



Community Values

Authentic

Connected

Accountable

Bold

Town Council

5-year Goals:

- 👤 *Approach community challenges through active collaboration and public engagement.*
- 👤 *Accommodate growth in a way that maintains our rural feel.*
- 👤 *Enable people who live and work here to thrive.*
- 👤 *Retain the unique character and traditions of Crested Butte.*
- 👤 *De-emphasize cars and focus on walking, biking, and transit.*
- 👤 *Continue to passionately care for our natural surroundings and forever protect Red Lady.*
- 👤 *Act on the urgency of climate change and prepare for the changes we expect from it.*

Critical to our success is an engaged community and knowledgeable and experienced staff.

AGENDA

Town of Crested Butte

Regular Town Council Meeting

Town Council Chambers

507 Maroon Ave; Crested Butte, CO

Monday, February 2, 2026

Meeting information to connect remotely:

<https://us02web.zoom.us/j/81633411675>

Join via audio: +1 719 359 4580 US +1 253 205 0468 US +1 669 444 9171 US +1 689 278 1000 US +1 305 224 1968 US +1 309 205 3325 US +1 360 209 5623 US +1 386 347 5053 US +1 507 473 4847 US +1 564 217 2000 US +1 646 931 3860 US
Webinar ID: 816 3341 1675

Public comments may be submitted at any time to the entire Council via email at towncouncil@crestedbutte-co.gov.

The times are approximate. The meeting may move faster or slower than expected.

A meal from the Crested Butte Deli will be available prior to the start of the work session.

5:00 JOINT WORK SESSION WITH THE BOARD OF ZONING AND ARCHITECTURAL REVIEW (BOZAR)

1) Zoning Code Update – Residential Districts.

Staff Contact: Community Development Director Mel Yemma

7:00 REGULAR TOWN COUNCIL MEETING CALLED TO ORDER BY MAYOR OR MAYOR PRO-TEM

7:02 APPROVAL OF AGENDA

7:03 CONSENT AGENDA

1) January 20, 2026 Regular Town Council Minutes.

Staff Contact: Town Clerk Lynelle Stanford

2) (First Reading) Ordinance No. 02, Series 2026 - An Ordinance of the Crested Butte Town Council Amending Section 1-4-30 of the Crested Butte Municipal Code Regarding Application of General Penalty.

Staff Contact: Town Attorney Karl Hanlon

3) Resolution No. 05, Series 2026 - A Resolution Supporting the Grant Application for a Grant from the Department of Local Affairs' (DOLA) Energy and Mineral Impact Assistance Fund (EIAF) for the Completion of the Crested Butte Marshals' Facility Construction Project.

Staff Contact: Town Planner III Jessie Earley

4) Final Payment to Dietrich Dirtworks Block 80 Waterline Improvements 2025.

Staff Contact: Housing Director Erin Ganser

5) Final Payment to Dietrich Dirtworks Construction for the Whiterock Watermain Replacement Project.

Staff Contact: Public Works Director Shea Earley

6) Appointment of Representatives to the Gunnison/Hinsdale Combined Emergency Telephone Service Authority (GHCETSA) Board (Communications Board).

Staff Contact: Chief Marshal Mike Reily

7) Letter from the Town Council – Colorado Energy Office Local IMPACT Accelerator Grant.

Staff Contact: Sustainability Coordinator Dannah Leeman Gore

8) Appointment of Board of Zoning Architectural Review (BOZAR) Commissioner and Reappointment of Existing BOZAR Commissioner.

Staff Contact: Town Planner III Jessie Earley

The listing under Consent Agenda is a group of items to be acted on with a single motion. The Consent Agenda is designed to expedite Council business. Council members may request that an item be removed from Consent Agenda prior to the Council's vote. Items removed from the Consent Agenda will be considered under New Business.

7:05 PUBLIC COMMENT

The public has the opportunity to comment during the public comment period at the beginning of every regular Council meeting. At this time people may speak for up to five minutes on any topic that is not on the agenda. The Mayor may limit public comments to no more than three minutes if it appears there will be many comments on a similar topic. The public comment period is a time for the Council to listen to the people. Council generally should not

engage in a two-way conversation at this time nor should the Council feel compelled to ~~re~~²spond to the comments. If Council chooses to discuss, discussion will be at the end of the Council meeting under “Other Business to Come Before the Council.”

7:10 **STAFF UPDATES**

7:15 **LEGAL MATTERS**

7:20 **PRESENTATION**

1) Ashley Bembenek and Kristin Green from the Water Quality/Quantity Committee (QQ).

7:30 **COUNCIL REPORTS AND COMMITTEE UPDATES**

7:35 **OTHER BUSINESS TO COME BEFORE THE COUNCIL**

7:40 **DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE**

- *Tuesday*, February 17, 2026 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, March 2, 2026 - 5:00PM Joint Work Session with BOZAR - 7:00PM Regular Council
- Monday, March 16, 2026 - 6:00PM Work Session - 7:00PM Regular Council

7:45 **ADJOURNMENT**



Staff Report

February 2, 2026

To: Mayor Billick and Town Council, and Chair Nauman and BOZAR
Prepared By: Mel Yemma, AICP, Community Development Director
Thru: Dara MacDonald, Town Manager
Subject: **Work Session: Zoning Code Update – Residential Districts**

Summary: This work session will introduce the proposed zoning amendments and incentives for residential districts for Town Council and BOZAR discussion and will explore how the Resident Occupied Affordable Housing (ROAH) program fits into the effort to compel the private sector to participate in addressing the Town’s community housing shortage. The session will focus on the big-picture changes proposed for these districts, which were introduced through community outreach in the fall and refined based on feedback for Council and BOZAR consideration. Staff seek direction from Council on the following questions:

- Is the Council comfortable with the proposed changes to the baseline, by-right zoning?
- Does the Council support the recommended incentives and/or support further steps that could improve market acceptance and generate more deed restricted homes?
- To be an effective program and augment the zoning incentives, the ROAH mitigation rates should be higher. How high is the Council willing to go if it helps generate more deed restricted homes?

Previous Council Action: The most recent engagement on the zoning code update was a joint Town Council and BOZAR work session on October 6, which publicly launched the zoning code update and established guiding principles for the process.

Background: About the Zoning Code Update: The Town of Crested Butte is updating its zoning code to align with the community’s goals as they are outlined in the Community Compass and the long-term vision established in the Community Plan. The Community Plan sets a clear direction to keep Crested Butte, Crested Butte by preserving the people, places, and values that define the community while responding to pressing challenges

Crested Butte faces an escalating affordability crisis, a concentrated and vulnerable economy, and a declining percentage of full-time residents. Existing zoning regulations have not produced sufficient housing, services, or infrastructure to meet community needs, while new development has increasingly catered to tourism and part-time residency. Community members have also expressed strong concern about losing access to locally rooted businesses, nonprofits, and affordable gathering spaces that support daily life and strengthen social connections.

The vision of the Community Plan is to ensure Crested Butte remains a thriving, connected community that retains its small-town feel and human scale while facilitating thoughtful infill

development to create more opportunities for people to live closer to where they work through a wider range of housing options, while also supporting additional community-serving commercial and gathering spaces that help the town function year-round.

The zoning code update is intended to align the Town's regulatory framework with this vision by enabling and incentivizing development outcomes that support community needs. The complementary Housing and Community Spaces Strategy will further advance the vision through targeted programs, projects, and policies.

Process to Date: Following adoption of the Community Plan in July 2025, Town Staff and the Town Attorney began developing a revised zoning code framework based on the Colorado Department of Local Affairs land use template, focused on modernizing the code, while maintaining critical character defining regulations, and implementing the Community Plan's recommendations. BOZAR has held monthly work sessions to test ideas and provide feedback, and Town Council and BOZAR aligned on guiding strategies at a joint work session in October.

From October through December, Town Staff conducted public outreach through zone-by-zone webinars that introduced the update, reviewed the Community Plan vision, and presented the first draft of proposed code changes. Recordings, a summary fact sheet, and a public feedback survey were posted on the Town's website, with the survey open from October 29 through December 19, 2026. [A summary of feedback from this phase is available on the Town's website and was provided to Town Council in the January 20 under staff updates.](#)

Guiding Strategies: At the October 6 joint work session, Town Council and BOZAR identified a set of guiding strategies to direct the zoning code update. These strategies distill the Community Plan vision and integrate it with the Town's other Compass initiatives, including Transportation and Mobility, Climate Action, Historic Preservation, and PROST, to guide development of the updated zoning framework.

1. ***Simplify the Code:*** Make the zoning code and development review process easier to understand and navigate.
 - *Success could look like: A clearer, more user-friendly code for property owners, developers, staff, and decision-makers.*
2. ***Retain Small-Town Feel:*** Celebrate the character of Crested Butte from the look and feel of our buildings to the people and moments that make this place feel like home. Keep zoning tools like Floor Area Ratio (FAR) limits that help neighborhoods stay authentic and approachable while allowing flexibility that supports connected, neighborly lifestyle.
 - *Success could look like: New buildings and updates feel like they belong and reinforce the small-town character that defines Crested Butte.*
3. ***Strengthen Historic Preservation:*** Implement the Historic Preservation Plan recommendations to create a new Early Recreation Era period of significance and continue to maintain historic preservation for the historic core/Mining Era period of significance.
 - *Success could look like: Strong, enforceable protections for both the established Mining Era and a new overlay for Early Recreation Era properties currently being surveyed.*

4. ***Integrate Land Use with Transportation and Climate Action:*** Update land use regulations to support community-serving housing and commercial spaces, and climate and mobility goals, to provide more opportunities for people to live closer to where they work.
 - *Success could look like: Allowing ADUs and multi-family homes as permitted uses instead of conditional uses, which would reduce process barriers but maintain design standards.*
5. ***Link Zoning to Community Benefits:*** Implement the zoning incentives identified in the Community Plan in exchange for public benefits like community-serving housing and spaces, and improved mobility. Recommendations from the Community Plan include:
 - **Residential Zones:** Revamp incentives for ADUs, enable micro-lot subdivisions, and modernize the home occupation definition.
 - **R4 (High Density Residential Zone) Zone:** Preserve and support compatible multi-family housing.
 - **Mobile Home Zone:** Allow modular or stick-built units in exchange for permanent deed restrictions.
 - **Commercial Zone (Bellevue):** Provide flexibility on height and setbacks in exchange for a higher requirement of deed restricted commercial space and/or housing. Set the corridor up for improved pedestrian connectivity.
 - **Business 2 Zone (Sixth Street):** Improve the PUD process with clearer expectations and community benefits. Instead of incentivizing underground parking, tie incentives to community-serving housing and spaces.
 - **Town-Wide:** Expand trails and sidewalk connections identified in the Transportation Mobility Plan, reduce parking requirements where appropriate, and maintain space for the realities of snow storage.
 - *Success could look like: Zoning incentives that reflects the character of each area while providing clear community benefits.*

To provide important context for this discussion, background on realistic rates of change and key considerations in creating successful incentives are outlined below.

What is the Pace of Change? As these concepts are presented, it is important to keep in mind the broader context of how the zoning code affects changes in development. Zoning changes apply primarily to new development and to redevelopment over time, meaning their effects will be incremental rather than immediate. Crested Butte is largely built out and has strong demolition regulations, which significantly limit the pace and scale of change.

Over the past 10 years, residential construction has averaged approximately 7 new market rate residential units per year and 12 deed-restricted residential units per year (with a peak of 12 market rate units in 2018). As a result, allowing additional housing types, such as duplexes, triplexes, or double ADUs in predominantly single-family areas, does not mean existing neighborhoods will be transformed over the course of a year or two. Instead, these changes create more options over time on vacant or underdeveloped parcels. Similarly, adjustments to parking requirements would apply to future development and provide flexibility rather than mandate behavior. Lower minimums would not require existing residents to change how they park, but would allow new projects to meet reduced requirements, potentially in coordination with parking management tools such as permit programs.

What makes an incentive successful? Over the past 35+ years, the Town has made significant contributions to community housing opportunities. However, changes in the market have resulted in less private sector participation in addressing the Town's community housing needs, and outdated housing incentive programs are not attractive to owners/developers. The result is minimal participation of the private sector in creating deed restricted units and instead that burden has shifted almost entirely to the Town, which is unsustainable and insufficient to respond to the need for attainable housing options in our community. In addition to updating the zoning code for ease of use, clarity, simplicity, and alignment with current land use standards, the update seeks to implement incentives that are market feasible and thereby more likely to be used by the private sector to create deed restricted units. To achieve meaningful private sector participation, the baseline, by-right zoning allowances must be adequately constrained such that the incentive options present clear, marketable benefit.

EPS conducted a draft financial evaluation, attached to this memo, for the Residential, High Density Residential, and Residential Small Lot zones to determine if these proposed changes can be used to leverage the private market to create more community-serving housing by better understanding the residual land value and profit margins that may motivate a homeowner or developer to participate in the incentives. This analysis is high level and general as development opportunities are site specific and can vary in a community by block and by lot, as well as with variability in motivations of property owners and developers.

In addition to block by block and lot by lot variability, there is considerably more variability of financial situations and motivations of existing property owners. While it is relatively straight forward to undertake feasibility evaluations for incentive options on vacant lots, redevelopment of existing parcels presents more complexity. Although all the incentives proposed do not show strong profit margin feasibility, if the physical incentives proposed, such as two ADUs rather than just one, are supported by Council and BOZAR, staff suggest that they be considered for the code update to provide flexibility with redevelopment opportunities recognizing that this flexibility may help an existing owner connect with incentive opportunities.

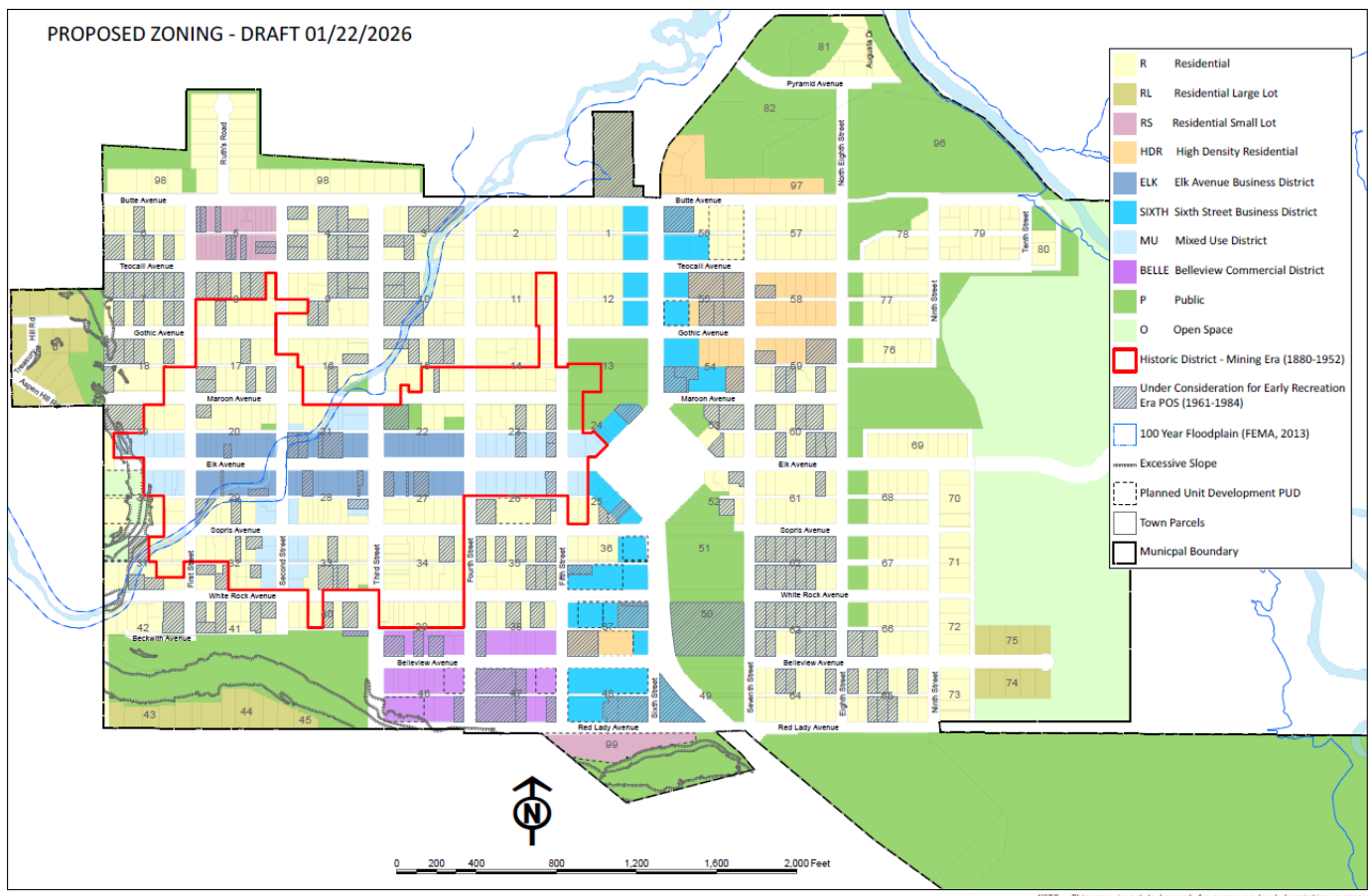
While incentives are an important "carrot" to consider in the zoning code, it is equally important to consider a complementary "stick" to further augment the feasibility of the incentives. The Town's Resident Occupied Affordable Housing (ROAH) program serves this role by functioning as a housing mitigation impact fee, calculated based on the number of employees generated by new development. The Town sets the rate at which that employee generation must be mitigated; however, neither the mitigation rate, nor the underlying assumptions for the costs to create a deed restricted unit have been updated since 2016. As a result, this tool is currently largely ineffective. The preliminary financial analysis includes an assumption that the baseline models are paying today's ROAH fee and the second discussion item in this memo includes discussion and scenarios on how ROAH could be more intentionally leveraged to nudge the private market toward taking advantage of zoning incentives and constructing deed-restricted units.

Cash as Incentive? The proposed incentives are evaluated based on the value gained through zoning enhancements to FAR, building height, building type, etc. Incentives can also take the shape of cash incentives from Town. With future refinement of incentives, staff can include monetary support to augment zoning incentives as a variable if that is a direction Council/BOZAR would like to pursue.

Discussion #1: Zoning Updates and Incentives

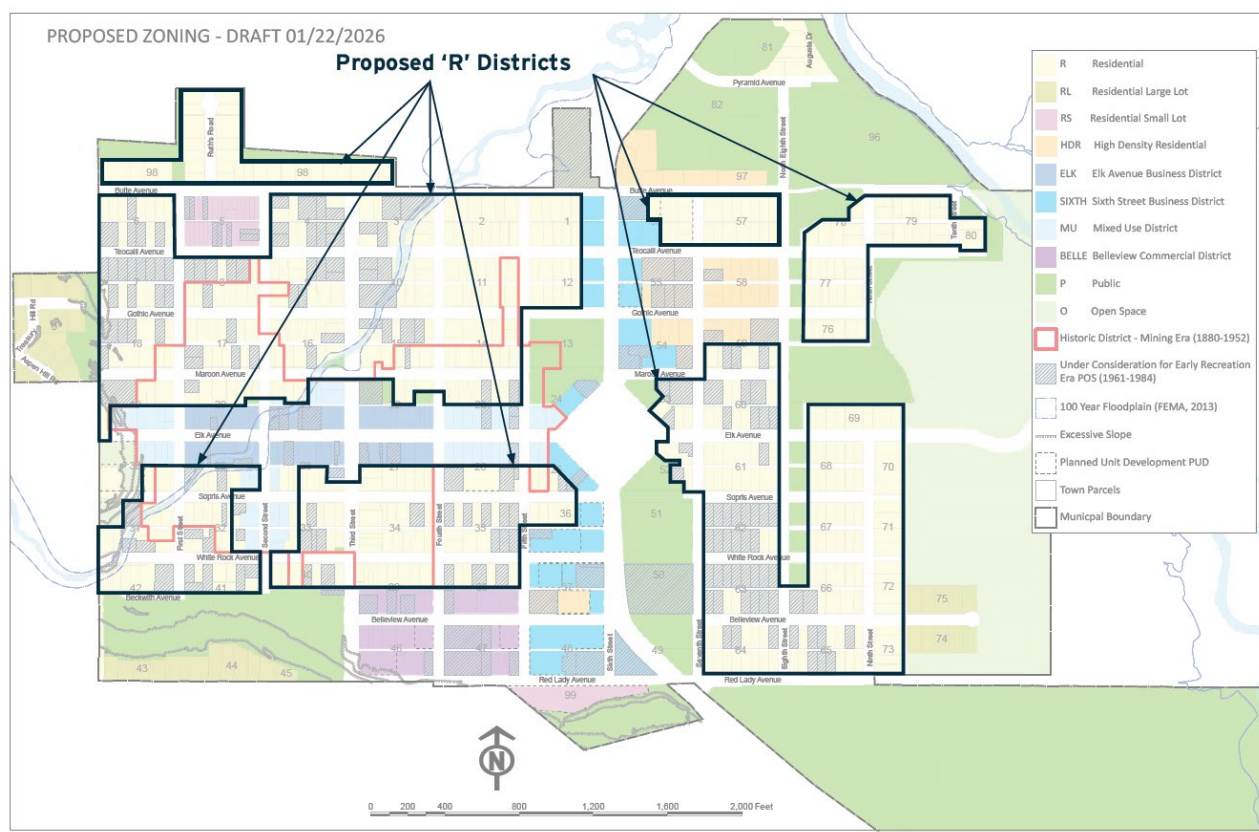
This work session seeks to accomplish the following:

- Present the big-picture changes to the zoning code for residential districts and obtain feedback from council on baseline, by-right zoning (please see proposed draft zoning map below);
- Present draft incentive models for three residential district categories: (1) Residential (yellow), (2) High Density Residential (beige/orange), and (3) Residential Small Lot (pink), shown in the proposed updated zoning map below;
- Puts forth recommendations for further refinements to the incentive evaluations; and
- Suggests discussion questions for the Council to consider for each.



