Special Meeting  Hayden Town Council  January 6, 2020

Work Session
Mayor Redmond opened the work session at 7:03 p.m.

Mayor Redmond, Councilmembers Engle, Meek, Gann, Hagins, and Wuestwald present. Also present were Town Manager, Mathew Mendisco, Town Clerk, Sharon Johnson, and Public Works Director, Alex Evonitz.

School Board members Hoza, Lind, Delaney, Fralick and Frentress present. Also present were Superintendent Sinner and Board Clerk Parrot.

Brian Hoza began by stating this is the most collaborative involvement the town has taken on; HSD is in favor of collaborating on the Hayden Center (project) and has identified 3 sections of the property 3.1 acres from West Jefferson to Washington and 3rd street to include the building up through the mechanical room. HSD received a professional evaluation of $540,144 (land only), the town requested a donation of the property and HSD responded with $50,000 which is less than 10% of the evaluation. HSD would like to emphasize that the remaining value could be leverage against any grants. HSD would like to enter into an agreement/MOU for HSD access of the facility on an as available on an approved basis for significant community events or mutually beneficial events; cosponsored or large events. HSD asked that their timeline be met. They have contract for asbestos abatement and removal of the facilities on March 1st and is for the entire property is encompassed in the Best Grant, costs are embedded in the grant. The challenge being that if we have to adjust that contract that needs to be in place March 1st, we would have to negotiate the contract for the abatement would likely be more expense. That is a timeline they are challenged with. HSD has to return the funds for the amount of costs for the abatement, demolition and restoration. Those are the main elements talked about. The other sections would be flattened and repurposed. Mathew Mendisco, Town Manager, provided the division of the property Brian was speaking to and indicated that the property would need to be subdivided. HSD has not discussed use of the middle section.

Mathew Mendisco spoke to the town’s request of a donation of the land and contingent upon a sales tax election. When the parties need to discuss the transfer of the property. Mathew thought there may be other items to go through in addition to the real estate transaction, he was not certain. Town has been conducting a reuse study and a second comment phase in the near future. Mathew provided a schematic of the building layout designed from the first public comment meeting and walk through with the consultants on how the building could be used. With the timeline for HSD, the Town could not hold a special election for the sales tax. prior to the March 1st deadline. Mathew asked about the abatement contract and working in the building and timelines from when HSD would be completely withdrawn from the building as it does affect the funding aspects for the Town. The new building is scheduled to be opened July 20, 2020. At end of the school year packing begins and vacated by June 15th at the latest. Abatement will begin at that time. Mayor Redmond asked “What happens if you are unable to occupy the building at date scheduled?” Superintendent Sinner indicated it could be handled is several ways, one being a delayed school start. It will depend on the timeline and the old school would be vacated. Mathew Mendisco was thinking in terms of closing and final transfer and when HSD would like that to take place. The actual transfer and the date of possession is important for funding. Abatement first, then demolition. Mary Alice Page-Allen said that point of possession and appropriate time to allow the town to access the building is important. Mary Alice spoke of timing for subdivision process and the 60 - 75 days process which includes a public hearing with both the Planning Commission and the Town Council. Mathew asked about the current contract for the abatement and demolition contract regarding the timeline for notification. Superintendent responded March 1st. Mathew asked about the Best Grant requirements and Superintendent Sinner indicated there aren’t any specific in regards to the property transfer other than HSD no longer own the property. Possession of the property is important in the budget planning for the Town. Medora
Fralick clarified that the Town would own the property and should the sales tax not be approved or something else happened, the Town would be able to sell it as the owners. Mathew confirmed that the Town would own it fee simple. Brian Hoza brought up the adopted operational budget in place and inability to have the sales tax election prior to the March 1st, HSD would like to support the Town.

