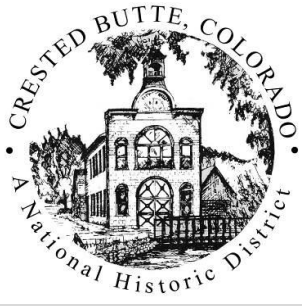




Community Values

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, March 2, 2026

Meeting information to connect remotely:

<https://us02web.zoom.us/j/88568992156>

Join via audio: +1 719 359 4580 US +1 253 205 0468 US +1 669 444 9171 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 +1 689 278 1000 US +1 305 224 1968 US +1 309 205 3325 US
Webinar ID: 885 6899 2156

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.

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

1) Land Use Code Update.

Staff Contact: Community Development Director

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) February 17, 2026 Regular Town Council Minutes.

Staff Contact: Town Clerk Lynelle Stanford

2) Resolution No. 06, Series 2026 - A Resolution of the Crested

Butte Town Council Adopting Changes and Additions to the 2025 Budget and Appropriations Relative to the Street and Alley Fund, the Affordable Housing Fund and the Transit and Mobility Fund.

Staff Contact: Interim Finance Director Rob Sweeney

3) Q4 2025 Financial Update.

Staff Contact: Interim Finance Director Rob Sweeney

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 respond 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 PUBLIC HEARING

1) (Second Reading) Ordinance No. 03, Series 2026 - An Ordinance of the Crested Butte Town Council Approving the Renewal Lease of a Portion of the Property at 601 Elk Ave. to West Elk Soccer Association.

Staff Contact: Public Works Director Shea Earley

7:25 2) (Second Reading) Ordinance No. 04, Series 2026 - An Ordinance of the Crested Butte Town Council Authorizing the Sale of 816 Gothic Avenue, #3A, Crested Butte.

Staff Contact: Housing Director Erin Ganser

7:30 NEW BUSINESS

1) Discussion on Expanding the Allowance of Parklets to the Parking Areas North and South of Elk Avenue and West of the Four Way Responsive to Request from Sherpa Café and Shifting Flower Box Management and Maintenance Responsibilities from the Town to Business Owners.

7:50 **COUNCIL REPORTS AND COMMITTEE UPDATES**

7:55 **OTHER BUSINESS TO COME BEFORE THE COUNCIL**

8:00 **DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE**

- Monday, March 9, 2026 - Long-Term Financial Planning Work Session - 6:00PM to 8:00PM
- Monday, March 16, 2026 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, April 6, 2026 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, April 20, 2026 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, April 27, 2026 - Long-Term Financial Planning Work Session - 6:00PM to 8:00PM

8:05 **ADJOURNMENT**



Staff Report

March 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 – Commercial and Mixed Use Districts**

Summary: This work session builds on the February 2 joint work session and introduces proposed zoning amendments and incentives for commercial and mixed use districts for discussion by the Town Council and BOZAR. The session will also explore how the Resident Occupied Affordable Housing (ROAH) program plays into the commercial district considerations to encourage private sector participation in addressing the Town’s community housing and community-serving commercial needs.

The discussion will focus on the big-picture changes proposed for these districts, which were initially introduced through community outreach last fall and refined based on stakeholder feedback. Staff seek Council and BOZAR guidance on the following questions:

- Is the Council comfortable with the proposed changes to baseline, by-right zoning for commercial districts and the mixed use district?
- Does the Council support the recommended incentives for Belleview Avenue and Sixth Street in exchange for public benefits, including deed restricted (DR) housing units and DR commercial units?

Previous Council Action: The most recent engagement on the zoning code update was a joint Town Council and BOZAR work session on February 2, which worked through big picture changes, proposed incentives, and ROAH requirements for residential districts.

Background: The Town of Crested Butte is updating its zoning code to align with the Community Plan vision. For more detailed background on the process, guiding strategies, and residential districts proposed updates, see the [February 2 zoning code update discussion packet here](#).

Commercial Zoning Context and Considerations: Crested Butte relies heavily on sales tax to support local services, and the types of land uses allowed in the Town directly influence which businesses thrive, what generates revenue, and what supports local employees and residents. Because the town is small in scale, it cannot accommodate nor is its market functional for all business types, making careful alignment between allowed uses, incentives, and the community’s vision for resilience and community service critical.

Baseline Zoning and Land Use Clarity: Getting the baseline zoning right is foundational. This means cleaning up and simplifying land use regulations to make it clear what uses are permitted or conditional, and what types of businesses at what intensity each district is intended to support. Clarity sets expectations and helps business owners understand what is possible when opening or expanding a business or purchasing a property, helps neighboring property owners know what could be developed nearby to reduce potential conflicts, and provides the Town with a clear framework to administer rules consistently and fairly. At the same time, care must be taken not to allow uses that could unintentionally push out or outcompete other critical uses that could compromise each district's intent and vision.

Zone it like you mean it!
Single family residential and restaurants generate the most profit, unless the Town restricts where they can go, the market will create those uses at exclusion of others.

Zoning Incentives and Deed Restricted Commercial Space: Zoning incentives are an important tool for encouraging development that supports community goals. Like discussed in residential districts, incentives must be balanced with constraints or requirements to ensure they are meaningful, feasible for the private sector, and aligned with community priorities. Proposed incentives for Bellevue and Sixth provide zoning flexibility in exchange for a combination of DR housing and DR commercial space, a new approach for the Town expanding the focus on public benefit from just the creation of workforce housing to include creation of community serving commercial spaces. This effort is intended to retain locally-serving businesses, support incubation opportunities, and provide benefits beyond what the private market may naturally deliver. The recommendation is to approach this as a pilot program, allowing the Town to learn and adapt over time while providing a clear framework for participation (such as piloting a trades training or journeymen incubation space on Bellevue and a community-serving/owner-operated restaurant or retail space on Sixth in the next three to five years).

Commercial ROAH Framing: The residential ROAH calculation was discussed at the February 2 work session. The modeling of the residential ROAH fee determined that increasing the mitigation rate to 100% does not have a material financial impact to a project. As such, the recommendation is to update the ROAH calculation on residential units to current construction costs and require 100% mitigation to generate a higher payment in lieu of ROAH fees to support the Town's housing program. In commercial development, jobs and the associated housing demand are generated at a much higher rate than residential development. The baseline zoning recommendations are designed such that commercial projects are feasible with ROAH units actually built as part of the project. The current commercial ROAH mitigation rate of 20% strikes this balance. This approach helps integrate community housing with commercial development and aligns private sector participation with the Town's broader housing goals. A breakdown of the number of ROAH units required in different development sizes are shown in the Bellevue and Sixth Street models.

DR Housing in Commercial Districts Framing: Under the Town's current zoning code, only DR residential units are permitted in commercial districts. These units include a mix of ROAH units, owner-occupied units, and long-term rentals. A small number of units exist without deed restrictions due to the timing of their creation.

The proposed updates continue to prioritize DR housing but introduce a clearer distinction between the baseline and the incentive pathway. The baseline, by right zoning proposed for Bellevue and Sixth Street is intentionally calibrated to ensure the production of ROAH units.

In contrast, the incentive pathway allows additional development capacity in exchange for a defined percentage of DR housing, in addition to DR commercial space. The DR housing

generated through the incentive track is different from ROAH and is not calculated using the ROAH formula. Because incentive projects may include a different mix of commercial and residential uses, the resulting number of ROAH units would otherwise be lower than the required DR percentage. The DR requirement within the incentive track is intended to ensure a meaningful housing contribution even when the development mix shifts.

As part of the Town's 5-Year Housing Strategy, staff will further evaluate how DR units generated through the incentive pathway should be structured. This includes determining whether they should align with current ROAH requirements, which are rental units at 80% AMI with local workforce participation, or whether they should be designed to address another identified gap in the Town's housing portfolio.

Decision Making Context: Who Might Develop and Utilize New Commercial Space? Different types of investors respond to zoning and incentives in distinct ways. Understanding and acknowledging these differing motivations is important when it comes to crafting realistic and effective zoning strategies that balance private feasibility with public goals.

- Traditional developers primarily focus on financial feasibility, so baseline allowances and incentives must offer a clear, marketable benefit. Achieving this in Crested Butte's market is challenging, given today's high commercial construction costs and steep land values. Given these high costs, there are few commercial uses that can reasonably afford the rents that would be required to make construction of new commercial space feasible.
- Legacy or niche investors, on the other hand, may pursue projects with higher costs or specialized objectives, prioritizing quality, character, or long-term vision over immediate profit.
- Public sector entities and non-profits can leverage zoning incentives alongside grants, partnerships, or land ownership to deliver community-serving outcomes that the private market alone cannot provide. Additionally, their investment motivations are different than those of traditional developers who expect to achieve certain returns within a relatively short period of time.

On the other side, it's important to consider who might use residential units in commercial districts and DR commercial spaces. Local residents or employees seeking to live near their jobs, start a business, or maintain one should be considered in the context of the types of units the proposed incentives aim to create.

- ROAH units provide affordable workforce housing (around 80% AMI) proximal to jobs and services within Town.
- DR residential units in commercial buildings could include income restrictions requirements (similar to ROAH) or provide more flexibility around workforce, full-time residency, and potentially be a mix of rental and/or ownership to meet other local housing needs.
- Market-rate residential units in these areas could also support smaller-scale, mixed use homes for individuals or families seeking compact living with convenient access to goods, services, and town amenities. While not everyone will want to live in a commercial district, these units play a role in meeting the full spectrum of housing needs, which may differ from those in more traditional residential neighborhoods.
- DR commercial space can help locally-serving businesses and important community services get off the ground and stay in the community. The biggest impediment to these

types of uses is the cost of leasing and building commercial real estate. With rents currently ranging from about \$25 to \$50 or more per square foot (per year), plus expenses like utilities and snow removal, many local-serving businesses and services simply cannot afford the rent in Town. The rents for newly constructed commercial space will demand even higher rents given the high cost of construction and land. These community commercial spaces won't meet every need but will meet some needs and are an important strategy that can be refined over time.

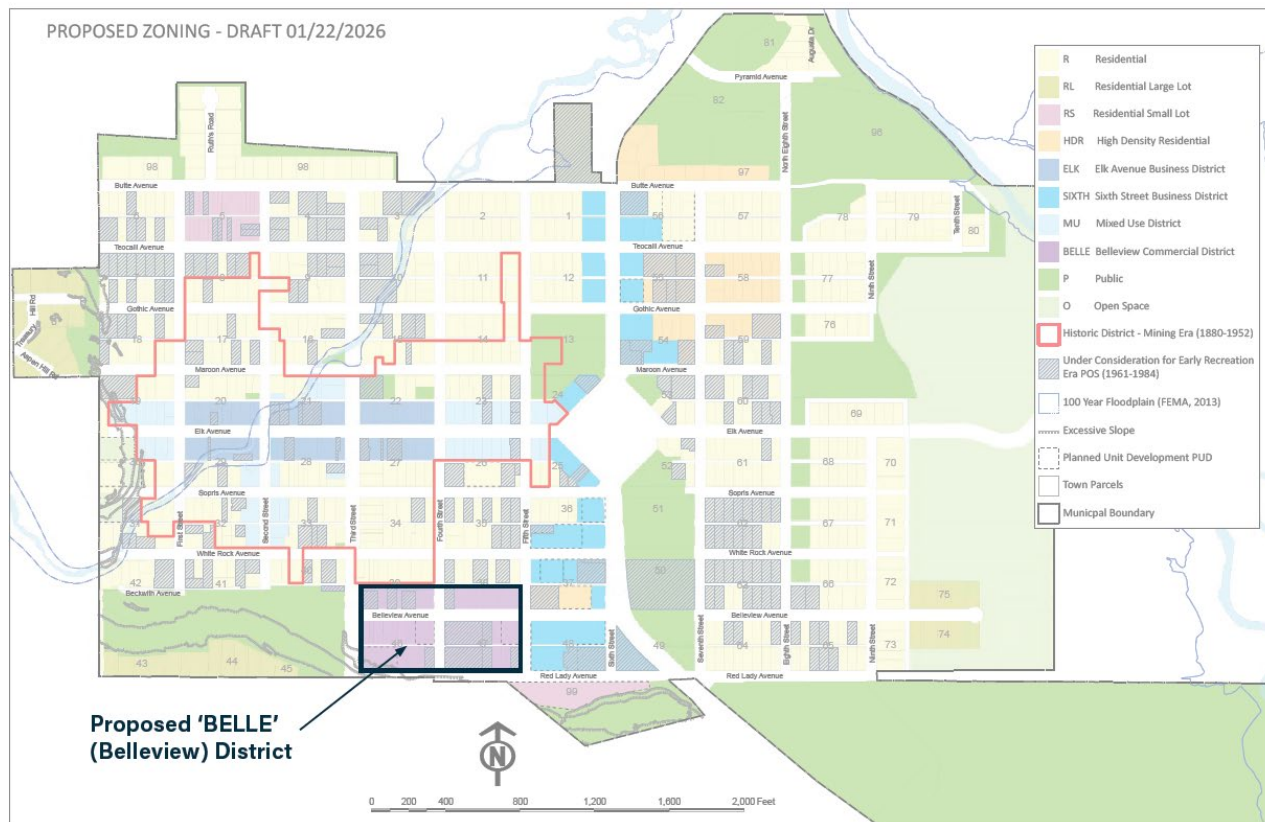
Pace of Change and Realistic Expectations: Development in Crested Butte using new zoning and incentives will be incremental. The Town is largely built out, with redevelopment governed by demolition limits, parcel sizes, and historic preservation requirements. The pace of commercial development in Crested Butte is also slow. Over the past 11 years, there has been one commercial project per year. Zoning updates, incentives, and parking adjustments will primarily affect future development and redevelopment opportunities over time. The proposed changes create flexibility and options rather than immediate transformation. Understanding this pace helps set realistic expectations for how quickly new housing, commercial space, or community-serving businesses can materialize.

Diving into the Zones:

The following pages:

- Introduce draft baseline, by right zoning refinements and incentive package models for Belleview and Sixth Street, including integration of ROAH units as guided by the Community Plan.
- Present draft baseline, by right zoning refinements for Elk Avenue and Mixed Use districts to improve clarity and consistency in the code.
- Provide discussion questions to guide Council and BOZAR deliberations for each district.

Bellevue Commercial District



Vision / Intent: The Community Plan envisions Bellevue as Crested Butte’s everyday commercial core. The goal is to support a vibrant mix of commercial uses while leveraging zoning flexibility to secure community-serving commercial spaces with housing above.

Summary of Proposed Changes: Currently labeled simply as the “Commercial District,” this area is recommended to be renamed the Bellevue Commercial District for clarity. Land uses are consolidated and modernized, retaining commercial uses while continuing to restrict restaurants and bars. While survey feedback indicates some interest in food and beverage uses, allowing them could drive out workforce-focused businesses and undermine the district’s commercial core as food and beverage uses financially outperform trades and associated uses. Lower-impact options, such as food trucks on private property or at Big Mine Park (which is administered through licensing not zoning) offer a way to introduce additional food options without compromising the district’s intent. The attachment at the end of the memo shows current and proposed land uses for this district.

The following models demonstrate what is allowed today, a recommended new proposed baseline, by right zoning, and two incentive pathways (of which one is recommended).

Baseline Recommendations:

- Floor Area Ratio (FAR):** Bellevue currently allows a FAR range of 1.0 to 1.7, depending on lot size and amenities, with subjective criteria required to reach the upper end. In practice, however, it is nearly impossible to achieve a FAR above 1.0 due to existing parking requirements and the combination of the residential unit cap and ROAH requirements.

- For clarity and alignment with what is realistically achievable, the recommended baseline sets FAR at 1.0. This reflects current constraints and creates a clear and predictable starting point. It also establishes enough limitation in the baseline that the incentive pathway becomes a meaningful and attractive option.
- **Residential Limit:** Residential development remains capped at 50 percent of the project or a maximum of three units. The only exception is when additional units are necessary to meet ROAH requirements. In that case, units above the three-unit cap must be ROAH units. This structure ensures that a maximized baseline project cannot include market-rate residential units beyond the cap, reinforcing the incentive pathway as the mechanism for achieving additional flexibility.
- **ROAH Unit Alignment and the Ability to Build On Site:** The baseline is intentionally structured to ensure ROAH units are delivered on site and not avoided through fee payments alone. As illustrated in the Studio Seed packet, the current baseline, by-right zoning effectively limits development to three residential units. Because commercial square footage drives the ROAH requirement, this residential cap also indirectly limits how much commercial space can be built.

The Horseshoe Building on Bellevue demonstrates this dynamic. Under the current structure, the maximum developable commercial area is approximately 9,000 square feet. This is because:

- $9,000 \text{ sq. ft.} \times 1.898 \text{ ROAH units per } 1,000 \text{ sq. ft.} \times 20\% \text{ mitigation} = 3.4 \text{ ROAH units required}$
- Only three residential units are permitted by right
- The remaining 0.4 unit would be satisfied through a fee-in-lieu payment, as fractional units are allowed to be paid

Any additional commercial space would generate a ROAH obligation exceeding the three-unit cap, effectively preventing further expansion of commercial under the baseline, which is why the proposed update recommends allowing more than three units if they are for the purposes of fulfilling ROAH. Technically, a developer could increase the commercial square footage and provide a ROAH unit off site; however, off site units are more expensive and make that approach not financially attractive.

- **ROAH Calculation/Fee Update:** Economic & Planning Systems, Inc. (EPS) conducted a financial analysis on each zoning model as well as evaluated the Town's commercial ROAH requirements. Their financial analysis assumes the non-residential ROAH fee is updated to reflect the current housing affordability gap of \$279,966 per unit, consistent with the February discussion. Staff and EPS recommend maintaining the 20% mitigation rate for development while updating the affordability gap to reflect current construction costs (a breakdown of different mitigation rates is shown in the table below). For commercial development, the requirement to fulfill ROAH units and allow payment for a fractional unit is recommended to remain.