For reference, [the existing zoning map can be viewed here.](#)

Residential and Residential Large Lot:



Please note that while the map above highlights the proposed Residential District, this section also applies to the Residential Large Lot District, shown in darker yellow along the edges of Town. Both districts share the same proposed baseline zoning; however, the outlying areas allow for larger maximum lot sizes.

Overview of Proposed Changes: The proposed updates to the Residential and Residential Large Lot districts are intended to simplify the zoning code, better align regulations with how neighborhoods function today, and meaningfully expand opportunities for small-scale housing by allowing multiple configurations of up to three dwelling units per lot, while maintaining Crested Butte's established character. A key component of the update is consolidation of the existing 11 residential zoning map into two districts, Residential and Residential Large Lot, which simplifies the code, improves clarity, and removes minimum lot size distinctions that are already effectively regulated through other dimensional standards. Collectively, the changes update allowed land uses, remove redundant dimensional standards, and introduce a clearer, more effective incentive framework to support the inclusion of deed-restricted housing.

The visual models that follow from Studio Seed illustrate how these changes would work in practice. They compare development that is allowed today, market-rate development under the proposed baseline zoning without incentives, and incentive-based scenarios that include deed-restricted units. The Town's current incentive program allows two units, a primary unit and a deed-restricted ADU, in exchange for a heated and plumbed garage and Town-paid tap fees; however, this approach has not generated meaningful private sector participation. The analysis therefore explores the feasibility and market acceptance of allowing three dwelling units by right, with one unit required to be deed restricted.

ZONING COMPARISON SUMMARY

R1 (existing) vs. R (proposed)

R1
EXIST.
RULES

R
PROP.
RULES

Allowed Uses	Parking	Lot Area	Setbacks	Open Space	FAR	Floor Area	Height	Incentives/ Disincentives	Demolition
Permitted: SF Dwelling, Acc. Bldg (non-res), Home Occupation Conditional: ADUs, Duplex, Rec/ Playgrounds, Church, Library, BnBs	SF Dwelling = 2 (up to 4-bdrm); 3 (5-bdrm) MF Dwelling = 1.5 per unit ADU = 1 per bdrm.; 2 per 2-3 bdrm.	5,000 SF min. 9,375 SF max.	20' (Front) 7.5' - 11.5' (Side) 10' (Rear - Principal) 5' (Rear - Accessory)	50% min.	0.3-0.4 max. principal 0.5 max. total *Basements don't count *Duplex/Triplex are allowed up to 0.5 FAR, but conditional use.	2,800 SF max. (principal) 3,800 SF max. (total) *Basements don't count	30' max.	ADUs are encouraged by waiving tap fees, but must be deed- restricted long- term rentals	Must meet certain requirements If redevelopment exceeds original FAR, then deed- restricted unit must be included.
Permitted: SF Dwelling, Acc. Bldg. (non-res), Home Occupation, ADUs, MF Dwelling (3 unit max.), Childcare (small) Conditional: Assembly/Church, BnBs, Childcare (large)	<u>All Residential</u> <u>Units = 1 per</u> <u>unit min.</u> <u>Parking in</u> <u>front yard</u> <u>allowed when</u> <u>2+ dwelling</u> <u>units provided</u> <u>(otherwise use</u> <u>alley)</u> <u>Parking may</u> <u>be waived for</u> <u>deed-restricted</u> <u>units</u> <u>depending on</u> <u>circumstances</u>	No min. 9,375 SF max.	10' (Front) 7.5' - 11.5' (Side) 5' (Rear - All bldg.)	N/A	Single Dwelling Primary Structure: 0.4 max. principal 0.5 max. total 2-3 Unit Primary Structure: 0.5 max. principal 0.6 max. total Basements and garages count toward total FAR unless deed-restricted unit provided.	Single Dwelling Primary Structure: 2,800 SF Multiple Dwelling Primary Structure: 3,125 SF	30' max.	<u>Increased ROAH</u> <u>fee applies</u> <u>when no deed-</u> <u>restricted unit is</u> <u>provided.</u> <u>When a deed-</u> <u>restricted unit</u> <u>is provided,</u> <u>ROAH fees</u> <u>waived, tap fees</u> <u>paid by town,</u> <u>streamlined</u> <u>permitting</u> <u>applies, and</u> <u>basements and</u> <u>garages are</u> <u>exempt from</u> <u>total FAR.</u>	No change

Bold, underlined text indicates proposed amendments.

NOTES:

- This analysis tests existing standards vs. proposed standards to understand if additional incentives will equate to market-driven deed-restricted housing and more affordable housing options, in general.
- This zoning analysis will inform a financial analysis to understand economic feasibility of proposed changes.

Crested Butte Zoning Incentives Analysis

Residential 'R' Zone District Scenarios

Deed-Restriction Incentives in 'R' District

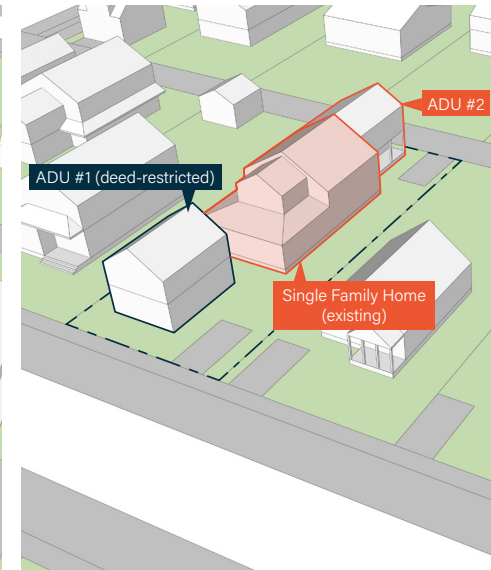
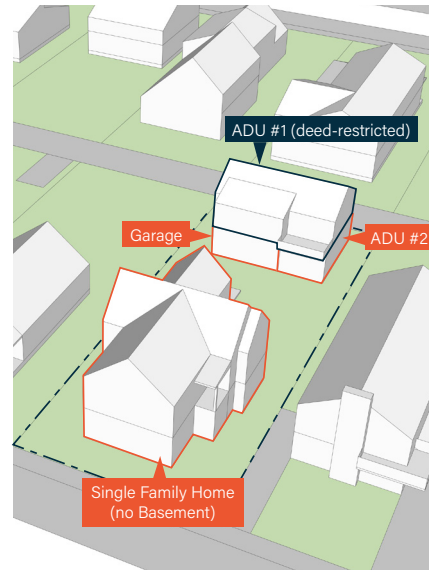
ZONING INCENTIVES:

- ✓ Allow additional ADU when one is deed-restricted.
- ✓ Allow lot subdivision when one of the units is deed-restricted.
- ✓ Exempt garages and basements from FAR calculations when deed-restricted unit is provided.
- ✓ Allow increased FAR for Duplex/Triplex forms when one unit is deed-restricted.
- ✓ Simplify parking requirement to one space per unit.

ADMINISTRATIVE INCENTIVES:

- ✓ ROAH fee waived.
- ✓ Town pays tap fee.
- ✓ Streamlined application processing.

INCENTIVE SCENARIOS 1 & 2: Additional ADU

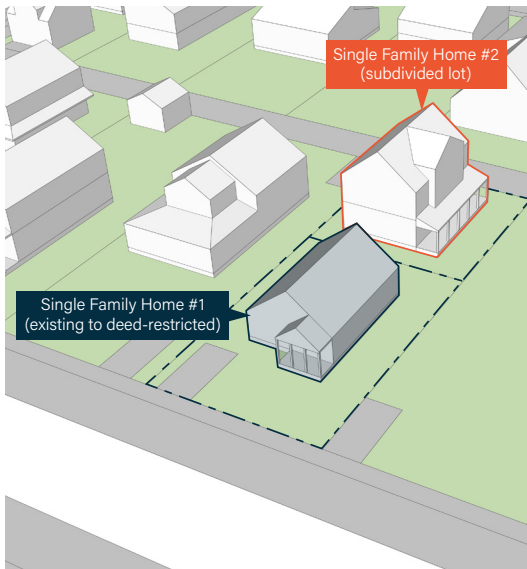


Tests incentive for an additional ADU in exchange for a deed-restriction.

WHO IT COULD SERVE:

- Singles or couples working in the community.

INCENTIVE SCENARIOS 3: Micro Lot

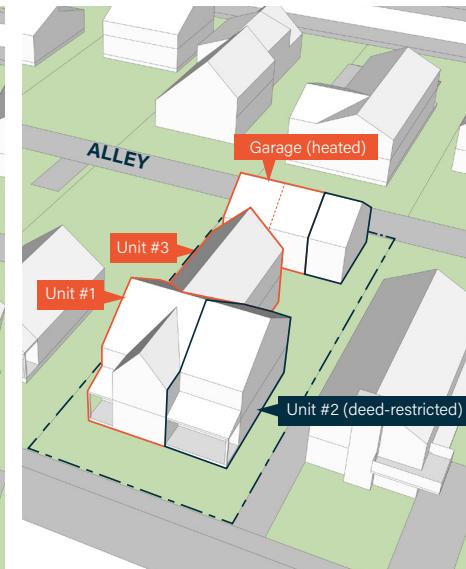
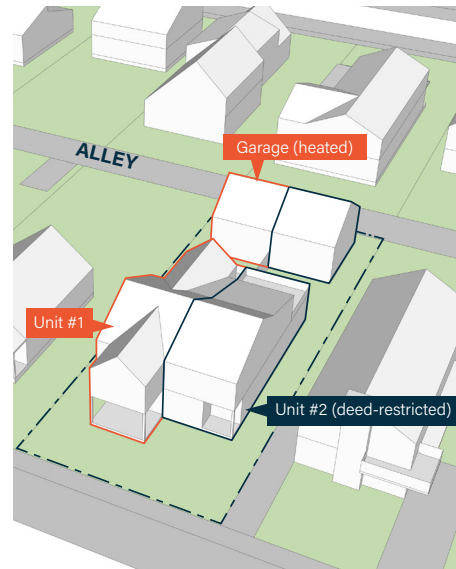


Tests incentive to allow a lot split in exchange for deed-restriction.

WHO IT COULD SERVE:

- Empty Nester (still employed)
- Young family
- First-time homebuyer

INCENTIVE SCENARIOS 4 & 5: Duplex & Triplex



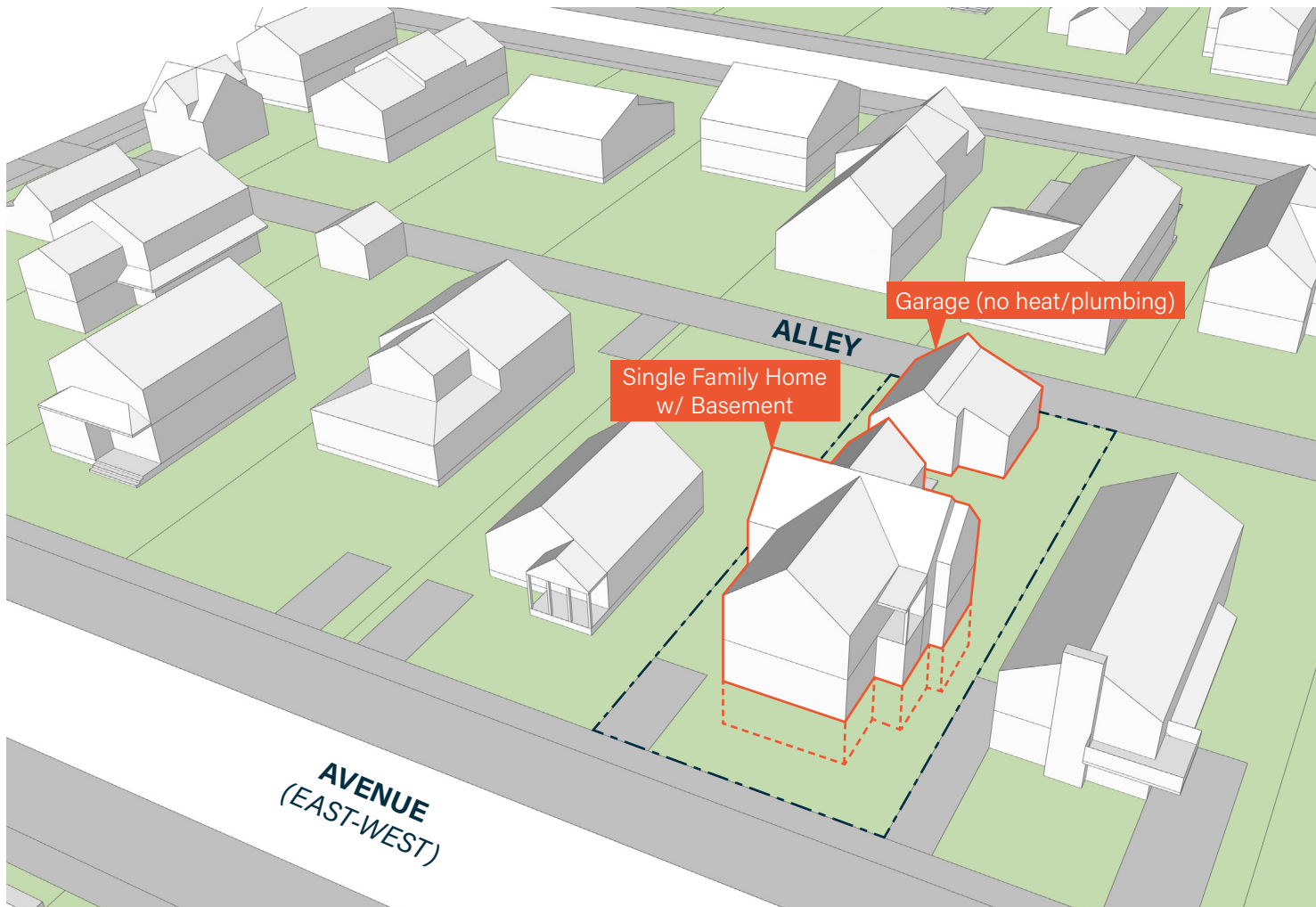
Tests incentive for increased FAR allowance for Duplexes and Triplexes in exchange for a deed-restriction.

WHO IT COULD SERVE:

- Couples/Roommates currently renting but want to buy
- Young family

Crested Butte Zoning Incentives Analysis

Residential 'R' Zone District Scenarios



EXISTING BASELINE¹¹ SCENARIO: Single Family no ADU (Existing 'R1' Zoning Rules)

USE:

- Single Family Home
- Garage (no heat/plumbing)

SETBACKS:

- 20' (front)
- 7.5'-11.5' (sides)
- 5' (rear)

FLOOR AREA:

- 2,500 SF (above grade)
- 1,015 SF (basement)
- 600 SF (garage)

FAR:

- 0.4 (principal)
- 0.5 (total)

**note: basement does not count toward FAR*

OPEN SPACE:

- 67%

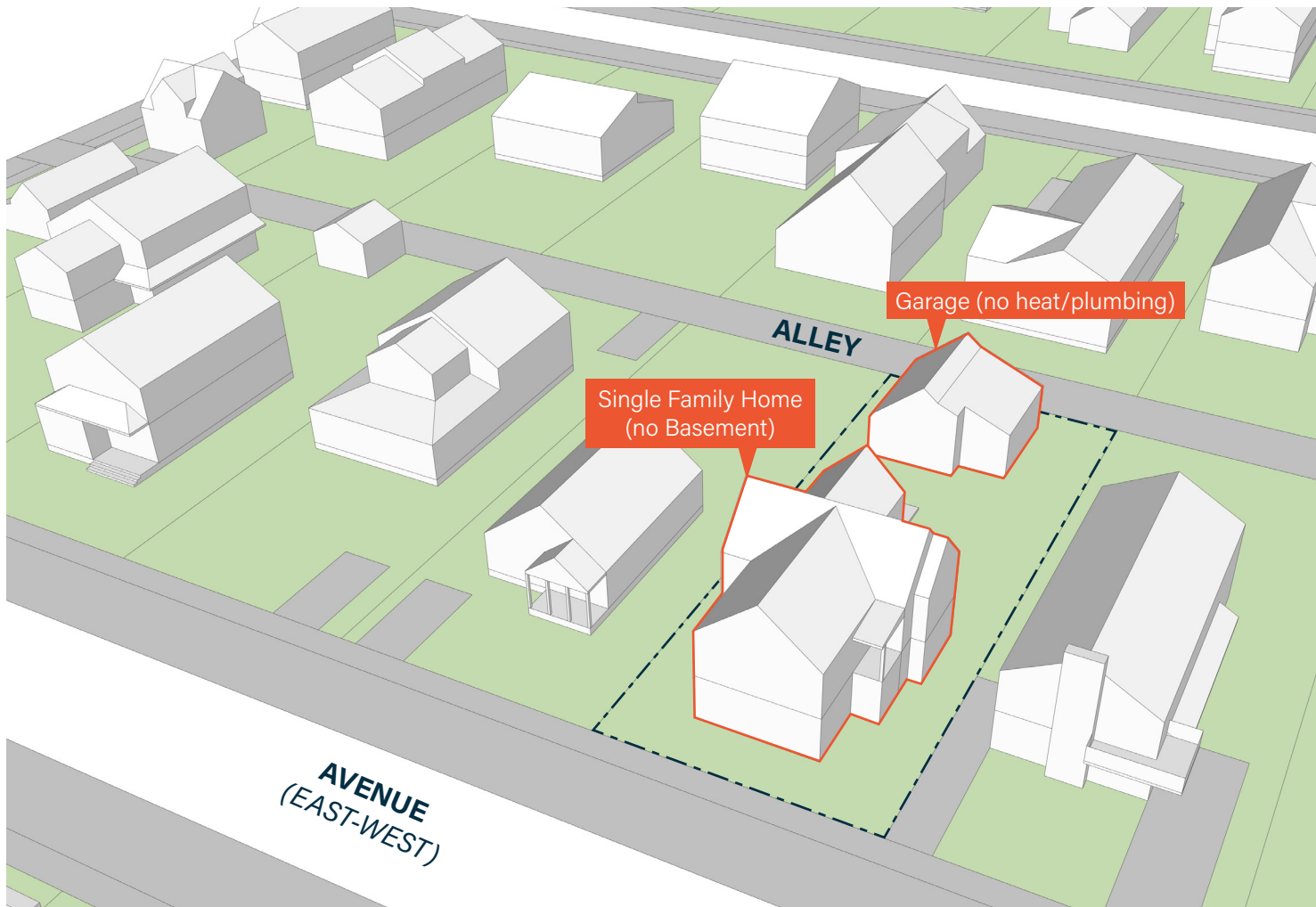
PARKING:

- 2 garage
- 1 front yard

**note: on-street parking may also be used for 2 additional spaces.*

NOTES:

- This model maxes out existing 'R1' zoning rules for a single family home with no ADU.
- Assume new construction on vacant lot.
- Standard ROAH fee applies.
- Because basements do not currently count toward FAR or max. floor area, an unintended consequence is larger, more expensive homes.



