUSING GOALS

WHEREAS, pursuant to Section 26.310.020(A), a Policy Resolution is required to initiate the process of amending the City of Aspen Land Use Code; and,

WHEREAS, pursuant to Section 26.310.020(A), during a work session on August 10, 2020, the Community Development Department received direction from City Council to explore targeted amendments to the Land Use Code related to growth management, affordable housing mitigation and the Affordable Housing Credits Program; and,

WHEREAS, the Community Development Director recommends Council consider potential changes to the General Provisions (26.104), Growth Management Quota System (26.470), Certificates of Affordable Housing Credits (26.540) sections, and other sections of the Land Use Code as necessary for coordination,

WHEREAS, City Council has reviewed the proposed code amendment policy direction, and finds it meets the criteria outlined in Section 26.310.040; and,

WHEREAS, amending the Land Use Code as described below will ensure the ongoing effectiveness and viability of the regulations within the City of Aspen Land Use Code to achieve City Council's policy and regulatory goals related to affordable housing; and,

WHEREAS, the regulations and standards in the Land Use Code provide important tools in the development of affordable housing within the City of Aspen; and,

WHEREAS, Aspen's affordable housing system is essential in the advancement of a sustainable community; and,

WHEREAS, the proposed Land Use Code amendments related to affordable housing will advance specific policy statements in the Aspen Area Community Plan (AACP); and,

WHEREAS, pursuant to Section 26.310.020(B)(2), during a duly noticed public hearing on October 13, 2020 the City Council approved Resolution 079-2020, by a 5 to 0 vote, requesting code amendments to the Land Use Code; and,

WHEREAS, pursuant to Section 26.310.020(B)(1), the Community Development Department, following approval of this Policy Resolution will conduct Public Outreach with the public, property owners, and members of the development community; and,

Resolution 079-2020
Land Use Code / Affordable Housing
Code Amendments Policy Resolution
Page 1 of 3

WHEREAS, this Resolution does not amend the Land Use Code, but provides direction to staff for amending the Land Use Code; and,

WHEREAS, the City Council finds that this Resolution furthers and is necessary for the promotion of public health, safety, and welfare.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASPEN AS FOLLOWS:

Section 1: Overall Code Amendment Objectives

The objectives of these code amendments are to:

1. To more closely align City Council's affordable housing goals with policies and regulations in the Land Use Code.
2. Build upon the established successes of Aspen's affordable housing efforts.
3. Update, improve, clarify and simplify existing policies and regulations related to the provision of affordable housing.
4. Improve policies to further encourage both public and private sector development of affordable housing.
5. Maintain existing and increase the free-market and deed-restricted housing units available to Aspen's workforce.

Section 2: Topics for Potential Code Amendments

1. Affordable Housing Fee-in-Lieu
2. Certificates of Affordable Housing Credits
3. Existing Development Credits and Incentives Related to Affordable Housing Mitigation for various development and use types.
4. Multi-family Replacement

Section 3: Affordable Housing Fee-in-lieu Amendment

The goals of this amendment are to:

1. Update the calculation method and propose updated figures to better reflect the value of an affordable housing unit in the context of Aspen's development realities.
2. Update the current fee-in-lieu rate and provide clarity to the method of updating the fee-in-lieu calculation over time.

Section 4: Certificates of Affordable Housing Credits Code Amendment

The goals of this amendment are to:

1. Align the Land Use Code and APCHA development requirements to improve clarity and provide flexibility to affordable housing development and re-development projects.
2. Modify regulations and processes which govern the value, management, and accounting of Certificates of AH to ensure the program aligns with AH market dynamics and optimizes the effectiveness of the Certificates program.

3. Provide clarity in the relationship between Aspen's Credit program and other affordable housing incentives and the eligibility of various entities to generate Certificates.

Section 5: Existing Development Credits and Incentives Amendment

The goal of this amendment is to:

1. Bring equity to affordable housing mitigation requirements across different development types.

Section 6: Multi-family Replacement Amendment

The goals of this amendment are to:

1. Bring clarity to and simplify policies that preserve existing free-market and deed restricted multi-family housing units.
2. Ensure that redevelopment scenarios of existing multi-family housing continue to meet community goals and expectations.

Section 7: Other Amendments as Necessary

Other amendments may be required to ensure coordination between the sections identified above and other sections in the LUC which may not have been anticipated.

Section 8:

This resolution shall not affect any existing litigation and shall not operate as an abatement of any action or proceeding now pending under or by virtue of the resolutions or ordinances repealed or amended as herein provided, and the same shall be conducted and concluded under such prior resolutions or ordinances.

Section 9:

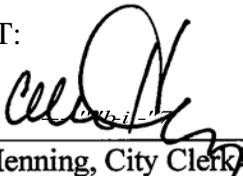
If any section, subsection, sentence, clause, phrase, or portion of this resolution is for any reason held invalid or unconstitutional in a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and shall not affect the validity of the remaining portions thereof.

FINALLY, adopted this 13th day of October, 2020.



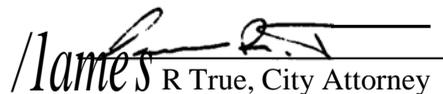
Torre, Mayor

EST:



Nicole Henning, City Clerk

APPROVED AS TO FORM:



Resolution 079-2020
Land Use Code / Affordable Housing
Code Amendments Policy Resolution
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**RESOLUTION NO. 03
(SERIES OF 2021)**

A RESOLUTION OF THE ASPEN PLANNING AND ZONING COMMISSION RECOMMENDING APPROVAL BY CITY COUNCIL OF PROPOSED AMENDMENTS TO THE LAND USE CODE IN CHAPTERS 26.470, GROWTH MANNAGEMENT QUOTA SYSTEM AND 26.540, CERTIFICATES OF AFFORDABLE HOUSING CREDITS.

WHEREAS, the Community Development Department has held multiple work sessions with City Council on the topic of coordination of the Land Use Code and Council’s affordable housing goals; and,

WHEREAS, on October 13, 2020, City Council passed Policy Resolution #079, Series of 2020, approving initiation of code amendments; and,

WHEREAS, Community Development staff engaged professional consultant support and conducted research, including interviews and outreach with members of the development community in evaluation of the directives of the Policy Resolution, and,

WHEREAS, Community Development staff are proposing specific amendments to the Land Use Code; and,

WHEREAS, at a duly noticed public hearing on April 20, 2021, the Planning and Zoning Commission considered the proposed code amendments, and by a six-zero (6-0) approves Resolution No. 03, Series of 2021, recommending approval of the proposed amendments.

NOW, THEREFORE BE IT RESOLVED BY THE PLANNING AND ZONING COMMISSION OF THE CITY OF ASPEN, COLORADO THAT:

Section 1: Affordable Housing Fee-in-Lieu

Planning and Zoning Commission recommends a Land Use Code Amendment to Chapter 26.470 that:

- a. Establishes a recalculated Affordable Housing Fee-in-Lieu for Categories 1-5, as proposed; and,
- b. Provides for an annual update utilizing the Engineering News Record National Construction Cost Index; and,
- c. Provides direction for a full cost recalculation of affordable housing costs and revenues every five years.

Section 2: Certificates of Affordable Housing Credits

Planning and Zoning Commission recommends a Land Use Code Amendment to Chapter 26.540 that:

- a. Clarifies that projects can pursue Aspen’s Affordable Housing Credits in conjunction with state and federal affordable housing development incentives, such as the Low-Income Housing Tax Credit (LIHTC); and,

- b. Allows an option for approved AH Credits to be issued in phases in coordination with the phases of the construction of the project. If pursued, 30% would be issued at completion of foundation inspection, 30% at completion of framing inspection, and 40% at Certificate of Occupancy. A bond or other approved financial instrument would be necessary to ensure completion of the project; and,
- c. Applies a 1.2 multiplier to AH Credits generated within a designated historic structure, and
- d. Clarifies the number credits issued in the conversion of free-market multi-family units to deed-restricted units when bedroom count and APCHA minimum unit sizes do not align. This method would utilize 400 square feet per FTE to determine Credits issued.

Section 3: Incentives and Credits granted to Lodge development in calculating affordable housing mitigation

Planning and Zoning Commission recommends a Land Use Code Amendment to Chapter 26.470 that:

- a. Removes the affordable housing mitigation incentive for Lodge Unit Size and Density; and,
- b. Removes the credit for existing lodge rooms in redevelopment scenarios, unless evidence is provided that the lodge rooms were previously mitigated.

Section 4: Multi-family Replacement

Planning and Zoning Commission recommends a Land Use Code Amendment to Chapter 26.470 that:

- a. Cleans up, reorganizes, and clarifies the existing code, but does not make any policy or regulatory changes, at this time.

Section 5: Additional Recommendation

Further, Planning and Zoning Commission strongly encourages City Council to direct staff to identify policy and code responses to the underlying issues within the Certificates of Affordable Housing Credits program that prevent it from being as successful as possible.

Section 6:

This Resolution shall not affect any existing litigation and shall not operate as an abatement of any action or proceeding now pending under or by virtue of the ordinances repealed or amended as herein provided, and the same shall be conducted and concluded under such prior ordinances.

Section 7:

If any section, subsection, sentence, clause, phrase, or portion of this Resolution is for any reason held invalid or unconstitutional in a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and shall not affect the validity of the remaining portions thereof.

FINALLY, adopted, passed and approved this 20th day of April, 2021.

Approved as to form:

Approved as to content:

Katharine Johnson, Assistant City Attorney

Spencer McKnight, Chair

Attest:

Cindy Klob, Records Manager

**ORDINANCE NO. 10
(SERIES OF 2021)**

**AN ORDINANCE OF THE ASPEN CITY COUNCIL AMENDING CITY OF ASPEN
LAND USE CODE SECTION 26.470.050.E – CALCULATIONS; TO ADOPT A NEW
AFFORDABLE HOUSING MITIGATION FEE-IN-LIEU RATE SCHEDULE AND
METHODOLOGY FOR REGULAR UPDATES.**

WHEREAS, pursuant to chapter 26.470, Growth Management Quota System, of the City of Aspen Municipal Code, applicants may, under conditions specified by the Chapter, pay fees to satisfy requirements to provide affordable or employee housing; and,

WHEREAS, in 2019 and 2020 Community Development Staff worked with consultants White and Smith Planning Law Group and TischlerBise in the drafting of the *Affordable Housing Fee-in-Lieu Study, Phase I*, a study that provided recommendations for improving the methodology in calculating and updating the Affordable Housing Fee-in-Lieu; and,

WHEREAS, Land Use Code Section 26.470.050(E), Calculations - Employee housing fee-in-lieu payment; prescribes that the Fee-In-Lieu rates shall be updated every five years and adopted by city council ordinance, and that during intermediate years, the City may choose to update the fee-in-lieu schedule, by ordinance, based on the change in the engineering news record inflation index; and,

WHEREAS, pursuant to prior resolutions and ordinances of the City, the City Council has historically established these fees, referred to in Chapter 26.470 as an affordable housing impact fee, affordable housing mitigation fees, and cash-in-lieu payments; and,

WHEREAS, pursuant to Section 26.310.020(B)(1), the City of Aspen conducted Public Outreach through various work sessions with Council, and discussions with members of the development community; and,

WHEREAS, on October 13, 2020, City Council passed Policy Resolution #079, Series of 2020, approving initiation of code amendments; and,

WHEREAS, The City is electing to enact a new fee-in-lieu schedule and methodology for update utilizing calculations and recommendation provided in the *Affordable Housing Fee-in-Lieu Study, Phase II*, completed in April of 2021 by White and Smith Planning and Law Group and TischlerBise,

WHEREAS, Community Development staff provided outreach opportunities and held discussion with the Aspen Pitkin County Housing Authority and the Planning and Zoning Commission and received formal recommendation from Planning and Zoning Commission in Resolution # XX, Series of 2021; and,

WHEREAS, the Aspen City Council finds that this Ordinance furthers and is necessary for the promotion of public health, safety, and welfare; and

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASPEN, COLORADO THAT:

Section 1: Section 26.470.050.E shall be rescinded and readopted as follows:

26.470.050. Calculations

E. Employee housing fee-in-lieu payment. Whenever a project provides employee housing via a fee-in-lieu payment, in part or in total, the amount of the payment shall be based upon the following (fee-in-lieu is only allowed for Categories 1-4, Category 5 is included for any necessary conversions between affordable housing unit types or for the purpose of conversions in the value of Certificates of Affordable Housing Credits):

Fee-in-Lieu (per FTE):

Category 1:	\$408,054
Category 2:	\$376,475
Category 3:	\$345,691
Category 4:	\$302,879
Category 5:	\$250,375

Payment shall be calculated on a full-time-equivalent employee (FTE) basis according to the Affordable Housing Category designation required by this Title. Unless otherwise stated in this Title or in a Development Order, Fee-in-Lieu payments shall be collected by the City of Aspen Building Department prior to and as a condition of Building Permit issuance.

The Fee-In-Lieu rates shall be updated every five years and adopted by city council ordinance. This 5-year update shall evaluate and include cost analysis of new private and public sector affordable housing projects that have been completed or are otherwise appropriate since the previous update. During the intermediate years, Community Development staff shall propose to City Council an annual update (in January) to the Fee-in-Lieu schedule via Ordinance, utilizing the most recent National Construction Cost Index provided by the Engineering News Record. If the annual increase is approved, updated Fee-in-Lieu figures shall be rounded to the nearest dollar.

The following methodology (as depicted in a comprehensive report conducted by TischlerBise, *Affordable Housing Fee-in-Lieu Study, Phase II* in Spring of 2021) was used to determine the above Fee-in-Lieu schedule:

- 1) Utilizing recent public sector, private sector, and public private partnership affordable housing projects, staff and the consultant team identified actual land and construction (hard and soft) costs for a number of recent projects and land purchases.

2) Costs for both land and construction were analyzed by project to the square foot of net livable development and averaged across the projects. Using the Code determined calculation of 400 square feet per full time equivalent (FTE) employee, a total cost of constructing affordable housing per FTE was identified.

3) Utilizing the Aspen Pitkin County Housing Authority (APCHA) Guidelines, established sales and rental rates by Category and bedroom count were used in a calculation to identify the revenue per FTE. Two important assumptions were included for the rental revenue stream: a) revenue (rental income) was calculated over a 15 year period with a 2% annual increase in the rental rate; and b) rental revenue was reduced by 50% to acknowledge common maintenance and operations costs. Sales and Rental Revenue were then averaged per FTE.

4) The per FTE revenue amount for each Category (identified in #3 above) was subtracted from the total development cost per FTE (identified in #2 above). The remainder of each calculation subtracting the Category revenue from the total cost per FTE results in the Category Fee-in-Lieu schedule above.

Section 2:

Any scrivener’s errors contained in the code amendments herein, including but not limited to mislabeled subsections or titles, may be corrected administratively following adoption of the Ordinance.

Section 3:

This ordinance shall not affect any existing litigation and shall not operate as an abatement of any action or proceeding now pending under or by virtue of the resolutions or ordinances repealed or amended as herein provided, and the same shall be conducted and concluded under such prior resolutions or ordinances.

Section 4:

If any section, subsection, sentence, clause, phrase, or portion of this resolution is for any reason held invalid or unconstitutional in a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and shall not affect the validity of the remaining portions thereof.