At 20% mitigation, the resulting fee is approximately \$105 per square foot of non-residential space. This materially increases development costs and directly affects feasibility, making the incentive pathway more appealing.

By contrast, at 100% mitigation, the fee would exceed \$500 per square foot, which would likely render most projects infeasible.

Description		100% Mitigation	75% Mitigation	50% Mitigation	25% Mitigation	20% Mitigation (Current)
Units required per 1,000 sq. ft.	<i>median rate</i>	1.898	1.424	0.949	0.475	0.380
Cost per ROAH unit required	<i>gap calculation</i>	\$276,966	\$276,966	\$276,966	\$276,966	\$276,966
Fee per 1,000 sq. ft.		\$525,681	\$394,261	\$262,841	\$131,420	\$105,136
Fee per sq. ft.		\$526	\$394	\$263	\$131	\$105

Source: Economic & Planning Systems

Z:\Shared\Projects\DEN\253076-Crested Butte Policy Implementation\Models\253076 Mixed Use Proformas 02-18-2026.xlsm]3-Non-Res_ROAH_Fee

Incentive Recommendations:

- Recommended Incentive:** The recommended incentive aims to secure DR commercial units in addition to DR housing. FAR and height remains the same, the residential cap is removed, ground-floor commercial is maintained, and parking is reduced by 20% in exchange for providing DR commercial space and DR residential. In this scenario, 15% of the total commercial square footage, with a minimum of 500 sq ft, and 25% of the total residential square footage would be DR. In the small lot scenario, this equates to 2 DR residential units and 500 sq ft of DR commercial, along with 2,200 sq ft of market rate commercial and 6 market rate residential units. In the incentive, it's important to note that the DR residential units are not ROAH units in that they aren't calculated based on the ROAH calculation, rather they are being generated through the incentive path (ROAH is waived in the incentive). Because the mix of commercial and residential is different, the required ROAH units equates to less than what is achieved by requiring 25% DR housing units (4 units versus 1-2 depending on residential/commercial mix). As part of the 5-Year Housing Strategy, staff will propose the appropriate deed restriction requirements for these units.
- Not Recommended Incentive:** The fourth-story incentive recommended in the Community Plan was tested and modeled but is not recommended at this time. Staff's analysis is that the amount of market-rate residential (9-26 units depending on lot size) required to make it financially viable would undermine and erode the intent of Belleview as the Town's commercial core and is not a tradeoff staff recommends pursuing. In comparison, on all of Belleview today, there are 36 residential units (3 ROAH, 31 DR, and 2 market rate). Height increases could still be considered through a Planned Unit Development PUD process (such as a future re-development of the Lumber Yard) in exchange for more public benefits.

Draft Financial Evaluation: EPS prepared a high level proforma comparing costs and revenues under the proposed baseline and incentive zoning options. Like the February 2 residential analysis, this is a comparative tool, not a final design estimate. Costs are based on interviews and Town project data and could vary. Key takeaways from the analysis include:

- Commercial space is not feasible under normal market performance standards:*** Construction costs are about \$700 per square foot. To achieve a typical 7% to 8% return, rents would need to be \$50 to \$60 per square foot. In Crested Butte, only high end retail and restaurants can generally support rents at those levels and those uses are not allowed in Belleview. The modeled rents are much lower:

- Market commercial: about \$25 to \$35 per square foot
- DR commercial: about \$15 per square foot
- At those levels, commercial space does not generate a sufficient profit to justify the high costs of construction, land, and reasonable profit
- ***Residential subsidizes commercial:*** Because commercial space does not cover its costs, market rate residential becomes the financial driver. The more commercial required and the less residential allowed, the larger the feasibility gap. The baseline, by right zoning is intentionally constrained to make it unattractive and instead push developers toward the incentive option. Even so, the recommended incentive package still shows an estimated feasibility gap of roughly \$100 per square foot. The four-story Community Plan option performs best financially because it contains the highest proportion of market rate residential, but it also represents the largest tradeoff in terms of district character.
- ***Overall takeaway:*** In a typical market, incentives are structured to attract conventional, profit driven developers. Crested Butte's market is fundamentally constrained, and under current conditions standard market developers are unlikely to pursue these projects. Making the numbers work for a traditional developer would likely require substantially more residential, altering the scale and character of Belleview. Calibrating incentives more tightly to protect character, however, leaves projects infeasible under conventional returns. The developments most likely to move forward are legacy landowners, nonprofit developers, or public entities with goals beyond maximizing profit. The central policy question is whether incentives should be designed to attract a conventional developer who may never come, or to enable the legacy, nonprofit, and public projects that are most realistic in this market. That decision should inform how much residential tradeoff is appropriate in Belleview.

Belleview Avenue Discussion Questions:

1. Is there Council/BOZAR alignment on retaining Belleview as the commercial core for largely non-tourism serving land uses?
2. Incentives work best when there is a large difference between the baseline, by right option (constrained) compared to the incentive option (allows more). What is your feedback on the proposed baseline and maintaining the ROAH mitigation rate at 20%?
3. What is Council/BOZAR's feedback on the recommended incentive track? Is Council/BOZAR comfortable allowing some market rate residential and reduced parking in exchange for DR residential units and DR commercial space?
4. DR commercial is a new concept for Crested Butte. What questions or feedback should guide further exploration?
5. Do the proposed baseline zoning and incentives reflect the guiding strategies of the code update?

ZONING COMPARISON SUMMARY

11

C (existing) vs. BELLE (proposed)

Bold, underlined text indicates proposed amendments.

C
EXIST.
RULES

Allowed Uses	Parking	Lot Area	Setbacks	FAR	Height	Incentives/ Disincentives	Demolition
Permitted: Commercial, Light Industrial, and Auto-Related Uses Conditional: Residential: no more than 50% building area + (3) units 600 SF max. Other commercial and auto-related uses, marijuana and natural-medicine related uses, etc.	Retail/Office: 1 space per 500 SF usable space Auto-Related: 1 space per 100 SF usable space Residential: 1.5 spaces per unit (fee in-lieu not allowed) *Parking allowed in front setback	2,500 SF min. 9,375 SF max. 25' min. lot width	20' min. (Front) 0' - 11.5' min. (Side) 10' min. (Rear)	<3,125 SF lot: 1.55 BR Up to 1.7 FAR* 3,125-6,250 SF lot: 1.25 - 1.55 BR Up to 1.7 FAR* >6,250 SF lot: 1.0 - 1.55 BR Up to 1.9 FAR* *Increased FAR only allowed for residential space.	35' max.	PUD process is only path to flexibility in exchange for public benefit Residential uses may not exceed 50% of building area and no more than 3 units (600 SF max.) allowed. Increased FAR can only be used for residential space.	Must meet certain requirements If redevl. exceeds original FAR, then deed-restricted unit must be included.
Permitted: Commercial, Light Industrial, and Auto-Related Uses + <u>Residential, Live/Work and Congregate Dwellings</u> Conditional: Marijuana, Natural Medicine, <u>formula based services</u> <u>REFER TO PROPOSED LAND USE TABLE FOR MORE DETAILED INFO.</u>	Commercial uses: no change Residential: <u>< 2bd. = 1 space</u> <u>3+ bd. = 2 spaces</u> <u>*No parking allowed in front setback or underground</u> <u>*Waivers may be considered based on criteria.</u>	<u>No min.</u> <u>24,000 SF max.</u>	No change except: 20' <u>max.</u> (Front)	<u>1.0 FAR</u>	35' max.	<u>By-Right: Residential is limited to 50% total floor area and three units max. (600 SF max. per unit) but if the ROAH calculation equates to more than three units, they may be provided.</u> <u>Incentive: No residential cap in exchange for 15% DR commercial (500 SF min.) + 25% DR residential + 20% parking reduction</u>	No change

BELLE
PROP.
RULES

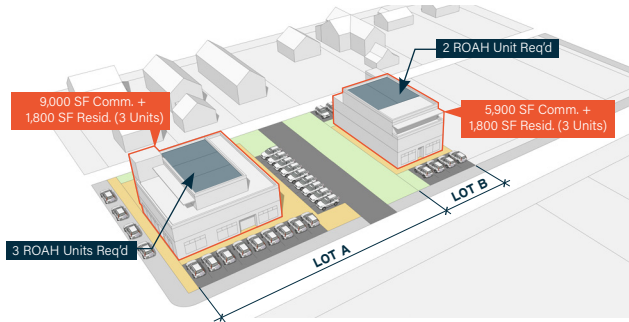
Crested Butte Zoning Incentives Analysis

Bellevue (BELLE) Zone District Scenarios

ZONING COMPARISON SUMMARY

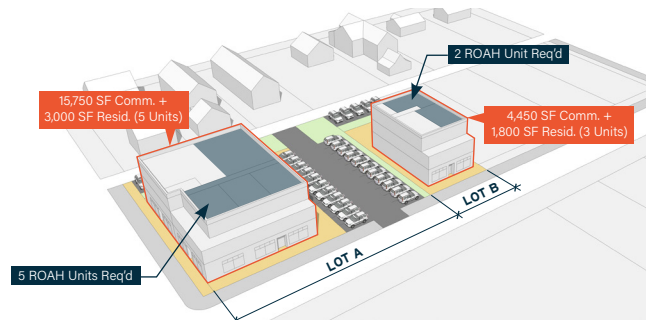
C (existing) vs. BELLE (proposed)

Existing By-Right ('C' Zoning)



- **1.0 - 1.55 FAR** (unclear rules and realistic maximum range is 0.6-1.25)
- **Residential units conditional and max. three** (1,800 SF total)
- **Parking allowed in front setback**
- **ROAH required**

Proposed By-Right ('BELLE' Zoning)



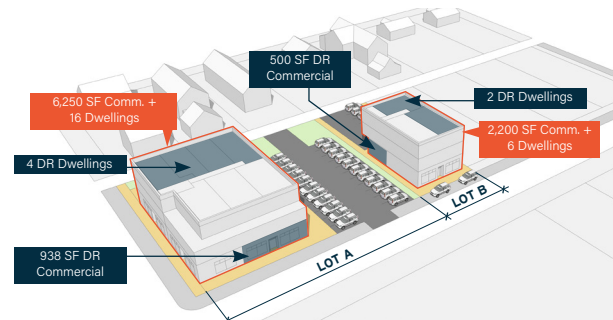
- **1.0 FAR max.**
- **Residential units by-right, but max. three** (ROAH allowed to exceed)
- **Parking NOT allowed in front setback; no reduction**
- **No incentive deed-restrictions**

Existing Bonus FAR ('C' Zoning)

NOT TESTED / NOT POSSIBLE

- **1.7-1.9 FAR** (increase in FAR only allowed for residential space)
- **Residential units conditional and max. three** (1,800 SF total) - **due to this restriction, it is impossible to achieve stated FAR range.**
- **Parking allowed in front setback**
- **ROAH required**

Proposed Incentive ('BELLE' Zoning)



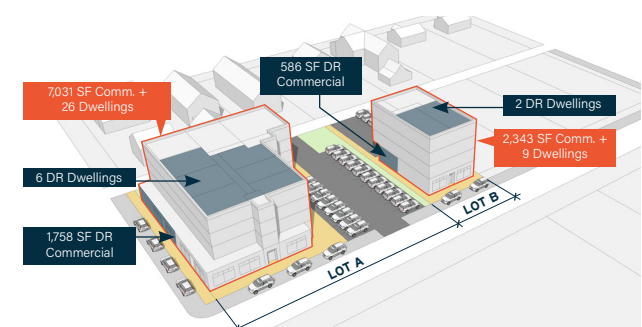
- **1.0 FAR max.**
- **Residential cap lifted** in exchange for deed-restrictions
- **Parking NOT allowed in front setback; 20% reduction** in exchange for deed-restrictions
- **Deed Restrictions** = 15% commercial space + 25% residential units

NOTES ON FEASIBILITY TESTING:

- Existing zoning limits residential as a way to encourage more commercial space.
- Economic models show that more residential units are necessary to help a project "pencil" in the current market.
- The proposed incentive eliminates the residential cap of three max. units in exchange for a percentage of commercial and residential deed restrictions, allowing market rate units to subsidize deed-restricted units.
- The proposed incentive equates to more residential units and less commercial space than otherwise allowed, but creates a more financially viable model and the community benefit is more deed-restricted space.

NOTE: this incentive is not recommended as it would allow too much residential for a commercial district and buildings would be out of character to surroundings and generally not feasible.

4th Floor Incentive



- **1.5 FAR max.**
- **Residential cap lifted + 4th story allowed** in exchange for deed-restrictions
- **Parking NOT allowed in front setback; 30% reduction** in exchange for deed restrictions
- **Deed Restrictions** = 25% commercial space + 25% residential units

Crested Butte Zoning Incentives Analysis

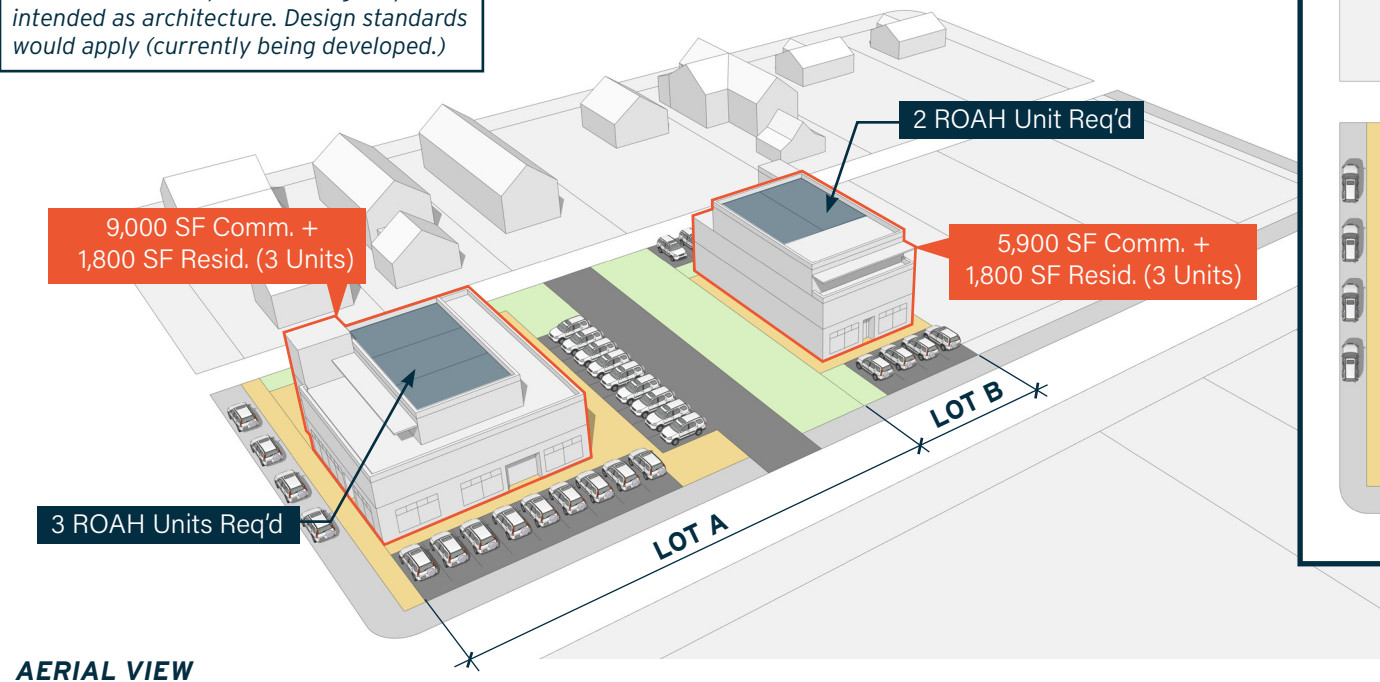
Bellevue (BELLE) Zone District Scenarios

SCENARIO 1: Existing By-Right Rules

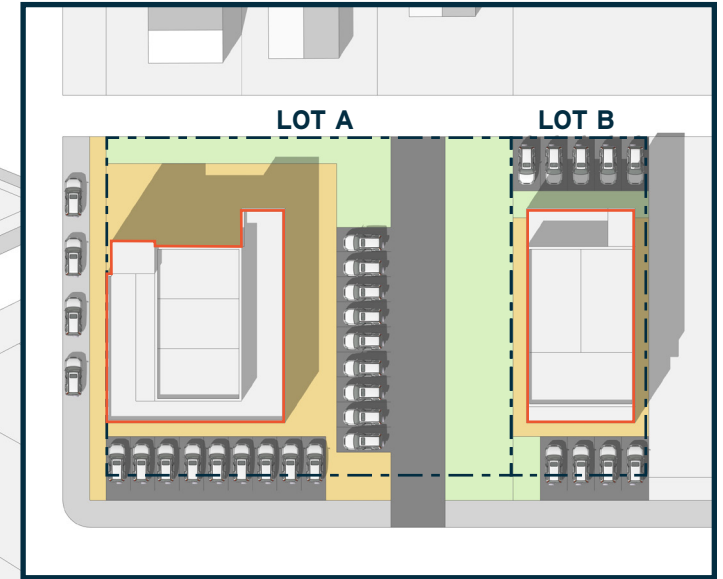
13

- **FAR varies from 1.0 - 1.55** by-right depending on lot size and "site amenities" which are undefined and loosely negotiated. It also allows **up to 1.7-1.9 FAR** if the FAR increment is used for residential space, however this is impossible to achieve given the three unit maximum and on-site ROAH requirements.
- **Residential uses are conditional; limited to a maximum of 50% of building area and three units (600 SF max. per unit.)** Due to **ROAH requirements**, this essentially **limits commercial area to 8,000 - 10,000 SF**, as anything more than this would trigger more than three residential units which is not allowed.
- **Parking is allowed in front setback.**

Note: 3D model depicts massing only, not intended as architecture. Design standards would apply (currently being developed.)