NEW BASELINE¹²
SCENARIO:
Single Family no ADU
(Proposed 'R' Zoning Rules)

USE:

- Single Family Home
- Garage

SETBACKS:

- 10' (front)
- 7.5'-11.5' (sides)
- 5' (rear)

FLOOR AREA:

- 2,500 SF (above grade)
- 600 SF (garage)

FAR:

- 0.4 (principal)
- 0.5 (total)

OPEN SPACE:

- 67%

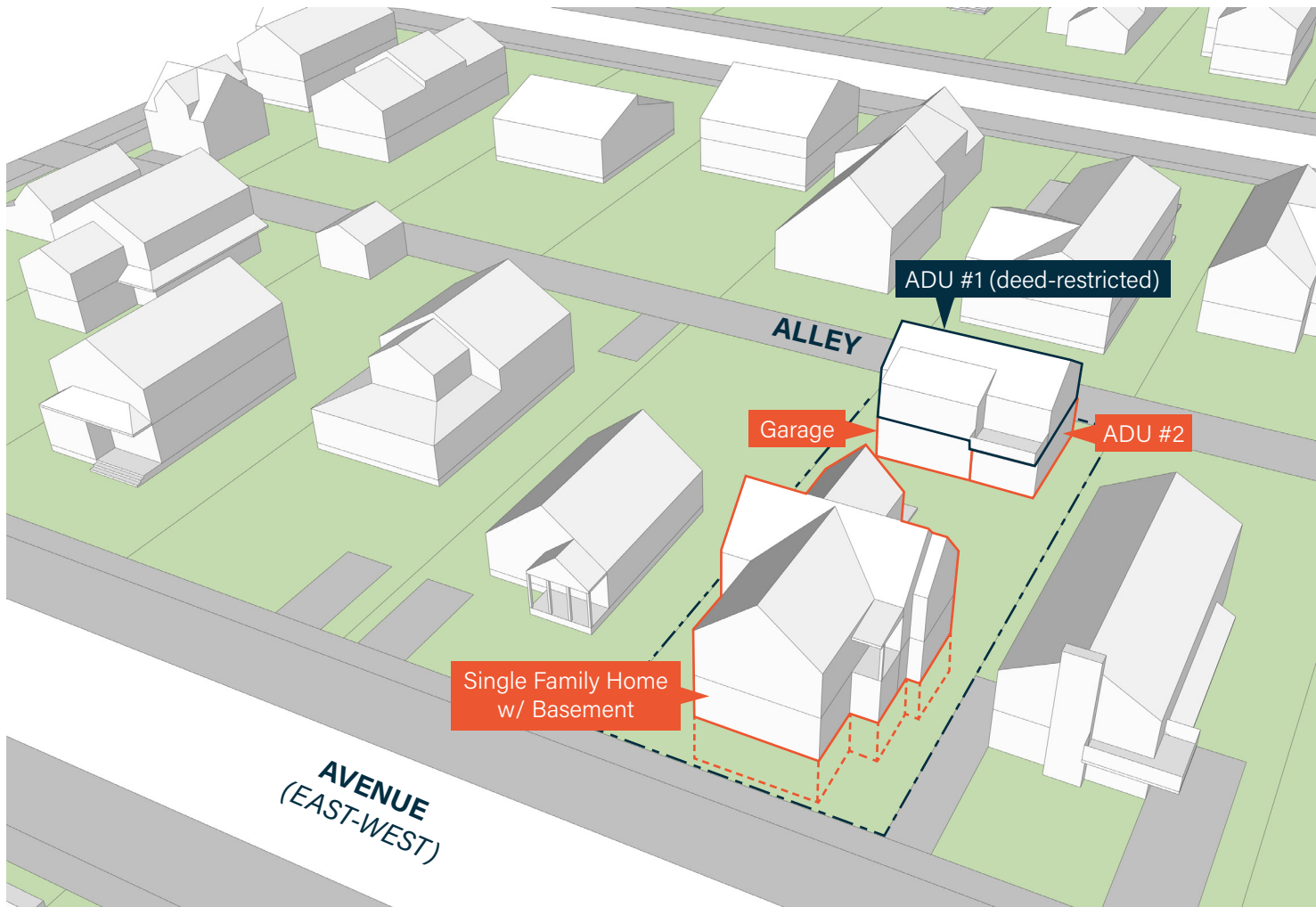
PARKING:

- 2 garage

**note: on-street parking may also be used for 2 additional spaces.*

NOTES:

- This model maxes out proposed 'R' zoning rules for a single family home with no ADU.
- Assume new construction on vacant lot.
- Increased ROAH fee applies.
- Basement and garage count toward total FAR.



13 INCENTIVE SCENARIO 1: Single Family + 2 ADUs (Proposed 'R' Zoning Rules)

USE:

- Single Family Home
- ADU #1 (deed-restricted)
- ADU #2
- Garage

SETBACKS:

- 10' (front)
- 7.5'-11.5' (sides)
- 5' (rear)

FLOOR AREA:

- 2,500 SF (principal)
- 1,015 SF (basement)
- 700 SF (ADU #1)
- 300 SF (ADU #2)

FAR:

- 0.4 (principal)
- 0.56 (principal + ADUs)

OPEN SPACE:

- 60%

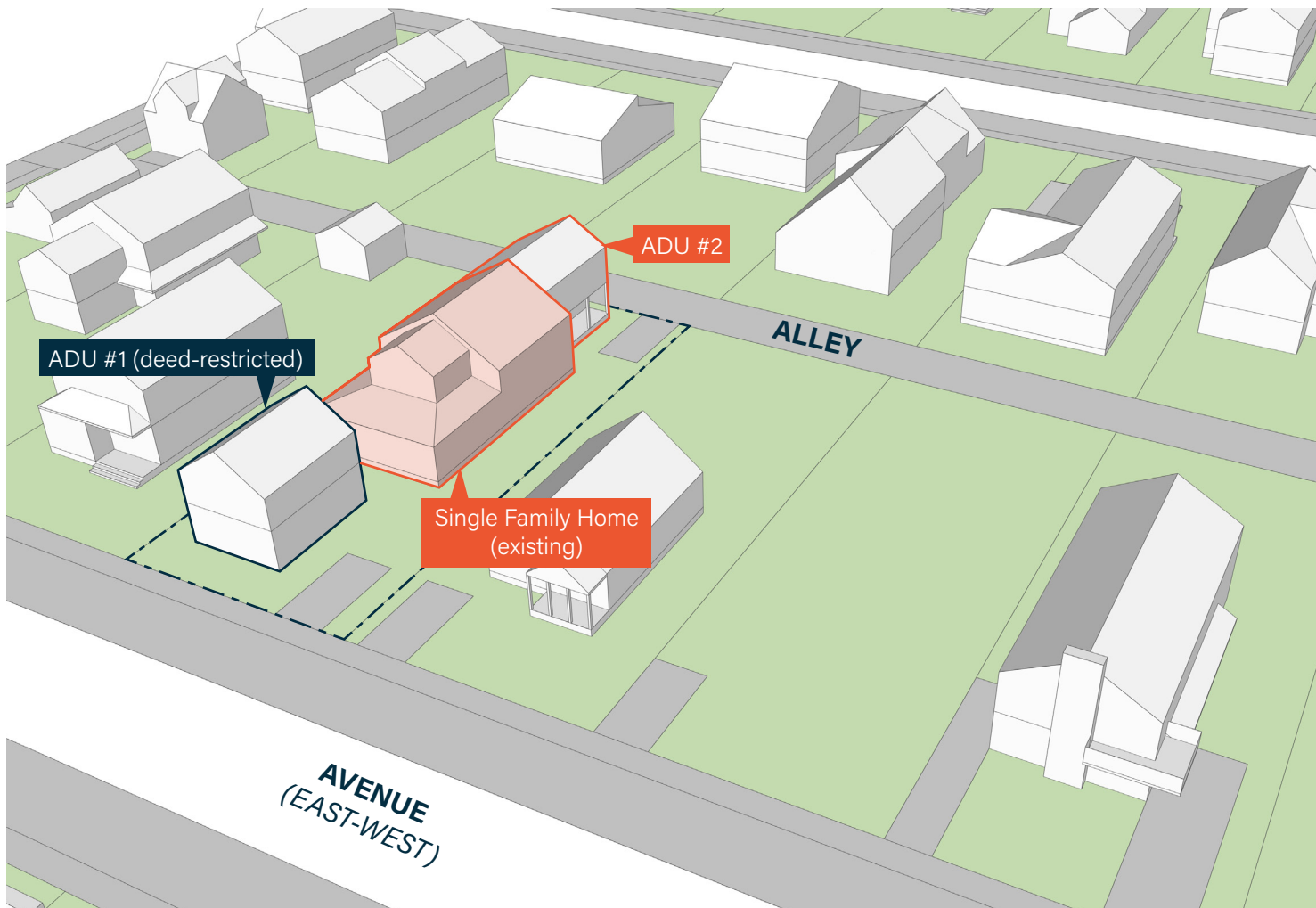
PARKING:

- 2 garage

**note: on-street parking may also be used for 2 additional spaces.*

NOTES:

- This model is testing the incentive of allowing an additional ADU on a single zone lot.
- Assume new construction on vacant lot.
- ADU #1 deed-restricted.
- ADU #2 could be market-rate rental or used by primary owner for additional living space.
- Garage and basement do not count toward total FAR.
- ROAH fees waived + streamlined approval process.



INCENTIVE SCENARIO 2: Existing Single Family + 2 ADUs (Proposed 'R' Zoning Rules)

USE:

- Single Family Home (existing)
- ADU #1 (deed-restricted)
- ADU #2

SETBACKS:

- 10' (front)
- 7.5'-11.5' (sides)
- 5' (rear)

FLOOR AREA:

- 2,400 SF (existing home)
- 912 SF (ADU #1)
- 438 SF (ADU #2)

FAR:

- 0.45 (principal)
- 0.6 (total)

OPEN SPACE:

- 58%

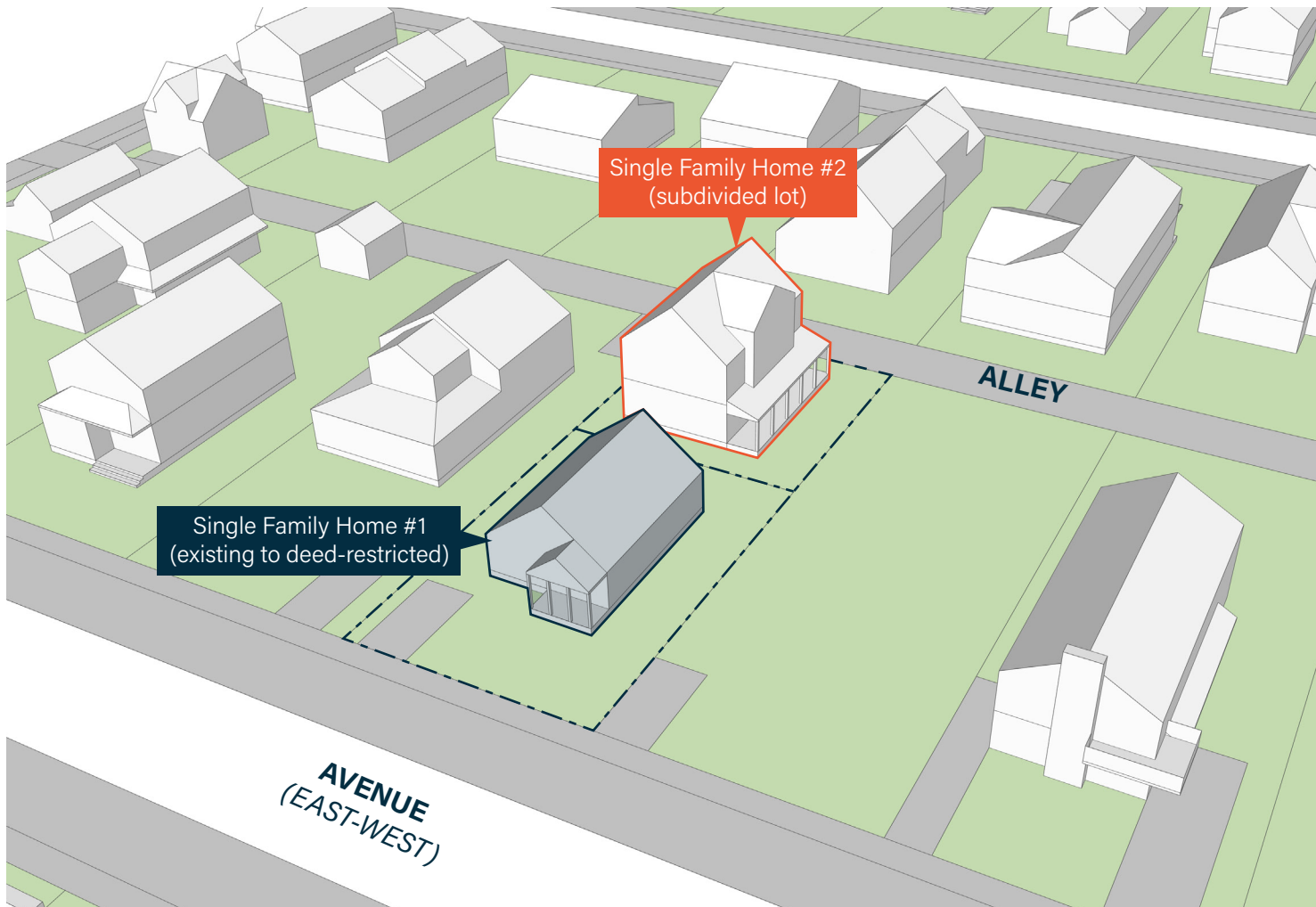
PARKING:

- 1 front yard
- 1 rear yard

**note: on-street parking may also be used for 2 additional spaces.*

NOTES:

- This model is testing the incentive of allowing an additional ADU on a single zone lot when the existing principal structure is maintained.
- Assume existing homeowner is applicant.
- ADU #1 deed-restricted.
- ADU #2 could be market-rate rental or used by primary owner for additional living space.
- ROAH fees waived + streamlined approval process.



15 INCENTIVE SCENARIO 3: Subdivided Micro-Lots (Proposed 'R' Zoning Rules)

LOT SIZE:

- #1 = 50' x 75' (3,750 SF)
- #2 = 50' x 50' (2,500 SF)

USE:

- #1 = Single Family Home (deed-restricted)
- #2 = Single Family Home

SETBACKS:

- #1 = 25' (front); 12.5' (sides); 14' (rear)
- #2 = 7.5' (alley); 7.5'-11.5' (sides); 7.5' (rear)

FLOOR AREA:

- 875 SF (#1)
- 1,440 SF (#2)
- 240 SF garage (#2)

FAR:

- #1 = 0.23
- #2 = 0.58 (living space); 0.68 (total incl. garage)

OPEN SPACE:

- #1 = 77%
- #2 = 44%

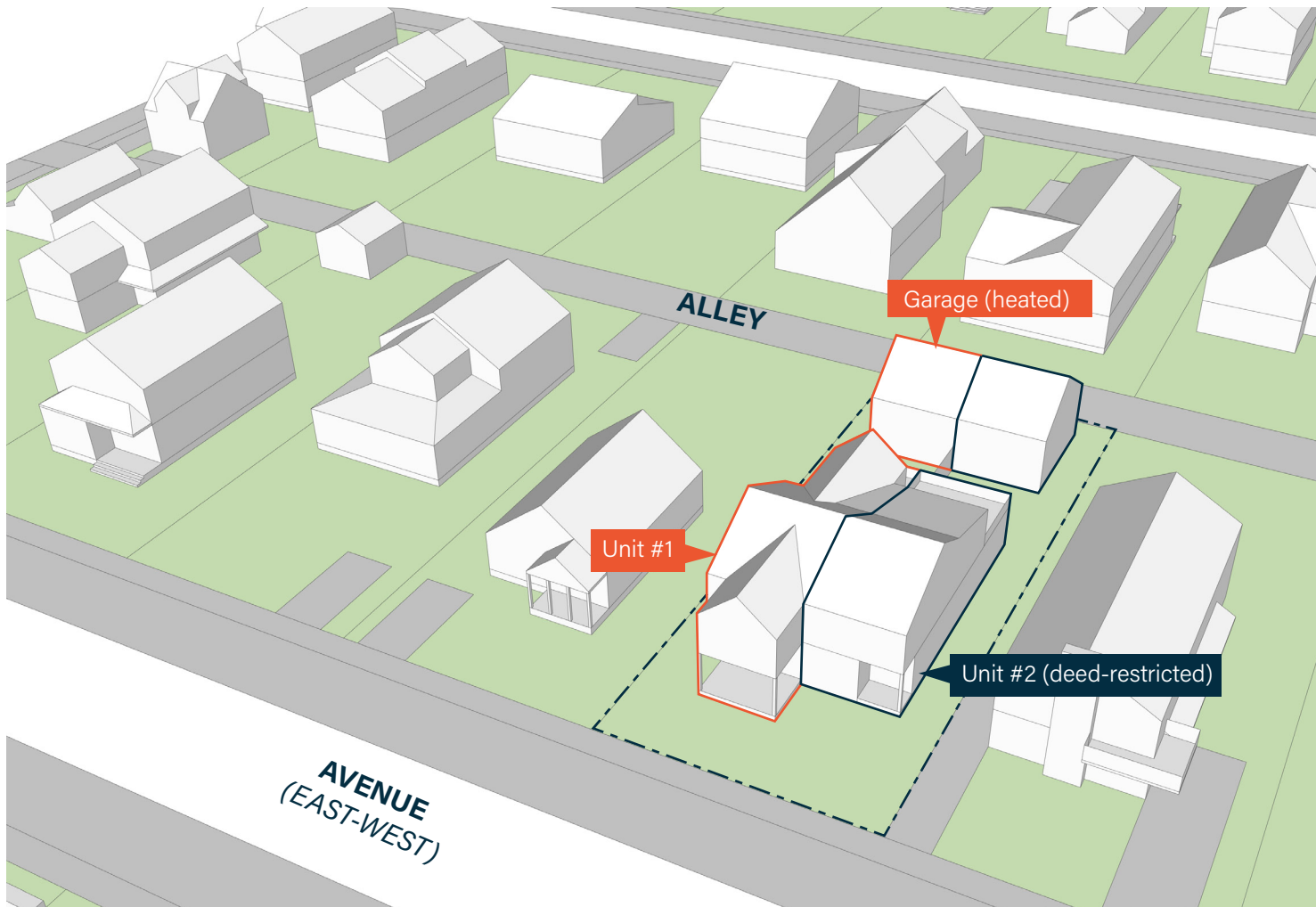
PARKING:

- #1 = 1 front yard
- #2 = 1 garage

**note: on-street parking may also be used for 2 additional spaces.*

NOTES:

- This model is testing the incentive of eliminating minimum lot sizes to encourage "micro-lots" in exchange for a deed restriction.
- Assume existing homeowner is applicant - subdivides lot to build new unit (one of which would be deed-restricted.)
- ROAH fees waived + streamlined approval process.
- Subdivision of existing ADUs is also being evaluated and will be included in subdivision code.



16 INCENTIVE SCENARIO 4: Duplex (Proposed 'R' Zoning Rules)

USE:

- (2) Single Family Homes (attached)
- (2) 2-car garages (attached)

SETBACKS:

- 15' (front)
- 7.5'-11.5' (sides)
- 5' (rear)

FLOOR AREA:

- 1,635 SF (Unit #1)
- 1,490 SF (Unit #2 - deed-restricted)
- 793 SF (garage)

FAR:

- 0.5 (principal)
- 0.63 (total incl. garage)

OPEN SPACE:

- 56%

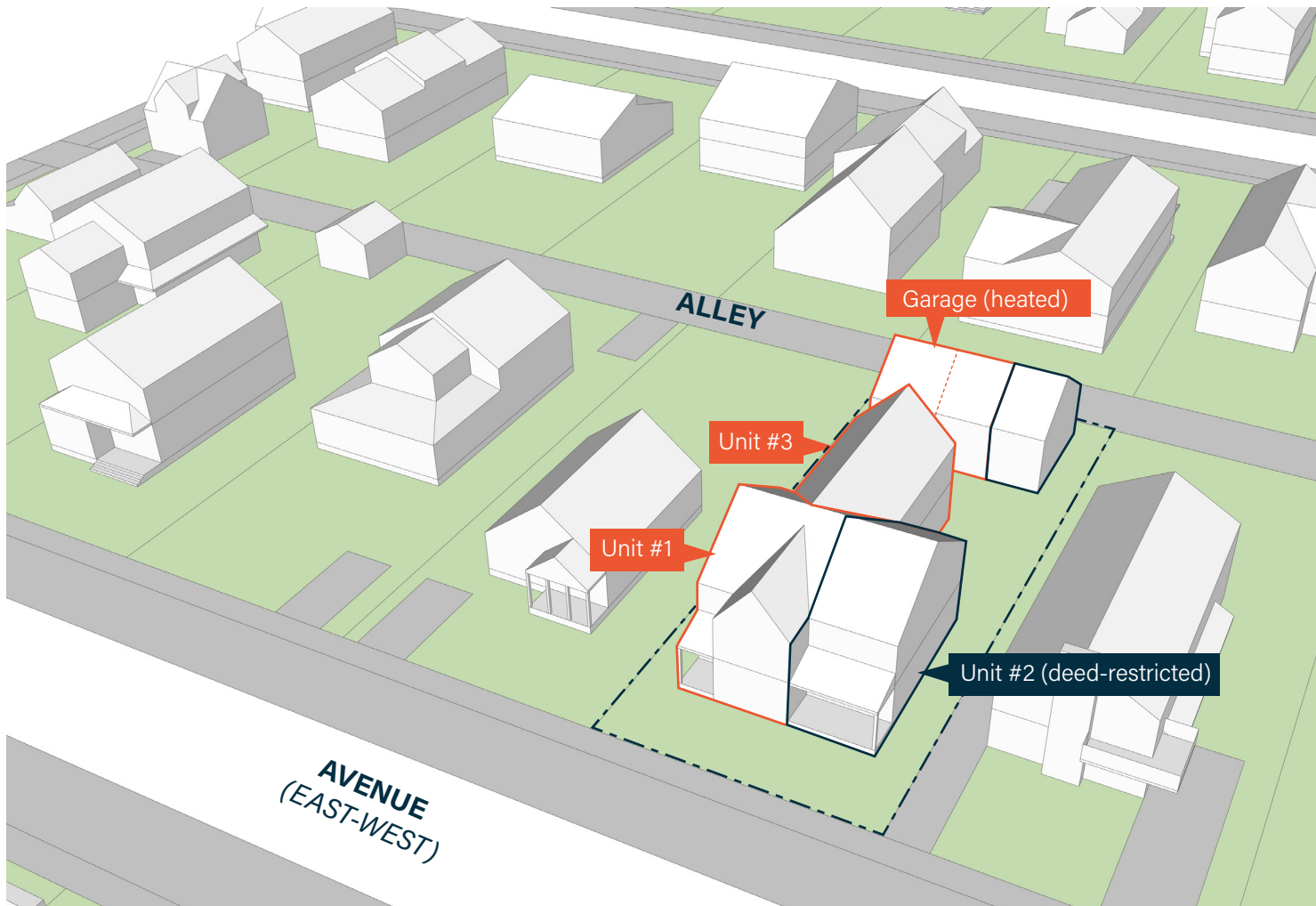
PARKING:

- 4 garage

**note: on-street parking may also be used for 2 additional spaces.*

NOTES:

- This model is testing the incentive of allowing up to 0.5 FAR for two units (not counting garage.)
- Assume new construction on vacant lot.
- Garage does not count toward FAR when deed-restricted unit is provided.
- ROAH fees waived + streamlined approval process.