Section 5:

A public hearing on this ordinance was held on the _____ day of _____, 2021, at a meeting of the Aspen City Council commencing at 5:00 p.m. in the City Council Chambers, Aspen City Hall, Aspen, Colorado, a minimum of fifteen days prior to which hearing a public notice of the same shall be published in a newspaper of general circulation within the City of Aspen.

INTRODUCED, READ, AND ORDERED PUBLISHED as provided by law, by the City Council of the City of Aspen on the 27th day of April, 2021.

ATTEST:

Nicole Henning, City Clerk

Torre, Mayor

FINALLY, adopted, passed and approved this ____ day of _____, 2021.

Torre, Mayor

ATTEST:

APPROVED AS TO FORM:

Nicole Henning, City Clerk

James R. True, City Attorney

**ORDINANCE NO. 11
(SERIES OF 2021)**

**AN ORDINANCE OF THE ASPEN CITY COUNCIL AMENDING CITY OF ASPEN
LAND USE CODE CHAPTER 26.540; TO ADOPT CHANGES TO THE CERTIFICATES
OF AFFORDABLE HOUSING CREDITS PROGRAM.**

WHEREAS, in accordance with Sections 26.208 and 26.310 of the City of Aspen Land Use Code, the City Council of the City of Aspen directed the Community Development Department to craft code amendments to coordinate the Aspen Area Community Plan (AACP), the Land Use Code and City Council affordable housing goals; and,

WHEREAS, pursuant to Section 26.310.020(B)(1), the City of Aspen conducted public outreach through various work sessions with Council, and discussions with members of the development community; and,

WHEREAS, Community Development staff in discussions with the development community and in analysis of observed challenges in the development of affordable housing has proposed improvements to the Certificates of Affordable Housing Credits program; and,

WHEREAS, on October 13, 2020, City Council passed Policy Resolution #079, Series of 2020, approving initiation of code amendments; and,

WHEREAS, Community Development staff provided outreach opportunities and held discussion with the Aspen Pitkin County Housing Authority and the Planning and Zoning Commission and received formal recommendation from Planning and Zoning Commission in Resolution # XX, Series of 2021; and,

WHEREAS, the Aspen City Council finds that this Ordinance furthers and is necessary for the promotion of public health, safety, and welfare; and

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASPEN, COLORADO THAT:

Section 1: Section 26.540.030 shall be rescinded and adopted as follows:

26.540.030 Applicability and prohibitions

A. This Chapter applies to all Certificates of Affordable Housing Credit. Housing credits may only be established from affordable housing created on a voluntary basis and designated at any Category with established cash-in-lieu rates in the Housing Guidelines, including the deed-restriction of unrestricted units (buy-down units).

1. City of Aspen Housing Credits may be used within the city limits of the City of Aspen as provided in this Title and may be used in other jurisdictions as may be authorized by that

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First Reading
AH Credits
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jurisdiction. City of Aspen Housing Credits may only be established from development within the City of Aspen boundaries.

2. Affordable Housing projects may establish City of Aspen Housing Credits in conjunction with other state and federal affordable housing incentive programs, such as, but not limited to the Low-Income Housing Tax Credit (LIHTC).
3. A Certificate of Affordable Housing Credit may be sold, assigned, transferred, or conveyed. Transfer shall be evidenced by an assignment of ownership on the actual certificate document. Upon transfer, the new owner may request the Community Development Director re-issue the Credit Certificate acknowledging the new owner.
4. The market for Certificates of Affordable Housing Credit is unrestricted and the City shall not prescribe or guarantee the monetary value of a Credit.
5. The Community Development Director shall establish policies and procedures for the printing of certificates, their safe-keeping, issuance, re-issuance, record-keeping, and extinguishments.
6. Projects seeking approval to develop affordable housing in exchange for Certificates of Affordable Housing Credit may be subject to additional reviews pursuant to this Title.
7. Fractional units are eligible for the establishment of Housing Credits if deed restricted as for-sale or are subject to an agreement with the City requiring the unit to be permanently deed restricted. For example, if a development project is required to mitigate 2.4 FTEs and is proposing on-site units that house 3 FTEs, the additional 0.6 FTEs proposed that are not required for mitigation are eligible for establishment as a Certificate of Affordable Housing Credit.
8. Any affordable housing units created for the establishment of Housing Credits, including fractions thereof, which are part of a mixed-use building shall be deed restrict as for-sale. Units that are part of a 100% affordable housing project may be for-rent.

B. This Chapter does not apply to the following:

1. Affordable housing created to address an obligation of a Development Order or which is otherwise required by this Title to mitigate the impacts of development.
2. Affordable housing units created prior to the adoption of Ordinance No. 6, Series of 2010.
3. Affordable housing units developed by, or in association with: the City of Aspen, Pitkin County, the Aspen/Pitkin County Housing Authority, or similar government or non-governmental organization (NGO) that receives public funds for the purpose of building affordable housing.
4. Dormitory units.

5. The creation of voluntary affordable housing units deed restricted at a Category which a cash-in-lieu rate has not been established in the Housing Guidelines.

Section 2: Section 26.540.050 shall be rescinded and adopted as follows:

26.540.050 Application

All applications shall include the information required under Chapter 26.304, Common Development Review Procedures. In addition, all applications must also include the following information.

1. The net livable square footage of each unit and proposed number of bedrooms.
2. If applicable, the conditions under which reductions from net minimum livable square footage requirements are requested according to Aspen Pitkin County Housing Authority Guidelines and a copy of the recommendation from APCHA related to the units.
3. Proposed Category designation for each unit.
4. Proposed Category Designation of sale or rental restriction for each unit. This should include and conditions that APCHA will require related to either the sale and/or rental of the units.
5. Proposed employees housed by the affordable housing units in increments of no less than one-hundredth (.01) according to Section 26.470.050.D (Table 4, FTEs Housed).
6. For projects approved by the Historic Preservation Commission that include affordable housing units within a designated structure, provide a calculation for the Credits generated within the designated structure that includes a multiplier of 1.2 x the employees housed per paragraph 5, immediately above. This multiplier recognizes the additional costs related to preservation efforts of designated structures. The multiplier does not apply to units/Credits established in non-historic structures in the same project.
7. For projects that are converting (without demolition) existing free-market (single family, duplex, or multi-family) units into Category, deed-restricted units for the purpose of establishing affordable housing credits, the application shall additionally contain the following:
 - a. Recommendation from APCHA that identifies the development standards for a project or unit being accepted into a deed restriction by APCHA. The application should specifically reference APCHA's evaluation of the property and any necessary improvements to the property necessary to meet APCHA requirements. Eventual issuance of credits will be conditioned on fulfilling the identified development requirements.
 - b. A precise evaluation, conducted by an architect or other qualified party that identifies the existing net livable area of the unit is required. If a unit is below APCHA's minimum net livable area based on the number of bedrooms (as established by APHCA's Guidelines), a 400 square feet per FTE calculation will be utilized instead of the bedroom

count, in determining the number of Credits that will be generated by the project.

Section 3: Section 26.540.070 shall be rescinded and adopted as follows:

26.540.070 Review criteria for establishing an affordable housing credit

An Affordable Housing Credit may be established by the Planning and Zoning Commission if all of the following criteria are met. The proposed units do not need to be constructed prior to this review.

A. The proposed affordable housing unit(s) comply with the review standards of Section 26.470.080.D.7.a-g

B. The affordable housing unit(s) are not an obligation of a Development Order and are not otherwise required by this Title to mitigate the impacts of development.

Section 4: Section 26.540.080 shall be rescinded and adopted as follows:

26.540.080 Procedure for issuing a certificate of affordable housing credit

A. The Planning and Zoning Resolution in approving the establishment of Affordable Housing Credits for a project shall identify one of two possible paths for the eventual issuance of established credits:

1. Upon completion of the project and the presentation of a Certificate of Occupancy and APCHA deed restriction for the completed affordable units, 100% of the approved Certificates shall be issued in a form prescribed by the Community Development Director; or,
2. Upon presentation of a performance bond, letter of credit, or other financial instrument acceptable to the City Attorney in guaranteeing the eventual completion of the project, a project developer will receive phased issuance of Affordable Housing Credits per the following schedule:
 - 30% of approved Credits at completion of foundation inspection
 - 30% of approved Credits at completion of framing / roofing inspection
 - 40% of approved Credits at presentation of Certificate of Occupancy and the APCHA deed restriction
3. The bond, letter of credit, or other financial instrument shall be presented and reviewed with the submission of the building permit and will be for an amount of 100 % of the total project valuation.
4. Approval of phased issuance of Affordable Housing Credits must be included in the Planning and Zoning Commission Resolution. No phased issuance shall occur until the City Attorney has reviewed and approved the provided financial instrument.

5. If phased issuance is approved by the Planning and Zoning Commission Resolution and the project developer determines ultimately not to pursue the phased issuance, Credits will be issued per Paragraph 1 at the time of the completed project.

B. Upon successful completion of the requirements of Paragraph 1 or 2 above, the issued Certificate of Affordable Housing Credit shall include the following information:

1. A number of the Certificate in chronological order of their issuance.
2. Parcel identification number, legal address and the street address of the affordable housing.

The Category Designation and number of employees housed by the affordable housing units, according to Section 26.470.050.D – Employees Housed; in increments of no less than one-one-hundredths (.01).

Section 5:

Any scrivener’s errors contained in the code amendments herein, including but not limited to mislabeled subsections or titles, may be corrected administratively following adoption of the Ordinance.

Section 6:

This ordinance shall not affect any existing litigation and shall not operate as an abatement of any action or proceeding now pending under or by virtue of the resolutions or ordinances repealed or amended as herein provided, and the same shall be conducted and concluded under such prior resolutions or ordinances.

Section 7:

If any section, subsection, sentence, clause, phrase, or portion of this resolution is for any reason held invalid or unconstitutional in a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and shall not affect the validity of the remaining portions thereof.

Section 8:

A public hearing on this ordinance was held on the ____ day of____, 2021, at a meeting of the Aspen City Council commencing at 5:00 p.m. in the City Council Chambers, Aspen City Hall, Aspen, Colorado, a minimum of fifteen days prior to which hearing a public notice of the same shall be published in a newspaper of general circulation within the City of Aspen.

INTRODUCED, READ, AND ORDERED PUBLISHED as provided by law, by the City Council of the City of Aspen on the 27th day of April, 2021.

ATTEST:

Nicole Henning, City Clerk

Torre, Mayor

FINALLY, adopted, passed and approved this ____ day of _____, 2021.

Torre, Mayor

ATTEST:

APPROVED AS TO FORM:

Nicole Henning, City Clerk

James R. True, City Attorney

**ORDINANCE NO. 12
(SERIES OF 2021)**

**AN ORDINANCE OF THE ASPEN CITY COUNCIL AMENDING CITY OF ASPEN
LAND USE CODE SECTION 26.470.100.D; TO PROVIDE IMPROVED CLARITY TO
THE MULTI-FAMILY HOUSING REPLACEMENT POLICIES, AND SECTION
26.470.080.D.7.E; TO CORRECT A PREVIOUS SCRIVENER'S ERROR.**

WHEREAS, in accordance with Sections 26.208 and 26.310 of the City of Aspen Land Use Code, the City Council of the City of Aspen directed the Community Development Department to craft code amendments to coordinate the Aspen Area Community Plan (AACP), the Land Use Code and City Council affordable housing goals; and,

WHEREAS, pursuant to Section 26.310.020(B)(1), the City of Aspen conducted public outreach through various work sessions with Council, and discussions with members of the development community; and,

WHEREAS, Community Development staff contracted with Design Workshop for professional services in support of the study and analysis of the Multi-Family Replacement policies in the Land Use Code; and,

WHEREAS, on October 13, 2020, City Council passed Policy Resolution #079, Series of 2020, approving initiation of code amendments; and,

WHEREAS, Community Development staff has proposed improvements to 26.470.100.D, Demolition or redevelopment of multi-family housing in providing additional clarity to language and organization, and correcting code section cross-referencing, but no policy or regulatory changes; and is correcting a previous scrivener's error in Section 26.470.080.D.7.e; and,

WHEREAS, Community Development staff provided outreach opportunities and held discussion with the Aspen Pitkin County Housing Authority and the Planning and Zoning Commission and received formal recommendation from Planning and Zoning Commission in Resolution # XX, Series of 2021; and,

WHEREAS, the Aspen City Council finds that this Ordinance furthers and is necessary for the promotion of public health, safety, and welfare; and

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASPEN, COLORADO THAT:

Section 1: Section 26.470.100.D shall be rescinded and adopted as follows:

26.470.100 Planning and Zoning Commission applications.

D. Demolition or redevelopment of multi-family housing. The City's neighborhoods have traditionally been comprised of a mix of housing types, including those affordable by its working residents. However, because of Aspen's attractiveness as a resort environment and because of the physical constraints of the upper Roaring Fork Valley, there is constant pressure for the redevelopment of dwellings currently providing resident housing for tourist and second-home use. Such redevelopment results in the displacement of individuals and families who are an integral part of the Aspen work force. Given the extremely high cost of and demand for market-rate housing, resident housing opportunities for displaced working residents, which are now minimal, will continue to decrease.

Preservation of the housing inventory and provision of dispersed housing opportunities in Aspen have been long-standing planning goals of the community. Achievement of these goals will serve to promote a socially and economically balanced community, limit the number of individuals who face a long and sometimes dangerous commute on State Highway 82, reduce the air pollution effects of commuting and prevent exclusion of working residents from the City's neighborhoods.

The Aspen Area Community Plan established a goal that affordable housing for working residents be provided by both the public and private sectors. The City and the Aspen/Pitkin County Housing Authority have provided affordable housing both within and adjacent to the City limits. The private sector has also provided affordable housing. Nevertheless, as a result of the replacement of resident housing with second homes and tourist accommodations and the steady increase in the size of the workforce required to assure the continued viability of Aspen area businesses and the City's tourist-based economy, the City has found it necessary, in concert with other regulations, to adopt limitations on the combining, demolition or conversion of existing multi-family housing in order to minimize the displacement of working residents, to ensure that the private sector maintains its role in the provision of resident housing and to prevent a housing shortfall from occurring.

The combining, demolition (see definition of *demolition.*), conversion, or redevelopment of multi-family housing shall be approved, approved with conditions or denied by the Planning and Zoning Commission based on compliance with the following requirements:

1. Requirements for combining, demolishing, converting or redeveloping free-market multi-family housing units: Only one (1) of the following two (3) options is required to be met when combining, demolishing, converting or redeveloping a free-market multi-family residential property. To ensure the continued vitality of the community and a critical mass of local working residents, no net loss of density (total number of units) between the existing development and proposed development shall be allowed.
 - a. *One-hundred-percent replacement.* In the event of the demolition of free-market multi-family housing, the applicant shall have the option to construct replacement housing consisting of no less than one hundred percent (100%) of the number of

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units, bedrooms and net livable area demolished. The replacement units shall be deed-restricted as resident occupied (RO) affordable housing, pursuant to the Guidelines of the Aspen/Pitkin County Housing Authority. In summary, this option replaces the demolished free-market units with an equal number of units, bedrooms and net livable area of deed-restricted, Resident Occupied (RO) development. An applicant may choose to provide the mitigation units at a lower category designation. Each replacement unit shall be approved pursuant to Subsection C, Affordable housing, of this Section.