AERIAL VIEW



PLAN VIEW

LOT A PROGRAM & ASSUMPTIONS:

Lot Size: 18,750 SF (150' x 125')

Floor Area Ratio: 1.0-1.55 FAR (allowed); **0.58 FAR (actual)**

Max. Height: 3-stories; 35' (max. allowed)

Market Rate Program: 9,000 SF Commercial

ROAH Program: 3 units @ 600 SF ea.

Parking Required: 18 spaces

Parking Provided: 18 spaces + 4-5 on-street

Parking In Lieu Fee: 0 spaces

*Parking assumes 80% usable area for commercial (7,200 SF) at 1 space per 500 SF and 1 spaces per unit (3 total) for residential.

LOT B PROGRAM & ASSUMPTIONS:

Lot Size: 6,250 SF (50' x 125')

Max. Floor Area Ratio: 1.25-1.55 FAR (allowed); **1.23 FAR (actual)**

Max. Height: 3-stories; 35' (max. allowed)

Market Rate Program: 5,900 SF Commercial + 1 Resid. Units @ 600 SF ea.

ROAH Program: 2 units @ 600 SF ea.

Parking Required: 12 spaces

Parking Provided: 9 spaces

Parking In Lieu Fee: 3 spaces

*Parking assumes 80% usable area for commercial (4,720 SF) at 1 space per 500 SF and 1 spaces per unit (3 total) for residential.

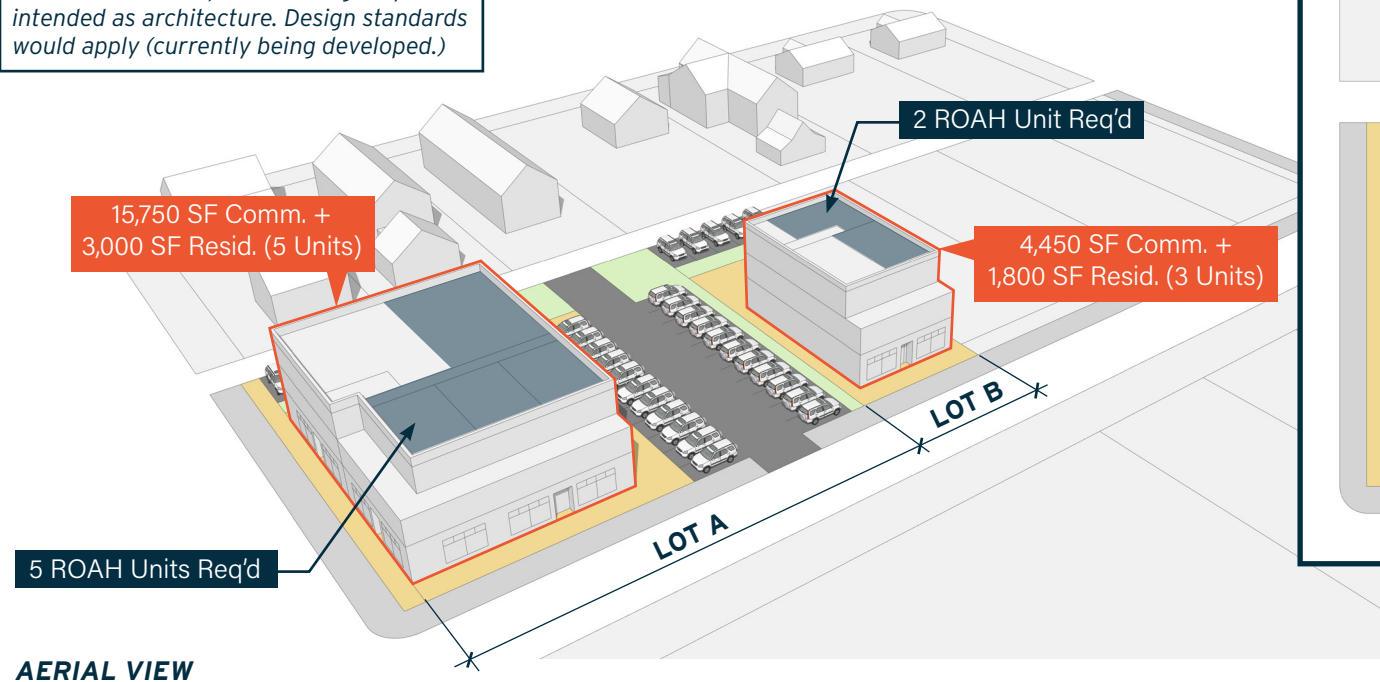
Crested Butte Zoning Incentives Analysis

Bellevue (BELLE) Zone District Scenarios

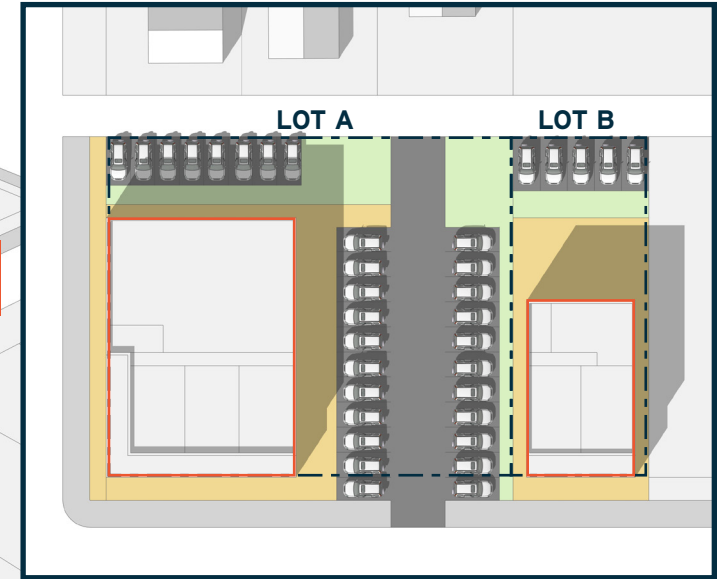
SCENARIO 3: Proposed By-Right Rules

- **FAR is limited to 1.0** (no site amenities bonus allowed)
- **Residential uses** are allowed **by-right** (except on first floor) and limited to a maximum of 50% of building area and three total units (600 SF max. per unit.) If the ROAH calculation equates to more than three units, they are allowed to exceed three units and required to be provided on site.
- **Parking is NOT allowed in front setback.** On-street parking would be allowed to count toward required parking. No parking reduction allowed. Fee in-lieu permitted if required parking cannot fit on site.

Note: 3D model depicts massing only, not intended as architecture. Design standards would apply (currently being developed.)



AERIAL VIEW



PLAN VIEW

LOT A PROGRAM & ASSUMPTIONS:

Lot Size: 18,750 SF (150' x 125')

Max. Floor Area Ratio: 1.0 FAR (allowed); **1.0 FAR (actual)**

Max. Height: 3-stories; 35' (max. allowed)

Market Rate Program: 15,750 SF Commercial

ROAH Program: 5 units @ 600 SF

Parking Required: 30 spaces

Parking Provided: 30 spaces

Parking In Lieu Fee: 0 spaces

*Parking assumes 80% usable area for commercial (12,600 SF) at 1 space per 500 SF and 1 spaces per unit (5 total) for residential.

LOT B PROGRAM & ASSUMPTIONS:

Lot Size: 6,250 SF (50' x 125')

Max. Floor Area Ratio: 1.0 FAR (allowed)

Max. Height: 3-stories; 35' (max. allowed)

Market Rate Program: 4,450 SF Commercial + 1 Resid. Units @ 600 SF

ROAH Program: 2 units @ 600 SF

Parking Required: 10 spaces

Parking Provided: 7 spaces

Parking In Lieu Fee: 3 spaces

*Parking assumes 80% usable area for commercial (3,560 SF) at 1 space per 500 SF and 1 spaces per unit (3 total) for residential.

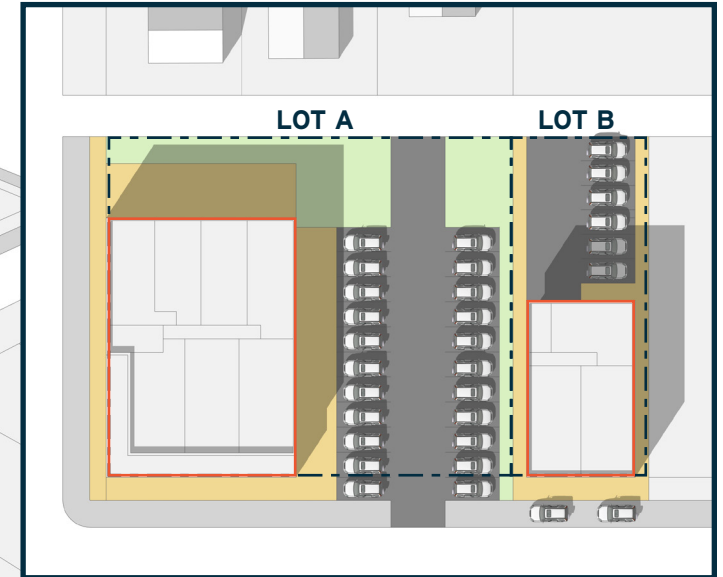
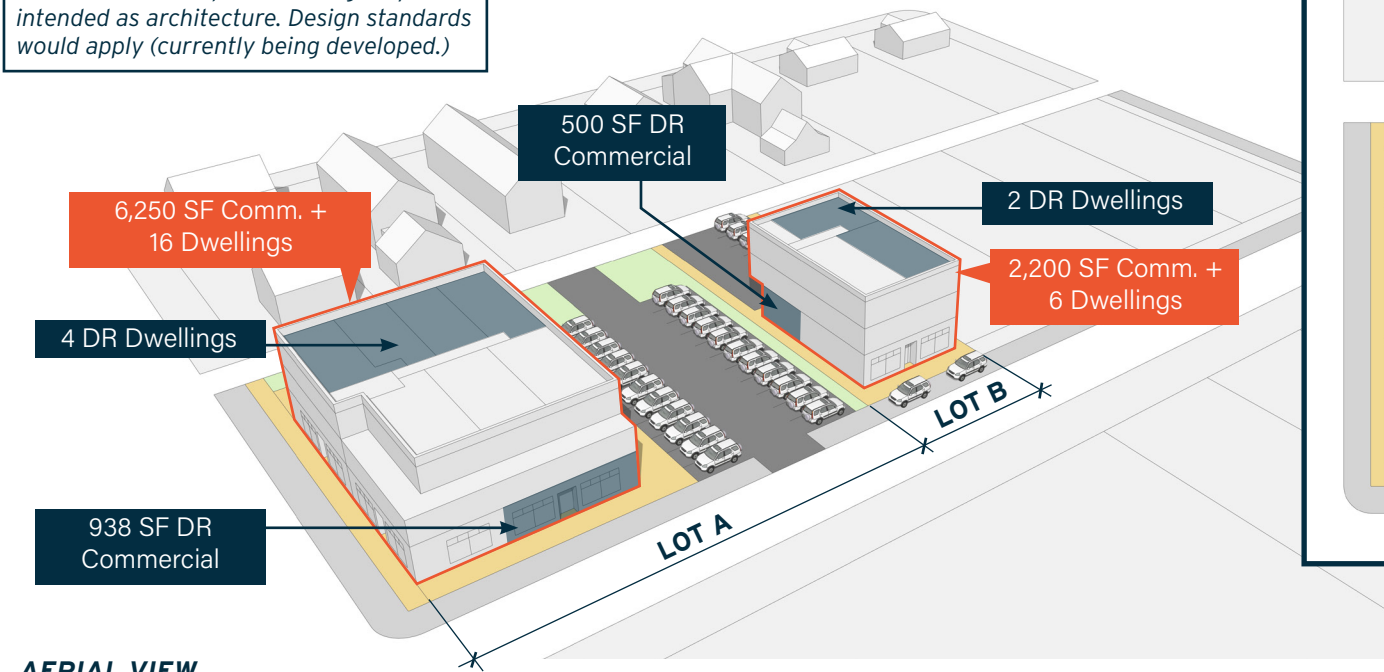
Crested Butte Zoning Incentives Analysis

Bellevue (BELLE) Zone District Scenarios

SCENARIO 4: Proposed Incentive

- **FAR is limited to 1.0**
- **Residential cap and ROAH requirements lifted** in exchange for incentive deed-restrictions.
- **Parking is NOT allowed in front setback.** On-street parking would be allowed to count toward required parking. Fee in lieu permitted. **20% parking reduction** in exchange for incentive deed-restrictions.
- **Incentive Deed Restrictions = 15% DR commercial space (500 SF min.) + 25% DR residential units**

Note: 3D model depicts massing only, not intended as architecture. Design standards would apply (currently being developed.)



AERIAL VIEW

LOT A PROGRAM & ASSUMPTIONS:

Lot Size: 18,750 SF (150' x 125')
Max. Floor Area Ratio: 1.0 FAR (allowed); **1.0 FAR (actual)**
Max. Height: 3-stories; 35' (max. allowed)
Market Rate Program: 5,313 SF Commercial + 12 dwellings (600 SF)
Deed-Restricted Program: 938 SF Commercial + 4 dwellings (600 SF)
Parking Required: 21 spaces
Parking Provided: 22 spaces + 7 on-street
Parking In Lieu Fee: 0 spaces
**Parking assumes 80% usable area for commercial (5,000 SF) at 1 space per 500 SF and 1 spaces per unit (16 total) for residential + 20% reduction*

LOT B PROGRAM & ASSUMPTIONS:

Lot Size: 6,250 SF (50' x 125')
Max. Floor Area Ratio: 1.0 FAR (allowed); **1.0 FAR (actual)**
Max. Height: 3-stories; 35' (max. allowed)
Market Rate Program: 1,700 SF Commercial + 3 dwellings (600 SF)
Deed-Restricted Program: 500 SF Commercial + 2 dwellings (600 SF)
Parking Required: 8 spaces
Parking Provided: 8 spaces
Parking In Lieu Fee: 0 spaces
**Parking assumes 80% usable area for commercial (1,760 SF) at 1 space per 500 SF and 1 spaces per unit (6 total) for residential + 20% reduction.*

Crested Butte Zoning Incentives Analysis

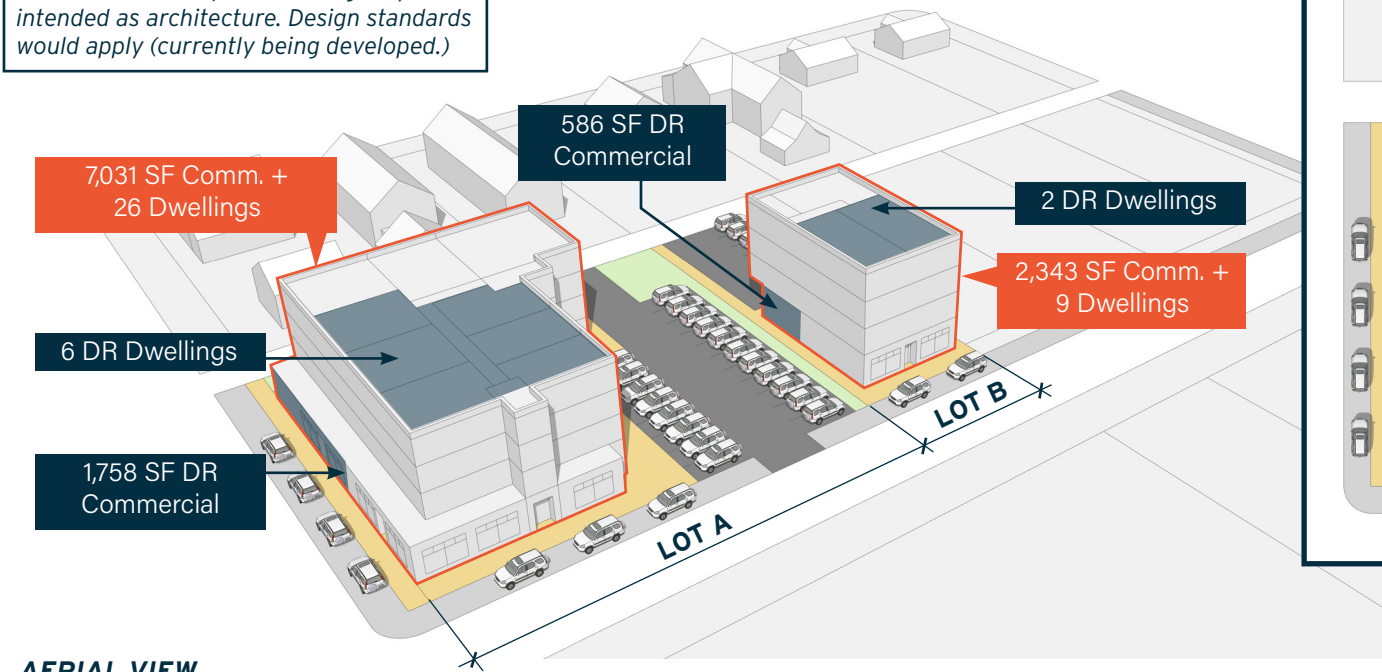
Bellevue (BELLE) Zone District Scenarios

SCENARIO 5: Community Plan Incentive (tested, but not recommended)

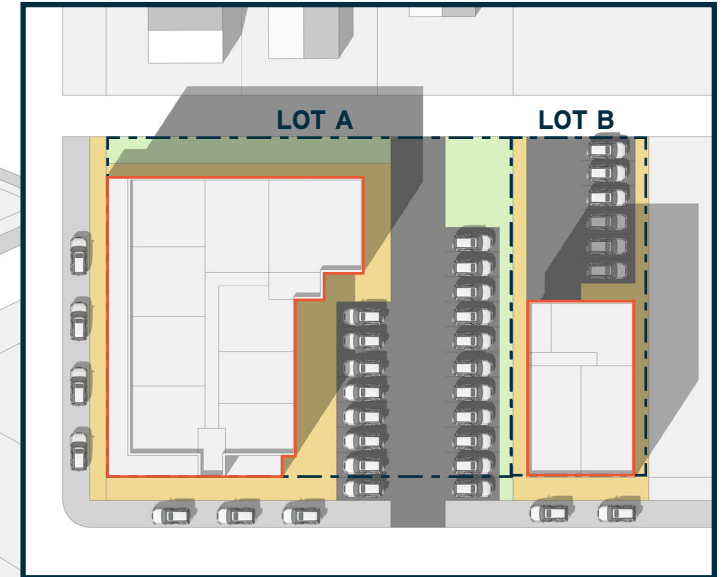
16

- **FAR up to 1.5 + 4th floor + residential cap lifted** in exchange for incentive deed-restriction.
- **Parking is NOT allowed in front setback.** On-street parking would be allowed to count toward required parking. Fee in lieu permitted. **30% parking reduction** in exchange for incentive deed restrictions.
- **Incentive Deed Restrictions = 25% DR commercial space (500 SF min.) + 25% DR residential units**

Note: 3D model depicts massing only, not intended as architecture. Design standards would apply (currently being developed.)