INCENTIVE SCENARIO 5: Triplex¹⁷ (Proposed 'R' Zoning Rules)

USE:

- (3) Single Family Homes (attached)
- (3) 1-car garages (attached)

SETBACKS:

- 15' (front)
- 7.5'-11.5' (sides)
- 5' (rear)

FLOOR AREA:

- 1,187 SF (Unit #1)
- 910 SF (Unit #2 - deed-restricted)
- 1,026 SF (Unit #3)
- 793 SF (garage)

FAR:

- 0.5 (principal)
- 0.63 (total incl. garage)

OPEN SPACE:

- 56%

PARKING:

- 3 garage

**note: on-street parking may also be used for 2 additional spaces.*

NOTES:

- This model is testing the incentive of allowing up to 0.5 FAR for three units (not counting garage.)
- Assume new construction on vacant lot.
- Garage does not count toward FAR when deed-restricted unit is provided.
- ROAH fees waived + streamlined approval process.

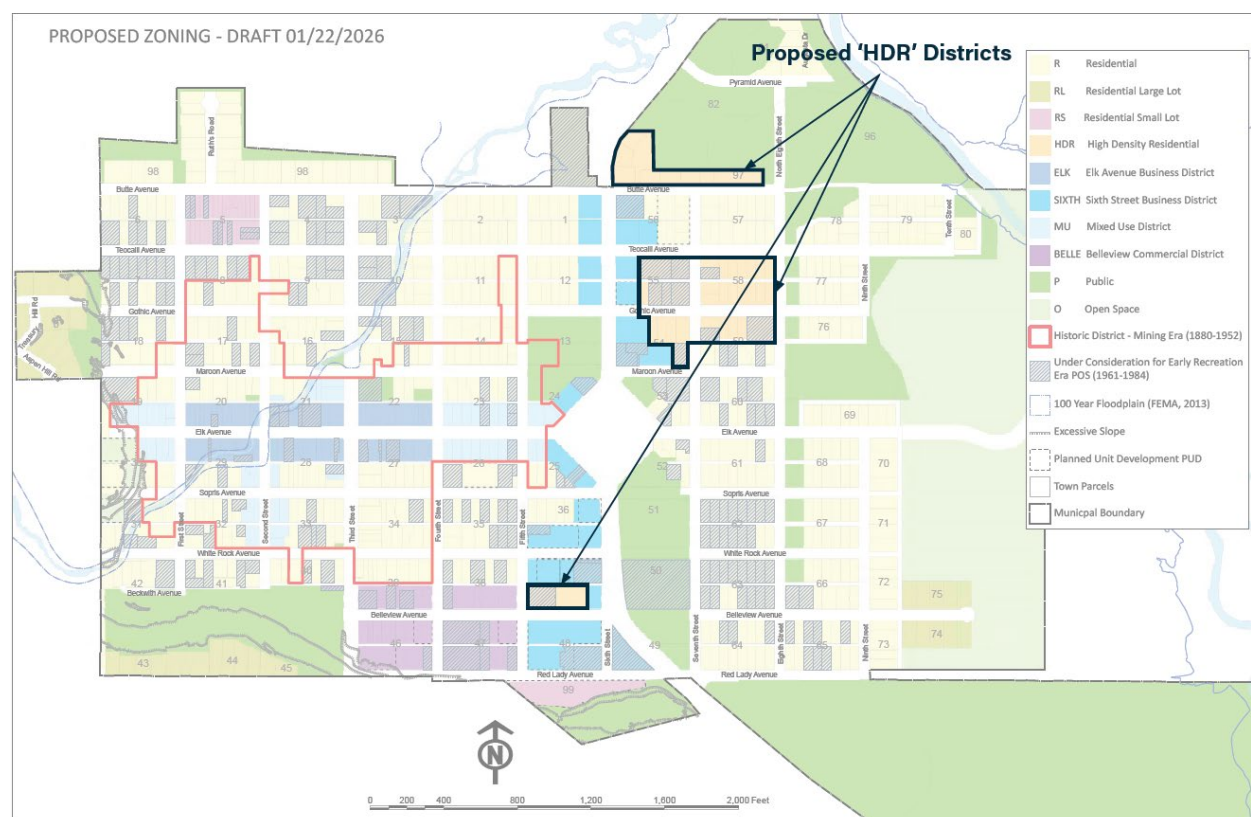
Draft Financial Evaluation of Incentives: A preliminary financial evaluation of each scenario is attached to this staff report. In general, the evaluation shows that most Residential Zone scenarios, including adding ADUs or converting to duplex or triplex configurations, do not create a sufficient financial advantage over baseline zoning to motivate property owners to create a deed restricted housing unit. The Micro Lot subdivision emerges as the most viable option, as it provides a clear financial benefit to homeowners with minimal upfront cost and flexibility for either market-rate development or Town-led deed-restricted housing. Additionally, enabling the sale of a market rate ADU shows promise as the sale value of the market rate ADU will likely exceed the construction cost and there is no land cost.

Recommendations for Further Refinement: From this first draft evaluation, staff and EPS identified that the proportionality of the market rate units to the deed restricted units is a critical input. As such, exploration of the duplex and/or triplex models with smaller deed restricted units may yield a more successful incentive model.

Discussion Questions:

1. *Responding to Survey Feedback – Tension of desire for more housing vs. concerns about density:* Survey feedback on the zoning code update highlighted a consistent tension between the desire for more community housing throughout Town and concerns about overcrowding, loss of open space, and increased density. The proposed residential changes and incentives, which aim to balance these concerns by maintaining existing mass, scale, and neighborhood form while expanding housing options beyond single-family development and existing incentives such as heated and plumbed garages and Town-paid tap fees. Consistent with the adopted strategies, the proposed amendments do not change regulations governing building mass and scale, such as floor area ratio, unless a deed-restricted unit is included. Instead, the focus is on whether allowing a broader mix of uses within the same building envelope currently permitted for a single-family home strikes the appropriate balance between preserving neighborhood character and enabling more community-serving housing. *In general, Council and BOZAR feedback is sought on whether allowing up to three units per lot, with baseline FAR limitations including no basements and counting garages, paired with incentives that allow basements and discount garage and ADU FAR, reflects the guiding strategies of the zoning code update.*
2. *Should incentives still be pursued if they are not financially attractive enough?* While the preliminary financial analysis suggests these incentives may not be compelling for most new development, a key policy question is whether they should still be pursued to expand housing options and support a wider range of housing types and living situations. A related question is whether adjustments to the incentive framework should be explored to improve effectiveness, such as increasing baseline ROAH mitigation requirements or considering cash-based incentives as part of the incentive packages. The final discussion section in this memo dives more into the ROAH discussion.

High Density Residential Zone:



Overview of Proposed Changes: The current R4 district is proposed to be renamed High Density Residential (HDR) to improve clarity and better reflect its role in accommodating higher-density housing in locations with close proximity to services, transit, and existing multifamily development, particularly along the Sixth Street corridor. The proposed updates refine both the zoning map and development standards to better align zoning with existing conditions, preserve established multifamily housing, and clarify expectations for future redevelopment.

Key map changes include eliminating the existing Tourist (T) Zone and rezoning its residential parcels to HDR and rezoning the commercial parcels to the Sixth Street Business District, reducing nonconformities and protecting multifamily buildings where residential use is currently only conditionally allowed. Portions of the existing R4 district subject to PUD density limitations along Butte Avenue and Teocalli Avenue are proposed to be rezoned to the Residential district to better reflect existing development constraints.

The visual models that follow illustrate how the HDR district would function under the proposed framework. They compare development that is allowed today, market-rate development under the proposed baseline zoning without incentives, and incentive-based scenarios that include deed-restricted units. The proposed changes allow multifamily housing by right, clarify floor area ratio and height standards, and pair additional density and height with incentives tied to the inclusion of deed-restricted units. Together, the models demonstrate how the HDR district can support higher-density housing in appropriate locations while using clear, objective incentives to advance community housing goals.

ZONING COMPARISON SUMMARY

R4 (existing) vs. HDR (proposed)

R4
EXIST.
RULES

HDR
PROP.
RULES

Allowed Uses	Parking	Lot Area	Setbacks	Open Space	FAR	Floor Area	Height	Incentives/ Disincentives	Demolition
Permitted: 1-3 Dwellings, Acc. Bldg (non-res), home occ., public playground/rec, shop crafts, BnBs Conditional: 4+ Dwellings, ADUs, churches, nonprofit libraries/museums, farm/garden, school, parking	SF Dwelling = 2 (up to 4-bdrm); 3 (5-bdrm) MF Dwelling = 1.5 per unit ADU = 1 per bdrm.; 2 per 2-3 bdrm.	5,000 SF min. 9,375 SF max.	20' (Front) 7.5' - 11' (Side) 10' (Rear - Principal) 5' (Rear - Accessory)	50% min.	0.3-0.4 max. (One-Family) 0.3-0.5 max. (Two Family) 0.6-1.0 max. (Multi Family) *Basements don't count	N/A	30' max.		Must meet certain requirements If redevelopment exceeds original FAR, then deed-restricted unit must be included.
Permitted: Multi-household Dwelling (4 unit min.), ADUs, Acc. bldg (non-res), home occ., childcare (small), congregate housing Conditional: Assembly/Church, BnBs, Childcare (large), Duplex/Triplex	Residential Units = 1 per unit min. Parking in front yard allowed Parking may be waived for deed-restricted units depending on circumstances	No min. 9,375 SF max.	10' (Front) 7.5' - 11' (Side) 5' (Rear - All bldg.)	N/A	0.6 max. 1.0 max. (with deed restriction) *Basements don't count	N/A	30' max. 35' max. (w/ deed restriction)	Increased ROAH fee applies when no deed-restricted unit is provided. When a deed-restricted unit is provided, ROAH fee waived, town pays tap fee, streamlined permitting applies, and increased FAR allowed.	No change

Bold, underlined text indicates proposed amendments.

NOTES:

- This analysis tests the existing standards vs. proposed standards to understand if additional incentives will equate to market-driven deed-restricted housing and more affordable housing options, in general.
- This zoning analysis will inform a financial analysis to understand economic feasibility of proposed changes.

SUMMARY OF MODELS TESTED IN 'HDR' ZONE DISTRICT:

21

Deed-Restriction Incentives in 'HDR' District

ZONING INCENTIVES:

- ✓ Allowable FAR increases to 1.0 (from 0.6)
- ✓ Maximum height increases to 35' (from 30')
- ✓ Required parking simplified to one space per unit.

ADMINISTRATIVE INCENTIVES:

- ✓ ROAH fee waived
- ✓ Town pays tap fee.
- ✓ Streamlined application processing.

Notes Regarding Constructability

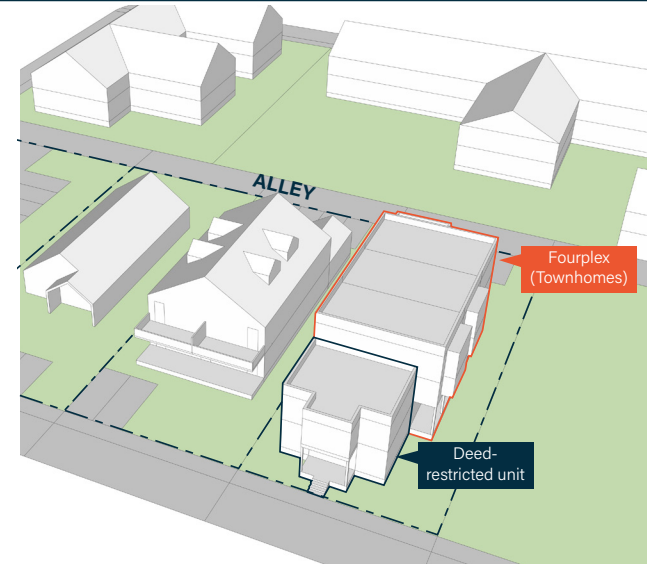
- ✓ Side-by-side (fee simple) units are best suited for ownership.
- ✓ Stacked units are better for rentals but may be limited by higher costs due to IBC-review.
- ✓ Town should consider reviewing multi-unit projects under IRC (up to X units.)
- ✓ Town should revising building code to allow for single-stair building types.

INCENTIVE SCENARIO 1: Side-by-Side Townhomes

Tests incentive for increased FAR and height in exchange for deed-restricted unit on typical 6,250 SF lot.

WHO IT COULD SERVE:

- Couples/Roommates currently renting but want to buy
- Family with school-aged kid(s)

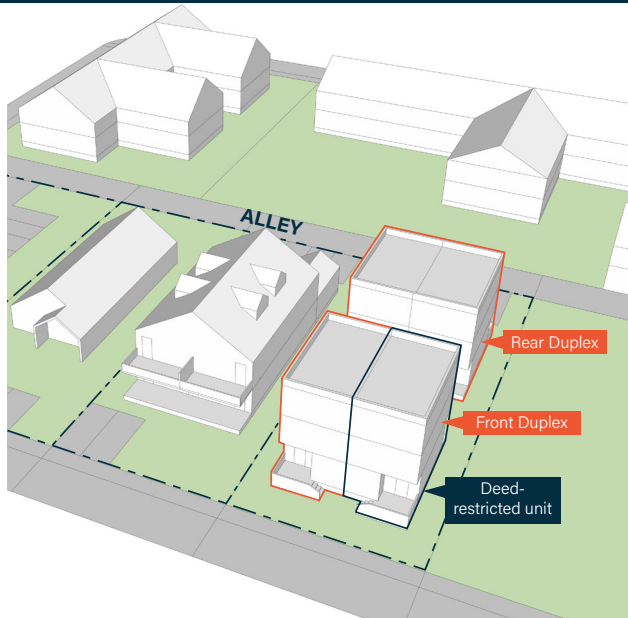


INCENTIVE SCENARIO 2: Double Duplex

Tests incentive for increased FAR and height in exchange for deed-restricted unit on typical 6,250 SF lot.

WHO IT COULD SERVE:

- Couples/Roommates currently renting but want to buy
- Family with school-aged kid(s)

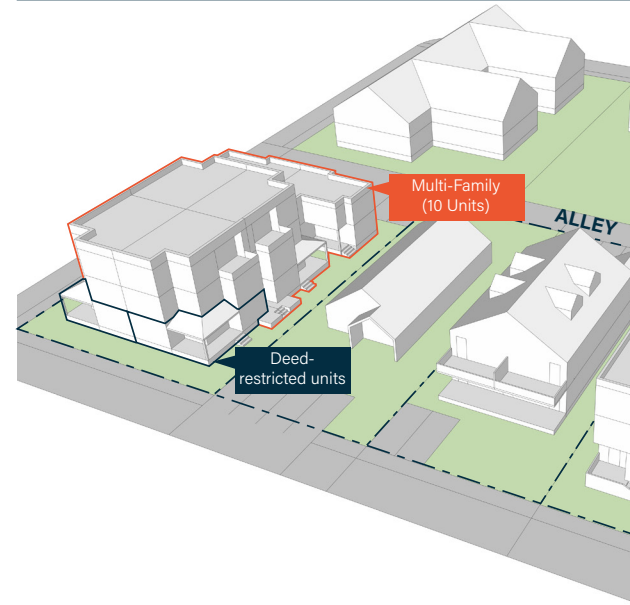


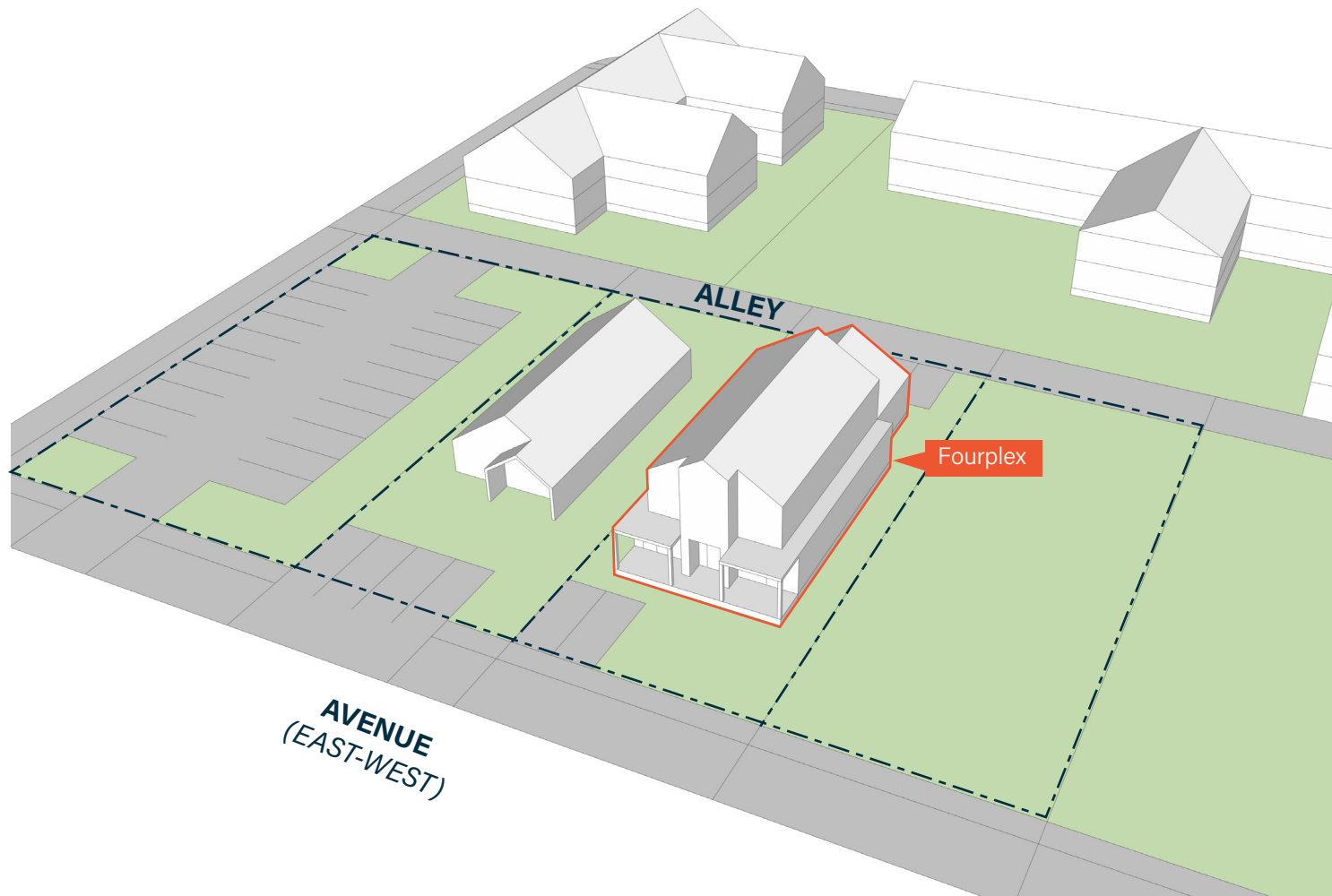
INCENTIVE SCENARIO 3: Multiplex

Tests incentive for increased FAR and height in exchange for deed-restricted unit(s) on a larger 9,375 SF lot.