When this one-hundred-percent standard is accomplished, the remaining development on the site may be free-market residential development with no additional affordable housing mitigation required as long as there is no increase in the number of free-market residential units on the parcel. Free-market units in excess of the total number originally on the parcel shall be reviewed pursuant to Section 26.470.110, subsection H or I, Residential Development – sixty (60%) or seventy (70%) percent affordable as required.

- b. *Fifty-percent replacement.* In the event of the demolition of free-market multi-family housing and replacement of less than one hundred percent (100%) of the number of previous units, bedrooms or net livable area as described above, the applicant shall be required to construct affordable housing consisting of no less than fifty percent (50%) of the number of units, bedrooms and the net livable area demolished. The replacement units shall be deed-restricted as Category 4 housing, pursuant to the guidelines of the Aspen/Pitkin County Housing Authority. In summary, this option replaces the free-market units – with 50% of the new units, bedrooms and net livable area allowed as free market units and 50% of the new units, bedrooms and net livable area required as deed-restricted, Category 4, affordable housing units. An applicant may choose to provide mitigation units at a lower category designation. Each replacement unit shall be approved pursuant to Paragraph 26.470.100.C, Affordable housing.

When this fifty-percent standard is accomplished, the remaining development on the site may be free-market residential development as long as additional affordable housing mitigation is provided pursuant to Section 26.470.080 – General Requirements, and there is no increase in the number of free-market residential units on the parcel. Free-market units in excess of the total number originally on the parcel shall be reviewed pursuant to Section 26.470.100, subsection H or I, Residential Development – sixty (60%) or seventy (70%) percent affordable as required.

- c. *One-hundred percent affordable housing replacement.* When one-hundred-percent of the free-market multi-family housing units are demolished and are solely replaced with deed-restricted affordable housing units on a site that are not required for mitigation purposes, including any net additional dwelling units, pursuant to Section 26.470.110.D, Affordable Housing; all of the units in the redevelopment

are eligible for a Certificate of Affordable Housing Credit, pursuant to Section 26.540 Certificate of Affordable Housing Credit. Any remaining unused free market residential development rights shall be vacated.

2. Requirements for demolishing deed-restricted, affordable multi-family housing units: In the event a project proposes to demolish or replace existing deed-restricted affordable housing units, the redevelopment may increase or decrease the number of units, bedrooms or net livable area such that there is no decrease in the total number of employees housed by the existing units. The overall number of replacement units, unit sizes, bedrooms and category of the units shall comply with the Aspen/Pitkin County Housing Authority Guidelines.
3. Location requirement. Multi-family replacement units, both free-market and affordable, shall be developed on the same site on which demolition has occurred, unless the owner shall demonstrate and the Planning and Zoning Commission determines that replacement of the units on site would be in conflict with the parcel's zoning or would be an inappropriate solution due to the site's physical constraints.

When either of the above circumstances result, the owner shall replace the maximum number of units on site which the Planning and Zoning Commission determines that the site can accommodate and may replace the remaining units off site, at a location determined acceptable to the Planning and Zoning Commission, or may replace the units by extinguishing the requisite number of affordable housing credits, pursuant to Sec. 26.540, Certificates of Affordable Housing Credit.

When calculating the number of credits that must be extinguished, the most restrictive replacement measure shall apply. For example, for an applicant proposing to replace one 1,000 square foot three-bedroom unit at the 50% rate using credits, the following calculations shall be used:

- 50% of 1,000 square feet = 500 square feet to be replaced. At the Code mandated rate of 1 FTE per 400 square feet of net livable area, this requires the extinguishments of 1.25 credits; or
- A three-bedroom unit = 3.0 FTE's. 50% of 3.0 FTE's = 1.50 credits to be extinguished.

Therefore, in the most restrictive application, the applicant must extinguish 1.50 credits to replace a three-bedroom unit at the 50% rate. The credits to be extinguished would be Category 4 credits.

4. Fractional unit requirement. When the affordable housing replacement requirement of this Section involves a fraction of a unit, fee-in-lieu may be provided only upon the review and approval of the City Council, to meet the fractional requirement only,

pursuant to Paragraph 26.470.110.C, Provision of required affordable housing via a fee-in-lieu payment.

5. Timing requirement. Any replacement units required to be deed-restricted as affordable housing shall be issued a certificate of occupancy, according to the Building Department, and be available for occupancy at the same time as, or prior to, any redeveloped free-market units, regardless of whether the replacement units are built on site or off site.
6. Redevelopment agreement. The applicant and the City shall enter into a redevelopment agreement that specifies the manner in which the applicant shall adhere to the approvals granted pursuant to this Section and penalties for noncompliance. The agreement shall be recorded before an application for a demolition permit may be accepted by the City.
7. Growth management allotments. The existing number of free-market residential units, prior to demolition, may be replaced exempt from growth management, provided that the units conform to the provisions of this Section. The redevelopment credits shall not be transferable separate from the property unless permitted as described above in Subparagraph 4, Location requirement.
8. Exemptions. The Community Development Director shall exempt from the procedures and requirements of this Section the following types of development involving Multi-Family Housing Units. An exemption from these replacement requirements shall not exempt a development from compliance with any other provisions of this Title:
 - a. The replacement of Multi-Family Housing Units after non-willful demolition such as a flood, fire, or other natural catastrophe, civil commotion, or similar event not purposefully caused by the landowner. The Community Development Director may require documentation be provided by the landowner to confirm the damage to the building was in-fact non-willful.

To be exempted, the replacement development shall be an exact replacement of the previous number of units, bedrooms, and square footage and in the same configuration. The Community Development Director may approve exceptions to this exact replacement requirement to accommodate changes necessary to meet current building codes; improve accessibility; to conform to zoning, design standards, or other regulatory requirements of the City; or, to provide other architectural or site planning improvements that have no substantial effect on the use or program of the development. (Also see Chapter 26.312 – Nonconformities.) Substantive changes to the development shall not be exempted from this Section and shall be reviewed as a willful change pursuant to the procedures and requirements of this Section.

- b. The demolition of Multi-Family Housing Units by order of a public agency including, but not limited to, the City of Aspen for reasons of preserving the life, health, safety, or general welfare of the public.
- c. The demolition, combining, conversion, replacement, or redevelopment of Multi-Family Housing Units which have been used exclusively as tourist accommodations or by non-working residents. The Community Development Director may require occupancy records, leases, affidavits, or other documentation to the satisfaction of the Director to demonstrate that the unit(s) has never housed a working resident. All other requirements of this Title shall still apply including zoning, growth management, and building codes.)
- d. The demolition, combining, conversion, replacement, or redevelopment of Multi-Family Housing Units which were illegally created (also known as “Bandit Units”). Any improvements associated with Bandit Units shall be required to conform to current requirements of this Title including zoning, growth management, and building codes. Replaced or redeveloped Bandit Units shall be deed restricted as Resident Occupied affordable housing, pursuant to the Guidelines of the Aspen/Pitkin County Housing Authority.
- e. Any development action involving demising walls or floors/ceilings necessary for the normal upkeep, maintenance, or remodeling of adjacent Multi-Family Housing Units.
- f. A change order to an issued and active building permit that proposes to exceed the limitations of remodeling/demolition to rebuild portions of a structure which, in the opinion of the Community Development Director, should be rebuilt for structural, safety, accessibility, or significant energy efficiency reasons first realized during construction, which were not known and could not have been reasonably predicted prior to construction, and which cause no or minimal changes to the exterior dimensions and character of the building.

Section 2: Section 26.470.080.D.7.e shall be rescinded and adopted as follows (in the correction of a scrivener’s error):

- e. If the total mitigation requirement for a project is less than 0.1 FTEs, a cash-in-lieu payment may be made by right. If the total mitigation requirement for a project is 0.1 or more FTEs, a cash-in-lieu payment shall require City Council approval, pursuant to Section 26.470.110.C.

Section 3:

Any scrivener’s errors contained in the code amendments herein, including but not limited to mislabeled subsections or titles, may be corrected administratively following adoption of the Ordinance.

Section 4:

This ordinance shall not affect any existing litigation and shall not operate as an abatement of any action or proceeding now pending under or by virtue of the resolutions or ordinances repealed or amended as herein provided, and the same shall be conducted and concluded under such prior resolutions or ordinances.

Section 5:

If any section, subsection, sentence, clause, phrase, or portion of this resolution is for any reason held invalid or unconstitutional in a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and shall not affect the validity of the remaining portions thereof.

Section 6:

A public hearing on this ordinance was held on the ____ day of _____, 2021, at a meeting of the Aspen City Council commencing at 5:00 p.m. in the City Council Chambers, Aspen City Hall, Aspen, Colorado, a minimum of fifteen days prior to which hearing a public notice of the same shall be published in a newspaper of general circulation within the City of Aspen.

INTRODUCED, READ, AND ORDERED PUBLISHED as provided by law, by the City Council of the City of Aspen on the 27th day of April, 2021.

ATTEST:

Nicole Henning, City Clerk

Torre, Mayor

FINALLY, adopted, passed and approved this ____ day of _____, 2021.

Torre, Mayor

ATTEST:

APPROVED AS TO FORM:

Nicole Henning, City Clerk

James R. True, City Attorney

**ORDINANCE NO. 13
(SERIES OF 2021)**

**AN ORDINANCE OF THE ASPEN CITY COUNCIL AMENDING CITY OF ASPEN
LAND USE CODE CHAPTER 26.470; TO ELIMINATE INCENTIVES AND CREDITS IN
THE AFFORDABLE HOUSING MITIGATION REQUIREMENTS FOR LODGE
DEVELOPMENT.**

WHEREAS, in accordance with Sections 26.208 and 26.310 of the City of Aspen Land Use Code, the City Council of the City of Aspen directed the Community Development Department to craft code amendments to coordinate the Aspen Area Community Plan (AACP), the Land Use Code and City Council affordable housing goals; and,

WHEREAS, pursuant to Section 26.310.020(B)(1), the City of Aspen conducted public outreach through various work sessions with Council, and discussions with members of the development community; and,

WHEREAS, on October 13, 2020, City Council passed Policy Resolution #079, Series of 2020, approving initiation of code amendments; and,

WHEREAS, Community Development staff has proposed changes to 26.470.050 Calculations; 46.470.070 Exempt Development; 46.470.100.G Expansion or new lodge development; with the purpose of eliminating incentives and credits in the affordable housing mitigation requirements for lodge development; and,

WHEREAS, Community Development staff provided outreach opportunities and held discussion with the Aspen Pitkin County Housing Authority and the Planning and Zoning Commission and received formal recommendation from Planning and Zoning Commission in Resolution # XX, Series of 2021; and,

WHEREAS, the Aspen City Council finds that this Ordinance furthers and is necessary for the promotion of public health, safety, and welfare; and

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASPEN, COLORADO THAT:

Section 1: Section 26.470.050 shall be rescinded and adopted as follows:

26.470.050. Calculations.

A. General. Whenever employee housing or fee-in-lieu is required to mitigate for employees generated by a development, there shall be an analysis and credit for employee generation of the existing project, prior to redevelopment, and an employee generation analysis of the proposed development. The employee mitigation requirement shall be based upon the incremental employee generation difference between the existing development and the proposed development. Unless

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otherwise exempted by this Chapter, the employee mitigation requirement shall be based upon the total employee generation of the proposed development. Credits are not given for changes between the land use categories outlined in Table 1. For instance, a change in use from commercial net leasable area to free-market residential units does not generate a credit.

B. Employee generation rates. Table 3 establishes the employee generation rates are the result of the Employee Generation Study, an analysis sponsored by the City during the fall and winter of 2012 considering the actual employment requirements of over one hundred (100) Aspen businesses. This study is available at the Community Development Department. Employee generation is quantified as full-time equivalents (FTEs) per one thousand (1,000) square feet of net leasable space or per lodge bedroom.

Table 3, Employee Generation Rates

<i>Zone District</i>	<i>Employees Generated per 1,000 Square Feet of Net Leasable Space</i>
Commercial Core (CC)	4.7
Commercial (C-1)	
Neighborhood Commercial (NC)	
Commercial Lodge (CL) commercial space	
Lodge (L) commercial space	
Lodge Preservation (LP) commercial space	
Overlay (LO) commercial space	
Ski Base (SKI) commercial space	
Mixed-Use (MU)	3.6
Service Commercial Industrial (S/C/I)	3.9
Public ¹	5.1
Lodge Preservation (LP) lodge units	.3 per lodging bedroom
Lodge (L), Commercial Lodge (CL), Ski Base (SKI) and other zone district lodge units	.6 per lodging bedroom
¹ For the Public Zone, the study evaluated only office-type public uses, and this number should not be considered typical for other non-office public facilities. Hence, each Essential Public Facility proposal shall be evaluated for actual employee generation.	

Each use within a mixed-use building shall require a separate calculation to be added to the total for the project. For commercial net leasable space within basement or upper floors, the rates quoted above shall be reduced by twenty-five percent (25%) for the purpose of calculating total employee generation. This reduction shall not apply to lodge units.

For lodging projects with flexible unit configurations, also known as "lock-off units," each separate "key" or rentable division shall constitute a unit for the purposes of this Section, such that employee generation is assessed on the configuration with the most number of rentable units. Timeshare units and exempt timeshare units are considered lodging projects for the purposes of determining employee generation. Free-market residential units included in a lodge development

and which may be rented to the general public as a lodge unit, shall be counted as a lodge key in the calculation of employee generation.

A. Employee generation review. All essential public facilities shall be reviewed by the Planning and Zoning Commission to determine employee generation, pursuant to Section 26.470.110D. In addition, any applicant who believes the employee generation rate is different than that outlined herein may request an employee generation review with the Planning and Zoning Commission during a duly noticed public hearing, pursuant to Section 26.304.060.E. In establishing employee generation, the Planning and Zoning Commission shall consider the following:

- 1) The expected employee generation of the use considering the employment generation pattern of the use or of a similar use within the City or a similar resort.
- 2) Any unique employment characteristics of the operation.
- 3) The extent to which employees of various uses within a mixed-use building or of a related off-site operation will overlap or serve multiple functions.
- 4) A proposed restriction requiring full employee generation mitigation upon vacation of the type of business acceptable to the Planning and Zoning Commission.
- 5) Any proposed follow-up analyses of the project (e.g., an audit) to confirm actual employee generation. The requirements of any proposed follow-up analysis shall be outlined in a Development Agreement, pursuant to Chapter 26.490.

Section 2. Section 26.470.050.G-K shall be rescinded and adopted as follows:

26.470.070 Exempt development.

The following types of development shall be exempt from the provisions of this Chapter. Development exempt from growth management shall not be considered exempt from other chapters of the Land Use Code. Where applicable, exemptions are cumulative.

G. Special events. Special events permitted by the City shall be exempt from this Chapter.

H. Accessory dwelling units and carriage houses. The development of accessory dwelling units (ADUs) and carriage houses shall be exempt from the provisions of this Chapter but subject to the provisions of Chapter 26.520, Accessory Dwelling Units and Carriage Houses.

I. Retractable canopies and trellis structures. Trellis structures and retractable canopies

appended to a commercial or lodging structure shall be exempt from growth management provided that: a) there is no expansion of floor area; and b) the canopy or trellis structure is not enclosed by walls, screens, windows or other enclosures. Awnings shall be exempt from this Chapter.