AERIAL VIEW



PLAN VIEW

LOT A PROGRAM & ASSUMPTIONS:

Lot Size: 18,750 SF (150' x 125')

Max. Floor Area Ratio: 1.5 FAR (allowed); **1.5 FAR (actual)**

Max. Height: 4-stories; 48' (max. allowed)

Market Rate Program: 5,273 SF Commercial + 20 dwellings

Deed-Restricted Program: 1,758 SF Commercial + 6 dwellings

Parking Required: 26 spaces

Parking Provided: 19 spaces + 7 on-street = 26

Parking In Lieu Fee: 0 spaces

*Parking assumes 80% usable area for commercial (5,625 SF) at 1 space per 500 SF and 1 spaces per unit (26 total) for residential + 30% reduction.

LOT B PROGRAM & ASSUMPTIONS:

Lot Size: 6,250 SF (50' x 125')

Max. Floor Area Ratio: 1.5 FAR (allowed); **1.5 FAR (actual)**

Max. Height: 4-stories; 48' (max. allowed)

Market Rate Program: 1,757 SF Commercial + 7 dwellings

Deed-Restricted Program: 586 SF Commercial + 2 dwellings

Parking Required: 9 spaces

Parking Provided: 8 spaces

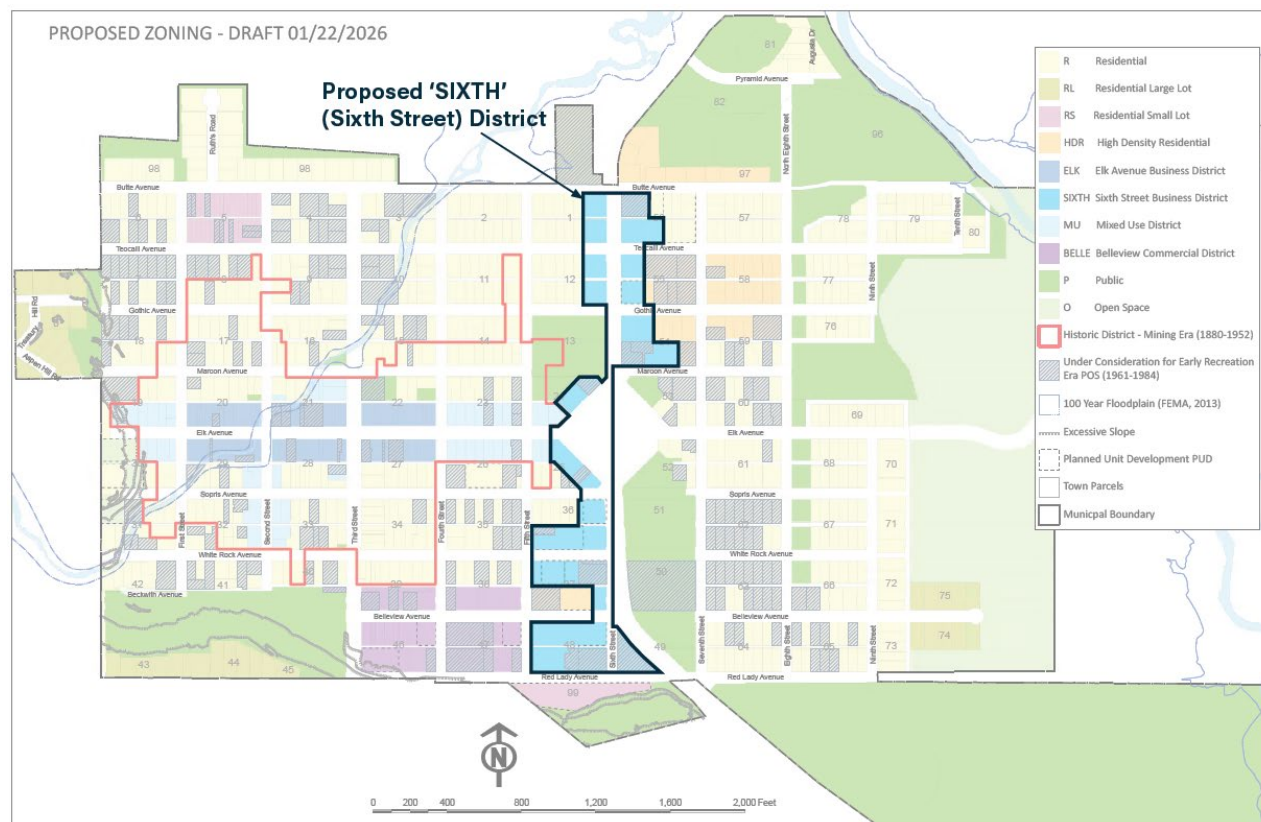
Parking In Lieu Fee: 1 spaces

*Parking assumes 80% usable area for commercial (1,874 SF) at 1 space per 500 SF and 1 spaces per unit (9 total) for residential + 30% reduction.

Crested Butte Zoning Incentives Analysis

Bellevue (BELLE) Zone District Scenarios

Sixth Street Business District



Vision / Intent: Sixth Street is the “Welcome to Crested Butte” spine, connecting the town and guiding visitors into the community. Picture ground-floor retail/restaurants and service businesses with housing above, as well as lodging and other commercial/service uses that maintain a human scale. The district is intended to balance commercial activity with residential compatibility. Development is expected to be deliberate and measured, applying lessons learned from other districts to set the corridor up for long-term success.

Summary of Proposed Changes: To provide clarity and consistency, the district is proposed to be renamed from B2 to Sixth Street Business District. Land uses are refined and modernized (see attached table), focusing on retail, restaurants, services such as medical offices, civic uses like arts centers or libraries, lodging, and second- and/or third-floor residential. Sixth Street remains a small-scale commercial corridor with a lower FAR allowance than Bellevue, reflecting existing zoning, lot sizes, and the corridor’s character.

Currently, projects along Sixth Street can receive a FAR bonus for underground parking. Staff recommend removing this bonus and underground parking as an allowance, as the cost of underground parking makes it viable only for high-end luxury development. Instead, a FAR bonus would be available for projects that provide DR residential and commercial space, aligning incentives with community-serving goals.

The following table and models show proposed changes from what’s allowed today, the proposed new baseline, and the proposed incentive.

Baseline Recommendations:

The baseline, by right zoning aims to provide clarity and ensure that development supports both commercial activity and workforce housing:

- **FAR:** Sixth Street currently has a baseline, by right FAR of .5 with the allowance to go up to .64 at the discretion of BOZAR with site amenities. It is recommended to establish a baseline FAR of .5 to make the incentive pathway more appealing.
- **Residential Limit:** Residential remains capped at today's limit of 50% of a development to make the incentive pathway more appealing. Market-rate residential units are not permitted in this zone district but could be under the incentive pathway.
- **ROAH Unit Alignment and Requirement to be Built on Site:** The focus of the baseline is to ensure that ROAH units are built in the project. The proposed baseline, by right zoning for Sixth Street can produce about 3,900 square feet of commercial space which triggers the requirement for 1.48 ROAH units. One can be built on site and the remainder fulfilled with a fee in lieu payment.

Incentive Recommendations:

Incentives are designed to encourage additional community-serving outcomes beyond the baseline:

- **Recommended Incentive:** The tested and recommended incentive allows projects to increase FAR (from .5 to 1 – which is equivalent to today's underground parking bonus) and allows more than 50% residential so long as commercial is maintained on the ground floor. No parking reduction is needed because it can be accommodated on-site with surface and tuck-under parking, though parking payment in lieu remains an option for commercial uses. The resulting public benefit is like Bellevue: DR commercial space must equate to 15% of the total commercial square footage, with a minimum of 500 sq ft and DR residential units must equate to 25% of the total residential square footage. The model provided results in 780 sq ft of DR commercial and 4 DR residential units, in addition to 5,200 sq ft of market rate commercial and 14 market rate residential units.
- **PUDs - Height and Additional FAR:** Planned Unit Developments (PUDs) provide an option for a developer or property owner to present a more creative proposal than what is provided in the zoning code. Any additional height or FAR beyond what is allowed through incentives would continue to be evaluated through the Planned Unit Development (PUD) process to ensure projects provide meaningful public benefits while respecting the corridor's gateway character. The April 6 joint work session will discuss development review processes and PUDs.

Draft Financial Evaluation: The Sixth Street analysis shows the same overall pattern as Bellevue. Under the baseline, by right zoning, 50% of the building must be commercial. Because commercial space does not generate enough revenue to cover its costs, this creates a large feasibility gap. That gap cannot be offset by residential because residential is also capped at 50% of the building. As a result, the baseline, by right option is highly infeasible.

In the draft analysis, the recommended incentive option performs much better. With some design refinements, it could likely be feasible. At this stage, it appears to be on the edge of feasibility.

Sixth Street Discussion Questions:

1. The Community Plan process and zoning code feedback reflect a clear tension: a desire to preserve the corridor's modest scale and character, alongside recognition of its potential to support more vibrant businesses, services, and housing. Does the proposed baseline, by right incentive package, and PUD option appropriately balance these goals by maintaining a smaller-scale base framework while still allowing flexibility for more creative proposals that deliver meaningful public benefit?

2. Should the incentive structure mirror the approach proposed for Bellevue by prioritizing a mix of DR commercial and residential space, or should the Town consider a more flexible model, such as requiring 35% of total floor area to be DR, whether residential or commercial?
3. Do the proposed baseline, by right zoning and incentives reflect the guiding strategies of the code update?

ZONING COMPARISON SUMMARY

20

B2 (existing) vs. SIXTH (proposed)

Bold, underlined text indicates proposed amendments.

B2

EXIST.
RULES

SIXTH

PROP.
RULES

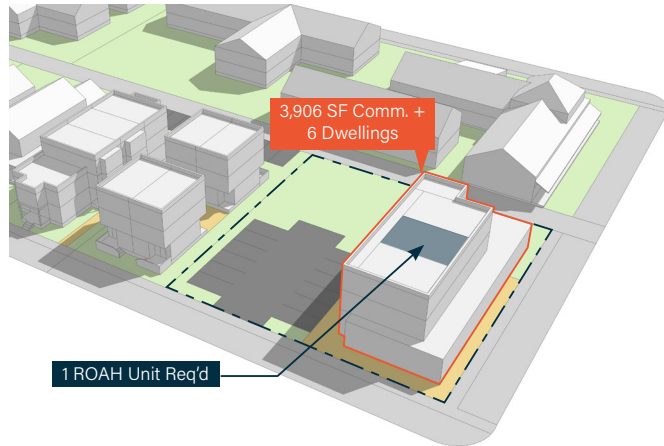
Allowed Uses	Parking	Lot Area	Setbacks	FAR	Height	Incentives/ Disincentives	Demolition
Permitted: Most commercial uses are allowed including retail, office, and food/beverage, and lodging Conditional: Residential: no more than 50% building area + (3) units 600 SF max. Other commercial and auto-related uses, marijuana-related uses, etc.	Retail/Office: 1 space per 500 SF usable space Auto-Related: 1 space per 100 SF usable space Residential: 1.5 spaces per unit (fee in-lieu not allowed)	2,500 SF min. 9,375 SF max. 25' min. lot width	5' min. (Front) 0' - 11.5' min. (Side) 10' min. (Rear)	0.5 by-right 0.64 w/ site amenities 1.0 w/ underground parking	35' max.	PUD process is only path to flexibility in exchange for public benefit Residential uses may not exceed 50% of building area.	Must meet certain requirements If redevelopment exceeds original FAR, then deed-restricted unit must be included.
Permitted: Same uses as B2 allows + <u>Residential, Live/Work, and Congregate Dwellings</u> Conditional: auto-related uses, formula-based uses, makers spaces <u>REFER TO PROPOSED LAND USE TABLE FOR MORE DETAILED INFO.</u>	Commercial uses: no change <u>Residential:</u> <u>< 2bd. = 1 space</u> <u>3+ bd. = 2 spaces</u> <u>*No underground parking allowed</u> <u>*Waivers may be considered based on criteria.</u>	<u>No min.</u> 24,000 SF max.	No change	0.5 by-right 1.0 w/ deed-restrictions	No change	<u>By-Right: 0.5 FAR and residential is limited to 50% total floor area.</u> <u>Incentive: 1.0 FAR and no residential cap in exchange for 25% DR residential units.</u>	No change

ZONING COMPARISON SUMMARY

B2 (existing) vs. SIXTH (proposed)

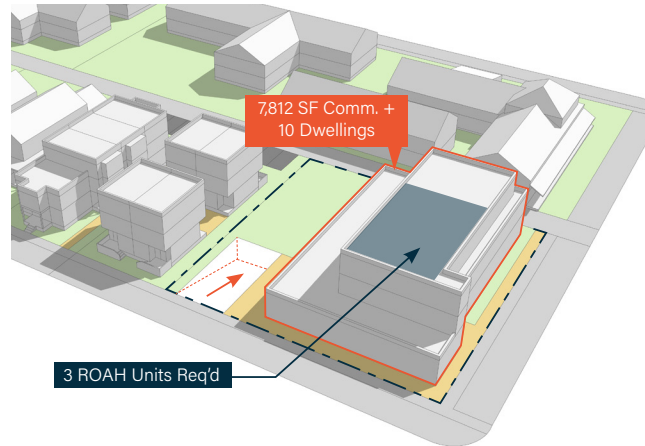
Existing By-Right ('B2' Zoning)

Recommended By-Right ('SIXTH')



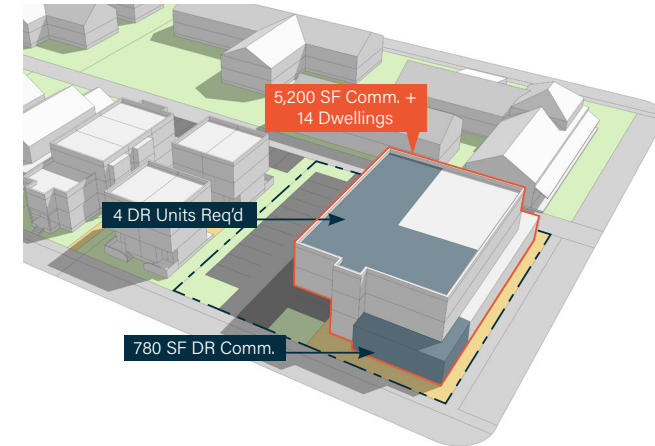
- **0.5 - 0.64 FAR** (existing rules)
- **0.5 FAR max.** (proposed rules)
- **Residential units conditional and max. 50% floor area**
- **ROAH required**

Existing Incentive ('B2' Zoning)



- **Up to 1.0 FAR with underground parking**
- **Residential units conditional and max. 50% floor area**
- **ROAH required**

Recommended Incentive ('SIXTH')



- **Up to 1.0 FAR with deed restrictions**
- **Residential units by-right and no maximum floor area (cannot be located on first floor)**
- **Deed Restrictions = 25% residential floor area + 15% commercial floor area**

NOTES ON FEASIBILITY TESTING:

- *It appears that the existing B2 zoning is restrictive enough at 0.5 FAR to make incentives worthwhile. Therefore, the by-right recommendation is to stay the same, except not allowing for the up to 0.64 FAR with "site amenities" clause because it is undefined and loosely negotiated today.*
- *The current incentive adds significant value by doubling the amount of square footage allowed, but at the same time drives up the cost of the development by requiring underground parking. This is not recommended as those costs are passed onto the prices of commercial and residential spaces, which does not meet the needs of the community.*
- *The new recommended incentive is to allow the additional space of up to 1.0 FAR in exchange for 25% residential floor area (and eliminate the 50% max. cap on residential space) and 15% commercial floor area, but not allow underground parking. The tested scenario achieves required parking with a "tuck under" parking configuration.*