WHO IT COULD SERVE:

- Couples/Roommates
- Empty nester (still employed)
- Single professional





EXISTING BASELINE²² SCENARIO: Fourplex (Existing 'R4' Zoning Rules)

USE:

- Multifamily (Fourplex)

SETBACKS:

- 33' (front)
- 7.5' - 11.5' (sides)
- 23' (rear)

HEIGHT:

- 30'

FLOOR AREA:

- 2 units @ 1,100 SF
- 2 units @ 775 SF

FAR:

- 0.6

OPEN SPACE:

- 58%

PARKING:

- 4 along alley
- 2 front yard

NOTES:

- This model maxes out existing 'R4' zoning rules for a Fourplex.
- Stacked units may increase construction costs.
- Assume new construction on vacant lot.
- Standard ROAH fee applies.
- Under existing rules, four units would be a conditional use, but for the purposes of comparing future scenarios, a Fourplex was used.

INCENTIVE SCENARIO 1: Side-by-Side Townhomes (Proposed 'HDR' Zoning Rules)

USE:

- Attached Single Family (Four Townhomes)

SETBACKS:

- 10' (front)
- 7.5' - 11.5' (sides)
- 35' (rear)

HEIGHT:

- 32'

FLOOR AREA:

- Unit #1 (front) = 1,050 SF
- Unit #2/3 = 1,538 SF
- Unit #4 (rear) = 2,124 SF

FAR:

- 1.0

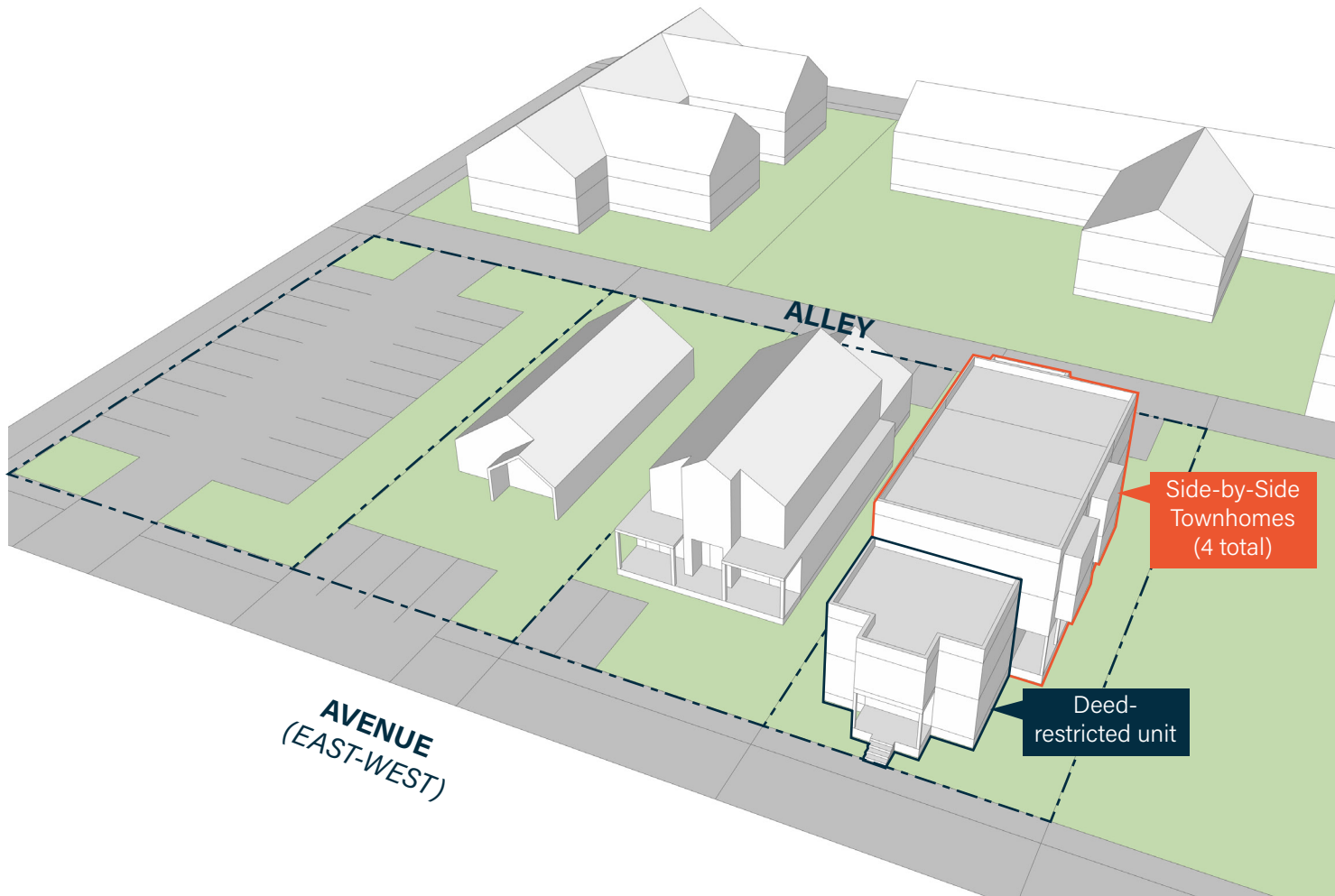
OPEN SPACE:

- 60%

PARKING:

- 4 along alley

**note: on-street parking may also be used for 2 additional spaces.*



NOTES:

- This model tests the incentive to max out proposed 'HDR' zoning rules (1.0 FAR + 35' height) in exchange for a deed-restricted unit.
- Side-by-side units (not stacked).
- Assume new construction on vacant lot.
- ROAH fees waived.
- Assume smallest unit (1,050 SF) is deed-restricted.

INCENTIVE SCENARIO 2: Double Duplex (Proposed 'HDR' Zoning Rules)

USE:

- Attached Single Family (Front/Rear Duplexes)

SETBACKS:

- 15' (front)
- 7.5' - 11.5' (sides)
- 30' (rear)

HEIGHT:

- 32'

FLOOR AREA:

- 1,560 SF per unit

FAR:

- 1.0

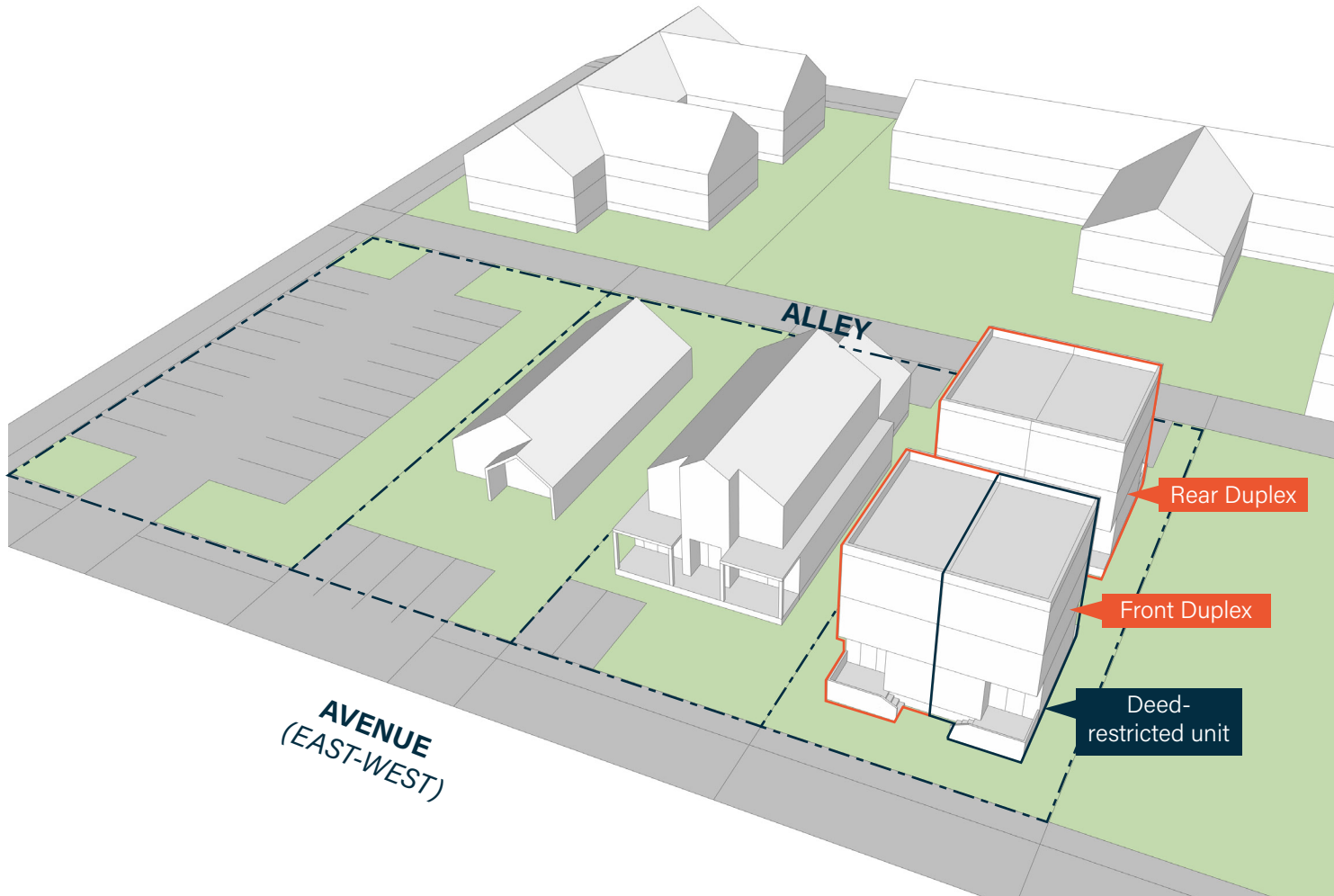
OPEN SPACE:

- 58%

PARKING:

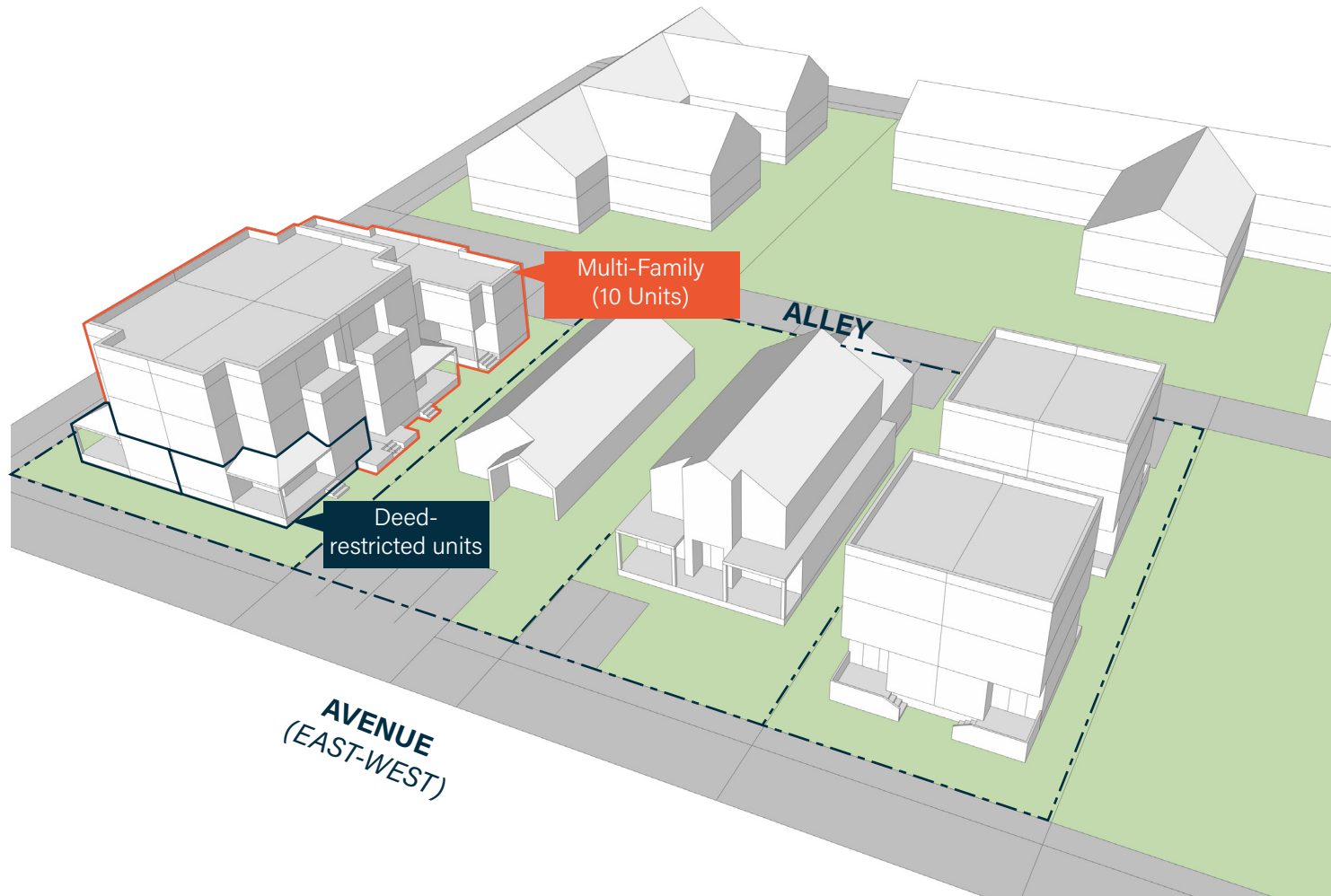
- 4 along alley

**note: on-street parking may also be used for 2 additional spaces.*



NOTES:

- This model tests the incentive to max out proposed 'HDR' zoning rules (1.0 FAR + 35' height) in exchange for a deed-restricted unit.
- Side-by-side units (not stacked).
- Assume new construction on vacant lot.
- ROAH fees waived.
- Assume one unit (1,560SF) is deed-restricted.



INCENTIVE SCENARIO 3: Multiplex (10-Pack) (Proposed 'HDR' Zoning Rules)

USE:

- Multi-Family (10 units)

SETBACKS:

- 10' (front)
- 7.5' - 11.5' (sides)
- 27' (rear)

HEIGHT:

- 32'

FLOOR AREA:

- 4 units @ 650 SF
- 4 units @ 1,080 SF
- 2 units @ 1,225 SF

FAR:

- 1.0

OPEN SPACE:

- 51%

PARKING:

- 8 along alley

**note: on-street parking may also be used (approx. 7 spaces)*

NOTES:

- This model tests the incentive to max out proposed 'HDR' zoning rules (1.0 FAR + 35' height) in exchange for deed-restricted units on a larger lot (9,375 SF).
- Stacked units may increase construction costs.
- Assume new construction on vacant lot.
- ROAH fees waived.
- Assume two units (650 SF) are deed-restricted.

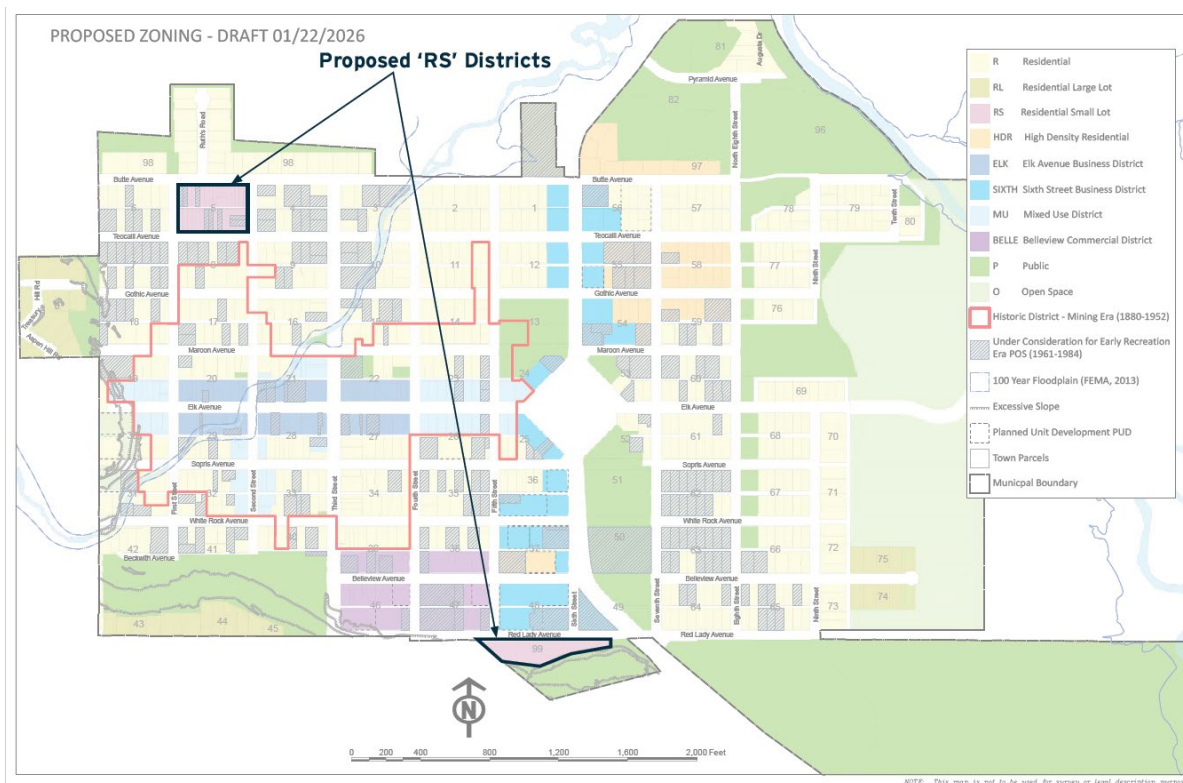
First Draft Financial Evaluation of Incentives: The attached financial evaluation provides a breakdown on each HDR incentive scenario. The side-by-side townhomes and 10-unit condominium development scenarios show moderate financial feasibility, suggesting market interest and potential for inclusion of one deed restricted units for the townhomes and potentially two deed restricted units for the 10-unit condominium (which will be further vetted with real estate and building professionals.) Further decreasing the baseline FAR from 0.6 to 0.5 will have a positive influence in compelling owners/developers to pursue the incentive of including a deed restriction.

Recommendations for Further Refinement: Further restricting the baseline, by-right FAR and building height may have a measurable impact to the feasibility of the incentives. Staff recommend revisiting this analysis with the baseline FAR at 0.5 and building height at 28 feet. Additionally, the 10-unit scenario yielded strong results in feasibility. Staff recommends further analysis to determine whether this scenario is still feasible if requiring more than 1-2 deed restricted units.

Discussion Questions:

1. *Responding to survey feedback – should this district truly be the high density district?* Survey feedback showed general openness to additional density in appropriate locations, but also concern that taller or denser buildings could impact community character. For context, the 10-unit apartment building in the model has a comparable FAR to Mineral Point (.93, .93, and .89 FAR), Anthracite Place (.99 FAR), and the Hitching Post Condominiums (which is non-conforming at 1.14 FAR). Staff is seeking feedback on the proposed HDR changes, specifically whether solidifying this district as the High Density Residential zone by limiting lower-density options is the right approach.
2. *Responding to survey feedback - Concerns about parking:* The survey also raised questions and concerns about parking. The proposed update establishes a minimum requirement while allowing developers flexibility to provide additional spaces as needed. Staff is seeking Council and BOZAR input on whether leveraging on-street parking and considering future parking management strategies (similar to the approach during the winter now at the Meadows) is an acceptable tradeoff for supporting higher-density development.
3. *Could further restricting the baseline make the incentives more appealing?* EPS's evaluations show that the original suggestions 1.0 FAR and height allowances from 30' to 35' as an incentive for the inclusion of a deed restricted unit might not be enough to compel the private sector to create of deed restricted units. Rather than enhancing the incentives for FAR and height, further restricting the baseline, by-right FAR or building height would have a material impact on production of deed restricted units.
4. *In general, Council and BOZAR feedback is sought on if these proposed changes reflect the guiding strategies of the code update.*

Residential Small Lot Zone:



Overview of Proposed Changes: The Residential Small Lot District, currently named the Mobile Home District, includes the northwest mobile home neighborhood and Red Lady Estates, which together represent an important source of naturally occurring affordable and deed-restricted housing in Town. Recent exploration of replacing a manufactured home at 107 Teocalli highlighted both the aging housing stock and the physical constraints of the district, prompting a broader evaluation of how the zone could better support long-term housing stability while preserving its existing character.