J. Public infrastructure. The development of public infrastructure such as roads, bridges, waterways, utilities and associated poles, wires, conduits, drains, hydrants and similar items considered essential services shall be exempt from growth management. Essential public facilities shall not be exempt and shall be reviewed pursuant to Section 26.470.110.D, Essential public facilities. (Also see definition of essential services, Section 26.104.100)

(Ord. No. 6, 2019, §4)

Section 3: 26.470.080.D.2 shall be rescinded and adopted as follows:

2) For lodge development, sixty-five percent (65%) of the employees generated by the additional lodge pillows, according to Section 26.470.050.B, Employee generation rates, shall be mitigated through the provision of affordable housing. For the redevelopment or expansion of existing lodge uses, see section 26.470.100.G.

Section 4: 26.470.100.G shall be rescinded and adopted as follows:

26.470.100 Planning and Zoning Commission applications.

G. Expansion or new lodge development. The expansion of an existing lodge, the redevelopment of existing lodge which meets the definition of demolition, or the development of a new lodge shall be approved, approved with conditions or denied by the Planning and Zoning Commission based on the following criteria:

Sixty-five percent (65%) of the employees generated by the lodge, timeshare lodge, exempt timeshare units, and associated commercial development, according to Paragraph 26.470.050.B, Employee generation, shall be mitigated through the provision of affordable housing. Free-market residential units included in a lodge development and which may be rented to the general public as a lodge unit shall be considered lodge units and mitigated through the provision of affordable housing in accordance with this section. Affordable housing units provided shall be approved pursuant to Paragraph 26.470.100.D, Affordable housing.

New or redeveloped Boutique Lodges, or the conversion of lodge, residential or commercial uses to boutique lodge is subject to the mitigation standards for commercial uses as provided for in section 26.470.080.D.1 and 3.

Section 5:

Any scrivener's errors contained in the code amendments herein, including but not limited to mislabeled subsections or titles, may be corrected administratively following adoption of the Ordinance.

Section 6:

This ordinance shall not affect any existing litigation and shall not operate as an abatement of any action or proceeding now pending under or by virtue of the resolutions or ordinances repealed or amended as herein provided, and the same shall be conducted and concluded under such prior resolutions or ordinances.

Section 7:

If any section, subsection, sentence, clause, phrase, or portion of this resolution is for any reason held invalid or unconstitutional in a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and shall not affect the validity of the remaining portions thereof.

Section 8:

A public hearing on this ordinance was held on the ____ day of _____, 2021, at a meeting of the Aspen City Council commencing at 5:00 p.m. in the City Council Chambers, Aspen City Hall, Aspen, Colorado, a minimum of fifteen days prior to which hearing a public notice of the same shall be published in a newspaper of general circulation within the City of Aspen.

INTRODUCED, READ, AND ORDERED PUBLISHED as provided by law, by the City Council of the City of Aspen on the 27th day of April, 2021.

ATTEST:

Nicole Henning, City Clerk

Torre, Mayor

FINALLY, adopted, passed and approved this ____ day of _____, 2021.

Torre, Mayor

ATTEST:

APPROVED AS TO FORM:

Nicole Henning, City Clerk

James R. True, City Attorney



MEMORANDUM

TO: City Council

FROM: Ron LeBlanc, Special Projects Manager

THROUGH: Sara Ott, City Manager

MEMO DATE: March 19, 2021

MEETING DATE: March 22, 2021

RE: Summer in Aspen Vitality (SAV) Update

REQUEST OF COUNCIL:

This agenda item is a follow up to the February 16, 2021 City Council Work Session. In order to best prepare for a successful and safe 2021 summer season, staff is seeking direction from City Council on a short list of remaining topics. This will also be an opportunity to update the Council on the results from Aspen Community Voice.

SUMMARY AND BACKGROUND:

At the direction of the City Manager, the Winter in Aspen Vitality (WAV) Team transitioned into the Summer in Aspen Vitality (SAV) Team. The Summer in Aspen Vitality (SAV) Team contributed to the material presented tonight. Several city departments and divisions are represented: City Manager's Office, City Clerk, Administrative Services, Comms, Public Works, Engineering, Parking, Transit, Community Development, Environmental Health, Police, Special Events, Wheeler Opera House and Parks & Recreation.

DISCUSSION:

In order to facilitate the SAV Team presentation and support City Council decision-making, this outline will serve as a guide to provide structure for an orderly discussion.

1. Public engagement, public outreach. The results of Aspen Community Voice survey and a separate targeted, City-sponsored restaurant survey will be highlighted. ACRA also conducted a survey of restaurants.
 - a. Denise White will lead the discussion.
 - b. City Council discussion.

2. Special events. Staff will present summer events that are owned and produced by the City.
 - a. Update provided by Nancy Lesley.
 - b. City Council Update, information sharing, no decision required.

3. Reopening fee structure for community non-profits at the Wheeler Opera House. The past twelve months have been very difficult for local non-profit organizations whose ability to carry out their mission-driven work, raise crucial contributed income, and generate earned revenue to sustain themselves were all severely curtailed or even halted due to the ongoing effects of the pandemic. Among those hard-hit were local arts and culture organizations who faced the challenges listed above as well as the lack of open venues in which to produce or present their work. The Wheeler Opera House, which serves as a venue of choice for so many, was also adversely affected by the prevailing public health orders which prevented it from opening to the public. Now, as restrictions are easing and the staff of the Wheeler prepare to reopen the building, and to encourage community engagement and vitality, staff is proposing a one-time program to help non-profits pay for costs associated with renting the Wheeler. This program would conclude, at the latest, December 31, 2021.

This in-kind program would establish a uniform “credit” of \$2,500 for non-profit rental clients only (versus for-profit entities) in 2021 as a way to further support the cultural community as it comes back to life. The program, proposed as a credit against the costs of renting the space as well as staff labor and time in support of the event, would be made available to non-profits for the first event for which they rent the Wheeler. This would only be available to a nonprofit’s first rental, in cases where there might be multiple rentals in the remainder of this year. The credit would have no cash value, so if an organization’s rental and labor costs do not require the full allocation, there is no amount due back to the renter. The estimated cost of the program in terms of foregone income would \$25,000, an amount which is based on analysis of May through December 2019 Wheeler rental figures. This total cost is anticipated to be offset by expense savings in the Wheeler’s 2021 operating budget given that the theatre has been closed for the first quarter of the year. As in years past, the availability of the Wheeler to non-profit partners will be subject to existing commitments.

- a. Update provided by Lisa Rigsby Peterson and Nancy Lesley.
 - b. City Council direction requested.

4. Saturday Market Update. The plan is to have the Saturday Market back to what it was in 2019. We are prepared to pivot and run the market similar to 2020 if that is the direction from the Pitkin County Health Department
 - a. Mitch Osur will provide details.
 - b. City Council Update, information sharing, no decision required.

5. Parking Update. The plan is to return to the normal parking cadence starting on May 3, 2021.

- a. Mitch Osur will provide details.
 - b. City Council Update, information sharing, no decision required.
6. Use of public Right of Way (ROW). City staff will update City Council on the direction after the work session on February 16, 2021
- a. Activation of public ROW for outdoor dining. Staff will develop leases with the restaurants activating in the public ROW. In addition, businesses may need additional permits and approvals (Alcohol Modification Permit, Signed/Approved City of Aspen lease with ROW activation diagram and Temporary Structure Permit).
 - i. Mitch Osur and Pete Rice will provide an update.
 - ii. City Council policy discussion, Council direction requested.
 - b. Activation in the public ROW for special events and retail promotions. SAV Team recommends the City be in a supportive role with ACRA and the business community should take the lead in planning special events such as 7908, sidewalk sales, holiday promotions, etc.
 - i. Mitch Osur and Pete Rice will present this topic.
 - ii. City Council policy discussion, Council direction requested.
 - c. City collaboration. Staff will present modifications to activation areas for 2021.
 - i. Mitch Osur and Pete Rice will discuss options for city expectations in working with each business.
 - ii. Cost impacts will be discussed.
 - iii. Council direction requested.
7. Food truck activation in public ROW and on private property. Given the response from the restaurant survey and the recommendation from ACRA, staff recommends no food truck activation this summer.
- a. Phillip Supino and Mitch Osur will present this topic.
 - b. City Council direction requested.
8. Mask Ordinance Update. The current mask order is set to expire on May 1, 2021. Staff is seeking City Council direction regarding the future of the current mask ordinance. Staff recommends letting the existing order expire on May 1. It remains a very fluid public health environment, staff is prepared to pivot accordingly. However, the rationale for letting the mask ordinance expire is as follows:
- a. Consistency of messaging. Consistency of messaging gains better voluntary cooperation from our transient guest population, and better voluntary compliance by our residents. Being aligned with the Pitkin County and State of Colorado public health orders is advisable. Guests rarely are aware of the distinction between jurisdictional lines, however, if the rules are the same everywhere it makes education and voluntary compliance easier.
 - b. Improved knowledge of transmissibility. Our understanding of how the virus is transmitted has greatly improved since the original outdoor mask ordinance was passed. Current guidelines by the Centers for Disease Control recognize that

COVID-19 spreads more easily indoors than outdoors, and when people are closer together than 6 feet for longer periods of time. The nature of outdoor activities does not make longer term close contact likely except within one's own group.

- c. Recommendations by WHO. World Health Organization now recommends social distancing of one meter – 3.3 feet.
- d. Relaxation of state-wide guidelines likely in April. The Governor's Office is considering relaxing state public health requirements as vaccinations across the state increase and other negative indicators decline.
- e. Pitkin County Guidelines. County health guidelines mandate mask wearing outdoors when there is a "risk of being within 6 feet of another person who is not of the same household." For example, the current ordinance mandates a single person standing alone in the middle of Wagner Park must wear a mask.
- f. Vaccination progress. The percentage of Pitkin County residents who have been vaccinated continues to increase. Citizens with high risk factors (age, comorbidities, or other complications) have had multiple opportunities for vaccination. The current mass vaccination protocol, which has seen thousands of county residents vaccinated over recent months, is planned to end in early May, transitioning to one-off vaccinations at clinics and doctor's offices. Last Thursday, March 18, saw the last vaccinations of for the essential workers category and the beginning of vaccinations for the 1B4 vaccine group. Because of the continuing unknown of exactly how many doses we receive week-to-week, phase 2 vaccinations of the general public are expected to begin in two to three weeks. Pitkin County has requested 8,000 doses of vaccine for use over the next two weeks.
- g. Snowmass Village. The Snowmass Village Town Board passed a measure on first reading last week. However, Snowmass Village has not taken final action. There is a desire to align with the City of Aspen.
 - i. Bill Lynn will present this topic.
 - ii. City Council direction requested.

ENVIRONMENTAL IMPACTS:

Each of the above situations and conditions brings its own set of environmental impacts which will be discussed during each presentation.

ALTERNATIVES:

The SAV Team will continue to work on a variety of issues concerning the summer season.

RECOMMENDATIONS:

The SAV Team has identified items above for City Council direction and seeks favorable consideration of their recommendations.

CITY MANAGER COMMENTS:

 **ACRA** DEFY ORDINARY
.....
ASPEN CHAMBER RESORT ASSOCIATION
DESTINATION MANAGEMENT | MEMBER SERVICES | SPECIAL EVENTS | VISITOR SERVICES

MEMORANDUM

To: Sara Ott, Aspen City Council
From: **Debbie Braun and Eliza Voss**, Aspen Chamber Resort Association
Date: March 19, 2021
Re: City of Aspen Outdoor Mask Zone

Dear Aspen City Council,

Over the last week, we've reached out to ACRA board members and our marketing advisory committee members to obtain feedback on the outdoor mask zone which is soon to expire on May 1st. While their opinions were not universal, the following themes emerged.

Everyone acknowledged the City of Aspen outdoor mask zone was an appropriate and effective measure to implement in July of 2020 as cases were on the rise, and much was unknown about transmission and the risk to our community. As we now head into the Spring of 2021 and have the learnings of the past 12 months under our belt, we have come a long way in understanding the importance of the 5 commitments to containment and how to live with COVID19. Now as the vaccine is distributed, we should begin to ease restrictions and eliminate those that do not align with CDC or CDPHE guidelines.

Many believe it will be increasingly difficult to enforce an outdoor mask zone once more people are vaccinated, given that CDC has already released new guidance for vaccinated individuals indoors.

As we enter into the recovery and rebuilding phase of the pandemic it is appropriate to sunset this provision and bring the City of Aspen in-line with the Pitkin County Public Health and Colorado Department of Public Health & Environment guidance.

Business owners also voiced the sentiment that we are likely to see higher compliance with indoor masking requirements if we can remove additional restrictions that are not universal throughout the state or country.

Should the mask zone be extended, we ask that you consider enforcement as it should not fall to the front-line employees, such as the ACRA visitor center pavilion staff, to be administrators of this requirement.

As we look toward spring and summer with cautious optimism; we remain nimble to adjust to the changing landscape and ask that the City of Aspen evolve into the new paradigm alongside ACRA and the business community.

MEMORANDUM

TO: Mitch Osur

FROM: Debbie Braun, President & CEO
Jennifer Albright Carney, VP Event Marketing
Sarah Reynolds Lasser, Senior Director of Business Development

DATE: March 15, 2021

RE: Food Trucks

BACKGROUND

On March 2, 2021 ACRA sent a survey to the Aspen restaurant community to measure interest and ability to activate a food truck in downtown Aspen in 2021. The survey asked about interest and ability to operate from June 1 – late October, and reasons why they are in favor or opposed to the food truck concept.

SUMMARY

93 restaurants received survey
26 responses
20 Opposed
5 in favor
1 interested in a food trucks for events only

Comments in favor

We have been voted best breakfast in Aspen for the last two years. We would love to do a breakfast all day food truck!

We would only want to be in Wagner Park! Would you help us with the truck? It would be expensive to buy it if it's just for a test period. Would we be able to sell liquor and beer? Would we be allowed to stay for food and wine? What hours would we be allowed to operate?

I want to use for events. The City did not give me permission to open in February when we needed it! They said generator was too loud.

Comments opposed

I don't think we have to do everything that is trendy. I just see many of these things as creating trash, pollution, staffing difficulties, etc.

I pay a lot of rent year-round. It's completely unfair to ask a restaurant to incur the cost of buying and operating a food truck just to not be at a disadvantage.

We anticipate we will have plenty of business if the tourist levels are anything like last summer, and unfortunately the amount of revenue to be made from a food truck vs the amount of administrative labor means it is not the best use of our resources. Our price point is relatively high in the restaurant, but we can't charge that much for food from a truck. We would have to do a very high volume to make any kind of profit. We found our business last summer to be profitable, especially because the season extended into September and October, making up for some of the losses earlier in the year. We anticipate the same for this coming summer.

I am a dinner only restaurant and don't want to take away business from lunch serving businesses. It is also a large investment and not a good business decision for a short period of time.