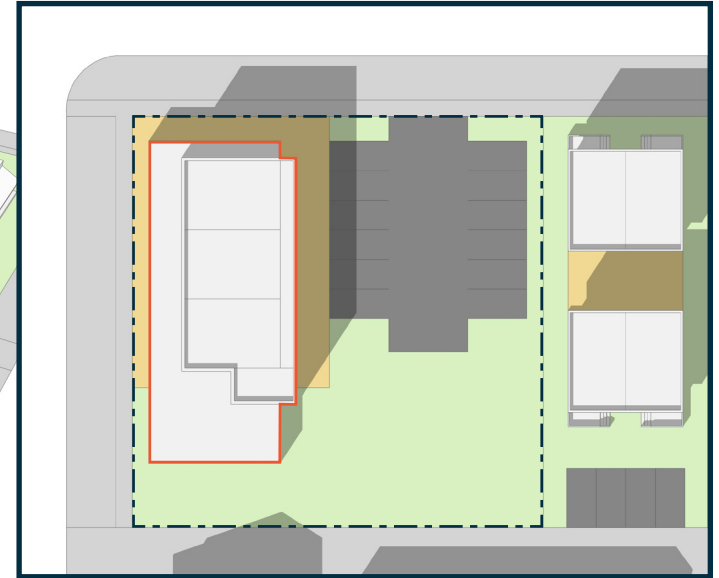
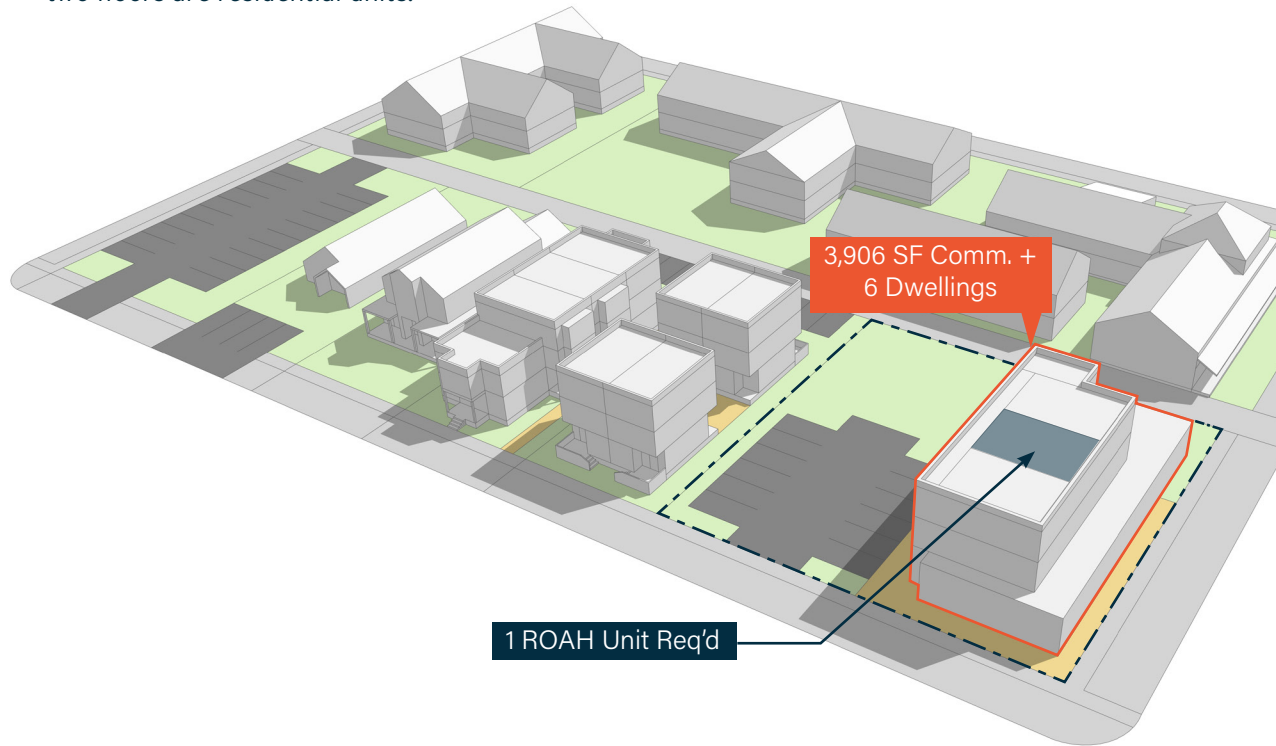
Crested Butte Zoning Incentives Analysis

Sixth Street (SIXTH) Zone District Scenarios 19

SCENARIO 1: Existing By-Right Rules (Recommended to Remain)

22

- **0.5 FAR - 0.64 FAR** by-right depending on "site amenities" which are undefined and loosely negotiated. This scenario is testing the lowest 0.5 FAR.
- **The recommended zoning strategy is essentially the same except for not allowing 0.64 FAR for site amenities.**
- **Residential uses are conditional and limited to a maximum of 50% of building area.** This scenario assumes the ground floor is commercial space and the top two floors are residential units.



PLAN VIEW

AERIAL VIEW

LOT A PROGRAM & ASSUMPTIONS:

Lot Size: 15,625 SF (125' x 125')

Max. Floor Area Ratio: 0.5 - 0.64 FAR (allowed); **0.5 FAR (actual)**

Max. Height: 3-stories; 35' (max. allowed)

Market Rate Program: 3,906 SF Commercial + 5 Resid. Units (650 SF ea.)

ROAH Program: 1 unit (650 SF)

Parking Required: 12 spaces

Parking Provided: 12 spaces

Parking In Lieu Fee: 0 spaces

**Parking assumes 80% usable area for commercial (3,125 SF) at 1 space per 500 SF and 1 spaces per unit (6 total) for residential.*

Note: 3D model depicts massing only, not intended as architecture. Design standards would apply (currently being developed.)

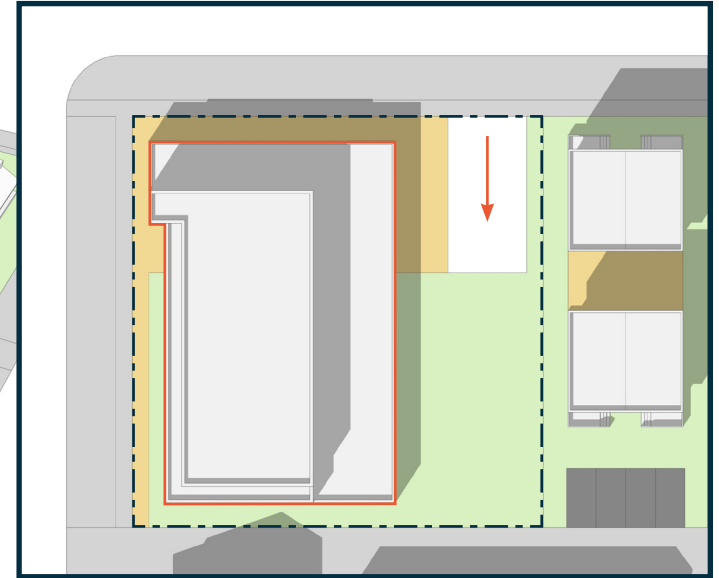
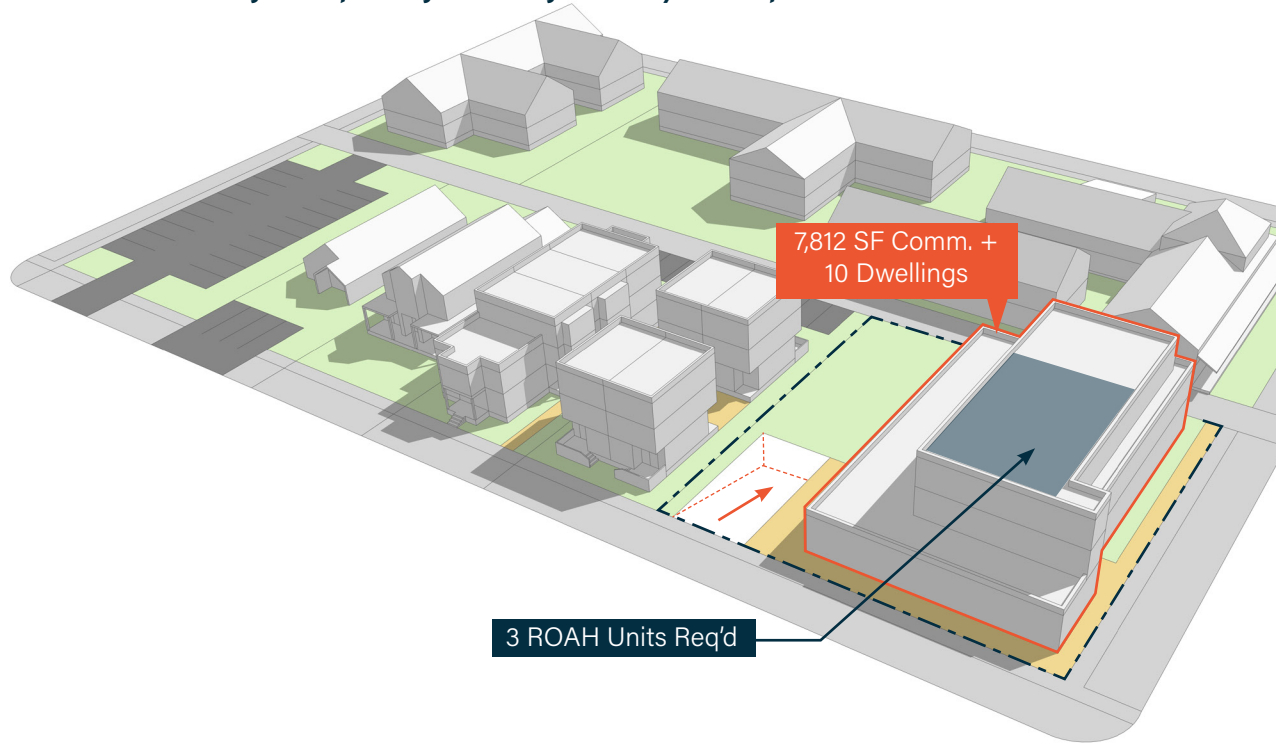
Crested Butte Zoning Incentives Analysis

Sixth Street (SIXTH) Zone District Scenarios 20

SCENARIO 2: Existing Bonus FAR Rules (w/ Underground Parking)

23

- **1.0 FAR allowed when underground parking is provided.**
- **Residential uses are conditional and limited to a maximum of 50% of building area.** This scenario assumes top two floors are residential and ground floor is commercial uses.
- **Note that underground parking would significantly drive up the cost of construction** and therefore the cost of rent/sales prices.



PLAN VIEW

AERIAL VIEW

LOT A PROGRAM & ASSUMPTIONS:

Lot Size: 15,625 SF (125' x 125')

Max. Floor Area Ratio: 1.0 FAR (bonus for underground parking)

Max. Height: 3-stories; 35' (max. allowed)

Market Rate Program: 7,812 SF Commercial + 7 Resid. Units (780 SF ea.)

ROAH Program: 3 units (780 SF ea.)

Parking Required: 23 spaces

Parking Provided: 23+ spaces (underground)

Parking In Lieu Fee: 0 spaces

**Parking assumes 80% usable area for commercial (6,250 SF) at 1 space per 500 SF and 1 spaces per unit (10 total) for residential.*

Note: 3D model depicts massing only, not intended as architecture. Design standards would apply (currently being developed.)

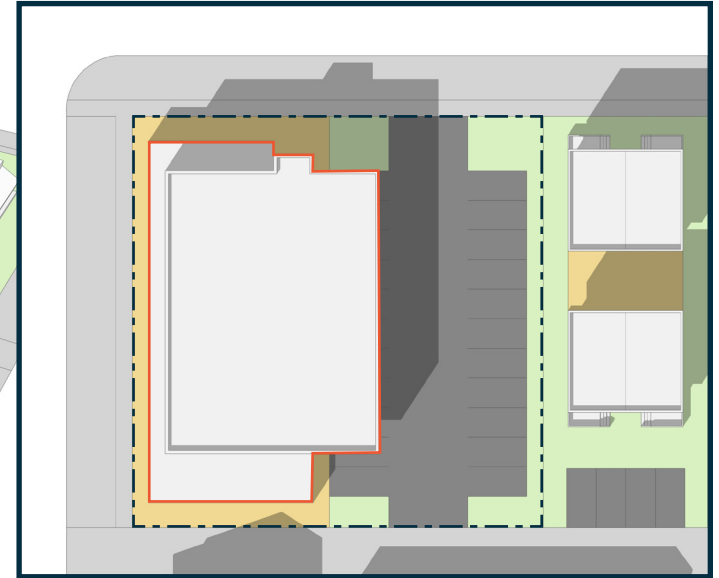
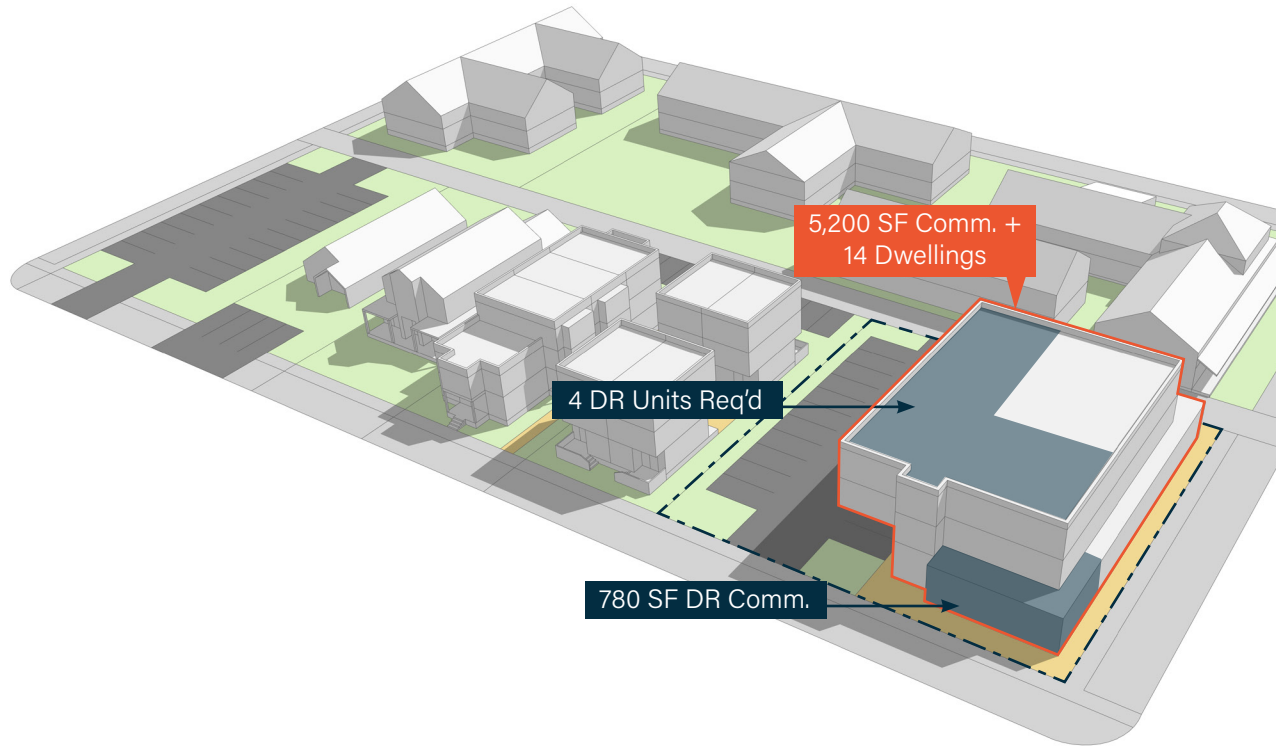
Crested Butte Zoning Incentives Analysis

Sixth Street (SIXTH) Zone District Scenarios 21

SCENARIO 3: Proposed Incentive Rules

24

- 1.0 FAR allowed with residential cap lifted in exchange for 25% deed-restricted residential floor area and 15% deed-restricted commercial floor area.
- No underground parking allowed.



PLAN VIEW

AERIAL VIEW

LOT A PROGRAM & ASSUMPTIONS:

Lot Size: 15,625 SF (125' x 125')

Max. Floor Area Ratio: 1.0 FAR (proposed incentive)

Max. Height: 3-stories; 35' (max. allowed)

Market Rate Program: 4,420 SF Commercial + 10 Dwellings @ 745 SF ea.

Deed-Restricted Program: 780 SF Commercial + 4 Dwellings @ 745 SF ea.