No changes to the zoning boundaries are proposed. Instead, the updates focus on expanding housing options within the district by addressing limitations related to narrow lots, unit width, and building form. The proposed changes allow slightly wider manufactured homes by right and introduce incentives to permit stick-built or modular construction and additional height when units are deed restricted. Conditional flexibility for attached townhome configurations and future accessory dwelling unit potential is also explored, recognizing existing infrastructure limitations and planned upgrades. Additionally, the scenario below demonstrates possibility for ADUs on parcels in this zone, providing more opportunity for deed restricted units. To pursue this option, updates to alley infrastructure and adoption of a snow management overlay plan are required. Given these prerequisites, staff is not suggesting updating this district to allow for ADUs at this time, rather is interested in exploring the Council/BOZAR appetite for this opportunity.

The visual models that follow illustrate the development that is allowed today, market-rate development under the proposed baseline zoning without incentives, and incentive-based scenarios that include deed-restricted units. Together, they demonstrate how targeted, context-sensitive incentives could result in higher quality construction with a longer useful life and lower ownership costs, expand housing options, and support long-term affordability without altering the scale or character of the neighborhood.

ZONING COMPARISON SUMMARY

M (existing) vs. RS (proposed)

M
EXIST.
RULES

RS
PROP.
RULES

Allowed Uses	Parking	Lot Area	Setbacks	FAR	Height	Incentives/ Disincentives	Additional Standards
Permitted: Mobile Home Parks; Individual Mobile Homes; Mobile Home Accessory Buildings Conditional: Parking Areas	Mobile Home = 2 spaces per unit	3,125 SF min. 25' min. width	20' (Front) 5.5' (Side) 5' (Rear)	No requirement, except no mobile home may contain more than one residential unit.	16' max.	None	Min. exterior wall height = 7' Min. vertical distance from eave line of roof to finished grade = 6' Min. roof slope = 4:12 or flat roof
Permitted: Individual Mobile Homes; <u>Dwelling,</u> <u>single household;</u> <u>Accessory Building,</u> <u>Nonresidential;</u> <u>Accessory Dwelling;</u> <u>Home Occupations;</u> <u>Childcare facilities,</u> <u>small</u> Conditional: <u>Dwelling, multi-</u> <u>household; Bed and</u> <u>Breakfast; Childcare</u> <u>facilities, large</u>	<u>All Residential</u> <u>Units = 1 per</u> <u>unit min.</u> <u>Parking may</u> <u>be waived for</u> <u>deed-restricted</u> <u>units</u> <u>depending on</u> <u>circumstances</u>	No change	No change (front & rear) <u>5' (side)</u> <u>0' (side) w/ deed</u> <u>restriction</u> <u>Note: 10' between</u> <u>buildings required</u> <u>when an existing</u> <u>non-fire-rated</u> <u>wall exists on</u> <u>adjacent lot. 0'</u> <u>incentive intended</u> <u>to accommodate</u> <u>attached products,</u> <u>where applicable.</u>	<u>N/A</u>	<u>16' max.</u> <u>24' max.</u> <u>w/ deed</u> <u>restriction</u>	<u>Only manufactured homes</u> <u>allowed by-right.</u> <u>Stick-built or modular</u> <u>structures allowed in</u> <u>exchange for a deed-</u> <u>restriction.</u> <u>Accessory Dwellings allowed</u> <u>contingent on alley upgrades</u> <u>for utilities.</u> <u>When a deed-restricted</u> <u>unit is provided, ROAH fees</u> <u>waived, tap fees paid by town,</u> <u>and streamlined permitting</u> <u>applies.</u>	<u>Roof forms and design</u> <u>provisions will be</u> <u>evaluated and updated</u> <u>in Design Standards</u> <u>Update.</u>

Bold, underlined text indicates proposed amendments.

NOTES:

- This analysis tests existing standards vs. proposed standards to understand if additional incentives will equate to market-driven deed-restricted housing and more affordable housing options, in general.
- This zoning analysis will inform a financial analysis to understand economic feasibility of proposed changes.

Crested Butte Zoning Incentives Analysis

Residential Small Lot 'RS' Zone District Scenarios

Deed-Restriction Incentives in 'RS' District

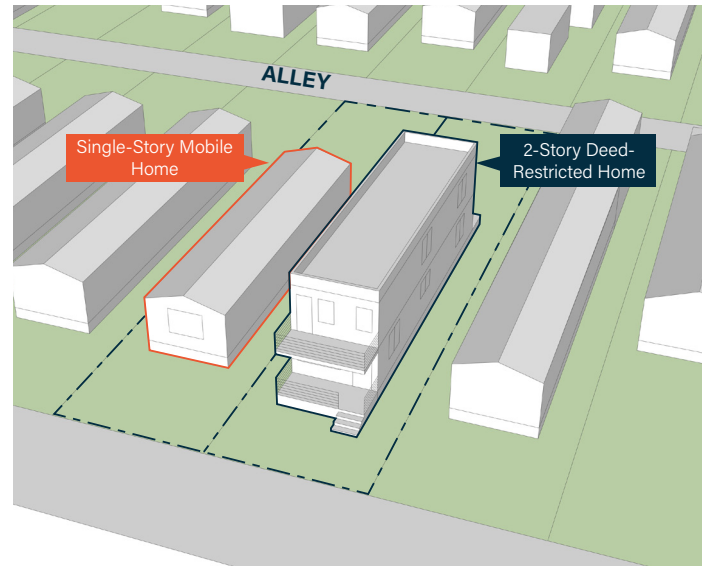
ZONING INCENTIVES:

- ✓ Allow stick-built or modular homes (up to 24' / 2 stories) in exchange for deed-restriction.
- ✓ Allow more than one unit on a lot, including ADUs when one unit is deed restricted (contingent on Town making upgrades to alley.)
- ✓ Simplify parking requirement to one space per unit.

ADMINISTRATIVE INCENTIVES:

- ✓ ROAH fee waived.
- ✓ Town pays tap fee.
- ✓ Streamlined application processing.

INCENTIVE SCENARIO 1: 2-Story Home

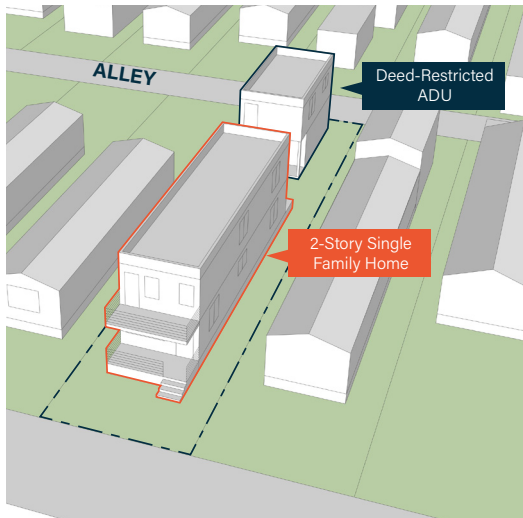


Tests incentive for allowing 2-story stick-built or modular homes on existing lots in exchange for a deed-restriction.

WHO IT COULD SERVE:

- First-time homebuyer.
- Families.

INCENTIVE SCENARIOS 2: 2-Story Home + ADU

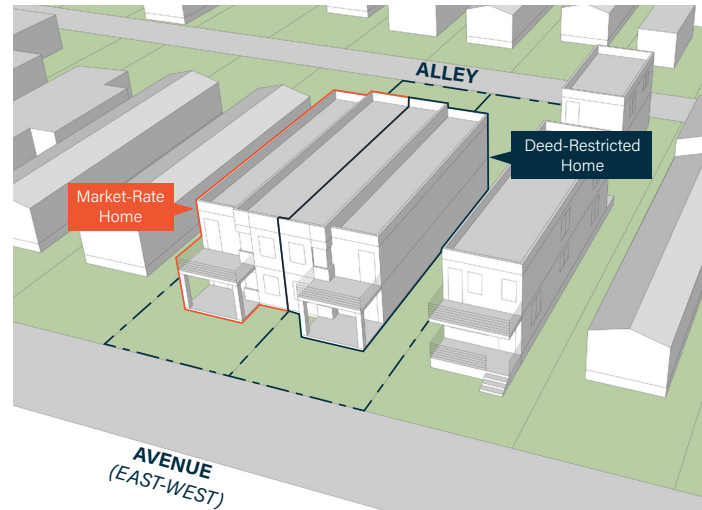


Tests incentive to allow ADUs on a lot in exchange for a deed-restriction.

WHO IT COULD SERVE:

- Single person in the workforce

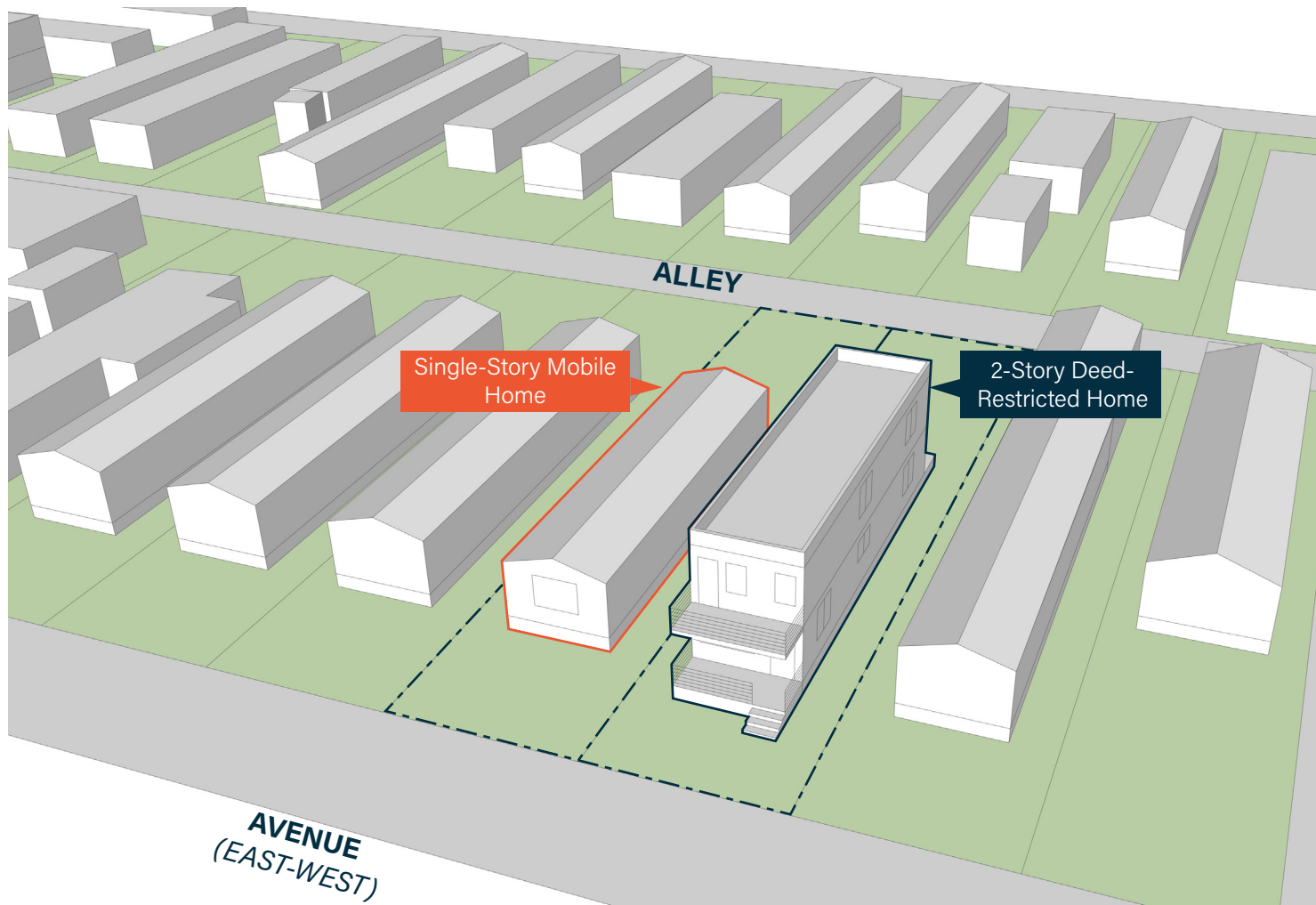
INCENTIVE SCENARIOS 3: Duplex



Tests incentive to allow for multi-unit housing options in exchange for a deed-restriction.

WHO IT COULD SERVE:

- Couples/Roommates currently renting but want to buy
- Family with school-aged kid(s)



EXISTING BASELINE SCENARIO:

Mobile Home

(Existing 'M' Zoning Rules)

USE:

- Mobile Home (14' wide)

SETBACKS:

- 20' (front)
- 5.5' (sides)
- 49' (rear)

FLOOR AREA:

- 775 SF

PARKING:

- 2 off alley (surface)

*note: on-street parking may also be used for 1 additional spaces.

INCENTIVE SCENARIO 1:

2-Story Modular Home

(Proposed 'RS' Zoning Rules)

USE:

- Modular Home (15' wide)

SETBACKS:

- 20' (front)
- 5' (sides)
- 52' (rear)

FLOOR AREA:

- 1,350 SF

PARKING:

- 2 off alley (surface)

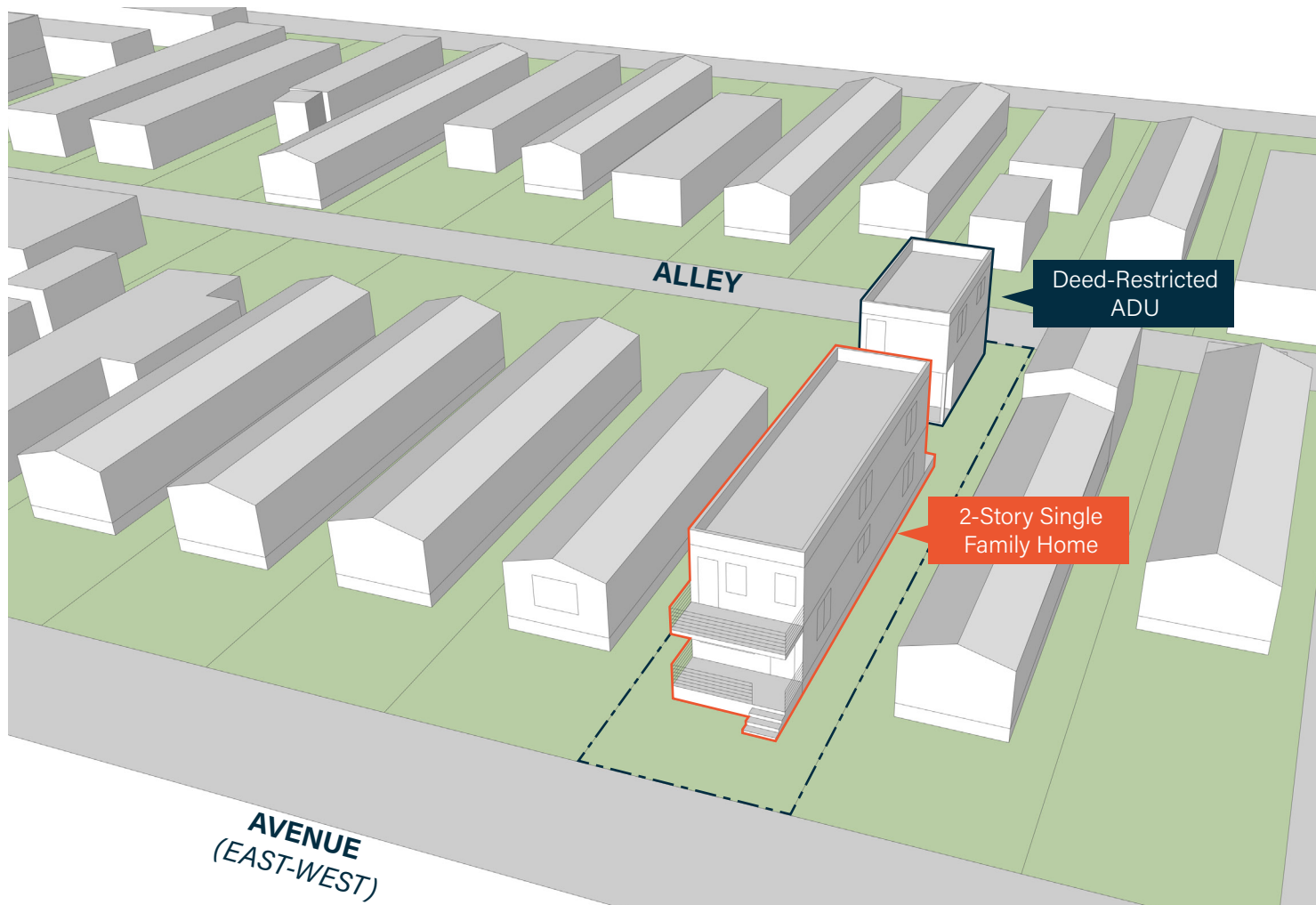
*note: on-street parking may also be used for additional spaces.

NOTES:

- This model compares what's currently allowed (traditional 1-story mobile homes) against the incentive to allow stick-built or modular 2-story homes in exchange for a deed-restriction.
- Assume existing mobile home is replaced with 2-story modular home.
- 14-foot wide mobile homes are increasingly hard to find and limit floor plans of new construction so adjusting side setbacks for new buildings that include fire-rated side walls may be necessary.

Crested Butte Zoning Incentives Analysis

Residential Small Lot 'RS' Zone District Scenarios



INCENTIVE SCENARIO 2: Single Family + ADU (Proposed 'RS' Zoning Rules)

USE:

- Single Family Home
- ADU above garage

SETBACKS:

- 20' (front)
- 5' (sides)
- 5' (rear)

FLOOR AREA:

- 1,350 SF home
- 350 SF ADU
- 200 SF garage (1-car)

PARKING:

- 1-car garage

**note: on-street parking may also be used for additional spaces.*

NOTES:

- This model tests an incentive to allow 2-story homes and more than one unit in exchange for a deed-restriction, with the deed-restricted unit being in an ADU.
- Assume existing mobile home is replaced with 2-story modular home and garage/ADU.
- 14-foot wide mobile homes are increasingly hard to find and limit floor plans of new construction so adjusting side setbacks for new buildings that include fire-rated side walls may be necessary.

Crested Butte Zoning Incentives Analysis

Residential Small Lot 'RS' Zone District Scenarios

First Draft Financial Analysis of Incentives: The attached financial evaluation provides a breakdown on each Residential Small Lot incentive scenario. Replacement of a single-story mobile home with a stick built or modular construction works best for homeowners who already own land. This option is less attractive to someone interested in buying a property in this district and redeveloping it given the already high land costs. Modular or stick-built homes cost more upfront than mobile homes, but they offer big advantages: more living space, better quality, higher energy efficiency, and a much longer lifespan. Although the incentivized two-story deed restricted scenario does not work financially, it still is a lucrative option given the opportunity for a larger, more liveable unit.

Discussion Questions:

1. *Responding to survey feedback – is focusing incentives on deed restrictions inequitable?* Feedback from residents in the Residential Small Lot Zone highlighted concerns about perceived inequities in benefits available to existing deed-restricted properties. In the first draft of provisions, stick-built replacements were originally proposed to only be allowed with a deed restriction. The refined draft provides additional flexibility for all owners, by allowing for a slightly wider manufactured home of 15' to meet fire code requirements (10' minimum between buildings), which are more widely available, while still providing incentives for deed-restricted units of the provision of modular or stick-built construction and the option of a second story (which had mixed feedback at the webinar and in the survey).
2. *Responding to survey feedback – Parking and snow storage concerns:* Residents also raised concerns about parking and snow storage in this neighborhood. Staff is seeking Council and BOZAR feedback on whether the proposed changes appropriately balance these considerations while maintaining the character and long-term viability of the zone.
3. *In general, Council and BOZAR feedback is sought on if these proposed changes, both the updated baseline zoning as well as the incentives, reflect the guiding strategies of the code update.*

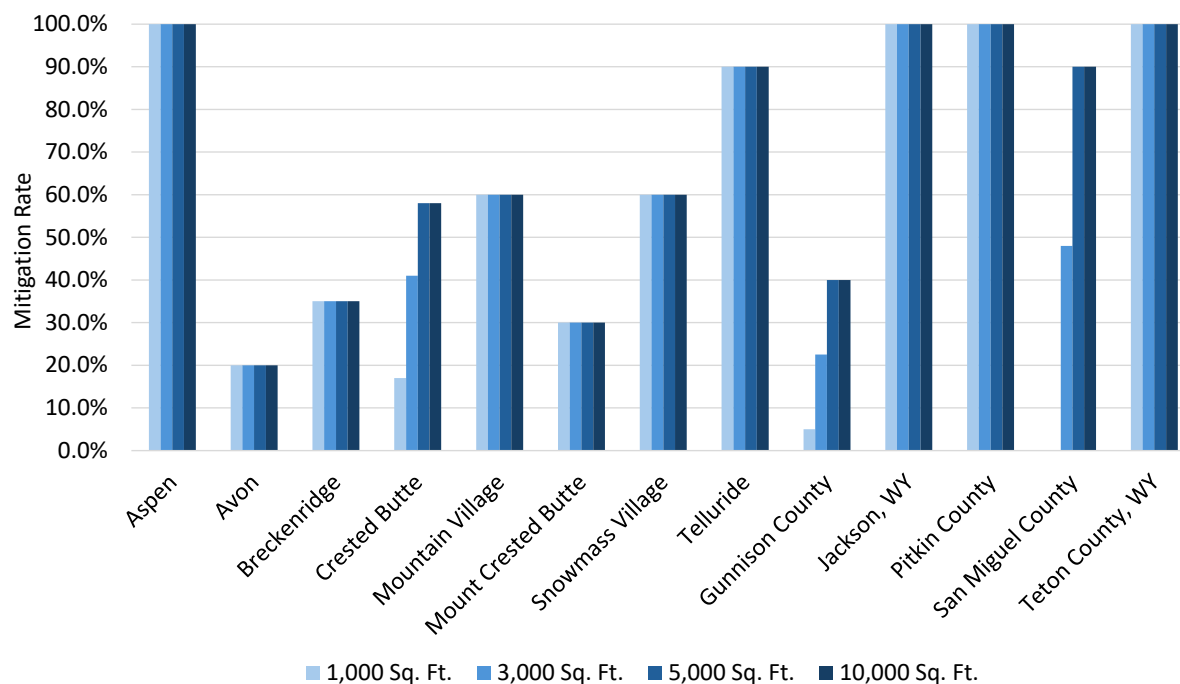
Discussion #2: ROAH Mitigation Rate

About ROAH: The Town first created the Resident Occupied Affordable Housing (ROAH) program in 2012. ROAH is an impact fee. The goal of ROAH is to facilitate the creation and preservation of affordable housing in response to increased housing demand caused by jobs generated by both new residential and commercial development. In the ROAH program, different types of new development (residential, non-residential, and lodging) have a job generation rate, which is divided by the average number of employees per household and multiplied by a housing mitigation rate. This formula equates to the number of ROAH units required to be provided by the development.