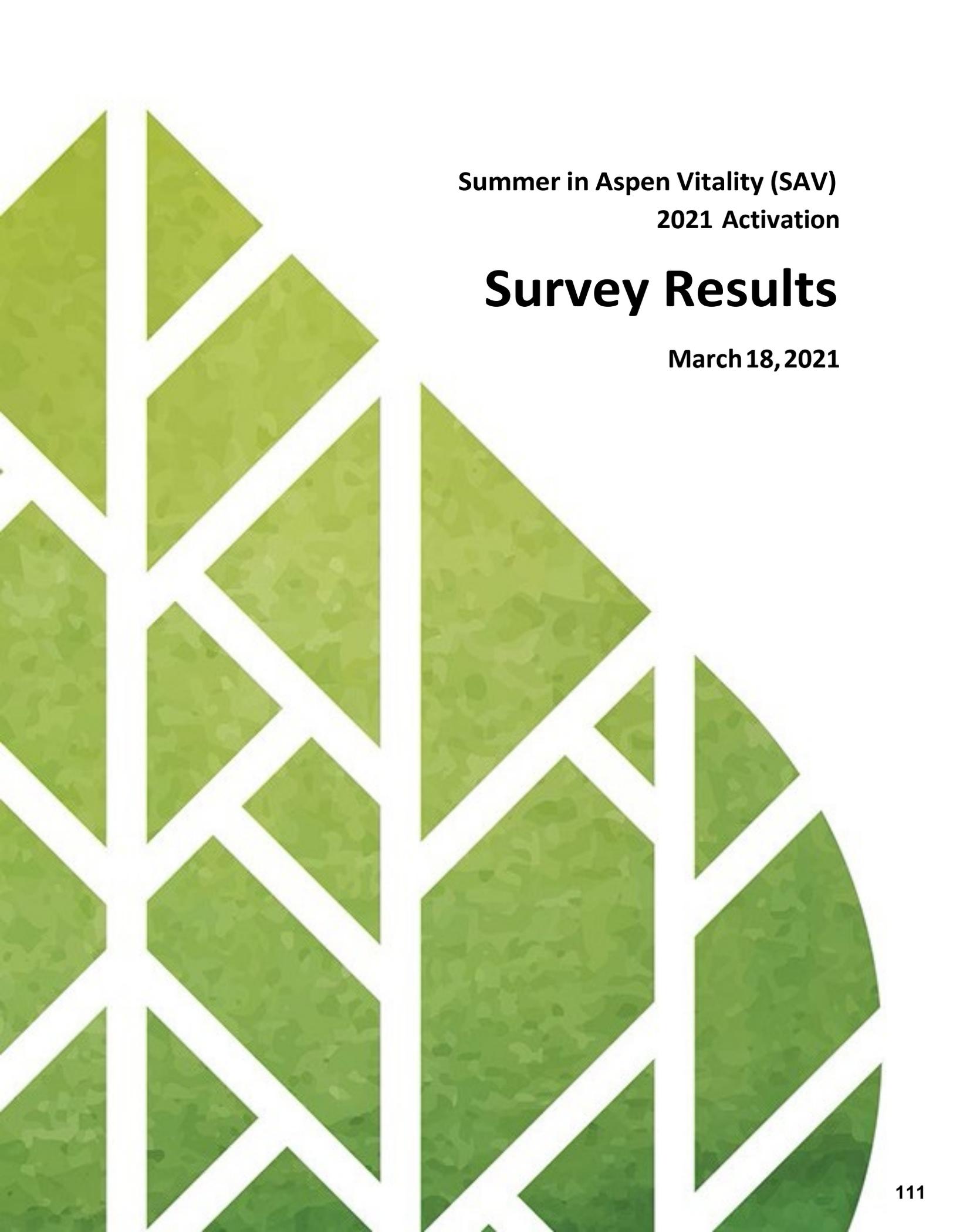
No - I don't understand how this helps restaurants. It will ultimately take away customers from current locations and create another massive operating expense for the restaurant (running a food truck). Restaurants may also close their permanent locations during the day to operate their food truck (most don't have enough labor to do both at the same time) - average check will be lower (no alcohol, quick grab and go food) = less tax revenue for the city. It is already expensive to expand our patio space and focus on outdoor seating, there should be a grant to assist with this.

We put so much energy into our year-round shop it feels like too much to take on. We spend so many marketing dollars sending people to our location - having two seems confusing. We cannot afford any additional rent or expenses currently.

Food trucks feel detrimental to the year-round businesses that work hard to survive our seasonal town. Even if they are local businesses occupying the food trucks - let's focus our time and energy in getting those restaurants filled with as much space as they need to succeed (outdoor/street seating).

RECOMMENDATION

Currently, the restaurant community is not in favor for activating food trucks in the downtown core this summer. The focus should be on recovery of the existing restaurants in operation at permanent locations and not additional strain on financial investment and staffing. The only food truck activation that is recommended for consideration should be for events with preference given for restaurants with a permanent location in Aspen. The additional investment to operate a food truck would add another layer of competition when these restaurants should be recovering financially on a level playing field.

A large, stylized graphic of a green leaf with white veins, positioned on the left side of the page. The leaf is composed of several overlapping, angular segments in various shades of green, creating a modern, geometric look.

**Summer in Aspen Vitality (SAV)
2021 Activation**

Survey Results

March 18, 2021

Aspen Community Voice Engagement

March 4-15, 2021

Insights

- Engaged 205 (active participation)
- Increased Awareness 485 (visited project page or specific material/link)
- 202 Survey Respondents
- 14 Ideas submitted through Idea Too



INFORMATION MEMORANDUM

TO: City Council Members

FROM: Denise White, Communications Director
Karen Harrington, Quality Office Director

THROUGH: Alissa Farrell, Administrative Services Director
Sara Ott, City Manager

DATE: April 23, 2021

RE: Update on Communications Strategic Plan

REQUEST OF COUNCIL:

This memo is informational only. No Council action is requested.

SUMMARY AND BACKGROUND:

One of City Council's top goals is to "create and implement a strategic and comprehensive communications plan." The process to develop a Communications Strategic Plan was initiated in August 2020 following a brief delay due to the COVID-19 response and recovery, as well as staffing changes in the Communications Office. The purpose of this memo is to provide Council with a progress update on several activities related to the plan, including results from the community eChats and survey related to communication satisfaction and preferences.

A critical component of the Communications Strategic Plan is public engagement. As such, staff has sought better to understand community members' communication needs and preferences. The team's overarching research objectives are to:

- Better understand current perceptions regarding how the City communicates.
- Explore perceptions about how the City incorporates community feedback into decisions.
- Clarify preferred communication channels and frequency.
- Verify preferred communication formats.
- Understand the barriers and motivators for community involvement.

To that end, staff has focused on three initiatives over the past six months:

- eChats
- Communication survey
- Best practices research

Staff worked with consulting firm Elevated Insights (EI) to complete the eChat sessions and a communications survey. Together, these two tools have provided a substantial amount of information to guide plan development.

In addition to the community outreach efforts, staff has focused on developing an inventory of the City's communications channels and assets, documenting standard operating procedures for consistency and process improvement opportunities, defining internal organization levels of service and staff roles/needs to maintain quality service, and auditing the City's current social media and website practices. Staff has also extensively researched best practices and industry trends to identify opportunities to improve current City practices while forecasting future needs. Communications staff continue to support ongoing, real-time needs while establishing the Communications Strategic Plan's framework and first draft.

DISCUSSION

EChat Summary

An eChat is a type of online focus group that uses a text-based chat session. City staff and EI developed a discussion guide with questions. EI sent chat invitations to those residents who opted in through the 2019 Resident (Citizen) Survey to participate in discussions about key community topics. Nineteen residents chose to participate in the chat sessions. The City hosted two sessions on Aug. 19, 2020, one during the day and one in the evening. Exhibit 1 provides the findings and notes from the sessions.

Key findings include:

- Participants find the City better at sharing information than listening. They were unsure whether and how the City uses the feedback it receives from residents, and as a result, were uncertain whether their participation makes a difference.
- Most participants relied on the local newspapers for information and on Pitkin Alerts for emergencies and traffic. They were interested in a text service from the City.
- Younger participants were more likely to use social media.
- Participants had many suggestions for communication improvements, such as providing information at a consistent location; providing regular updates; listening to all, not just the loudest voices; integrating communication with Pitkin County; and hosting meetings virtually.
- Participants indicated "good communication" means communication is honest, timely, concise, accurate, transparent, and easy to understand, among other attributes.
- The types of information and outreach people wanted varied depending on their age and life stage.

EI suggested the City make a concerted effort to acknowledge resident input and transparently share the impacts of that input; that the City consider whether and how there might be

opportunities to collaborate with the County on communication; and that the City take steps to more effectively reach a variety of different audiences by offering engagement opportunities at different times of the day and sharing information in a variety of formats and places. EI further recommended that the upcoming survey:

- Focus on actionable input, not general impressions
- Discern preferences (format, source) by type of information
- Better define the tangible attributes of broad concepts such as transparency
- Gather input from a diverse audience

Communications Survey Summary

The objectives of the communication survey were to:

- ✓ Learn more about community perceptions when it comes to City information and outreach.
- ✓ Identify more effective options for sharing how the City uses input and feedback.
- ✓ Clarify what topics, methods, sources, and how frequently the community prefers to receive information from the City.
- ✓ Understand how habits and preferences vary between key demographics.
- ✓ Understand barriers and triggers for community involvement.

On Dec. 5, 2020, the City sent an announcement email to interested community members who provided their names and email addresses during the 2019 Resident (Citizen) Survey. Subsequently, EI emailed a link to the survey to those community members. Communications staff made the survey available on the City website, social media accounts, and emails shared with partner organizations. Additionally, the City promoted the survey with paid advertising online and through local media. While English and Spanish versions of the survey were available, no Spanish versions were completed by respondents. Exhibit 2 contains the survey results.

Three hundred sixty-one respondents completed at least a portion of the survey. The survey was more representative of older residents than younger residents (median age was 58 years) and more representative of females (59% of respondents) than males. Less than one-quarter of respondents had children 18 years or younger at home. Nearly all respondents speak English at home.

Current behaviors and awareness

The local newspapers were the most frequently used source of information about the City. Emails were another commonly used source of City information, as was the website. Sixty-three percent of respondents felt somewhat to very informed about City news and decisions.

Respondent interests and how to communicate about them

A higher proportion of respondents were interested in COVID-19 information than any other topic (83%). The second topic of most interest was general City news, followed by parks, trails, and recreation information.

Respondents selected three topics of most interest to them and then provided a higher level of detail regarding how to reach them with that information. Two means of formatting topics were popular across most topics: short written summaries and headlines with links to more information. Participants commonly mentioned detailed written articles as well. Respondents often prefer to find this information in emails or the local newspapers, with the City website a third choice. Local radio, Facebook, texts were sometimes mentioned as good sources as well. While responses varied across many topics, weekly updates were a favorite.

Transparency, Trust, and Accessibility

Because the City is interested in fostering better communication in general, the survey asked how it might improve transparency, promote trust, and improve accessibility. The survey also asked how to improve the website.

To improve transparency, sharing the whole story – the good and the bad – was the most frequently selected action step for the City to take. This selection was followed closely by sharing information in community-wide sources such as the newspapers and providing information early enough for input to make a difference.

To foster trust, 65% of respondents said the City should share information early and often. Close to half indicated the City should include numbers and facts with the communication and share bad news.

No one choice was dominant when asked how to improve accessibility. More than a third indicated it would help to share where to find information and details more clearly. This aspect was particularly important to those age 65 and over.

Finding ways to improve search and navigation was mentioned by 21 respondents as a way to improve the website.

Engagement and factors affecting it

Slightly more than half of the respondents who answered a question about their current level of engagement with the City (55% of 216 people) said that they are very or somewhat involved with the City already. Most frequently, they are involved because they want to make a difference in the community or impact on topics about which they are passionate. When asked how likely they were to use new ways to provide input, more than half were likely or very likely to participate in direct emails to Council or staff, or to engage via Aspen Community Voice.

To further encourage engagement, around half of respondents shared that making them more aware of opportunities that match their interests and providing more online engagement opportunities would help. Regarding interests, housing was mentioned most frequently, with a broader variety of interests after housing.

Preferred feedback and engagement options included participating in polls and surveys (57%), being a part of a small short-term group or task force (41%), and attending virtual meetings, focus groups, or open houses (36%). Common barriers to engagement included not having enough time, not being aware of opportunities, and not feeling my opinions are being heard or valued.

Closing questions

The survey closed with two open-ended questions:

- What do you like best about what the City is doing to share information and/or listen to residents?
- And how could the City of Aspen improve its communication with residents - either with sharing information or with listening?

Many respondents provided answers; Exhibit 2 details the full text of their responses. When categorized, the most frequent answers to what people like best about what the City is doing to share information or listen include:

1. Opinion polls and surveys
2. The City's active approach to seeking input and reaching out
3. The City's willingness to improve its communications
4. Use of local media (newspapers and radio)
5. Use of virtual meetings, webcasts, and access to meetings on Facebook

For improvements, the most frequent answers were:

1. Listen more frequently and to a broader set of people
2. Improve the quality and frequency of sharing in newspapers
3. The City is already communicating well
4. Use emails with relevant information
5. Providing clear, concise, consistent information
6. Listen better and share information more effectively

Next Steps

Staff will be reviewing the survey results along with research analysis of industry best practices and trends to develop its strategies and identify key action items for the draft Strategic Communications Plan. Additionally, staff remains flexible to address additional opportunities and needs that arise throughout the process. For example, survey results indicate that input from

some of our community's hard-to-reach audiences requires additional outreach. Staff will continue these efforts as we identify and evaluate options for a draft plan.

Keeping in line with the feedback the City has received related to transparency, survey results will be shared on the City's website. Staff will also share how community feedback and input influence recommendations and prioritization in the draft and final plan. When available, the draft plan will also be shared with the community as a check-in for any discrepancies.

A Council Work Session is scheduled for May 4, 2021, to provide an update on the project, review the current situation, and ensure the project is on track to meet the needs of the organization and the community.



WORK SESSION MEMORANDUM

TO: Mayor and Members of City Council
FROM: Denise White, Communications Director
THROUGH: Alissa Farrell, Administrative Services Director
MEMO DATE: April 29, 2021
MEETING DATE: May 4, 2021
RE: *Strategic Communications Plan Update*

REQUEST OF COUNCIL:

Staff will provide an update on the *Strategic Communication Plan* project's progress. Staff seeks direction from City Council on what refinements are needed to ensure that the final plan will align with the identified Council goal and meet the City's and community's communications needs.

Specifically, staff seeks feedback on strategies and priorities, summarized in this memo. The following questions will guide the discussion:

1. Does Council suggest refinement to the identified focus areas of the draft strategic plan?
2. Does Council suggest refinement to the short-term priorities?
3. Are there other refinements that need to be made for Council to support plan adoption later this year?

SUMMARY AND BACKGROUND:

In 2020, City Council identified the need to "create and implement a strategic and comprehensive communications plan" as one of their goals. Initial work on this goal was delayed by a need to divert resources to COVID-19 response and recovery effort during the pandemic. In fall 2020, the City hired a new Communications Director and Communications Manager, which allowed the department to increase focus on the *Strategic Communications Plan's* development.

Staff since has partnered with the Quality Department on several public engagement efforts, including two eChats and a community survey titled: *Communications Satisfaction and Preferences Survey*. Staff provided to Council an analysis of the data collected in [the April 27, 2021 Information Update](#). Additionally, staff has researched and analyzed industry best practices and trends to identify key strategies and action items for the plan.

While conducting a current situation analysis, staff has concentrated on:

1. Creating an inventory of the City's communications channels and assets;

2. Identifying, establishing, and documenting standard operating procedures for consistency and process improvement opportunities;
3. Defining internal organization levels of service;
4. Clarifying staff roles/needs to maintain quality service; and,
5. Auditing the City's current email, social media, and website presence and practices.