Parking Required: 22 spaces

Parking Provided: 22 spaces

Parking In Lieu Fee: 0 spaces

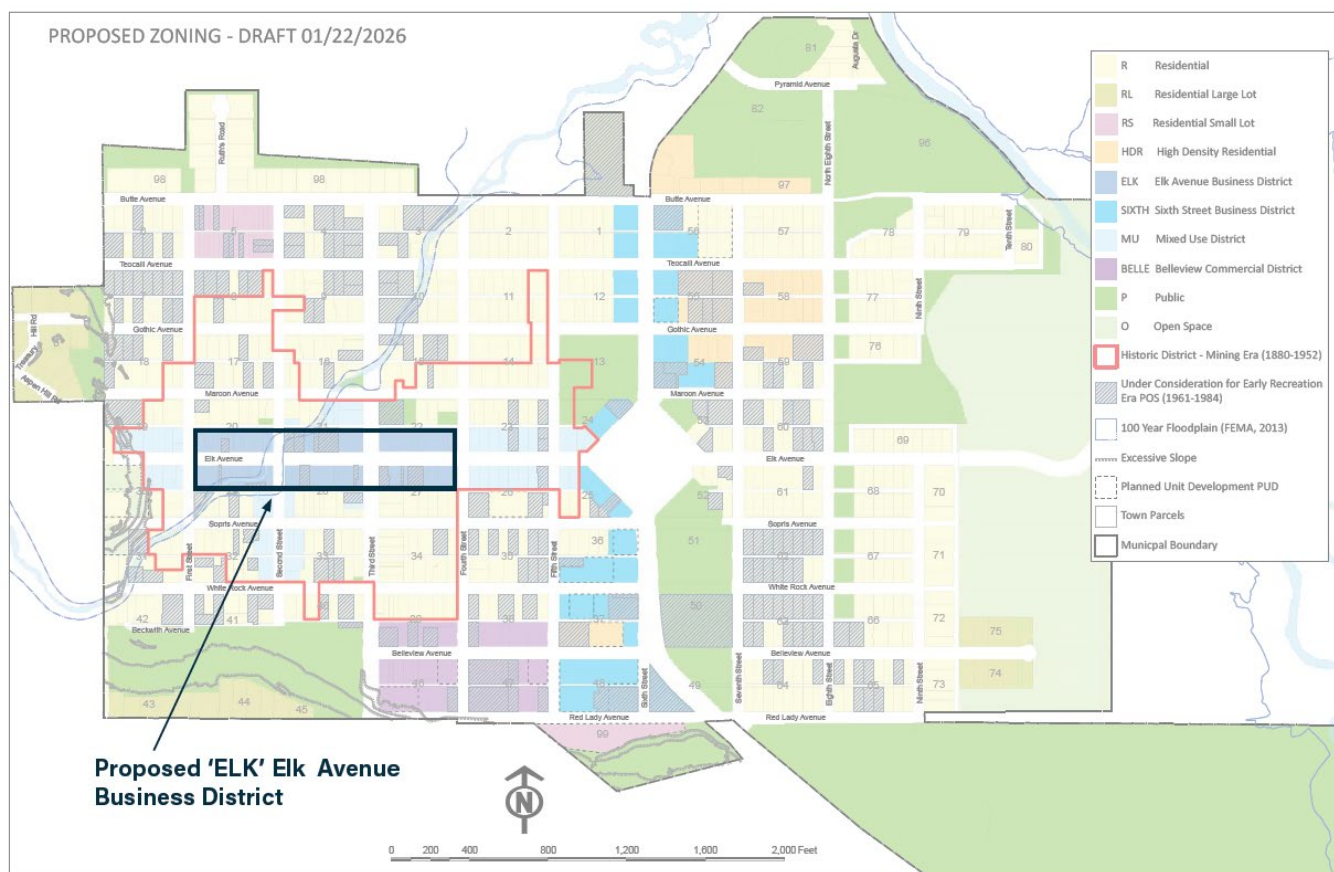
**Parking assumes 80% usable area for commercial (4,160 SF) at 1 space per 500 SF and 1 spaces per unit (14 total) for residential.*

Note: 3D model depicts massing only, not intended as architecture. Design standards would apply (currently being developed.)

Crested Butte Zoning Incentives Analysis

Sixth Street (SIXTH) Zone District Scenarios 22

Elk Avenue Business District



Vision / Intent: The Community Plan identifies Elk Avenue as continuing to be Crested Butte’s primary downtown business district, combining sales-tax-generating uses with spaces that promote community vitality. The goal is to ensure Elk Avenue remains a vibrant revenue generating downtown while remaining a place where locals have reasons to visit and gather, even during busy tourist periods.

Summary of Proposed Changes: This district is currently designated B1 but it is recommended to be renamed Elk Avenue Business District for clarity. No major changes are proposed to its boundaries, primary land uses (see attached land use table), or dimensional standards. Ground-floor uses continue to prioritize retail, restaurants, and bars, while upper floors allow ancillary uses such as offices, lodging, financial institutions, and residential.

Land Use Considerations:

- **Conditional vs. Permitted:** Restaurants and bars are currently conditional uses, requiring additional review steps. Since Elk Avenue is the primary downtown business district, it is recommended that these uses be permitted. These businesses already comply with other code requirements such as liquor licensing, noise ordinances, signage regulations, and water/sewer impacts, so permitting them reduces unnecessary procedural barriers.
- **Formula-Based Businesses:** Survey feedback showed strong support for limiting formula-based (chain) businesses. While the Town currently regulates formula retail and lodging uses in less prominent locations, staff recommends considering extending restrictions to include personal services such as gyms or studios, and prohibiting them on Elk Avenue but

allowing them conditionally on Bellevue and Sixth Street. This supports Elk Avenue's focus on locally owned businesses.

- **Mobile and Temporary Uses:** The Town Council previously approved a temporary mobile accessory kitchen for a restaurant. Staff do not recommend permanently entitling mobile uses, as this could create conflicts, complicate code enforcement, and set a precedent across the district and Town-wide. A recommended approach is to allow food trucks on private property through an expanded licensing process, or to develop a permanent accessory kitchen under standard development rules. Staff will engage restaurants this spring for more feedback on this topic but is seeking general direction on this topic at the work session.
- **Residential Use:** Current code limits residential to 50% of a building in commercial districts. Staff recommend allowing more than 50% residential on Elk Avenue if commercial uses are maintained on the ground floor, and additional units above 50% are DR. For example, in a three-story building, the first floor remains commercial, and the second and third floors can be residential, provided at least one floor is DR. This creates a small incentive for DR housing while preserving the district's commercial character.

Parking Payment in Lieu (PIL) Considerations: No major changes are proposed to commercial parking standards, aside from updating them to align with proposed use categories and best practices (most commercial uses are 1 space per 500 sq ft). A proposed parking requirements table is attached. Given Elk Avenue's built-out nature, most expansion projects pay a Parking Payment in Lieu (PIL) to fund public parking infrastructure, such as purchasing lots (First and Elk) or improving existing facilities (expanding/paving the 4-Way). The current fee of \$13,000 has not been updated since at least 2009 and no longer reflects construction costs. Based on inflation, the fee would be closer to \$36,000 today. If calculated based on construction costs and land values to build parking, the fee could be closer to \$80,000.

Staff seek direction from Council and BOZAR on whether the PIL fee should be updated to reflect current construction costs and whether future funds should support multi-modal transportation, including transit, biking, walking, and parking management. PIL can be a significant cost but also a strategic tool (for example, allowing the parking reduction in the Bellevue incentive scenario results in not needing to contribute to PIL in exchange for providing DR commercial). Large changes in use, such as converting retail to a music venue, could either discourage development if costs are high or generate revenue to support multi-modal improvements.

Elk Avenue Discussion Questions:

1. Should formula-based business regulations be expanded to include personal services, and should they be prohibited on Elk Avenue?
2. Does Council/BOZAR support allowing more than 50% of the building to be residential if additional units are DR?
3. Does Council have direction on mobile uses in this district?
4. Direction on updating or increasing the parking PIL fee to reflect current costs?
5. Do these refinements align with the guiding strategies of the zoning code update?

ZONING COMPARISON SUMMARY

27

B1 (existing) vs. ELK (proposed)

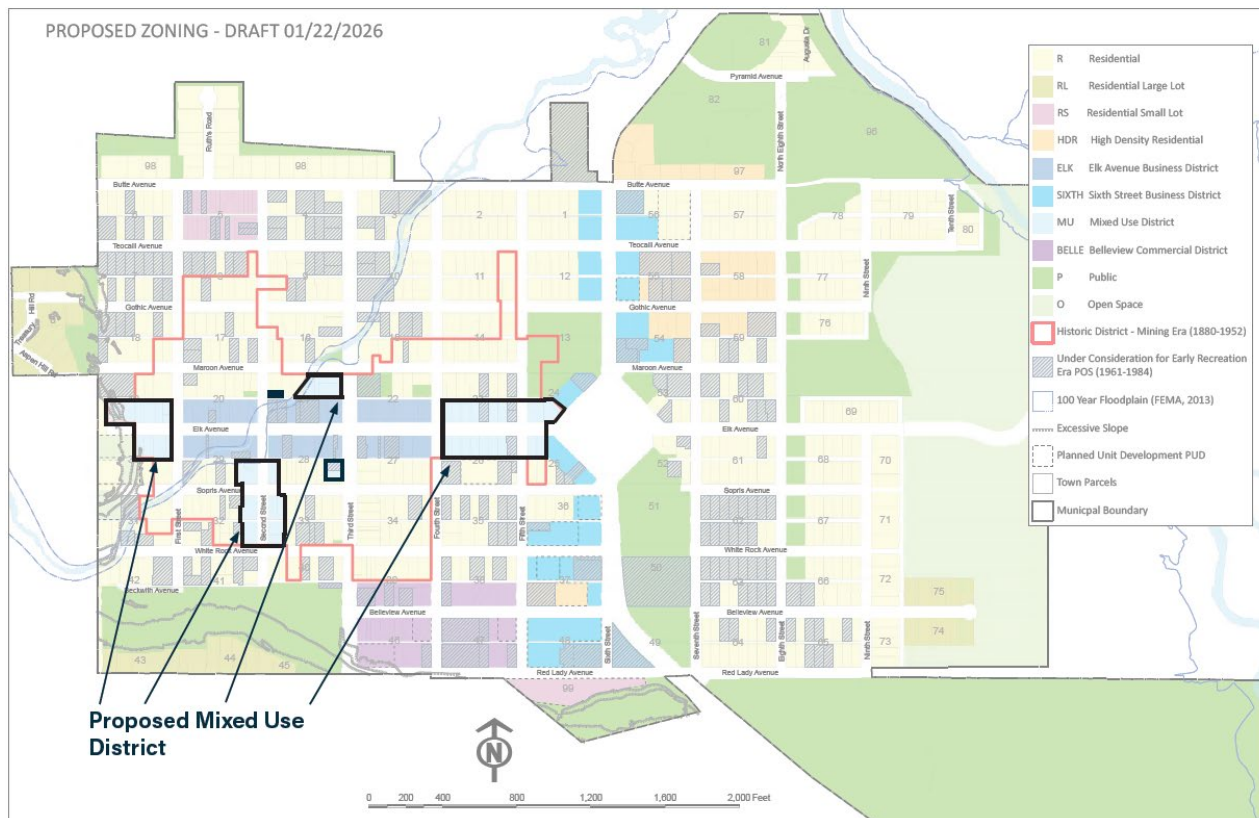
Bold, underlined text indicates proposed amendments.

B1 EXIST. RULES

Allowed Uses	Parking	Lot Area	Setbacks	FAR	Height	Incentives/ Disincentives	Demolition
Permitted: Retail, Personal Services, Office Uses (horizontal zoning) Conditional: Restaurant, Residential (capped) (REFER TO PROPOSED LAND USE TABLE FOR MORE DETAILED INFO.)	Retail/Office: 1 space per 500 SF usable space Residential: Varies by building type	1,250 SF min. 9,375 SF max. 12.5 min. lot width	None (Front) 0' - 11.5' min. (Side) 10' min. (Rear)	<3125 sf- 1.55 (BR) -1.74 FAR 3125-6250 sf - 1.25 (BR)-1.87 FAR >6250 sf - 1.0 (BR)- 1.9 FAR	35' max.	PUD process is only path to flexibility in exchange for public benefit Residential uses may not exceed 50% of building area	Must meet certain requirements If redevl. exceeds original FAR, then deed-restricted unit must be included.
Permitted: Retail, Personal Services, Office Uses (horizontal zoning), <u>Restaurant/Bar,</u> <u>Residential (horizontal zoning)</u> Conditional: Medical facilities <u>REFER TO PROPOSED LAND USE TABLE</u> <u>FOR MORE DETAILED INFO.</u>	Commercial uses: no change <u>besides</u> <u>clean up (REFER TO</u> <u>PARKING TABLE)</u> Residential: <u>< 2bd. = 1 space min</u> <u>3+ bd. = 2 spaces</u> <u>min</u> <u>*Waivers may be</u> <u>considered based on</u> <u>criteria.</u>	<u>No min.</u> 9,375 SF max	No change except: <u>20' max.</u> (Front)	No change	No change	<u>Allow more than 50%</u> <u>residential so long as</u> <u>ground floor is maintained</u> <u>commercial and residential</u> <u>above 50% is deed</u> <u>restricted.</u>	No change

ELK PROP. RULES

Mixed Use District



Vision / Intent: The Mixed Use district serves as a transition between Elk Avenue and surrounding small-scale historic neighborhoods. It features small buildings with a mix of homes and low-impact commercial uses, such as coffee shops, retail in restored historic structures, offices in rehabilitated outbuildings, and integrated residences. The district aims to support residents living in a mixed-use environment, foster small businesses, maintain human scale, preserve historic character, and strengthen connections between Elk Avenue and adjacent neighborhoods.

Summary of Proposed Changes:

- Zone Consolidation:** The historic B3, B4, and R3C districts are proposed to be consolidated for clarity and simplicity given their overlapping provisions. The main focus is cleaning up land uses and reducing conflicts among neighbors. For example, R3C along Second Street is labeled residential but currently allows several conditional commercial uses (offices, retail, personal services, printing shops, restaurants, and more) which has caused tension with adjacent parcels. Under the update, properties fronting Second Street would remain mixed use, keeping commercial options consistent with current activity and the corridor's historic role as a connector between Elk Avenue and Big Mine. The remainder of R3C, primarily residential, would be rezoned to a residential district to minimize conflicts.
- Residential Uses:** The update proposes allowing up to three residential units per lot, consistent with the residential zone and including the double ADU incentive. FAR and height provisions are more constrained in these zones over the residential zones due to its location within the historic core.

- **Commercial Uses:** Low-impact commercial uses such as small-scale retail, office, and small childcare are proposed to be permitted. More intensive uses, including restaurants, would require conditional approval to protect residential livability (see attached proposed land use table). This approach balances commercial vitality with the historic neighborhood's residential character.

Future Incentive Consideration: While not a zoning change, the Historic Preservation Plan recommends developing a maintenance and rehabilitation incentive program for historic buildings. Staff plan to explore financial incentives that will be proposed during the 2027 budget discussions to support rehabilitation of structures and outbuildings that could be converted to accessory dwelling units or small-scale commercial spaces within this district.

Mixed Use District Discussion Questions:

1. Does consolidating B3, B4, and the portion of R3C fronting Second Street into a single Mixed Use district provide clarity while preserving historic character?
2. Are the proposed permitted and conditional commercial uses aligned with the vision of a mixed-use, residential-compatible district?
3. Do these refinements align with the guiding strategies of the zoning code update?

Next Steps:

- **March 11, 3-6 pm** – Save the Date! Community Open House covering both the zoning code update and the Design Standards update at the Center for the Arts
- **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 Commercial Land Use Tables and Proposed Parking Requirements
- [Link for reference: Zoning Code Update website with outreach summary and webinar recordings](#)

ZONING COMPARISON SUMMARY

30

B3, B4, R3C (existing) vs. Mixed Use (proposed)

Bold, underlined text indicates proposed amendments.

EXIST.
RULES

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RULES

Allowed Uses	Parking	Lot Area	Setbacks	FAR	Height	Incentives/ Disincentives	Demolition
Permitted: Residential Uses Conditional: Accessory Dwelling Units, retail, restaurant, other mixed uses (REFER TO PROPOSED LAND USE TABLE FOR MORE DETAILED INFO.)	Retail/Office: 1 space per 500 SF usable space Residential: Varies by building type	5,000 SF min. 6,250 SF (B3/B4) - 7,250 SF (R3C) max. 25' min. lot width (B3/ B4), 50 ft (R3C)	None (Front) 3' (B3/B4 or 7' (R3C) - 11.5' min. (Side) 10' min. primary, 5' min accessory (Rear)	B3/B4: .4 up to .5 with provision of site amenities R3C: .48 and aggregate max of 3,500 sq ft	B3/B4: 30' R3C: 28'	None	Must meet certain requirements If redevelop. exceeds original FAR, then deed-restricted unit must be included.
Permitted: Dwellings (<u>up to 3 per lot</u>), <u>Accessory Dwelling Units, Small Childcare, Office, Retail</u> Conditional: Restaurant, Lodging <u>REFER TO PROPOSED LAND USE TABLE FOR MORE DETAILED INFO.</u>	Commercial uses: no change <u>besides</u> <u>clean up (REFER TO</u> <u>PARKING TABLE)</u> Residential: <u>< 2bd. = 1 space min</u> <u>3+ bd. = 2 spaces</u> <u>min</u> <u>*Waivers may be</u> <u>considered based on</u> <u>criteria.</u>	<u>No min.</u> <u>7,250 SF</u> <u>max.</u>	No changes aside <u>allow</u> <u>0' side</u> <u>setback</u> <u>with flat</u> <u>roofs</u>	<u>Max .5 or 3,500 sq</u> <u>ft for all buildings</u>	<u>28' within</u> <u>historic core</u>	<u>Develop historic building</u> <u>rehabilitation/maintenance</u> <u>incentive to support ADUs</u> <u>and small-scale commercial</u>	No change

MINUTES
Town of Crested Butte
Regular Town Council Meeting
Tuesday, February 17, 2026

Mayor Billick called the meeting to order at 7:20PM.

Council Members Present: Mayor Ian Billick, Gabi Prochaska, John O’Neal, Mallika Magner (via Zoom), Beth Goldstone (via Zoom), and Kate Guibert (via Zoom)

Staff Present: Town Attorney Karl Hanlon, Town Manager Dara MacDonald, Town Clerk Lynelle Stanford, Community Development Director Mel Yemma, and Interim Finance Director Rob Sweeney

Housing Director Erin Ganser, Public Works Operations Manager Connor Beard, Planner III Jessie Earley, Parks, Recreation, Open Space, and Trails Director Janna Hansen, Chief Marshal Mike Reily (via Zoom), Building Inspector Astrid Matison (via Zoom), and Sustainability Coordinator Dannah Leeman Gore (via Zoom) (for part of the meeting)

APPROVAL OF AGENDA

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

CONSENT AGENDA

1) February 2, 2026 Regular Town Council Minutes.

Staff Contact: Town Clerk Lynelle Stanford

2) (First Reading) Ordinance No. 03, Series 2026 - An Ordinance of the Crested Butte Town Council Approving the Renewal Lease of a Portion of the Property at 601 Elk Ave. to West Elk Soccer Association.

Staff Contact: Public Works Director Shea Earley

3) (First Reading) Ordinance No. 04, Series 2026 - An Ordinance of the Crested Butte Town Council Authorizing the Sale of 816 Gothic Avenue, #3A, Crested Butte.