Job Generation Rate (based on development type)	/ Employees per household	X Housing Mitigation Rate	= ROAH units required (or equivalent fee based on affordability gap calculation of the cost to create a unit)
The job generation rate is identified by a nexus study between different types of land uses and the jobs they generate. The Town recently conducted a nexus study in 2023 that confirmed the job generation rate from 2012 is still accurate and valid.	The number of employees per household is based on US Census data for Crested Butte.	The housing mitigation rate is a policy-based number identified by the Town. It is the proportion of the ROAH units that the Town requires to be provided or paid for by the development.	The affordability gap is calculated by first understanding the base cost of housing, including the cost to purchase housing units or the cost to construct a housing unit and the gap between what a 80% AMI household can afford for a home, which was the metric identified as the biggest need in the Housing Needs Assessment.

Mitigation Rate Evaluation: Crested Butte's current mitigation rate for new residential development ranges from 3% to 58% for residential development (3% is the lowest end of the range for residential units or additions under 500 square ft and 58% is the highest for units over 4,500 square feet).

These rates are significantly lower than peer communities such as Aspen (100%), Telluride (90%), and Jackson/Teton/Pitkin Counties (100%) (see graph below). Increasing the mitigation rate and updating for current costs to create a housing unit would align Crested Butte with other high-cost mountain towns and generate additional revenue for affordable housing. Of note, although the ROAH regulations encourage developments to provide an affordable housing unit rather than pay the fee in lieu, most residential developments do not meet the thresholds to produce a full unit and therefore simply pay the proportional fee for the employee housing demand that they generate.



Policy Lever Context: Adjusting ROAH mitigation rates can serve as a policy lever to encourage developers to utilize zoning incentives. Higher mitigation requirements increase the cost of opting out of deed-restricted units, making incentive packages more attractive. Regular updates to the ROAH fee basis are also recommended to keep pace with rising housing costs. For context, the ROAH fee charged in the baseline zoning scenarios presented for the R and HDR districts could change by the following with different mitigation rates. The Residential Small Lot baseline was not calculated as ROAH would not apply in replacement scenarios. The fees required even at 100% mitigation and current costs are nominal as a percentage of total development costs, thereby likely not causing a tipping point of whether an owner/developer pursues the incentive option, but does enhance the incentive options and generate additional funds for the Affordable Housing Fund, and in the case of larger developments, additional deed restricted units.

Unit Type	Updated Housing Cost Gap & New Mitigation Rates					
	Jobs Generated	Jobs per Household	Employee Households Generated	Subsidy Required to Create a Housing Unit*	Mitigation Rate	Total Fee
R District			A	B	C	= A X B X C
Single Family Detached Baseline	0.189	1.70	0.111	\$276,966/unit	100%	\$30,800
R4/HDR District						
Fourplex Baseline	0.124	1.70	0.073	\$276,966/unit	100%	\$20,237

Source: Economic & Planning Systems

Q:\Council Communications\2026\13. February 2\Joint Work Session\Copy of 253076 ROAH Fee Compare 1.26.2026.xlsx\2-Proposed Structure

Scenario	Total Development Costs	Today's ROAH Fee (calculated at it is today)	Today's Mitigation Rate with Update Housing Cost Gap	With Updated Housing Cost Gap at 100% Mitigation AND Updated Cost Gap	ROAH Fee as % of Total Development Costs
R District					
Single Family Detached Baseline	\$ 3,627,425	\$7,850	\$11,577	\$30,800	0.85%
R4/HDR District					
Fourplex Baseline	\$ 4,487,575	\$2,354	\$3,573	\$20,237	0.45%

Source: Economic & Planning Systems

Q:\Council Communications\2026\3. February 2\Joint Work Session\Copy of 253076 ROAH Fee Compare 1.26.2026.xlsx\3-Summary

Discussion Questions: The Council previously provided interest to update the ROAH fee to a current cost index to produce a unit such that it can be updated each year rather than staying stagnant as it has been since 2016. In addition to the update to the index, does the Council have an appetite to increase the mitigation rates to augment the zoning incentives presented above?

Next Steps:

- **March 2, 5pm** – Joint BOZAR/Town Council work session: Commercial and Mixed-Use Districts; big-picture proposed changes and presentation/discussion of zoning and financial analysis related to community-serving housing and commercial space incentives
- **March 11, 3-6 pm** – Save the Date! (Location TBA): Community Open House covering both the zoning code update and the Design Standards update
- **March 31, 6pm** – BOZAR work session to debrief feedback from the Community Open House on both the zoning code and Design Standards
- **April 6, 5 pm** – Joint BOZAR/Town Council work session on development review processes, including discussion of process improvements, PUDs, and administrative review

ATTACHMENTS:

- Draft EPS Financial Evaluation of Zoning Incentives
- [Link for reference: Zoning Code Update website with outreach summary and webinar recordings](#)

MINUTES
Town of Crested Butte
Regular Town Council Meeting
Tuesday, January 20, 2026

Town Clerk Lynelle Stanford, in the absence of both the Mayor and Mayor Pro Tem, called the meeting to order at 7:00PM.

Guibert moved and O'Neal seconded a motion to appoint Beth (Goldstone) as presiding officer of the meeting. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

Council Members Present: Presiding Officer Beth Goldstone, Kate Guibert, John O'Neal, Gabi Prochaska (via Zoom), and Kent Cowherd (via Zoom)

Staff Present: Town Attorney Karl Hanlon, Town Manager Dara MacDonald, Town Clerk Lynelle Stanford, Public Works Director Shea Earley, and Housing Director Erin Ganser

APPROVAL OF AGENDA

Hanlon removed item number five from the Consent Agenda, due to the exclusion of the ordinance from the packet.

O'Neal moved and Guibert seconded a motion to approve the agenda with the amendment to delete item number five from Consent Agenda. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

CONSENT AGENDA

1) January 5, 2026 Regular Town Council Minutes.

Staff Contact: Town Clerk Lynelle Stanford

2) Alley Loop Nordic Marathon Special Event Application for January 30th, 2026, and January 31st, 2026, closing Elk Avenue from the Zero Block through the 300 Block and Alleys and a Section of the Old Town Field and Town Park.

Staff Contact: Town Clerk Lynelle Stanford

3) Resolution No. 3, Series 2026 - A resolution of the Town Council of Crested Butte, Colorado, authorizing the purchase of 816 Gothic, Crested Butte Colorado, and authorizing the Town Manager to execute all documents related to the purchase.

Staff Contact: Housing Director Erin Ganser

4) Resolution No. 4, Series 2026 - A resolution of the Town Council of Crested Butte, Colorado, authorizing a one year extension of the suspension of food truck and parking regulations for the Hideout to utilize an accessory kitchen.

Staff Contact: Community Development Director Mel Yemma

5) (First Reading) Ordinance No. 04, Series 2026 – An ordinance of the Crested Butte Town Council amending section 1-4-30 of the Crested Butte Municipal Code regarding application of general penalty.

Staff Contact: Town Attorney Karl Hanlon

Item number five had previously been removed from the Consent Agenda.

Guibert moved and O’Neal seconded a motion to approve the Consent Agenda. A roll call vote was taken with all voting, “Yes.” **Motion passed unanimously.**

PUBLIC COMMENT

Goldstone summarized written feedback from Caroline Jinks, Jackson Petito, Joe Kramer, and TJ Koehler, as well as a note sent by Paradise Place.

STAFF UPDATES

MacDonald added updates.

LEGAL MATTERS

Hanlon updated.

PRESENTATION

1) Presentation by Executive Director Michelle Haynes from Region 10.

Haynes presented.

2) Ashley Bembenek – Benefits to Water Quality and Schedule for Hearings to Remove Temporary Modifications.

Bembenek presented. MacDonald elaborated.

PUBLIC HEARING

1) (Second Reading) Ordinance No. 1, Series 2026 - An Ordinance of the Crested Butte Town Council Authorizing the Sale of 828 Gothic Avenue, #1A, Crested Butte.

Staff Contact: Housing Director Erin Ganser

Proper public notice was confirmed. Goldstone opened the public hearing. There were no comments from the public, and the public hearing was closed.

O’Neal moved and Guibert seconded a motion to approve Ordinance No. 1, Series 2026, An Ordinance of the Crested Butte Town Council Authorizing the Sale of 828 Gothic Avenue, #1A, Crested Butte. A roll call vote was taken with all voting, “Yes.” **Motion passed unanimously.**

COUNCIL REPORTS AND COMMITTEE UPDATES

None

OTHER BUSINESS TO COME BEFORE THE COUNCIL

O’Neal provided an update.

DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE

- Monday, February 2, 2026 - 6:00PM Work Session - 7:00PM Regular Council
- *Tuesday*, February 17, 2026 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, March 2, 2026 - 6:00PM Work Session - 7:00PM Regular Council

MacDonald noted the work sessions on February 2, 2026, and March 2, 2026, would begin at 5:00PM.

ADJOURNMENT

Presiding Officer Beth Goldstone adjourned the meeting at 7:33PM.

Beth Goldstone, Presiding Officer

Lynelle Stanford, Town Clerk (SEAL)

DATE: January 21, 2026
TO: Mayor and Town Council, Town of Crested Butte
FROM: Karl J. Hanlon, Town Attorney
RE: Ordinance 2, Series 2026 Amending Sec. 1-4-30 Regarding General Penalty

On December 22, 2025, the Colorado Supreme Court issued a decision in the combined cases of *In re People v. Camp* and *In re People v. Simons*, declaring that when a municipal ordinance and a state statute prohibit identical conduct, the maximum penalty imposed under state law preempts local law.¹ The court found that the state interest in setting consistent, statewide sentencing caps for misdemeanors and petty offenses is materially impeded by home-rule ordinances which impose greater penalties for the same offense.² This means any penalty imposed for violation of the Crested Butte Municipal Code (the “Code”) may not exceed the penalty allowed under the corresponding state statute.

Because the decision was issued so recently and to ensure compliance with the ruling while the municipal code is being updated, the Municipal Judge has issued a standing order specifying that the penalty imposed for any offense shall not exceed the penalty allowed for the same offense under the Colorado Revised Statutes.

Ordinance 4, Series 2026 updates the Town’s general penalty provisions to implement the ruling and ensure that the Town’s penalty provisions will align with the Supreme Court decision.

¹ No.24SA276, *In re People v. Camp*, No.24SA308 & 309, *In re People v. Simons*, 2025 CO 64, ¶3

² *Id.*



Staff Report

February 2, 2026

To: Mayor Billick and Town Council

Prepared By: Jessie Earley, Senior Planner

Thru: Dara MacDonald, Town Manager and Mel Yemma, AICP, Community Development Director

Subject: Resolution No. 5, Series 2026: A Resolution Supporting the Grant Application for a Grant from the Department of Local Affairs' (DOLA) Energy and Mineral Impact Assistance Fund (EIAF) for the Completion of the Crested Butte Marshals' Facility Construction Project

Summary: The Town of Crested Butte (Town) intends to apply for \$200,000 in funding through the DOLA EIAF Tier 1 grant program to support the construction phase of the Marshals' facility redevelopment project. Due to the current limited grant resources available and competitiveness, the Town is applying for the smaller pool of tier 2 funding.

Previous Council Action: As part of the 2025 budget, the Town Council allocated \$500,000 for the design of a new Marshals' facility. Then, as part of the 2026 budget, the Town Council allocated \$2,750,000 and as part of the 2027 budget, \$2,500,000 was allocated for the remainder of the design and engineering and construction phase of the renovation/addition for the new Marshal's facility and work to Crank's Plaza with the hope that grant funding could be obtained.

Background: In 2023, the Town Council adopted the Town's Facility Plan, which provided direction to explore whether the Marshals' facility could be renovated or redeveloped on-site to better meet operational needs and foster a civic campus at Crank's Plaza. This approach was favored over relocating the Marshals' to Station One following the Fire Station's planned departure.

In 2024, the Town secured a \$25,000 DOLA EIAF Administrative Planning grant, matched with an additional \$25,000, to conduct a concept plan and preliminary budget analysis. Town staff partnered with Torti Gallas and Partners to integrate this project into the broader Community Plan scope. The study produced two potential redevelopment concepts, which the Town Council determined to move forward with the following:

1. **Partial Renovation:** A more modest approach, adding a garage and making select interior upgrades while largely maintaining the current space allocations for the Marshals'

department and KBUT. Under this option, the future redevelopment of Station One could present opportunities for expanded KBUT facilities.

Town was awarded a DOLA EIAF grant (#25-115) in 2025 for \$130,000 with a cash match from the Town of \$370,000. The purpose of this grant was for architectural services to develop a detailed design based on this preferred alternative. The Town awarded the Professional Services Agreement for this project to Reynolds Ash and Associates in September 2025. The process will include broader community engagement, recognizing Crank's Plaza as a valued civic space.

Discussion: DOLA requires an official action from the Town to submit this grant application, which is included in the attached resolution.

Climate Impact: The construction process will evaluate and prioritize energy efficiency and building electrification. Additionally, the inclusion of an indoor garage will support the Town's transition to an electric vehicle fleet for the Marshals' department.

Financial Impact: The Town has budgeted \$5,250,000 for the remainder of design and engineering and construction in 2026-2027. The grant request is for \$200,000, with the Town providing a \$5,050,000 match.

Legal Review: N/A

Recommendation: To approve resolution No. 5, Series 2026.

Proposed Motion:

A Council member should make a "motion to approve Resolution No. 5, Series 2026 as part of the consent agenda, followed by a second and roll call vote.



Staff Report

February 2, 2026

To: Mayor and Town Council
Thru: Dara MacDonald, Town Manager
From: Erin Ganser, Housing Director
Subject: Final Payment to Dietrich Dirtworks Block 80 Waterline Improvements 2025

Summary:

The Town of Crested Butte (Town) awarded a contract on June 26th, 2025, to Dietrich Dirtworks and Construction (Contractor) to construct the Block 80 Waterline Improvements 2025 project. The Contractor has submitted a request for final payment of the 5% retainage which equals \$6,205.80. As such, Town Staff has approved this request and published notice of final payment in the January 16th and January 23rd editions of the CB News. Furthermore, final payment has been scheduled for February 3rd, 2026, pending approval by Town Council.

Recommendation:

Staff recommend approving final payment for the Town of Crested Butte 80 Waterline Improvements 2025 project to the order of Dietrich Dirtworks and Construction.

Proposed Motion:

A Council member should make a motion to approve “Final Payment for the 80 Waterline Improvements 2025 project, in an amount not to exceed \$6,205.80” as part of the Consent Agenda.

Attachments: Notice of Final Payment: 80 Waterline Improvements 2025 project



Staff Report

January 20, 2026

To: Mayor and Town Council
Thru: Dara MacDonald, Town Manager
From: Shea D Earley, Director of Public Works
Subject: Final Payment to Dietrich Dirtworks Construction for the Whiterock Watermain Replacement Project

Summary:

The Town of Crested Butte (Town) awarded a contract on June 26th, 2025 to Dietrich Dirtworks and Construction (Contractor) to construct the Whiterock Watermain Replacement 2025 Project. The Contractor has submitted a request for final payment of the 5% retainage which equals \$42,042.40. As such, Town Staff has approved this request and published notice of final payment in the January 16th and January 23rd editions of the CB News. Furthermore, final payment has been scheduled for February 3rd, 2026, pending approval by Town Council.

Recommendation:

Staff recommends approving final payment for the Town of Crested Butte Whiterock Watermain Replacement 2025 Project to the order of Dietrich Dirtworks and Construction.

Proposed Motion:

A Council member should make a motion to approve “Final Payment for the Whiterock Watermain Replacement to Dietrich Dirtworks and Construction, in an amount not to exceed \$42,042.4” as part of the Consent Agenda.

Attachments: Notice of Final Payment: Whiterock Watermain Replacement 2025 Project



Staff Report

February 2, 2026

To: Mayor and Town Council
From: Michael Reily, Chief Marshal
Through: Dara MacDonald, Town Manager
Subject: Appointment of representatives to GHCETSA Board

Summary: With the retirement of one of the Town's representatives to the Gunnison/Hinsdale Combined Emergency Telephone Service Authority (GHCETSA) Board ("Communications Board") we will need to replace Chief Marshal Michael Reily with incoming Chief Marshal Sean Besecker. The Town's additional representative will remain Deputy Chief Marshal Joseph Dukeman.

Previous Council Action: In 2018 the Council appointed Chief Marshal Michael Reily and Deputy Chief Joseph Dukeman to represent the Town's interests on the Communications Board.

Background: The GCHETSA Board is empowered with the operation of emergency telephone service for exchanges 641, 349, 943, 944, and a portion of 862. It also includes wireless communications within portions of Gunnison, Hinsdale and Saguache counties.

Funds collected are used to pay for the cost and installation of equipment, charges to service suppliers, related personnel expenses, and other costs directly related to the continued operation of the services provided by GHCETSA. There are seven members of the E-911 Board representing the CB Fire Protection District, City of Gunnison, Gunnison County, Gunnison Fire Protection District, Hinsdale County, Mt. Crested Butte and the Town of Crested Butte.

Financial Implications: The members of the Communications Board each pay a portion of the expense of operating Dispatch based upon an average of the incidents generated by that entity in the preceding three years. The Board makes financial decisions regarding the funds collected, annual budget and operations of Dispatch.

Recommendation: Staff recommends appointing incoming Chief Marshal Sean Besecker and Deputy Chief Marshal Joseph Dukeman to serve as Crested Butte's representatives to the GHCETSA Board commencing March 18, 2026.

Proposed Motion: To approve the appointment of incoming Chief Marshal Sean Besecker and Deputy Chief Joseph Dukeman to serve as Crested Butte's representatives to the GHCETSA Board commencing March 18, 2026.



Staff Report

February 2, 2026

To: Mayor and Town Council

Prepared By: Dannah Leeman Gore, Sustainability Coordinator

Subject: Letter from the Town Council – Colorado Energy Office Local IMPACT Accelerator Grant

Summary: The Town has been invited to submit a full application for \$385,000 through the Colorado Energy Office Local IMPACT Accelerator Grant to advance building energy efficiency programs and single-use plastic reduction policy outreach. Staff is requesting Council member signatures on a letter of support to complete the application.

Background:

After a second application attempt, the Town of Crested Butte has been invited to submit a full application to the Colorado Energy Office (CEO) Local IMPACT Accelerator Grant program. The request totals \$385,000, including \$365,000 for building energy efficiency programming (workforce development, incentives, and rebates) and \$20,000 for single-use plastic reduction outreach and education. A signed Town Council letter of support is required.

Previous Council Action:

On November 3, 2025, Town Council participated in a work session on pursuing a jurisdiction-wide single-use plastics ordinance. Council expressed interest in exploring an ordinance following robust outreach to businesses and supported beginning single-use plastic reduction efforts for special events in 2026. Staff also raised for Council that pursuing a single use plastic ordinance to satisfy a policy component would make the Town competitive for these grant funds.

Discussion:

The grant requires applicants to pursue both programming and policy adoption. Because the Town is not currently advancing building energy or electrification policies, staff fulfilled the policy requirement through a commitment to explore a jurisdiction-wide single-use plastics ordinance. Council support of this effort enables eligibility for the \$365,000 building energy efficiency funding in addition to \$20,000 for single use plastic reduction ordinance outreach and education.