The result of this work, combined with the analysis from the eChats (*Exhibit 1*) and *Communications Satisfaction and Preferences Survey (Exhibit 2)*, has allowed staff to identify potential focus areas and short-term priorities. Staff also determined following this analysis that additional outreach to Aspen's harder-to-reach community members is needed and will address this in May and June 2021. Conversations also continue with various community partners and internal customers to ensure their input is heard and incorporated.

DISCUSSION:

The *Strategic Communications Plan* will describe broadly shared aspirations about the future of the City of Aspen's communications and outline key strategies and action items that will help the Communications Department achieve these goals together with the community. The final plan will guide how the City of Aspen communicates internally, externally, and in an emergency or crisis. It will foster organizational consistency and alignment, nurture expectation setting with our community, enable opportunities for collaboration, and outline a path for continuous improvement.

The sections below identify topic areas where staff understanding would benefit from Council's input to ensure alignment with the identified goal in creating the City's *Draft Strategic Communications Plan*.

➤ **Identified Focus Areas**

Focus areas are the foundational themes that answer the question: What is it time to focus on now? These themes emerge from community feedback, the business purpose of the Communications Department for the City, industry research and trends, and staff expertise. Focus areas emphasize the ongoing and essential work needed to fulfill communication objectives and help staff and the community concentrate on key issues and opportunities.

Once the focus areas are finalized, staff will develop specific outcomes, action items, and measurements as part of the *Draft Strategic Communications Plan*.

Recommendation:

Staff continues to refine the specific focus areas; however, based on engagement and research to date, staff proposes to continue to pursue the following:

1. *Strengthen our Foundation*

Our communications foundation is based on communication tactics that include written materials, like press releases and flyers, media relations, digital outreach,

online engagement, pre-COVID in-person engagement, and personal relationships. Recent metrics and input contribute to an overall understanding of the department's strengths and areas for improvement. Analysis of the eChats and communications survey indicated that most respondents relied on outside sources, such as local newspapers and Pitkin Alerts, for information. The City's communications channels include the website containing 2,764 pages, more than 50 social media accounts, CGTV, and over ten direct email lists. Between March 10, 2020 and 2021, the website had 354,279 total visits and 592,221 total unique page views.

While a vast amount of information exists and is distributed, our community generally remains unaware or struggles to locate the information they seek from the City. The engagement feedback also indicates that few are aware of Aspen Community Voice (ACV) as a resource for City information or opportunities to engage. Currently, there are close to 2,500 active accounts on ACV. Staff sees an opportunity to enhance the effectiveness and awareness of the City's current platforms and channels to bridge the disparity between the amount of information produced and reaching larger audiences.

Objective and action items under this focus area may include: cultivating strong relationships with local, regional, and national media; ensuring city platforms and channels are easy to find, navigate, and share accurate, timely information; identifying new channels to better reach audiences where they already go for information such as text; prioritizing accessibility in communication; marketing the City's official channels; developing compelling content; and, building the capacity of communications department to plan, message, and deliver information through potential addition of communication specialist, visual communications, and digital engagement support.

2. *Cultivate a Culture of Transparency and Listening*

Feedback provided also indicated that many community members think the City is better at sharing information than listening. Similarly, analysis shows that even when the City asks for input, participants are unsure how their input is used or if it makes a difference. Respondents also noted that transparency could be improved if the City shared the "whole story" – both the good and the bad. Over the past few years, the City has started to incorporate best practices of engagement; however, a consistent engagement framework has not been established to help set expectations for what the City is asking of the community in a process or feedback loops on how input is incorporated. Additionally, while specific projects or initiatives have developed engagement plans, community members lack clarity on how to engage with the City on a day-to-day basis and have their voices heard. The opportunity exists for the City to build trust by creating communication strategies and deliverables to support transparency and foster an environment where community members feel the City listens to them.

Objective and action items under this focus area may include: developing a citywide Strategic Engagement Framework; cultivating solid relationships with partner agencies, community organizations, non-profits, and the media; ensuring city communication efforts are accurate and timely; and, enhancing internal communications, so all employees have the information they need to provide excellent customer service and be ambassadors for City projects and initiatives.

3. *Serve a Diverse Population*

Through staff's situation analysis and results of the engagement opportunities, the City serves a diverse population that requires various means to reach our community members. The types of information and outreach people wanted varied depending on their age and life stage. Additionally, every community has harder-to-reach members, which can also vary per the community issue. Participants in the engagement efforts expressed concerns over the City, often listening to the "loudest voice in the room." Staff sees an opportunity to dive deeper into the barriers, perceived or actual, our community members face in receiving information or participating in engagement opportunities.

Objective and action items under this focus area may include: creating community connections into harder-to-reach groups; identifying new channels that remove barriers to reach specific audience members better; prioritizing accessibility in communication; creating and implementing a language access plan for the City; and, developing a citywide Strategic Engagement Framework that outlines intentional thought to audience members and how to reach them.

Question for Council:

Does Council suggest refinement to the identified focus areas of the draft strategic plan?

➤ **Identified Short-Term Priorities**

In support of improving current communication efforts and the proposed focus areas, staff has identified several near-term priorities that will create a foundation for longer-term success. These efforts make up Communication Department's current work plan for 2021 with an extension into 2022 based on staff capacity in addition to the day-to-day support of various City department communication support needs.

Recommendation:

With input from the community, Council, and staff, strategies will be prioritized to understand which will be addressed first.

1. *Website Strategy*

The City's website is an essential resource for our community to find accurate information and opportunities to engage. It is also a tool to establish credibility and increase trust, but it needs to be easy to navigate and understand the

information sought.

2. *Social Media Strategy*

Developing an intentional social media strategy will ensure the City's social media efforts effectively support our broader communication goals. We are building a plan that will incorporate a mix of content to inform, engage, and inspire our community.

3. *Community Engagement Framework*

A Community Engagement Framework is developed as a practical resource to identify priority actions that must be taken to improve community engagement in the City. As we further embrace listening as part of the City's communication efforts, the development of a consistent framework for engagement is essential in building trust in the City's process, making sure the community is heard and setting clear expectations for all.

4. *Internal Communications*

A comprehensive and valued internal communication framework will build a team of strong City ambassadors with consistent messaging and foster an informed and engaged workforce.

5. *Crisis Communications*

The City needs to be a reliable source of information in times of crisis and in risk management to ensure public safety and to protect the organization's reputation.

Question for Council:

Does Council suggest refinement to the short-term priorities?

As staff continues the work that needs to be done for a comprehensive *Draft Strategic Communications Plan*, including developing specific goals, actions, and measurements, we will consider and incorporate City Council's feedback.

Question for Council:

Are there other refinements that need to be made for Council to support plan adoption later this year?

NEXT STEPS:

Staff will consider City Council's feedback and revise the *Strategic Communications Plan* process. Staff anticipates sharing a draft plan with Council, internal stakeholders, partners, and our community in September 2021 for feedback. Staff will incorporate feedback and refine the plan over the summer, culminating in a request for final approval by City Council in November 2021.

ATTACHMENTS:

- Exhibit 1 - Findings and notes from City eChat sessions.
- Exhibit 2 – *Communications Satisfaction and Preferences Survey* results



CITY OF **ASPEN**

Strategic Communications Plan

Update for City Council Work Session

Denise White, Communications Director

May 4, 2021¹₁₂₆

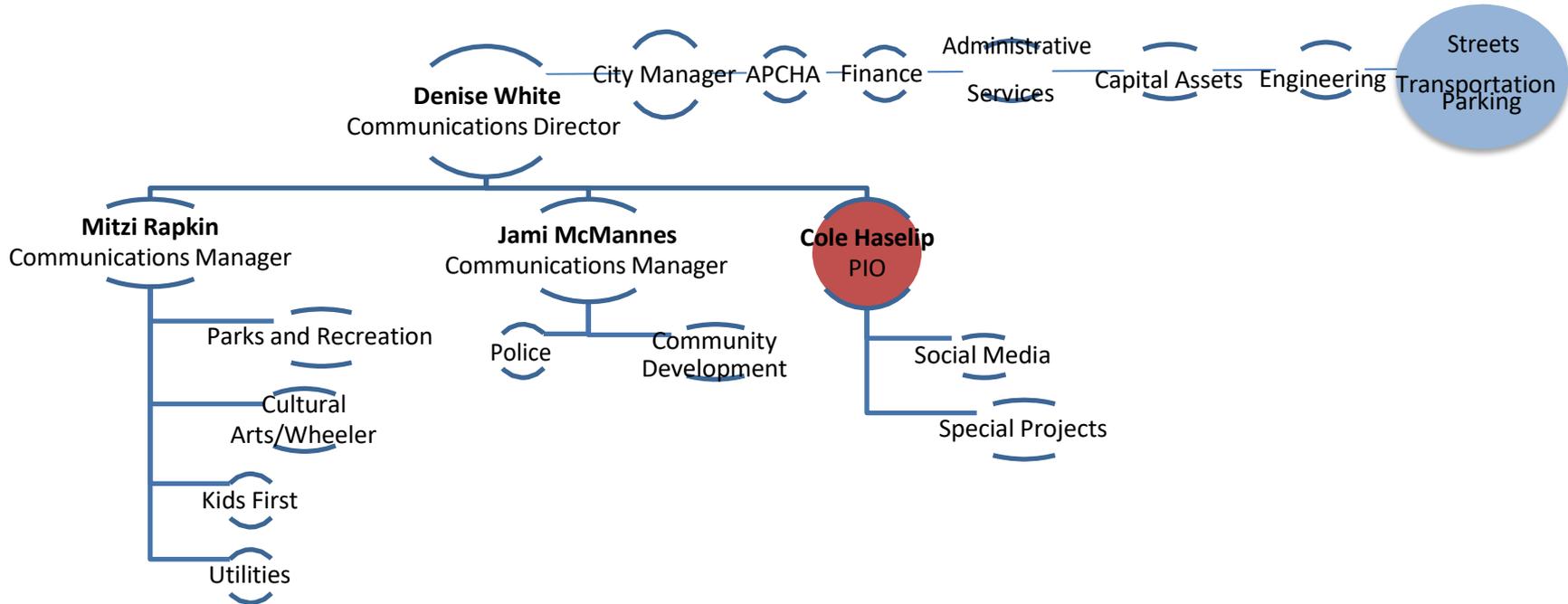
The Communication Department

- ***Engages the public*** in civic dialogue
- ***Provides*** in-person and online feedback opportunities
- ***Communicates*** City news to the community
- ***Serves as a liaison*** between City departments, the community, and the media



OVERVIEW

Organizational Chart



OVERVIEW

Key Services

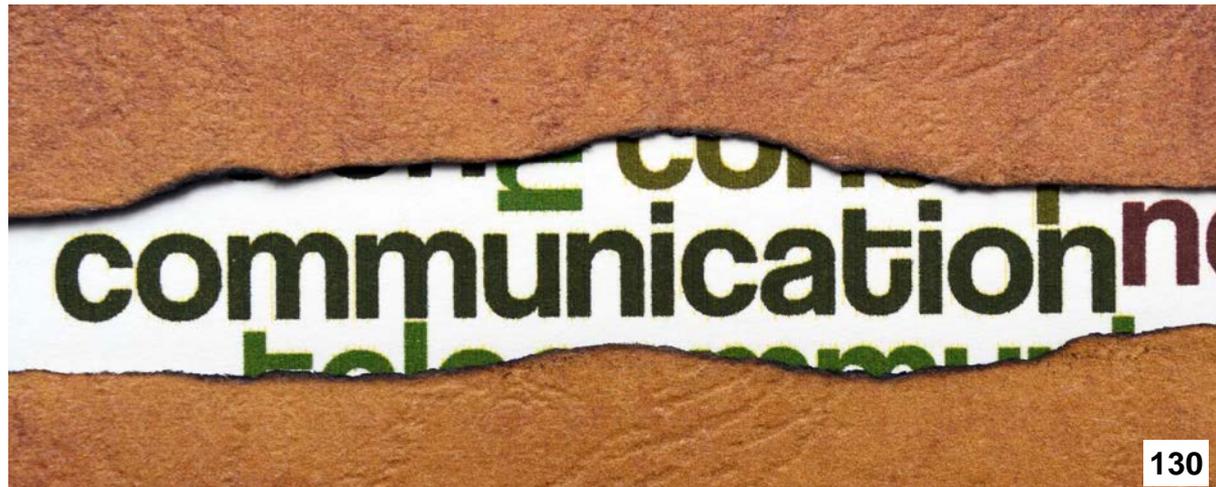
- *Strategic Communications*
- *Internal Communications*
- *Media Relations*
- *Writing and Editing*
- *Digital Communication*
- *Community Engagement*
- *Video Services Consultation*
- *Graphic Design Consultation*
- *Marketing and Advertising*



COMMON LANGUAGE

Communications is the broad term for what the City does to share news and information. It has a specific purpose in mind and can occur without engagement.

Engagement creates dynamic, two-way communication, which fosters listening and invites an audience to participate. It is a process and conversation, but cannot happen without communication.



City Council Goal

Create and Implement
a comprehensive
communications plan



STRATEGIC PLAN

Plan Progress

- *Public Engagement*
- *Best Practices and Trends Research*
- *Inventory Assets*
- *Identify Processes*
- *Define Levels of Service*
- *Clarify Roles*
- *High Level Audit of Digital Channels*
- *Develop Communications Team*



ENGAGEMENT FINDINGS

eChats and Survey

- *Better at Sharing Information than Listening*
- *Inconsistent Awareness of Methods and Sources of Information*
- *Challenges in Finding the Right Information*
- *Diverse Audience Needs*
- *People Don't Feel Heard*
- *City Needs to Listen to a Broader Group of People*



ENGAGEMENT FINDINGS

What We Do Well

- *Opinion Polls and Surveys*
- *Actively Seek Input and Reach Out*
- *Desire to Improve Communications*
- *Use of Local Media*
- *Virtual Meetings*



DISCUSSION

Identified Focus Areas



***Strengthen
Our Foundation***



***Cultivate a
Culture of
Transparency
and Listening***



***Serve a Diverse
Population***



DISCUSSION

Identified Short-Term Priorities

- *Website Strategy*
- *Social Media Strategy*
- *Community Engagement Framework*
- *Internal Communications*
- *Crisis Communications*



QUESTIONS FOR COUNCIL

Questions

1. Does Council suggest refinement to the identified *Focus Areas* for the draft strategic plan?
2. Does Council suggest refinement to the *Short-Term Priorities*?
3. Are there other refinements that need to be made for Council to support plan adoption later this year?





MEMORANDUM

TO: Mayor and City Council
FROM: Mona Newton, CORE Executive Director
THROUGH: Ashley Perl, Climate Action Manager
MEMO DATE: April 19, 2021
MEETING DATE: April 26, 2021
RE: REMP Accomplishments and Future Funding Request

REQUEST OF COUNCIL: The Community Office for Resource Efficiency (CORE) is before Council to provide an overview of recent accomplishments, share our near-term goals, and provide highlights of our focus into the future. CORE is requesting support from Council to develop a budget in the amount of \$1.2 million from the REMP fund to support our programs and grants for 2022. A detailed budget request will be provided in fall 2021.