Mathew Mendisco shared the adopted budget which shows the Town would start operating the center in January 2021. The town has an initial analysis of the HVAC and can begin running with a small enhancement. The Town would need to block off the demolished section with a wall, capping off the electrical, water and heating and it would be ready for occupation. The building can be used in its current form, not efficient but functional. Operational standpoint, ran two scenarios, property tax and sales tax. Property tax difficult with the two mill levies from the town and school district equaling 30 mills. Town has a fitness membership component and the recreation budget consolidates to the center. Sales Tax Projection in the budget is $20,000 less than the consultants provided. Lowest collection year of the last five. Using the sales tax doesn’t place the entire financial burden on the residents and is partially funded by others who purchase items in Hayden. A childcare component is built into the budget. Totally Kids is committed to the Town it is invested from toddler to what they do now, from 7:00 a.m. to 6:00 p.m., five days a week. On off days, they are investigating the fitness childcare component. With revenue it generates about $488,000 a year. The first year, three employees, the expense would be $415,000 for the building and maintenance with just the Recreation Director starting. Childcare is Totally Kids and those employees would not be in the budget. In year one the Town supplements $90,000 and then it becomes self-sustainable mainly due to fitness memberships. In speaking with Ryan at HTown Fitness, the Town would buy all the equipment and Ryan would become our fitness instructor. The Town would help Ryan repurpose the building. The committee made it very clear they did not want the Hayden Center to compete with small businesses. There would be two questions on the November ballot; one sales tax and one issuance of debt between $500,000 and $1,000,000 to be paid back over ten years. There is a $50,000 debt service which would come out. Mary Alice shared the capital budget and funding resources. Tim Fentress believes the sooner this is completed the better for the grant funding. What would be time of possession with the new timeline of partial demolition. Tammi Delaney asked for support from the county commissioner as it would be a benefit to the county and Brian Hoza added that the more amenities in the community would ease some of the transportation issues in the valley. The fitness memberships were based on 81639, the Town is open to others becoming members. There are creative ways to make it more sustainable. Mathew reviewed the budget in more detail. Mathew shared the membership fee of $50 for the family including weight use, gym use and classes. Based on 195 family memberships over the year. Town will have punch cards and class only. Plan on working with the county. Town is working on the comprehensive plan as well. Mathew asked if there were any additional questions. Councilmember Wuestewald referred back to Brian Hoza on what type of things are the HSD is looking at that would use the space? Brian said they were looking at large events that would be collaborative like additional gym needed for basketball tournaments, health fair, speech and debate, large events that need more space. Tammi Delaney offered to assist with the Gates Foundation. Councilmember Meeks asked for a good faith vote on who would be supportive of moving forward.

Festus Hagins wanted to let the HSD know that it would be a benefit to donate the facility to the town as the facility has already been paid for by its citizens. It would be a benefit for the community which has been paid for and would be good to provide a good faith donation. Councilmember Hagins. Brian Hoza responded it was a conversation at the HSD and there are questions of being good stewards and not leveraging this asset for something in the future. Don’t know the hidden costs such as planning costs for the subdivision and not having funds for other projects, hoping the Town can use the matching grants with the valuation. There is a minority that do not support the project. A small minority don’t believe we are being good stewards of the of the school. Stan Zuber, Routt County, agrees that the people have paid the taxes for the school and each entity has

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budgets issues and believes everybody will benefit. Monica Case, Hayden Colorado, asked if the football field could be included as part of the proposal. A question was asked by the audience, if it is the intention to sell the middle section and what is the market value? Hoza said other repurposing would be considered. Superintendent Sinner provided $674,000 as the valuation. Mathew responded to Monica that it was a town driven conversation as well; the budget took the field out of consideration. Monica suggested it be considered later in phase four. Mathew said it could be looked at later. Alison Doolin thanked the Board and Council for coming together on this collaboration and is excited about the prospect of having a facility for all ages, space for Totally Kids and entice new families moving to Hayden. Routt County Commissioner Monger complimented the conversation and the county is here to help. Doug asked about the $50,000 purchase revenue and how it could be used. Doug Monger likes the idea of sales tax versus property tax. Likes Hayden trying to cater to the citizens. Childcare is very important and will do what they can to help. Amy Williams, thanked everybody for all their hard work in making this happen and suggested if March 1st is the deadline, she challenges to close June 1st with agreement for when the wall goes up and occupancy and get it sooner to use the full weight of ownership for grants.

Councilmember Meeks once again asked for a show of hands for support to move forward. Do we want this as a community? All hands went up. Jill Delay, is in support of the community center and supports what Festus says. The town voted on the school and it was sliver, not a mass majority. I am supporting moving forward with all the unknowns it makes the hairs stand up. Mathew said it would be on the agenda this Thursday on the meeting and intentions to decide how to move forward.

Mayor Redmond closed the meeting at 8:28 p.m.

Recorded by:

APPROVED THIS 9th DAY OF January 2020.

J. Timothy Redmond, Mayor