Climate Impact: Existing buildings account for 51% of community electricity and natural gas emissions (2022 Town of Crested Butte GHG Inventory). Grant funding would expand rebates, incentives, and workforce development for energy efficiency and electrification, likely reducing additional emissions from this high-impact sector. As previously discussed, reducing single use plastics within Crested Butte's town boundaries will not have a significant GHG emissions

reduction impact on total community emissions, however, it may reduce waste impacts to Elk Avenue during high visitation seasons and aligns closely with Compass Goal number 6: “Continue to passionately care for our natural surroundings and forever protect Red Lady”.

Financial Impact: The grant requires a 5% match, with up to half allowed in-kind. The cash match equals \$19,250.

Recommendation:

Staff recommends Council sign the Town Council letter of support for the CEO Local IMPACT Accelerator Grant.

Proposed Motion:

A Council member should make a motion to approve the signing of a “Letter from the Town Council for the CEO Local IMPACT Accelerator Grant program” as part of the consent agenda.

Attachments:

- Local IMPACT Accelerator Application Letter from Crested Butte Town Council



Staff Report

February 2, 2026

To: Mayor and Town Council

Prepared By: Jessie Earley, Planner III

Thru: Mel Yemma, AICP, Community Development Director and Dara MacDonald, Town Manager

Subject: Appointment of Board of Zoning Architectural Review (BOZAR)
Commissioner and Reappointment of Existing BOZAR Commissioner

Summary

Town Council is responsible for appointing the BOZAR Commissioners. The BOZAR has a vacancy on the seven-member board following the resignation of Roxana Alvarez Marti who served a portion of a term. Staff is recommending Town Council approval for the appointment of Amy Batchman Dourson for a three-year term, expiring in February of 2029.

Town Council is also responsible for reappointing BOZAR commissioners. One member position is up for reappointment in 2026. Staff is recommending Town Council approval for the reappointment of Halley Anderson for a second three-year term, expiring in February of 2029.

Background

The Town's Municipal Code requires BOZAR members to be residents of the Town of Crested Butte for at least 12 months. Members are also encouraged to have interest, or experience, in historic preservation, construction, landscape design, architecture, or planning.

Discussion

Amy Batchman Dourson:

Dourson has lived in Crested Butte for one year and has owned property there for three years. She is comfortable reading and interpreting plans, having assisted in the construction of several homes and cabins. She has a strong interest in energy and cost efficiency as they relate to building design and construction.

A committed advocate for human-scale development and energy-efficient buildings in the Town of Crested Butte, Dourson is well aware of the development pressures facing the community. Her experience and insight would make her a valuable asset to the Board.

Halley Anderson:

Anderson has lived in Crested Butte for five years and holds a degree in architecture. She is currently an architect in training, completing required professional experience hours after having passed all licensure examinations. Her professional background has directly informed and strengthened her service on the Board, and she demonstrates a genuine commitment to the community in which she lives.

Anderson is a strong advocate for preserving the character of the Town of Crested Butte and has a clear understanding of the development pressures facing the community. During her tenure on the Board, she participated in the Design Charrette as part of the Community Plan process and provided architectural support to Torti Gallas during the on-site design work. Staff consider Anderson to be a valuable asset to the Board.

Over the past three years, Anderson has grown significantly in her role as a Board member, and her expertise in project review is highly valued by her fellow members. She remains motivated to continue engaging in zoning and historic preservation matters as part of her ongoing service on the BOZAR.

Climate Impact

No known impact.

Financial Impact

A BOZAR member stipends are accounted for in the 2026 Budget adopted by the Council.

Legal Review

This action complies with the Town Charter and Municipal Code requirements.

Recommendation

Staff recommend that the Town Council appoint Amy Batchman Dourson and reappoint Halley Anderson for three-year terms as a Board of Zoning and Architectural Review Board Members.

Proposed Motion

For a member of the Council, followed by a second, to move to approve the appointment Of Amy Batchman Dourson and reappointment of Halley Anderson to the Board of Zoning and Architectural Review for a three-year term, expiring February 2, 2029.



Memorandum

To: Town Council

From: Dara MacDonald, Town Manager

Subject: Manager's Report

Date: February 2, 2026

Town Manager

- 1) USPS Service in Rural Colorado – I participated in a call on January 14th to discuss postal issues in rural Colorado. Call hosted by Senators Bennet and Hickenlooper. Attendees: **Postmaster General Dave Steiner, USPS Board Chair Amber McReynolds**, Representatives Neguse & Pettersen, congressional staffers. Staff and managers from Summit County, Gypsum, Poncha Springs, Buena Vista, Snowmass Village, Pagosa Springs and Eagle. Facilitation by Margaret Bowes of CAST.

The new Postmaster General and the USPS Board Chair both have strong ties to Colorado. They both sound committed to shoring up the institution and finding funding solutions and partnerships that will improve both the viability and functionality of the overall institution. There were no surprises in the laundry list of issues that rural Colorado communities face with postal service – facilities, delays, staffing, paying for boxes, etc, but it was good to hear that in several of the communities some solutions have been found to some of the issues. Also refreshing to hear was the affirmative response from both the Postmaster General and the USPS Board Chair acknowledging the issues and expressing interest to finding solutions.

The Postmaster General and the USPS Board Chair both took the opportunity to do a little advocacy with the Congressmembers on behalf of the USPS. Apparently the organization will be running out of cash in a year or so and they have proposed to Congress to allow an increase in the USPS borrowing limits as one solution.

- 2) N Valley Managers meeting – I convened a first brown bag luncheon for public entity and large HOA managers in the N Valley on Jan 22nd. Participants include managers from RTA, Mountain Express, Town of Mt CB, Mt CB Water & San District, Skyland Metro/East River San, Buckhorn HOA & water company, CB South POA, CB Fire Protection District, and Gunnison MetRec. The goal is to increase communication and collaboration across entities. Our first discussion was focused on challenges and opportunities that should be addressed as part of the Corridor Plan effort. The next meeting is scheduled in March with plans to continue meeting every other month.

Public Works

- 1) Geothermal evaluation investigations at Town Hall campus and Wastewater Plant/Public Works
 - a. The Town contracted with the Greystone Group to perform a preliminary feasibility assessment on the viability of constructing and employing geothermal technology within Town owned facilities and campuses. The assessment identified locations based on land availability/access, types/size of adjacent facilities, adjacent facilities heating/cooling demands, and proximity to available thermal resources. Based on this criteria, two locations were further evaluated for the development of an Ambient Temperature Loop (ATL): Cranks Plaza Campus and the Public Works-Wastewater Campus. An ATL is a type of Thermal Energy Network (TEN) that consists of a low-temperature recirculation system with a corresponding well field. This type of system employs heat exchanging technology to supply temperature-controlled air to multiple facilities. In addition, the ATL will utilize supplemental thermal resources like solar hydronic technology or the residual heat from the wastewater plants effluent discharge. The Town's wastewater facility poses a unique opportunity to utilize the embodied thermal energy that already exists within the effluent discharge. This opportunity not only has the potential to efficiently heat our facilities; but also affords the Town the ability to address a looming (future) regulatory compliance issue with respect to the Wastewater Treatment Plant's effluent discharge temperature.

Next Steps: The Town looks to initiate Phase 2 of the analysis in the first half of 2026. This would include the drilling of several test wells at both locations, identify facilities to be served off system and develop retrofit plan, and develop a detailed analysis of available thermal resources.

Marshals

- 1) Deputy Brevin Book will be back working the street after taking family medical leave following the birth of his second child.
- 2) John Chandler completed Police Training Officer (PTO) school allowing him to effectively train our new hires after they have completed the academy.

Parks, Recreation, Open Space and Trails

- 1) **Jerry's Gym Project Update:** Staff has hired consulting firm Form+Works Design Group to develop conceptual design alternatives for the expansion/renovation of Jerry's Gym. Form+Works Design Group performed the historic structure assessment for Town hall as well as the rehabilitation scope. They have a 3D model of the building in their software system and have also done work for the Depot and Museum. Staff is excited to have their expertise and experience on this project. We anticipate 3 concepts to come from this initial project phase, and a meeting with History Colorado to confirm which of the concepts would be supported for our historic Town Hall. The next step would be to get initial cost estimates for the feasible concepts. Final concepts are expected to be complete in mid-March.
- 2) **Draft PROST Plan:** The PROST Plan Advisory Committee met on January 26th to review the draft Plan. Comments will be incorporated into the draft that will be presented to Council at the February 17th work session.

- 3) **Event Egress and ADA Access at Big Mine:** Since the Ice Arena roof was built in 2011, Big Mine has hosted many Special Events during the summer months. In order to accommodate egress and ADA access from the rink during events, staff has removed dasher boards. This has caused damage to the post-tensioned concrete slab. In an effort to protect the integrity of the slab, Parks staff is working with Astrid to build ADA accessible ramps to provide event egress that will be placed during the summer months inside the Ice Arena. This solution will limit the occupancy to 400 people, which is about 100 people more than current Special Events tend to host at Big Mine.

Community Development

- 1) **Town Employee Housing Program Review:** At the 1/20/2026 Council meeting, the Council decided that revamping the Town Employee Housing program at this time is not a priority. Council does have interest in revisiting rents after additional analysis and research is done into how to define affordability and affordable rents that better comports with the Crested Butte market.
- 2) **Deed Restricted Homeownership Updates:**
 - a. The Sale of 828 Gothic is expected to close on 1/30/2026. Congratulations to the new owners
 - b. Staff anticipates announcing the availability of 816 Gothic, a two bedroom unit priced at approximately \$360,000 in the coming week.
- 3) **Marshal's Addition/Renovation Open House:** Join us in the Town Council Chambers (507 Maroon Avenue), Friday, February 6th from 9:00 am to 11:00 to view draft plans of the Marshal's Addition/Renovation and give feedback on the draft plans for the Crank's Plaza area. This will also be a special opportunity to meet our new Chief Marshal, Sean Besecker who will take over in March 2026 when current Chief Marshal, Mike Reily retires after 29 years working for the Town of Crested Butte. Sean has worked in law enforcement for more than 16 years with more than ten of this being for the Town of Crested Butte. Town will provide coffee and doughnuts!
- 4) **Zoning Code and Design Standards Updates Open House:** The Town will hold an Open House Wednesday, March 11th from 3:00-6:00 pm, location is being confirmed. For the zoning code update, this will give community members the opportunity to see the revisions that the Town has made based upon the feedback from the survey, webinars and joint work sessions with Town Council and BOZAR. It will also enable members of the public to view visual examples of the proposed incentives. For the Design Standards update, staff and consultants will give an update on the process for the new document and also review the narrative of the existing Design Guidelines document.
- 5) **Residential Tax Credit:** The Town and State approved the Town of Crested Butte's first residential tax credit application in over 15 years. This tax credit relates to the Dairy building, which is located at 28 Maroon Avenue and is owned by Terry and Charlotte Camp. This project received the maximum credit. As a Certified Local Government, the Town of Crested Butte acts as the reviewing body for residential tax credit applications. Commercial tax credit applications are reviewed by the State of Colorado.
- 6) **FEMA floodplain mapping:** Town Staff met with members of the State of Colorado and the Colorado Water Conservation Board to review the ongoing flood risk study that will lead to a Physical Map Revision (PMR) along Coal Creek. Staff was given until February 15th to supply comments or updated information for large developments that could impact mapping.

- 7) **Oh Be Joyful Solar Array Status Update:** The Oh Be Joyful Solar Array is now expected to be operational by approximately March 2026 due to delivery and installation delays of the last essential electronic components. GCEA ordered this component in March 2025. Staff will inform Council when GCEA has a better estimation of a “go-live” date.
- 8) **Mineral Point Construction Update:**
 - a. 605 Butte (Building C) and 603 Butte (Building B) are scheduled to finish in March.
 - b. Landscaping is underway. Since snow was predicted for Friday, photos of landscaping work completed this week will be submitted to the Building Department.
 - c. Parking lot striping is complete.
 - d. Bike Barn Roof will be installed next week.
 - e. Solar Panels are installed and will be functioning by the end of next week.
 - f. Some exterior siding is not complete due to ventilation terminations being installed.
 - g. by the end of next week.
 - h. Some exterior siding is not complete due to ventilation terminations being installed.
 - i. The Town’s environmental engineer is positioned to start commissioning the soil gas mitigation system in the middle of February when the first of the three buildings is anticipated to be completed.

Town Clerk

- 1) KBUT submitted a special event application for the Mardi Gras parade that will be administratively approved. The parade is planned for Tuesday, February 17, 2026, beginning at 5:00PM. There will be a rolling closure of Elk Avenue from 7th Street to the Mallardi Theatre. The parade will be led by Marty the Dragon, and the plan is to avoid interference with the Mountain Express bus route.
- 2) Special event applications are being submitted for the 2026 season, including ARTumn for September 19 and 20, 2026, and the Crested Butte Ultra for September 25 and 26, 2026. ARTumn will be considered by the Council on a Consent Agenda, upon the organizer’s submittal of a certificate of insurance valid for the event, and the Crested Butte Ultra will be approved administratively.
- 3) A policy, outlining the Council’s direction regarding special events, is being drafted and will be on the agenda for February 20 or March 2, 2026.
- 4) Staff scheduled an Alley Loop debrief for February 3, 2026. A topic for discussion will be planning for the expectation of future low snow years. A big thank you to Public Works and Parks and Rec crews for their cooperation and teamwork in planning the route for 2026!
- 5) Staff will be meeting with the event organizer of the Famers Market to assist with planning for the space available on Elk Avenue. Thank you, again, to Public Works and Parks and Rec, for help identifying ideas and solutions to assist the Farmers Market.

Finance/HR/IT

- 1) Fall 2025 Community Grant Process: Staff is delayed in finalizing the analysis for Council’s consideration in awarding the Fall grants. Staff is on target to bring a recommendation to the Council at its February 17 meeting.

- 2) Payroll Processing: All personnel action requests were processed to reflect the annual merit and COLA changes which were effective this past payroll cycle. In addition, healthcare selections and rates were updated at the beginning of the year.
- 3) Sales Tax Revenue: The Preliminary Revenue Report for December is below. Staff identified that a number of licensed E-Commerce vendors were reporting sales tax via an unallocated business activity code. Staff updated our reporting for December 2025 to reflect total E-Commerce sales tax receipts. All sales tax revenues were always being reported and remitted to the Town. The error was in how the data was being captured and reported.

TOWN SALES TAX December 2025

Business Category	Total Amount 2025	Total Amount 2024	\$ Diff	% Diff	YTD 2025	YTD 2024	\$ Diff	% Diff
BARS/REST	156,974	156,830	144	0.09%	2,064,763	1,979,027	85,736	4.33%
ECOMMERCE	73,815	103,210	(29,395)	-28.48%	690,144	605,231	84,913	14.03%
GROCERY	70,283	74,302	(4,019)	-5.41%	875,924	855,165	20,759	2.43%
RETAIL	133,523	127,162	6,361	5.00%	1,349,616	1,317,835	31,781	2.41%
RETAIL:MMJ	9,812	10,307	(495)	-4.80%	113,247	122,582	(9,335)	-7.62%
LODGING	68,687	63,054	5,633	8.93%	844,720	753,800	90,920	12.06%
CONST/HRDWR/AUTO	59,476	66,131	(6,655)	-10.06%	579,624	606,102	(26,478)	-4.37%
SERVICE	57,389	77,593	(20,204)	-26.04%	402,715	438,714	(35,999)	-8.21%
Grand Total	629,959	678,589	(48,630)	-7.2%	6,920,753	6,678,456	242,297	3.6%

OTHER REVENUE SOURCES

Vacation Rental Excise Tax	82,686	74,054	8,632	11.7%	857,511	814,744	42,767	5.2%
Tobacco & Nicotine Tax	15,484	15,759	(275)	-1.7%	195,758	189,442	6,316	3.3%
RETT	71,590	187,586	(115,996)	-61.8%	3,311,744	2,534,386	777,358	30.7%
Carry Out Bag Fee	479	563	(84)	-14.9%	5,587	6,012	(425)	-7.1%

Prepared 1.23.2026

Upcoming Meetings or Events Council may choose to attend

Feb 6, 9:00-11:00, Council Chambers – Marshal's Addition/Renovation Open House and Meet the New Chief

March 11, 3:00-6:00, location TBD - Zoning Code and Design Standards Updates Open House

May 16, 9:00-noon, Town Clean-Up

Upcoming Agenda Items

See attached **draft** list of upcoming Council agenda topics

* As always, please let me know if you have any questions or concerns. You may also directly contact department directors with questions as well.

Overview of the Northwest Colorado Council of Governments Water Quality/Quantity Committee (QQ)

Town of Crested Butte Town Council
February 2nd, 2026



P.O. Box 2308 970-286-4804
Silverthorne, CO 80498 kgreen@nwccog.org

QQ was founded in 1978 and is the only group of local governments in the state dedicated to water quality and quantity protection of Colorado's headwaters. The QQ Region is united by its iconic landscapes, the growing importance of its recreation and tourism economy, rising pressure from state and interstate water demands, and the potential degradation of its waters.

QQ comprises 47 member municipalities, counties, water and sanitation districts, and conservancy districts located in Routt, Grand, Summit, Eagle, Pitkin, and Gunnison counties, along with the Town of Carbondale. The Colorado River Water Conservation District and Upper Gunnison Water Conservancy District are relevant associate QQ members. The QQ Board is made up of elected officials and staff from member jurisdictions. QQ speaks with a united regional headwaters voice, with day-to-day work conducted by consultants who work under a contract approved each year by the QQ Board.

QQ's work focuses on 5 areas:

1. **Colorado Legislature.** Members of the QQ consultant team are registered lobbyists who focus on legislative proposals that would affect water quality/ quantity and local government authority to protect water resources.
2. **State and federal rulemakings.** On behalf of its members, QQ is a party in administrative rulemaking proceedings at both the state and federal level. Most commonly, QQ represents members in the Colorado Water Quality Control Commission (WQCC) hearings, which set stream classifications and water quality standards. Recent other rulemakings include those before the Colorado Water Conservation Board, Colorado Energy and Carbon Management Commission, the US BLM, USFS, Army Corps of Engineers, and EPA.
3. **Litigation.** QQ participates as a party in litigation in state and federal courts that implicate member jurisdictions' authority over water quality impacts of new development and water projects on private and public lands. QQ maintains a legal defense fund directed by its members.
4. **Ongoing policy-making.** QQ adds the Region's voice to the myriad stakeholder groups and committees that review and recommend relevant policy changes in Colorado. Some examples are the Colorado Water Quality Forum, the Colorado Land Use and Water Alliance, the Oil and Gas Local Government Roundtable, the Colorado Municipal Drought Taskforce, the Colorado and Gunnison Basin Roundtables, and the Colorado Water Conservation Board.
5. **Technical and legal support.** QQ consultants offer a combination of legal, public policy, water quality, and environmental science expertise to the membership. QQ is purposefully nimble and efficient to focus time and energy to whatever the most pressing water quality/quantity issues might be.

Ongoing Member Services

QQ addresses issues applicable to the entire QQ Region and those affecting individual member jurisdictions. A recent example affecting Crested Butte is water quality issues at the Keystone Mine where QQ worked alongside the Town, County, and other local organizations to ensure aquatic life in Coal Creek is protected.

QQ meetings are a key forum for policy formulation and strategic decision-making by QQ members. Meetings are open to any staff and elected officials from a member jurisdiction who wish to attend.

Recent QQ Highlights

- Party to WQCC rulemakings to implement the Colorado Dredge and Fill permitting program, ongoing review of temporary modifications and site-specific standards for water bodies in the Region, and the revisions to the molybdenum water supply standards.
- Recognized partner with the Sonoran Institute and its Growing Water Smart Program. QQ hosted the first headwaters-specific regional Growing Water Smart Training. A team from Gunnison County, representing nine organizations including the Town, participated.
- Supported members to address concerns with legislation aimed at second home ownership on public lands, lodging tax increases for environmental benefits, local authority to regulate oil and gas, and related issues.
- Continuing updates to the 2012 study commissioned by QQ, [*Water & Its Relationship to the Economies of the Headwaters Counties*](#). This study has been invaluable for conveying the importance of water in its natural course to the Region's economy.
- Engaged in ongoing implementation of Colorado's Water Plan including participation in the Drought Task Force ([SB23-295](#)) and the Water Secure Communities Advisory Committee.
- Provided support to local governments updating their Master Plans, Comprehensive Plans, land use regulations, watershed protection districts, septic regulations, and other water quality-related regulations.
- Continued to monitor activities that may impact water quality in the QQ Region, local ability to regulate for water quality protection, and key funding that impacts water quality in the Region.
- Joint party in the 2025 Colorado Water Conservation Board hearing to consider acquisition of the Shoshone Water Rights for instream flow purposes along with many QQ Members as the "Headwaters Party."