Our mission is: *Leading the Roaring Fork Valley to a carbon-free, net-zero energy future.* By working with community partners from the inception of their ideas to completion, we share our passion and expertise in tackling the global climate crisis with solutions tailored to Roaring Fork Valley communities. We are working to achieve the CORE vision of a decarbonized Roaring Fork Valley, exceeding the state timetable by achieving 100% carbon-free for the city and county by 2040.

CORE's Value:

- CORE is a non-governmental member organization, working with our three utilities, eight communities, and community members to achieve carbon reduction goals.
- CORE can nimbly administer grants, partner with organizations, administer contracts, and provide innovative nonregulatory solutions.
- Our 12 directors are elected officials, utility representatives, community members and lead city and county staff that can support and influence policy on climate action.
- CORE connects with homeowners, including the most vulnerable in our valley, business owners and public building owners to facilitate changes in the building environment.
- Staff can be accessed to provide assistance and technical knowledge early in project development for affordable housing, private sector projects or others that will accelerate achieving local, and state goals.
- Working regionally on new building code adoption, CORE is helping to ensure new buildings achieve greatest reduction possible.
- CORE has proven success in leveraging Renewable Energy Mitigation Program (REMP) dollars through our partnerships, which translate to more than six times each REMP dollar spent. REMP funds are foundational for project success, but are not used to fund more than 50% of the cost of a project, ensuring that program recipients' and other funds are leveraged.
- Despite the challenges of the ongoing pandemic, CORE has been working on its financial and organizational transition, securing new partnerships, preparing for new and different

staff capacity, and starting strategic conversations about our future.

CORE'S IMPACT: With over 27 years of helping residents and businesses save energy, and supporting communities to set and achieve their climate action goals, CORE has demonstrated effective and transformative use of REMP funds, delivering 3x the carbon savings over the goal. Our staff use REMP funding for developing, delivering and tracking programs and grants, guiding community partnerships, and providing technical expertise.

CORE's on-the-ground impacts include:

- Exceeding targets: As of March 8, 2021, more than 6,936 residents, businesses and public entities have participated in CORE programs since 2010, making energy efficiency and renewable energy upgrades in their buildings, 30,487 MTe CO₂e have been eliminated and \$4,213,806 annual savings in utility bills. We have exceeded carbon reduction targets that we set for the past two years.
- Guiding and transforming our community: CORE helped transform the market for renewable energy in its early days, initiating one of the first solar rebate programs and wind programs in partnership with Holy Cross Energy. CORE's success also lies in our ability to catalyze and implement high-exposure projects and our communities to adopt aggressive climate action goals.
- Ensuring building performance: CORE helps innovative projects go beyond municipal and county goals and codes, with advising and incentives.
- Expanding climate action: CORE provides a knowledge base for local communities that do not have the technical resources or staff capacity in our areas of expertise. The success and applicability of our programs and approach to assistance is evidenced by planned replication in Lakewood, CO and Summit County, and providing the initial grant that led to the formation of Clean Energy Economy for the Region (CLEER) in Garfield County in 2009. CORE continues to serve a key role in Energy Smart Colorado, which began in 2010 and continues with 10 partners.
- Fiscal responsibility: Throughout the years, CORE has judiciously managed its funds, enlisting third-party oversight by Reese Henry. A finance committee of two board members and the Executive Director has been set up to provide expertise and oversight for the financial activities of the organization, including budget development and financial statement review. This committee provides financial updates to the board and provides recommendations for board consideration.

CURRENT STATUS: Despite the challenges of the pandemic in 2020, CORE advanced its strategic priority of carbon reduction by eliminating 3,569 metric tons of carbon dioxide equivalent (MTe CO₂e) in the Roaring Fork Valley, through project design optimization assistance, carbon-free cultural awareness, and organizational flexibility. CORE's success in providing programs, grants, and assistance demonstrates ability to both plan for the future and adapt to unforeseen events.

Advancing Innovation through Beneficial Electrification

- The Arts Center at Willits (TACAW): CORE staff began conversations with TACAW Director and Architect at the outset guiding them to setting net-zero as their goal for the design of the first net-zero all-electric solar powered performing arts center in the state. CORE provided energy advising and a Randy Udall Grant for \$60K.
- Basalt Vista (BV): CORE began working with BV in 2018 with our key role incenting Habitat for Humanity to eliminate bringing natural gas to the project and making it the first net-zero affordable housing project. CORE's key 2020 contribution to the project was ongoing advising support to help ensure the project's long-term success, including

help finding a sensible solution for heat pumps that were not properly installed in two of the units.

- Aspen Skiing Company (Ski Co) Affordable Housing: CORE provided \$100K of Innovation Funds and more than 30 advising hours (\$2400) to design and implement zero carbon housing at Willits. This new 150-bedroom housing project is a high-visibility electrification model for the RFV, powered by solar and 100% electric energy.
- CORE's Path to Zero Program: CORE developed the Path to Zero, working with homeowners and business owners to achieve net-zero buildings in existing buildings, eliminating incentives for gas retrofits in 2019.
- Small Lodge Energy Efficiency Program (SLEEP): Provided \$31,500 from REMP funds (the City matched those funds) and more than 100 technical assistance hours (\$8,000) to over a dozen historic small lodges in the City of Aspen. Critical technology updates and consultations support these small businesses in achieving important efficiency goals and staying competitive in the hospitality sector.

HOW CORE WOULD INVEST 2022 REMP FUNDING: CORE would continue to advance the City of Aspen Climate Action Plan through the following:

- **100% beneficial electrification** (eliminating fossil fuels) of more buildings through incentives, grants, and technical advising to residential and commercial building owners from project conception through implementation and refinement.
- **Large commercial** building efficiency projects – benchmarking, advising, grants. Support Colorado goals to benchmark buildings.
- **Equitable affordable housing** improvements - reach those who are most vulnerable, reducing their energy costs while contributing to Aspen's climate and equity goals.
- **Augment regional partnerships** with Eagle County, Pitkin County, and the communities and organizations within the Roaring Fork Valley to leverage emissions reduction opportunities.
- **Grants** for innovative projects in affordable housing, and the commercial sectors.
- **Target** other major carbon sources – such as the airport, methane, etc.

TRANSFORMING CORE'S FUNDING STREAM: All climate solutions require capacity - staffing and funding. As a 501(c)(3) third-party organization, CORE is in the best position to distribute REMP funds most effectively. However, we also recognize that as community goals are met and drive a decline in REMP funds, diversification of our funding is critical to future successes. CORE staff and board members have already begun to reevaluate funding channels, clarify financial needs, and target additional funding and development sources in addition to REMP.

2020 and early 2021 highlights of our financial transition include:

- New funding of \$225,000-\$250,000
- Eagle County has joined as a new funding partner in 2021
- Secured Colorado Energy Office financial support for trainings
- Secured most of the Imagine Climate funding from outside sources
- Offering consulting (fee-for-service) programs in the building industry to drive faster adoption of net-zero carbon-free buildings
- Hiring a grant specialist to provide dedicated efforts in diversifying our partnerships and funding sources

CORE is working to develop new funding sources including:

- Business sponsorships that support programs
- Individual donations
- Grants – federal, state, and foundations
- CORE Design & Consulting including Home Energy Rating Services (HERS) ratings, design services, and project analysis

FINANCIAL IMPACTS:

CORE is requesting \$1.2 million from the City of Aspen REMP for 2022.

REMP funds are collected by the City of Aspen and Pitkin County for projects when on-site mitigation with renewable energy is not an option when installing snowmelt, hot tubs and spas on both commercial and residential projects.

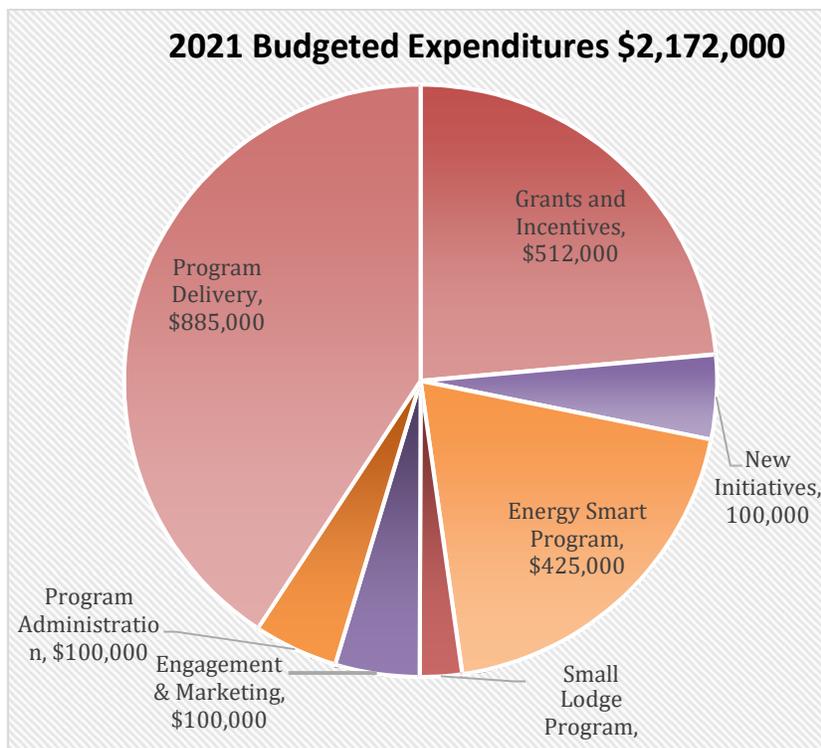
ENVIRONMENTAL IMPACTS: The environmental impact will be a decrease in carbon emissions in the Roaring Fork Valley, exceeding CORE’s annual goal of 1,000 MtCo2e.

RECOMMENDATIONS: Provide support and general feedback to CORE to develop their 2022 REMP request in the amount of \$1.2 million.

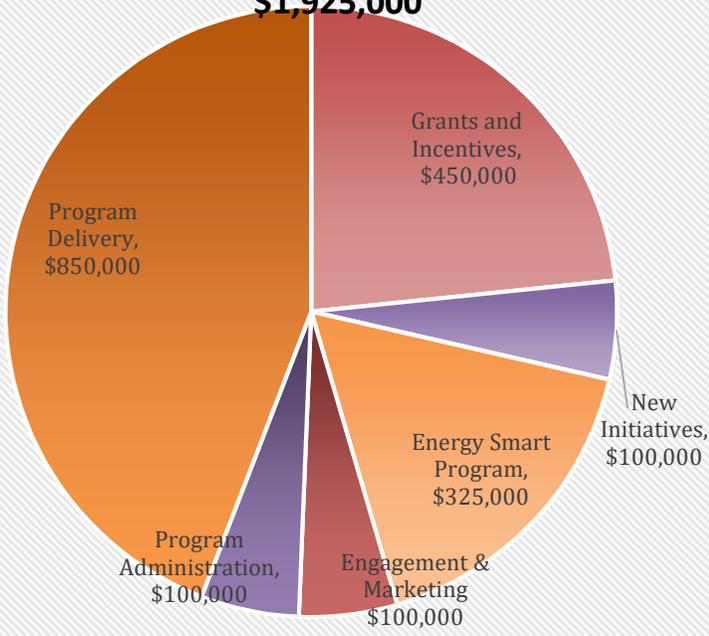
Attachments:

Attachment A: 2021 Budget

Attachment B: [2019-impact-report](#)



2022 Budgeted Expenditures
\$1,925,000



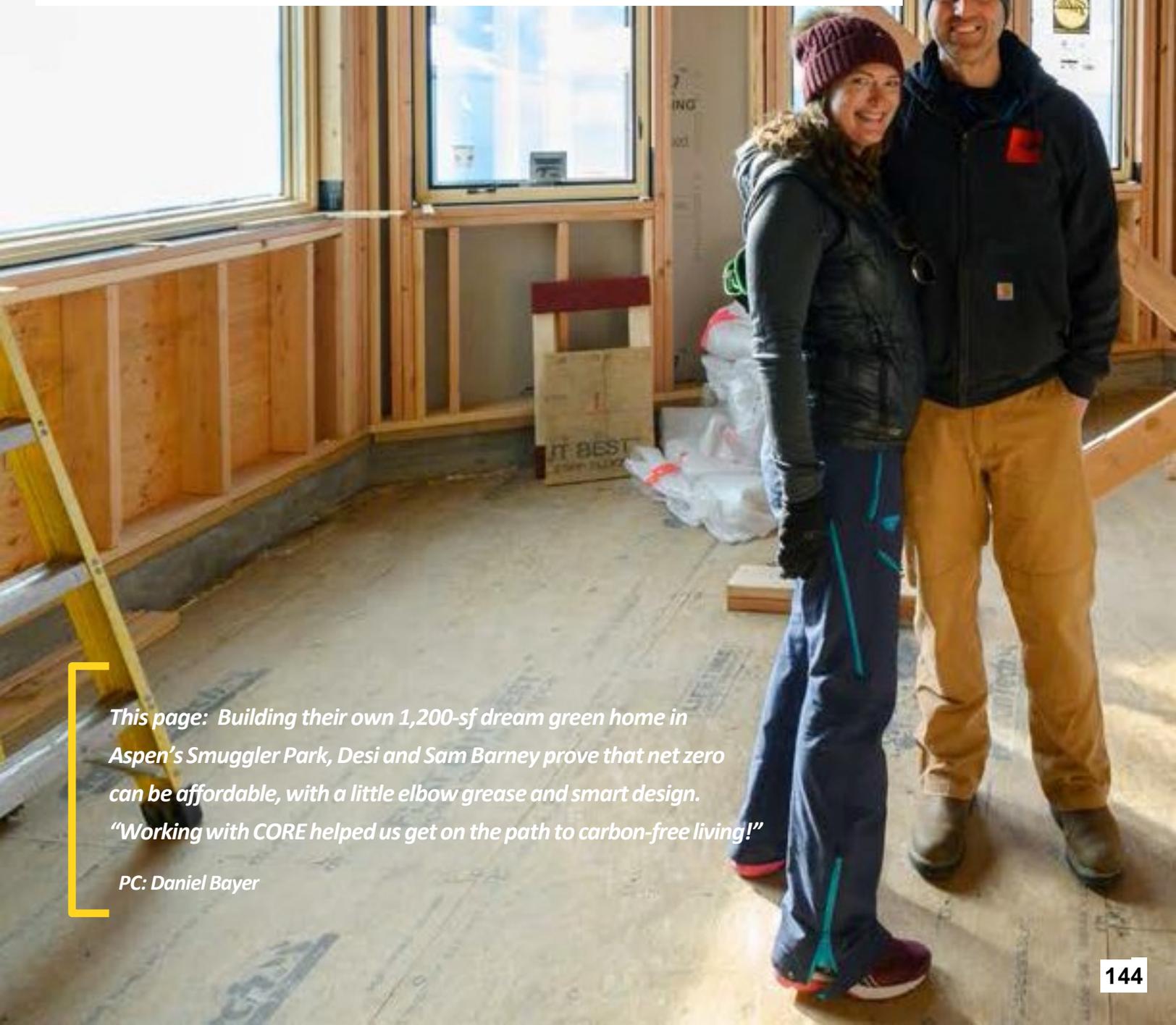


IMPACT REPORT

2019



LETTER FROM THE DIRECTOR



This page: Building their own 1,200-sf dream green home in Aspen's Smuggler Park, Desi and Sam Barney prove that net zero can be affordable, with a little elbow grease and smart design. "Working with CORE helped us get on the path to carbon-free living!"