Staff Contact: Housing Director Erin Ganser

4) Public Art Commission Appointments.

Staff Contact: Community Development Director Mel Yemma

5) Fall 2025 Community Grant Recommendations.

Staff Contact: Interim Finance Director Rob Sweeney

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

PUBLIC COMMENT

Billick acknowledged feedback from Luke Olson and Molly Minneman.

Jake Jones, 258 Kubler Street in CB South, spoke.

STAFF UPDATES

MacDonald updated and answered questions. Beard and Ganser answered questions.

LEGAL MATTERS

Hanlon updated.

PRESENTATION

1) Marshals' Addition/Crank's Plaza 30% Design.

Staff Contact: Town Planner III Jessie Earley, Public Works Director Shea Earley, and Chief Marshal Mike Reily

The Council members agreed their preference was concept site plan A.

PUBLIC HEARING

1) (Second 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

Ordinance No. 02, Series 2026 is the correct ordinance number, as reflected on the agenda and in the public notices. The ordinance included in the packet was incorrectly labeled as Ordinance No. 04, Series 2026.

Billick confirmed proper public notice was given. No one from the public commented. The public hearing was closed.

Prochaska moved and O'Neal seconded a motion to approve Ordinance No. 02, Series 2026. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

NEW BUSINESS

1) (First Reading) Ordinance No. 05, Series 2025 - An Ordinance of the Crested Butte Town Council Adopting the Colorado Wildfire Resiliency Code as Chapter 18, Article 6.5 of the Crested Butte Municipal Code.

Staff Contact: Building Inspector Astrid Matison

Prochaska moved and O’Neal seconded a motion to set Ordinance No. 05, Series 2026 for public hearing on March 16, 2026. A roll call vote was taken with all voting, “Yes.” **Motion passed unanimously.**

2) 2024 Gunnison Valley Housing Needs Assessment - Local Government Review.
Staff Contact: Housing Director Erin Ganser

Council members provided feedback.

3) Single Use Plastic Reduction Policies for Special Events Discussion.
Staff Contact: Sustainability Coordinator Dannah Leeman Gore

The Council discussed and supported the plastic reduction policies for special events, except for composting/compostable bins that would be listed in encouraged behaviors.

Prochaska moved and Goldstone seconded a motion to accept the proposed policy with that change. A roll call vote was taken with Prochaska, Guibert, Magner, and Goldstone voting, “Yes,” and O’Neal and Billick voting, “No.” **Motion passed (4-2).**

4) Discussion Regarding Policy for Special Events.
Staff Contact: Town Clerk Lynelle Stanford

O’Neal moved and Goldstone seconded a motion to approve the policy for special events. 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

Kate Guibert and John O’Neal volunteered to participate in the discussions on the community spaces strategy.

The next community grant cycle, a proposed proclamation, and a holiday lighting removal celebration were discussed.

DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE

- Monday, March 2, 2026 - 5:00PM Joint Work Session with BOZAR - 7:00PM Regular Council
- Monday, March 9, 2026 - Long-Term Financial Planning Work Session - 6:00PM to 8:00PM
- Monday, March 16, 2026 - 6:00PM Work Session - 7:00PM Regular Council

- Monday, April 6, 2026 - 6:00PM Work Session - 7:00PM Regular Council

ADJOURNMENT

Mayor Billick adjourned the meeting at 9:20PM.

Ian Billick, Mayor

Lynelle Stanford, Town Clerk (SEAL)



Staff Report

March 2, 2026

To: Mayor and Town Council

Prepared By: Rob Sweeney, Interim Finance and Administrative Services Director

Thru: Dara MacDonald, Town Manager

Subject: 2025 Budget Amendments – Various Funds

Date: February 23, 2026

Summary: Pursuant to Resolution No. 25, Series 2024, Council adopted the 2025 budget and projected expenditures for the Town. Total expenditures for the Street and Alley, Affordable Housing and Transit and Mobility Funds are anticipated to be different than the approved appropriation due to unforeseen circumstances at the time the 2025 budget was adopted. Staff requests an amendment to the 2025 budget to accommodate increase in expenditure.

Prior Council Action:

- May 20, 2024: Council approved a \$5,148,979 contract to High Mountain Concepts for the construction of workforce housing at Paradise Park.
- December 16, 2024: Council approved Resolution No. 25, Series 2024 Adopting the 2025 Budget.
- October 6, 2025: Council approved an expenditure of \$400,312 to purchase an electric street sweeper in advance of the 2027 planned replacement date.
- October 20, 2025: Council approved Resolution No. 29, Series 2025 authorizing the purchase of 828 Gothic #1A to fix the existing deed and offer property for immediate resale.
- December 15, 2025: Council approved Resolution 39, Series 2025 – 2025 Budget Amendment for Open Space

Background: State Statutes require the Town to have a Council-approved appropriation sufficient to meet annual expenditure needs. Statues allow the Council to amend the appropriated budget. The existing 2025 budget appropriation is insufficient to cover the expenditure needs of the Town.

On May 20, 2024, Council approved a construction contract with High Mountain Concepts for the construction of workforce housing at Paradise Park. Staff's 2025 budget was based upon expected expenditures in 2024 as well as cash flow needs into 2025. The payments in 2024 did not materialize as expected and were thus made in 2025 without sufficient budget appropriation. Funds used to pay High Mountain Concepts in 2025 came from debt proceeds received in 2024

which were placed in the Affordable Housing Fund's fund balance. In addition, Council's approval to purchase, fix the title and resell the property at 828 Gothic #1A resulted in unplanned expenditures. There were sufficient funds in the fund balance to cover the property acquisition. A budget amendment is necessary to cover the lack of appropriation due to the timing of payments to the contractor as well as to acquire real property.

On October 6, 2025 staff recommended and the Town Council approved the purchase of an electric street sweeper in advance of a planned 2027 replacement cycle. The purchase, using available fund balance, helped accelerate the Town's goal of converting its historic internal combustion vehicle fleet to electric. A budget amendment is necessary to cover the increase in expenditure.

Finally, the Town's operating agreement with Mountain Express stipulates the Town will remit to Mountain Express 90% of revenue received from a 1% sales tax rate. Town staff estimates revenues and expenses for legal budget adoption. When sales tax revenues exceed budgeted receipts, as was the case in 2025, the Town's payment to Mountain Express increases beyond our budgeted appropriation, thus necessitating a budget amendment.

Recommendation: Staff recommends approval of Resolution No. 6, Series 2026, amending the 2025 budgets for the Street and Alley, Affordable Housing and Transit and Mobility Funds.

Attachment: Resolution 6, Series 2026 – 2025 Budget Amendment - Various



Staff Memo

March 2, 2026

To: Mayor and Town Council

Prepared By: Rob Sweeney, Interim Finance and Administrative Services Director

Thru: Dara MacDonald, Town Manager

Subject: Quarter 4 2025 Financial Update

Date: February 23, 2026

Summary: Revenues received and expenditures incurred through the fourth quarter of 2025 are in line with Town's original and amended budget with a couple of exceptions related Council-approved expenditures or contractual requirements. Staff will prepare applicable budget amendments for Council's consideration to ensure statutory compliance. Staff compiled a summary of the financial highlights from Quarter 4 2025 and included them below. The year-end summary is provided on a pre-audit basis.

Background: The fourth quarter financial report for 2025 continues to be presented in Town's new financial format summarized by account classifications using the new general ledger accounts, divisions and funds (attached). The attached report format is similar to the third quarter report submitted in November. Staff will continue to expand and improve the report format and analysis in future periods.

Discussion:

Financial highlights from Quarter 4 are outlined below, starting with a Townwide analysis and then by Fund.

Townwide – All Funds

Overall, the Town's financials tracked budgetary expectations.

Fiscal year 2025 Tax Revenues classification is up 4.5% when compared to 2024 actuals and exceeded the 2025 budget projection by approximately 10%. Local sales taxes and real estate transfer tax (RETT) collected lead the way, up by 5.2% and 47% respectively when compared to budget. Use tax is down considerably, approximately \$500K, or 56%, year over year. Use tax is directly related to building permit activity. Building permit revenue is following the same trend as use tax, down approximately \$99K, or 46%, year over year. Staff reduced the Town's use tax and building permit revenue projections when drafting the 2026 budget. County sales tax revenue is

down compared to the 2025 budget. Staff is inquiring with the County to ensure our data and payments received are accurate prior to the 2025 audit. Current year Utility Revenues classification is down compared to 2024, however, this dip was considered when adopting the 2025 budget. We are on target to meet budgetary estimates. Fiscal year 2024 included significant debt proceeds included in the Other Revenues classification and skews the comparative to 2025 figures, as the Town did not issue debt in 2025. The 2025 Other Revenues classification budget included the total of anticipated reimbursement for capital expenses from Mt. Crested Butte Water and Sanitation District. The 2025 payment by the District is included in the actuals. The 2026 budget reflects a value closer to the scheduled payment in the Council-approved loan agreement. Finally, Grant Revenues are down compared to the 2025 budget due to the timing and completion of the projects funded by the grants on a reimbursement basis.

From a Townwide perspective, current year expenses are in line with budgeted figures. The Utilities classification is over budget by approximately 11% due to increased, mainly in the Enterprise Funds. Staff projected increased electrical utility expenses into 2026 during the budget adoption process. Staff modeled payments for the Capital Purchases & Improvements classification during the 2025 budget process to ensure any committed (e.g., contract executed) yet unexpended funds were added to the fiscal 2026 budget.

General Fund

Local sales tax is the largest source of revenue for the General Fund, accounting for over 60% of the Fund's revenue. This revenue category is tracking above last year's figures. The Other Revenues classification is lagging the 2025 budget mainly due to the drop in short-term interest rates and its negative impact on our investment earnings as well as lower mineral lease revenue.

Employee-based expenses account for over 60% and contracted services account for approximately 20% of total expenses in the General Fund. Both expense categories were well within budget.

Capital Fund

The Tax Revenues classification includes the RETT and use tax. RETT is the largest source of revenue for the Capital Fund, accounting for over 44% of the Fund's revenue. RETT is up year over year and is exceeding the 2025 budget. Use tax accounts for approximately 14% of the Fund's revenue, and as indicated above, is down considerably both year over year and compared to the 2025 budget. Commercial lease revenue is the predominant revenue stream in the Other Revenues classification. Commercial lease revenue is up over budget due to the timing of lease increases as well as how lessees make payment (e.g., some pay full lease amount annually vs. monthly).

Total expenses are below budget due to the nature and timing of capital projects. Staff identified an allocation error in the Contracted Services classification related to property and casualty insurance. An updated and more accurate allocation model was used in the creation of the 2026 budget.

Open Space Fund

The RETT is the primary revenue source for the Open Space Fund, which is up year over year and exceeds the 2025 budget. Expenses account for the three (3) Council-authorized conservation

agreements executed in 2025. The Council previously approved a Budget Amendment request for these expenditures to ensure the expenditures compliance with State Statutes.

Parks, Recreation and Trails (PRT) Fund

Local sales tax account for over 52% of PRT Fund's revenues. PRT program revenue is accounted for in the Operating Revenues classification, accounting for over 10% of the Fund's revenues. All revenue is tracked favorably compared to budget.

PRT Fund's overall expenditures are within budget. Staff identified a budgetary personnel cost allocation error in 2025. The error was corrected during the 2026 budget adoption process.

Street and Alley Fund

Over 85% of the Street and Alley Fund's revenue is derived from the approved 8.0 mill property tax levy, with actuals hitting the budgeted figure. Operating Revenues classification is up significantly from the budget and over 2024 figures primarily due to parking payments in lieu received from the 218 Elk Ave project as well as a one-time insurance claim paid to the Town.

Expenses are tracking budget figures except for Capital Purchases & Improvements. The Council approved the purchase of a street sweeper in October which was originally planned for 2027. Staff will prepare a budget amendment for Council's consideration to cover this unbudgeted expense.

Affordable Housing Fund

Vacation rental excise tax accounts for approximately 63% of the Affordable Housing Fund's generated revenue (i.e., total revenue less Transfers In and Grants). The 2025 excise tax received is up approximately 5% compared to 2024 and is up 13% compared to budget. Housing payment in lieu revenue is captured in the Operating Revenues classification. This revenue is difficult to predict and ended the year lagging the 2025 budget and is down compared to 2024.

All expense categories are trending to the 2025 budget except for Capital Purchases & Improvements. The adopted 2025 budget did not fully account for the timing of construction payments for Paradise Park. While the funds were in the Affordable Housing Fund's fund balance, the 2025 expenditure appropriation did not fully account for the cash flow needs. Staff will prepare a budget amendment for Council's consideration to rectify the lack of appropriation due to the timing of payments.

Transit and Mobility Fund

Local sales tax accounts for over 91% of the Transit and Mobility Fund's revenues, and follow the same trends mentioned above. Parking ticket and towing fees account for approximately 7% of the Fund's revenues, which are down compared to budget.

The contract with Mountain Express stipulates the Town will share in its collection of sales tax revenue. Thus, as the Town's sales tax revenues increase, so does out payment to Mountain Express. Our current budgeted appropriation is insufficient to cover this increase in revenue sharing. Staff will prepare a budget amendment for Council's consideration to remedy this situation.

Enterprise Fund

Service fees charged to customers account for 59% of the Enterprise Fund's budgeted revenues. Grants are periodically obtained to pay for capital or other one-time expenses on a reimbursement

basis. As mentioned above, current year Utility Revenues classification is down compared to 2024, however, this dip was projected when adopting the 2025 budget. As indicated in the Townwide analysis, the 2025 Other Revenues classification budget includes anticipated reimbursement for capital expenses from Mt. Crested Butte Water and Sanitation District. The Operating Revenues classification is trending well above the budget due to a one-time payment of \$175,000 for the Colorado River Sustainability Campaign.

Overall, expenditures were within budget except for Utilities and Capital Purchases & Improvements. The anomaly related to Utilities was identified above. Capital expenses lagged the budget due to the timing of project activities. Capital project funds were carried forward into 2026, as applicable.

Recommendation:

Staff seeks Town Council acceptance of the Q4 2025 Financial Report as part of the Consent Agenda.

Attachments:

Quarter 4 2025 Townwide Analysis – Year over Year

Quarter 4 2025 Budget vs. Actual Report – By Fund



Memorandum

To: Town Council

From: Dara MacDonald, Town Manager

Subject: Manager's Report

Date: March 2, 2026

Town Manager

- 1) No updates.

Public Works

- 1) No updates.

Marshals

- 1) The open house on January 6th was well attended which gave the public a chance to see the proposed renovations/addition to the Marshal's Office and Crank's Plaza and to meet the incoming Chief Marshal, Sean Besecker.
- 2) Sean Besecker attended the Colorado Association of Chiefs of Police three-day New Chiefs Conference in Englewood.
- 3) Joe and John attended a local three-day American Institute for Avalanche Research and Education snowmobile avalanche and rescue course.

Parks, Recreation, Open Space and Trails

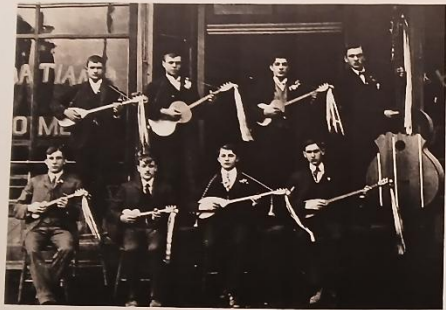
- 1) **CBCS Summer Access:** The CBCS team has reached out to let us know that access to the school grounds including the parking lot and new turf field will be limited to evenings and weekends in order to accommodate the ongoing construction. We do not anticipate impacts to our programming or access to adjacent parks. CBCS is working to collaborate with our Special Event coordinators for event access throughout the summer.
- 2) **PROST Plan:** During the 2/17 work session, Council requested data on revenues and expenses for the the Parks, Recreation, and Trails Fund (04) excluding capital projects. Here is that data shwoing

actual numbers for 2024 & 2025, and budgeted numbers for 2026. Capital expenses for each year are no longer included in the Expenses (Admin/Parks) but are noted at the bottom of the table.

Revenues	2024	2025	2026
Sales Tax (0.5%)	\$750,770	\$820,148	\$816,172
Use Tax (0.5%)	94,583	41,313	55,560
Facility Use Fees	63,244	69,575	61,000
Rec Program Fees	69,919	72,141	73,200
Total Recurring PR&T Revenue	<u>\$978,516</u>	<u>\$1,003,177</u>	<u>\$1,005,932</u>
Expenses			
Expenses (Admin/Parks)	\$1,009,763	\$945,591	\$1,025,533
Expenses (Rec)	239,125	276,647	289,335
Total PR&T Expenses	<u>\$1,248,888</u>	<u>\$1,222,238</u>	<u>\$1,314,868</u>
Difference PR&T Fund	(\$270,372)	(\$219,061)	(\$308,936)
Difference (Admin/Parks)	(\$101,166)	(\$14,555)	(\$92,801)
Difference (Rec)	(\$169,206)	(\$204,506)	(\$216,135)
Expenses (Capital Projects)	\$97,679.50	\$168,099.00	\$103,000.00

Community Development

- 1) **Colorado Preservation Inc. Conference:** Jessie Earley presented on the Town's Historic Preservation Plan engagement, creation, and current implementation at the annual History Colorado Saving Places Conference. Two BOZAR members also attended the conference.
 - a. Also at this conference, Colorado Preservation Inc. featured "Rooted in Place": An exhibition celebrating 150 years of Colorado's statehood. This is a visual and narrative journey through Colorado's past and present by telling the stories of culture, history, heritage and tradition. Folks from around the state submitted stories. The stories that were selected were printed for conference attendees to view throughout the corridors. Town Staff submitted two stories, one about the fight for Red Lady and the other about Old Croatian Hall, and both were selected. The posters will now live at the History Colorado museum in Denver.




A lambritz orchestra at Croatian Hall about 1905.
—Courtesy Martin Mufich

OLD CROATIAN HALL

GUNNISON COUNTY

Submitted by Jessica Earley

The Old Croatian Hall, now Scarp's Ridge Lodge, in Crested Butte stands as a powerful reminder of the immigrant roots that shaped the town during its coal-mining era. Built in 1902 by Croatian immigrants, many of whom arrived to work in the surrounding mines, the hall served as a social, cultural, and political center for a community far from home. Life in the mines was dangerous and isolating, and the hall offered a place of connection and mutual support. It hosted meetings, weddings, funerals, and polkas/dances, while also functioning as a hub for labor organizing and advocacy. For Croatian families, the building preserved language, traditions, and a shared identity, helping them endure the physical hardships of mining and the emotional weight of displacement. As mining declined in the mid-20th century, many similar halls across the West were abandoned or demolished, but Crested Butte's Croatian Hall endured, protected by the town's relative isolation and its residents' respect for history.

Today, the Old Croatian Hall remains one of Crested Butte's most treasured historic landmarks, symbolizing both cultural preservation and community continuity. Restored and repurposed, the building now hosts visitors to Crested Butte by serving as a hotel. Its simple exterior echo the resilience and humility of the immigrants who built it, while its ongoing use reflects Crested Butte's commitment to honoring the past without freezing it in time. In a town now known for skiing, mountain biking, and tourism, the Croatian Hall offers a grounding counterbalance, a reminder that the community's character was forged long before recreation defined its economy. By preserving the hall, Crested Butte acknowledges that its present vibrancy is rooted in the labor, traditions, and perseverance of immigrant families who helped shape the town's identity. This building helps to personify the celebration of Colorado's 150th year because the Old Croatian Hall is not just a historic building; it is a living bridge between generations, linking Crested Butte's rugged past to its intentionally preserved present. Immigrants have forever helped to shape Colorado and its communities like Crested Butte.



**THE CASE FOR
PRESERVATION**
SAVING PLACES CONFERENCE 2026
FEB 11-13 DOUBLETREE HOTEL, DENVER




MOUNT EMMONS / "RED LADY"

GUNNISON COUNTY

Submitted by Jessica Earley

Mount Emmons, better known as the "Red Lady" for its reddish hue at dawn and dusk, serves as the western backdrop to Crested Butte and holds significant spiritual value to the community, as well as one of the world's largest molybdenum deposits. Mining companies in the 1970's sought to extract the molybdenum leading to community concerns over potential environmental impacts, including pollution of the headwaters of the Gunnison River and impacts to the local tourism-based economy. The "Fight for Red Lady" in Crested Butte looked to permanently stop hard rock Country Conservation Advocates (HCCA), just to name a few assisted with the execution of a major land exchange and mineral extinguishment agreement, thereby protecting the mountain for tourism and recreation and simultaneously precluding the ability to mine.

The community, led by groups like the High-Country Conservation Advocates (HCCA), celebrated the permanent victory with a townie takeover, block party in Elk Avenue with a live band and dancing and a hike to the top of the Lady herself, marking a monumental shift from mining threats to conservation. In 1978, HCCA had its first Red Lady Salvation Ball with the crowning of the Red Lady given to a local woman who represented the wildness of the mountain and community environmental involvement, which happened each subsequent year until 2024 with the agreement pending. In the before and after photo the mountain looks much the same, but this is something that brings tears to many community members' eyes knowing that it is now protected.



**THE CASE FOR
PRESERVATION**
SAVING PLACES CONFERENCE 2026
FEB 11-13 DOUBLETREE HOTEL, DENVER



- 2) **Mineral Point progress:** Mineral Point is in the finish-work stages. A and C are being painted and having flooring installed. Building B is a little behind and still having the drywall floated before paint. They took advantage of the low snow winter and planted most of their landscaping ahead of this most recent storm. The roofing and siding are complete and trim will be completed next. There is a variety of mechanical loose-ends they are still working on.

- 3) **Geothermal Test Drilling:** The Town has engaged with GreyEdge Group to perform geothermal test drilling to determine viability for geothermal heating at the Public Works site. Drilling is scheduled for the week of March 2nd.
- 4) **Gunnison County Corridor Plan Update:** The County received 13 proposals for the Corridor Plan. As a funding partner on the advisory committee, staff is participating in proposal review currently and will participate in finalist interviews on March 13.
- 5) **816 Gothic Deed Restricted Home for Sale:** The application deadline for 816 Gothic has been *extended for 2 weeks until **March 12*** due to a delay in the opportunity being shared out through the Gunnison County Housing Authority interest list. [More information and the application can be found here.](#)
- 6) **Open House Reminder:** Save the date for the Zoning Code and Design Standards updates open house on March 11 from 3 – 6 pm at the Center for the Arts. There will be information and feedback opportunities on both the zoning code update and design standards update, including family friendly activities, free snacks, and a cash bar.

Town Clerk

- 1) The Crested Butte Art Market has submitted a special event application for the 2026 season. The event is proposed to occur every Sunday at the 1st and Elk parking lot, beginning June 14, 2026, and continuing through September 27, 2026, with the exception of September 20, 2026, to accommodate ARTumn. The special event application will be scheduled for an upcoming Town Council agenda upon receipt of a certificate of insurance covering the full duration of the event.
- 2) The special event application for the ARTumn Festival, proposed for September 19 and 20, 2026, has also been submitted. The special event application will be included on a future Town Council agenda, upon the event organizer's submittal of a certificate of insurance, covering the event.
- 3) The Crested Butte Cemetery Preservation Society, formerly known as the Cemetery Committee, had been exploring the possibility of becoming an organization under the umbrella of the museum; however, that transition has not moved forward. Karl and Lynelle met with Molly Minneman to discuss strategies for helping the group regain momentum and reestablish its organizational direction. Discussions are ongoing.

Finance/HR/IT

- 1) January Revenue Report - Staff recently reviewed how licensed businesses self-categorized themselves in the Town's sales tax system. Staff identified a number of businesses were miscategorized relative to the majority of their sales tax receipts. As an example, we noted a number of out-of-state businesses reporting in categories other than in the applicable E-commerce category. Additionally, staff noted some local retailers defining themselves as grocery and visa versa. Staff created clear definitions for business categories and adjusted the selected categories for a number of licensed businesses. The change alters the categorization of sales tax revenue for historical and future returns. The January report now reflects a more accurate picture of sales tax activity for businesses remitting taxes to the Town.

TOWN SALES TAX JANUARY 2026

Business Category	Total Amount 2026	Total Amount 2025	\$ Diff	% Diff
BARS/REST	180,828	179,754	1,074	0.60%
ECOMMERCE	30,513	48,970	(18,457)	-37.69%
GROCERY	68,127	67,408	719	1.07%
RETAIL	78,668	84,918	(6,250)	-7.36%
RETAIL:MMJ	10,600	10,908	(308)	-2.82%
LODGING	70,824	74,999	(4,175)	-5.57%
CONST/HRDWR/AUTO	34,908	63,517	(28,609)	-45.04%
SERVICE	38,880	42,602	(3,722)	-8.74%
Grand Total	513,348	573,076	(59,728)	-10.4%

YTD 2026	YTD 2025	\$ Diff	% Diff
180,828	179,754	1,074	0.60%
30,513	48,970	(18,457)	-37.69%
68,127	67,408	719	1.07%
78,668	84,918	(6,250)	-7.36%
10,600	10,908	(308)	-2.82%
70,824	74,999	(4,175)	-5.57%
34,908	63,517	(28,609)	-45.04%
38,880	42,602	(3,722)	-8.74%
513,348	573,076	(59,728)	-10.4%

OTHER REVENUE SOURCES

Vacation Rental Excise Tax	79,354	85,805	(6,451)	-7.5%
Tobacco & Nicotine Tax	16,167	16,111	56	0.3%
RETT	35,850	532,151	(496,301)	-93.3%
Carry Out Bag Fee	410	435	(25)	-5.7%

79,354	85,805	(6,451)	-7.5%
16,167	16,111	56	0.3%
35,850	532,151	(496,301)	-93.3%
410	435	(25)	-5.7%

Prepared 2.23.2026

- 2) 2025 Financial Audit – The Town’s independent auditors have begun the formal audit for fiscal year 2025. Preliminary documentation requests are being fulfilled by staff as the requests are received. The auditor set aside the second week in April for any applicable on-site testing/reviews. State Statutes require the audit to be complete by June 30 without seeking an extension request.
- 3) Spring 2026 Community Grant Applications – The spring grant cycle is open until March 30. Meetings with the Grant Evaluation Committee have already been established. Staff seeks Council’s consideration of the Committee’s recommendation in May.

Upcoming Meetings or Events Council may choose to attend

March 11, 3:00-6:00, Center for the Arts - Zoning Code and Design Standards Updates Open House
 May 16, 9:00-noon, Town Clean-Up
 June 3, 11:30-1:30, Town Picnic, Rainbow Park Pavillion

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.



Staff Report

March 2, 2026

To: Mayor and Town Council

Prepared By: RaeMarie Barry, Property Manager

Subject: Second reading of Ordinance 03, Series 2026 - An ordinance of the Crested Butte Town Council approving the renewal lease of a portion of the property at 601 Elk Ave. to West Elk Soccer Association.

Date: February 24, 2026

Summary: The West Elk Soccer Association (WESA) fosters soccer development and provides a fun, high quality experience for youth and adults living in the Gunnison valley. WESA desires to continue to rent office space in the commonly known building, The Chamber, in the North Valley at 601 Elk Ave.

Discussion: The renewal tenant has agreed to pay \$240 for the first year, at a rate of \$3.28 per square foot, with a 1% annual rent increase. This rate is below the current market value of \$4.00 per square foot and below the target price established by the Council. Entering a five-year lease without an automatic renewal clause is in the Town's best interest.

Climate Impact: None

Financial Impact: No significant impact.

Legal Review: The Town Attorney has reviewed and approved of the lease.

Recommendation: Staff recommends the Council approve Ordinance No. 03, Series 2026.

Proposed Motion: A Council member may make a motion, "to approve Ordinance No. 03, Series 2026."



Staff Report

March 2, 2026

To: Mayor and Town Council

Prepared By: Erin Ganser, Housing Director

Thru: Dara MacDonald, Town Manager

Subject: Ordinance 4, Series 2026: An Ordinance of the Crested Butte Town Council Authorizing the Sale of 816 Gothic Ave, 3A in Crested Butte

Summary: On January 20th, the Town Council approved the purchase of 816 Gothic, a deed restricted unit, to add income and asset limits to the deed restriction and to grant the Town the first right of refusal on future sales with the intent of selling the unit under the Town's Affordable Housing Guidelines by lottery to a qualified buyer. As is required by the Town Charter, staff now requests that the Town Council approve the sale of the unit.

Previous Council Action: Council approved the purchase on January 20th. Council previously approved this approach on 822 Gothic and 828 Gothic.

Background: Based on Town records, previous Staff carefully crafted sales prices based on target AMIs for the 30 homes that were constructed and sold by Bywater Construction in 2018-2020. The deed restriction on these homes includes an appreciation cap based on those sales prices as well as the requirement that one individual on the deed be a full-time participant in the local workforce and the standard prohibition on the ownership of other improved residential real estate. However, the restriction does not include an income restriction or a limit on the assets of potential buyers. The ongoing expectation is that Town will step in to update the remaining 27 Bywater deed restrictions with then current Town policy objectives when their owners are ready to sell.

As part of the 5 Year Housing Strategy, staff are working with Economic Planning Systems to analyze the Town's deed restricted housing portfolio and gain a deeper understanding of the types of restrictions in place, who they serve, and whether there are other deed restrictions that should be evaluated for similar updates to better position the homes to respond to housing needs

Discussion: Purchasing 816 Gothic enables the Town to release the current deed restriction and record a new restriction that targets household incomes that are not served by the housing market and establishes asset limits, which ensures that those with high net value do not qualify to purchase the home. Staff uses a reverse affordability calculation, which converts the maximum allowable sales price into an affordable monthly housing cost and then converts that cost into an income and

corresponding asset limit using standardized assumptions on the loan for the home and the 30% housing cost burden metric. A cushion is included in the interest rate to help protect against swings that could render the price of the home unaffordable at the designated income limit.

The elements of the new deed restriction include:

- Income limit of 155%, or \$174,375 for a household of four based on 2025 HUD issued Area Median Incomes.
- Asset cap defined for the applicant's household size and average age of the household members over 21 years of age as defined in the [Affordable Housing Guidelines](#) (see PDF pg. 37).
- A first right of refusal for the Town.

The property was advertised the CB News, the Town's FaceBook and Instagram feeds, and announced via Gunnison County Housing Authority's (GCHA) homeownership interest list for the purchase price of \$360,039. The application window is from February 5 through March 12. (The application window was extended due to delays with the announcement of the property via the interest list.) Property information and the application are posted on the Town's Community Housing website. The lottery is anticipated to be scheduled for the week of March 23rd pending completion of application processing and outcomes of the objection period. Staff anticipate that the sale will occur within 45-60 days of the lottery.

Climate Impact: N/A

Financial Impact: Staff anticipate that the costs to purchase and resell the property will be approximately \$4,000 for standard closing costs excluding the Real Estate Transfer Tax which is not required for a Town transfer of a deed-restricted property.

Legal Review: Town legal counsel is engaged to support staff in this effort.

Recommendation: For a council member to make a motion, followed by a second, to sell 816 Gothic #3A and authorize the Town Manager to execute all documents related to the sale.

Proposed Motion:

A Council member should make a "make a motion, to approve Ordinance 4, Series 2026 approving the Sale of 816 Gothic Ave, 3A in Crested Butte and authorizing the Town Manager to execute all documents related to the sale", followed by a second and a roll call vote.

Attachments

Ordinance 4, Series 2026



Staff Report

March 2, 2026

To: Mayor and Town Council
Thru: Dara MacDonald, Town Manager
From: Lynelle Stanford, Town Clerk
Subject: Discussion on Expanding the Allowance of Parklets to the Parking Areas North and South of Elk Avenue and West of the Four Way Responsive to Request from Sherpa Café and Shifting Flower Box Management and Maintenance Responsibilities from the Town to Business Owners.
Date: February 13, 2026

Background:

Parklets were originally introduced in response to the COVID-19 pandemic to help restaurants expand their operations through outdoor seating. The program was later expanded to include retail businesses. Parklets have only been made available to businesses along Elk Ave and the adjacent ½ blocks of 3rd Street. The parklet fee is \$3.00 per square foot for the summer season. The fee to the business for the largest parklet in 2025 was \$1800.00, and the smallest parklet cost \$600.00. The fees have not changed for 2026. Staff anticipates increased participation in 2026.

Summary:

This agenda item presents two policy-level questions for Council consideration:

1. Last year, Sherpa Café expressed interest in installing a parklet and has recently reaffirmed that interest.

Does Council wish to expand the parklet program to include the public parking areas north and south of Elk Avenue and west of the Four Way?

Please refer to the attached map for a visual reference. If approved by Council, additional businesses that would become eligible to install parklets include The Alpineer and Sherpa Café. Under current allowable use, up to five parking spaces could be reallocated for parklets. Depending on the future tenant of the building formerly occupied by Gunnison Valley Health, two additional parking spaces may also be eligible for conversion to a parklet.

2. To date, the flower boxes incorporated into parklet infrastructure have been planted with flowers and maintained by the Town. **Staff recommends that the responsibility for maintenance of the flower boxes be shifted to business owners giving them the latitude to decorate and personalize the flower boxes according to their own creative concepts.** Business owners would be required to purchase supplies and maintain their flower boxes throughout the summer. Town would place the flower boxes as per usual and store them through the winter, but Town would not provide soil, flowers, or ongoing maintenance, such as trimming and watering. Instead, the Town would focus flower efforts on the Elk Avenue barrels, Third Street boxes, and the barrels and traffic calming boxes elsewhere in town.

The Town is constrained by the increasing expense of purchasing flowers, but even more by the brief time available to get the boxes planted early each summer. The window between when the flowers can successfully be placed outside and the height of the summer season is very tight and staff are very pressed to complete the plantings prior to the 4th of July each year. This also results in most of the traffic calming boxes throughout town being left empty for the summer season. The shift to businesses decorating, embellishing and maintaining the boxes that are part of their parklets frees up staff to focus efforts on the traffic calming boxes and flower barrel throughout the remainder of Town.

Content or use of the boxes could be left up to the individual businesses who could choose some creative use or decoration aside from flowers that reflects their business brand or style. Staff would create some parameters around size of anything in or on the boxes similar to the size of flower displays. Management by business owners of the flower boxes is in alignment with the Community Compass with the three core values of authentic, accountable, and bold.

Authentic: Crested Butte has soul - we are genuine, creative, artistic, functional, livable, quirky, gritty, and a strong community.

Accountable: We are accountable for preserving our community. To live by this value, the Town may need to consider changing our expectations for manicured landscapes, and we decrease the Town and community's greenhouse gas emissions and water usage.

Bold: We choose courage over comfort, creativity over conformity, curiosity over judgement, and community over commodity. We are willing to take risks and be different in how we approach something. We are brave enough to make hard decisions, try something new, fail, and try again.

Recommendation:

For the Council to consider expanding the allowance of parklets to the parking areas north and south of Elk Avenue and west of the Four Way and to consider shifting parklet flower box management and maintenance responsibilities from the Town to business owners.

Recommended Motion:

Motion to expand the allowance of parklets to the parking areas north and south of Elk Avenue and west of the Four Way and to shift parklet flower box management and maintenance responsibilities from the Town to business owners.

Attachment:

Map of the proposed expansion area