PC: Daniel Bayer

SMART ENERGY = LESS CARBON = MORE LIVING.

As long as there is carbon in the air, CORE will have work to do.

Everyday our team is hard at work stemming climate change by offering programs with a singular goal: to reduce carbon emissions. Our focus is primarily on buildings — the largest contributor of greenhouse gases in our valley — while keeping your comfort and safety in mind.

Together we're making progress. In 2019, 500 of you took action in your spaces, getting on the Path to Zero by transforming existing buildings into energy superstars. You've signed up for energy assessments, installed solar-electric systems, and switched to electric cars, among many steps. Others are building new net-zero homes, bringing neighborhoods into a carbon-free future we can all enjoy.

We're also working with partners supporting game-changing tech on a larger scale, like a greener grid and large renewable energy projects. In the not too distant future, I hope to bicycle along the Rio Grande by the new 5 MW solar project, which CORE and others worked hard for approval. I'll sleep easier knowing that we have more clean electrons powering our buses, cars, homes and businesses.

In the year ahead we are committed to help reach the emissions reductions needed by 2030, and more than ever to diversify how we engage with you. My hope is to inspire *everyone* and to make it possible for *anyone* to participate in the collective action we need for our shared health and environment.

As Helen Keller said: "Alone we can do so little; together we can do so much."



In good health,
Mona Newton

Mona Newton
EXECUTIVE DIRECTOR

Impact at a glance

Customers Served	6,438	To date
Annual Carbon Savings	27,662	To date
Annual Utility Bill Savings	\$3,879,233	To date
Home Energy Assessments	275	2019
Energy Projects	163	2019
Business Site Visits	13	2019
Facility Retrofits	61	2019



MEMORANDUM

TO: City Council

FROM: April Long, P.E. Clean River Program Manager
Pete Strecker, Finance Director

THROUGH: Trish Aragon, P.E., City Engineer
Scott Miller, Public Works Director
Sara Ott, City Manager

MEETING DATE: May 4, 2021

RE: Council Goal #7 - Funding the Clean River Program

Request of Council: City Council established its top goals for the 2020 / 2021 year, which included a specific goal (Goal #7) to identify and implement capital funding to improve river health and address and expand an aging stormwater system. Staff requests Council direction for implementation of proposed funding sources.

Summary and Background:

In 2005 the City of Aspen studied stormwater management and river health needs and funding options. Funding alternatives were identified and discussed by an advisory committee, which made recommendations to City Council for a stormwater business plan and a dedicated property tax to fund the implementation of that plan. It was determined by Council at that time to fund the operation costs and water quality projects within the program from the tax and apply a fee on development to cover stormwater infrastructure costs. In November 2007, Aspen's voters overwhelmingly approved a special ad-valorem property tax mill levy of 0.650 mills for the specific purpose of increasing revenues to fund the City's Clean River Program, independent of TABOR limitation. Revenues from this tax are the main source of funding for the current program and are estimated to generate approximately \$1.2 million in 2021.

In addition to the property tax, in 2008 City Council also instituted a development fee based on impervious square footage that applied to all new and re-developments. The combination of revenues from the fee and tax were intended to fund all operating and capital costs associated with the Clean River Program (program). This fee was removed by Council in 2010 to relieve the burden on development during the recession of 2008, leaving a significant gap in funding for the program. While other fees, such as development review fees and fees-in-lieu of detention, have been established since then, they only fund a small portion of the needs of the program. Currently fees are estimated to generate approximately \$260,000 in 2021.

Discussion:

There are many outstanding projects identified in the original business plan and in more recent master plans, and new projects are identified each year as more information is gained about City's existing infrastructure, threats to public safety, and the health of the river (see Attachment 1). Most recent review suggests the completion of currently identified or anticipated projects will cost approximately \$12M. (Note: These are estimates for known

projects, provided in 2021 dollars.). Current operating costs for the program are approximately \$800,000 and transfers out of the fund are approximately \$330,000. With annual revenue estimates at \$1.6 million, that leaves only \$470,000 each year for capital improvements. Accomplishing the backlog of projects and meeting the goals of the program would take approximately 25 years at that rate of funding and does very little to allow for proactive replacement of failing pipes and infrastructure.

Recognizing this funding gap, Council directed staff, through Council Goal #7, to “Identify and implement capital funding sources to address and expand the aging stormwater system as well as finance projects focused on treating outfalls to the Roaring Fork River.”

Staff presented an initial list of funding sources to Council in August 2020. At that time Council agreed that the following options were not appropriate or ripe for continued research or pursuit:

- Special assessments
- Fee surcharges on existing programs, such as parking or water fees.

Council also provided direction to staff to, as often as possible, continue to pursue grants and partnerships for funding Clean River program projects.

Staff have since identified various other options for Council to consider for funding the Clean River Program, with varying outcomes for the community. Assuming staff is successful in securing 50% of funds needed for water quality improvements through grants and partnerships, ideally, another \$400,000 - \$600,000 would be needed in the fund to address approximately one large infrastructure replacement or upgrade each year, resolving the backlog of infrastructure repairs in about 10 years instead of 25. Note that Council may want to consider pursuing multiple options in tandem with one another to help with the timing and lack of funding for Clean River Program projects.

Status Quo: The baseline option is to continue under the status quo for this program's funding. This reflects a majority of funding for the Clean River Program (also referred to as Stormwater Program and Stormwater Fund) coming from the dedicated 0.650 mill property tax (unrestricted under TABOR) and partially complimented by permit review fees and mitigation fees. In total, these collections aggregate to roughly \$1.6M (2021 projections) and are split roughly 66% and 33% between taxes and fees, respectively.

Under this option, the program is limited on how quickly it is able to address new projects to improve water quality and to proactively replace aging and failing infrastructure. This is due to the current allocation of costs for the program, with annual operations running about \$1.2M annually. This then leaves only \$400K per year to go towards smaller infrastructure improvements or be “banked” in fund balance to accumulate for larger one-time projects.

Operations Shift: An alternative that may be explored, without establishing *new* revenue would be to adjust the current allocation of costs for the Clean River program. Currently the Clean River program has three groups of staff - Engineering, Streets, and Parks & Open Space – that work collaboratively to achieve improved river health and stormwater management.

- Engineering staff provide the overall program oversight; development review; construction review, inspection and enforcement services; infrastructure inventory; water quality monitoring, and design and project management for capital projects for the Clean River program.

- Streets provides additional support through two main efforts: street sweeping and stormwater vault cleaning to limit debris being carried into the river. (1.35 FTE, plus materials and supplies)
- Finally, Parks & Open Space provides both financial and labor resources to assist in the creation and maintenance of regional treatment areas (such as Jenny Adair Wetlands and Rio Grande Park). Some of these efforts are bore by the Parks Fund (specifically around capital projects that align with Stormwater improvements) and other costs are charged directly to the 160 Fund (largely 2 FTE, plus materials and supplies).

If the Council desired, there could be a reallocation of any and all appropriate costs back to the Parks and Open Space Fund, and expenses for the Streets team could be bore by the General Fund. The aggregate spending authority for these two teams equals roughly \$330K and could be freed up (partially or fully) for new capital infrastructure improvements if they were shifted away from the operating expenses of the 160 Fund. The trade off in this solution is in placing greater financial pressure on the other funds which could limit opportunities in those areas as a result.

Financing: Another alternative that could be explored, without establishing *new* revenue would be to advance the future tax collections to be available in the near term to address some of the projects today. Given that existing revenue is largely through a property tax and is therefore considered to be a very stable revenue stream, the City could seek financing through pledging future 0.65% property tax collections to make these dollars available now. This alternative does not facilitate financial resources to fund all the Clean River program projects previously identified, but it does help implement a limited number of projects quicker than waiting for the fund balance to accumulate year-over-year.

Projects under this option would need to be prioritized and slotted based on funding that could be obtained. Those projects with the greatest benefit to stream health and/or conveyance of stormwater would be given more weight and priority.

Note: Interfund advances, or loans between City funds, have been considered for past opportunities and would be similar to obtaining outside financing. Council may recall the Woody Creek parcel was purchased as a possible future water storage site and was made possible with a loan from the Wheeler Opera House Fund to the Water Utility Fund. While an interfund advance is possible to consider, the main limitation for this option would be the resources the 160 Fund could pledge to repay the loan over time, just as is the case with obtaining outside financing. Additionally, lending from another City fund places a new burden on the originating fund and is therefore not encouraged.

One-Time Funding: Another alternative that could be considered to *partially* solve capital needs is to search for one-time funds. These efforts can take the form of grants and partnerships, sale of existing City property, or having stormwater projects compete for funding in the AMP.

Staff has had some success in obtaining grants and partnerships with other jurisdictions or non-profits to facilitate individual projects or studies. Council has already directed staff to take a more aggressive focus on vying for federal, state and local funding. Most recently and with solid potential for stormwater infrastructure projects, this could include the recent American Jobs Plan (President Biden's infrastructure plan) funding. Additional funding, that staff believes Clean

River program projects would be highly competitive for, could be sought from the following organizations and/or programs:

- American Jobs Plan
- Pitkin County Healthy Rivers and Streams Board
- Colorado River District, Projects Partnership Program
- CWCB Water Plan Grants
- CWCB Watershed Restoration Grants
- Colorado River Basin Roundtable Grants
- Colorado Healthy Rivers Fund
- CPW Wetlands Project Funding
- CDPHE Water Quality Improvement Fund
- Colorado State Revolving Fund Loans
- EPA Clean Water Act Section 319 NPS Grants
- Colorado Community Development Block Grant Program

With regards to projects that do not lend well to grants or partnership funding (specifically stormwater pipe replacements), it is important to note that the current expected cost per linear foot is estimated at \$900 and therefore reflects an aggregate need of \$11M for which a solution would not be provided solely through increased grants and partnerships.

Lastly under this alternative, the City Council could perhaps recommend reviewing an existing City asset to help facilitate some one-time resources for the Clean River Program. For instance, the City could potentially offer the Main Street Cabin (former Mountain Rescue Cabin) for sale and dedicate the sale proceeds to the Stormwater Fund. However, it is important to note that the voters must be consulted before selling property, and a ballot question would be needed, pursuant to Section 13.4 of the City's Charter.

While staff understands that the City's General Fund is already inadequate to fund all projects needed and proposed each year, it is the typical source of funding for stormwater management across the country, especially for stormwater infrastructure installation, repair, and replacement. Clean River capital projects could be evaluated individually in the AMP each year against all other competing projects or Council could elect for a dedicated contribution to the Stormwater Fund for some term to be used without restriction or used to fund a specific type of project, such as pipe replacement. Council should note that funding stormwater infrastructure in the AMP would result in a trade off or limit for other projects or purchases that compete in the AMP each year.

Longer-Term Funding: While the above options offer solutions to timing or perhaps intermittent funding, Council could also request staff to pursue longer funding solutions for the Clean River Program. There are three possible options that could be considered today.

1. In tandem with this question of funding stormwater infrastructure and pollutant-removal sites, the City Council is also currently wrestling with the opportunity that exists as a result of years of real estate transfer tax (RETT) collections exceeding the funding needs of the Wheeler Opera House. As such, with a fund balance over \$30M in the Wheeler fund, there is the possible public discussion of how to potentially expand the uses of future 0.5% RETT collections to achieve other community wants and needs. With these two

questions being considered simultaneously, the opportunity exists for including river improvement and stormwater pipe replacement projects in the public discussion.

2. Establishing the Clean River program as a new utility. Under this premise, the program would begin to operate more like an enterprise and would establish fees similar to the City's water and electric utilities to support the infrastructure and operations of the program. Once fees were established, there could also be a bonding question to voters to leverage future fee collections early and thereby initiate capital projects sooner. As presented to Council previously, establishment of a user fee or utility fee would require voter approval for successful implementation and would carry additional administrative costs.
3. Lastly, Council could consider returning to voters to increase the existing property tax above the 0.650 mills currently dedicated to the Clean River program. The current tax generates roughly \$1.2M. Any increase in the dedicated mill levy would establish more resources specific to the program – as a hypothetical, elevating the mill levy to one full mill (an almost 50% increase) would result in roughly \$650K more annually to the program and would add to the current \$400K per year currently available for capital needs. Note, with this tax question, there can be a sunset clause placed on the increase (if desired) once sufficient funds were collected to achieve the infrastructure needs of the program; the increase in tax does not need to be into perpetuity.

Recommendations: Staff recommends Council consider removing unfavorable funding sources from future exploration or consideration.

City Manager Comments:

Attachment 1: Clean River Program: Identified Projects, Cost Estimates, and Potential Funding Strategy



INFORMATION ONLY MEMORANDUM

WORK SESSION MEETING DATE: May 4, 2021

FOLLOW-UP MEMO DATE: May 7, 2021

AGENDA TOPIC: Clean River Program – Funding Options

PRESENTED BY: April Long & Pete Strecker

COUNCIL MEMBERS PRESENT: Torre, Richards, Mullins, Hauenstein
(Mesirow absent)

This information only memo is to help document staff's understanding of the May 4 work session discussion. If there are perceptions that deviate significantly to what is noted in the narrative below, please let staff know.

Topic 1: Staff provided a historical summary of the Clean River / Stormwater Program and how original funding sources for the program have evolved over time. This evolution has resulted in annual revenues (largely from the dedicated 0.650 mill levy but supplemented by development review & enforcement fees) being insufficient to generate funds for future identified infrastructure needs once annual operational costs are funded.

The meeting focus then moved into what alternative funding opportunities exist that Council would like to see staff pursue going forward, noting that various options and the pros and cons associated with them, and that multiple options could be layered together. Options presented include:

- Shift Operational Costs out of Stormwater Fund and into General Fund / Parks and Open Space Fund
- Leverage Future Revenues Through Financing - Advance Capital Project Timing
- Elevate Pursuit of Grant Funding and Partnerships
- Sell Select Existing City Assets for One-Time Resources
- Insert Clean River Program Projects into Asset Management Plan Fund Priorities
- Increase Dedicated Existing 0.065 Mill Property Tax
- Create a New Utility
- Include Clean River Projects for Consideration in Possible Wheeler Revenue / Expanded Use Question

Majority consensus. Council members provided support for further analysis of operational costing of Streets and Parks departments being bore by the General Fund and Parks and Open Space Fund, respectively, to alleviate Stormwater Fund resources



for capital improvement needs. There was also support for prioritization of Clean River Program projects both for grant funding (unanimous support was present for being aggressive in seeking these partnership funds) and also to consider for competing with other Asset Management Plan (AMP) Fund project planning.

These near-term solution recommendations were also accompanied with Council support to seek out a long-term funding plan for the program in the future. This was not immediate, as there was mention of possible federal funding that could be leveraged if Congress passed such legislation, but with the on-going needs for maintaining assets in the future, this perspective needs to remain. If an expansion of the existing 0.650 mill levy property tax was sought as a long-term funding solution, consideration of how to package that with other municipal or county tax questions was also highlighted as a consideration.

Council members unanimously did not support the sale of City assets as a preferred solution at this time.

Next Steps: Staff will further a review of the internal funding solutions (shift of operational costs and AMP support for capital projects) after a prioritization (urgency and impact assessment) of Clean River Program projects is completed. This will include funding requirements in the near-term, and how to compile a solution based on the options supported by Council at this time.

CITY MANAGER NOTES:
