

Town of Rico Memorandum

Date: December 1, 2023

TO: Town of Rico Board of Trustees
 FROM: Chauncey McCarthy, Rico Town Manager
 SUBJECT: December Board of Trustees Special Session

Consideration of Resolution 2023-06 a resolution of the Board of Trustees of the Town of Rico supporting the grant application for a community impact grant from the State Board of the Great Outdoors Colorado Trust Fund and the completion of Rico Town Park and Outdoor Recreation Hub.

The Town of Rico is currently working on grant funding to construct park and recreation improvements in the current Town Park and river corridor. Great Outdoors Colorado, GOCO, was identified as a potential anchor funder for this project. Staff and consultants have submitted a concept paper to Great Outdoors Colorado to fund a large share of these proposed improvements. GOCO has reviewed the concept paper and has invited the town to submit a grant application. One of the requirements is that the elected officials approve a resolution supporting the application.

Included in the packet is Resolution 2023-06 a resolution of the Board of Trustees of the Town of Rico supporting the grant application for a community impact grant from the State Board of the Great Outdoors Colorado Trust Fund and the completion of Rico Town Park and Outdoor Recreation Hub. In addition to the resolution, the proposed budget has been included. This budget was reviewed by the Board at the September 20, 2023 meeting.

Recommend motion: I move to approve Resolution 2023-06 a resolution of the Board of Trustees of the Town of Rico supporting the grant application for a community impact grant from the State Board of the Great Outdoors Colorado Trust Fund and the completion of Rico Town Park and Outdoor Recreation Hub

Marshal Michael Moran

Marshal Michael Moran, while working for the Cortez Police Department, was murdered on November 29, 2023. This happened during a traffic contact that he initiated while on patrol. The driver jumped out of the car and fatally shot Mike.

Mike was sworn into his position as a Rico Town Marshal on June 10, 2022. Since then, he has been an exemplary employee, a friend of town staff, and an ally to the community. Mike Moran leaves behind two daughters, many friends, and family. As a Town we should provide support for Mike's family and the City of Cortez if needed. The board should be prepared to discuss this.

Short term rental reconfiguration of quadrant boundaries

At the November 15, 2023, meeting the Board of Trustees motioned to continue the first reading of ordinance 2023-06, an ordinance of the Town of Rico, Colorado amending the short-term rental restrictions and licensing requirements in the Rico Land Use Code. The first reading was continued to allow for additional time to review and consider material that was brought forth during public comment.

The material presented to the board was a reconfiguration of the quadrant boundaries, which would more equally distribute current housing stock across all four areas. The information provided during public comment has been reviewed by staff and a memo has been included in the packet. The proposed

ordinance 2023-06 and ordinance 2022-05, which adopted the STR policy, have also been included in the packet.

The Board needs to determine if this reconfiguration of quadrant boundaries should be included in ordinance 2023-06. If the board elects to reconfigure quadrant boundaries to address current housing stock, there must be a consideration on what can be done once town is fully built out.

2024 Budget ordinance second reading

Since proposition HH failed at the November election the Senate proposed SB 23B-001, 2023 property tax relief. This bill was signed into law by Governor Polis on November 20, 2023. There were two major provisions to this bill which will affect the Town of Rico:

- A reduction in the Residential Assessment Rate from 6.765 percent to 6.7 percent.
- A value exemption of \$55,000 for each residential property.

Due to this bill the state must create new reporting before the county can finish the final valuation certification. Since this will delay the budget process the state has extended budget adoption deadlines to January 10, 2024.

RESOLUTION 2023-06**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF RICO SUPPORTING THE GRANT APPLICATION FOR A COMMUNITY IMPACT GRANT FROM THE STATE BOARD OF THE GREAT OUTDOORS COLORADO TRUST FUND AND THE COMPLETION OF RICO TOWN PARK AND OUTDOOR RECREATION HUB.**

WHEREAS, the Town of Rico is focused on providing essential core services and positively impacting the Quality of Place, Economic Health and Lifestyle of the community;

WHEREAS, the Town of Rico supports the Great Outdoors Colorado grant application for the Avondale Community Recreational Hub. And if the grant is awarded, the Town of Rico supports the completion of the project;

WHEREAS, the Town of Rico has requested \$594,990 from Great Outdoors Colorado to create equitable, multi-generational access to the outdoors by providing amenities and opportunities for free recreation at the Town Park and adjoining riverfront park parcels;

WHEREAS, the Town of Rico is interested in seeking grant funds from Great Outdoors Colorado to help complete this project and has adequate funds and partner support to meet the necessary match requirements of the grant;

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF TRUSTEES OF THE TOWN OF RICO, COLORADO:

- Section 1:** The Board of Trustees of the Town of Rico strongly supports the application for a grant with Great Outdoors Colorado.
- Section 2:** If the grant is awarded, the Board of Trustees of the Town of Rico strongly supports the fulfillment of the project.
- Section 3:** If the grant is awarded, the Board of Trustees hereby authorizes the Town Manager to sign the grant agreement with Great Outdoors Colorado.
- Section 4:** If the grant is awarded, the Board of Trustees of the Town of Rico authorizes the expenditure of funds necessary to meet the terms and obligations of the grant agreement.
- Section 5:** This resolution to be in full force and effect from and after its passage and approval.

APPROVED AND ADOPTED BY THE BOARD OF TRUSTEES OF THE TOWN OF RICO

This 4th day of December, 2023.

By:

Nicole Pieterse, Mayor

Attest:

Anna Wolf, Town Clerk

THE RICO TOWN PARK AND OUTDOOR RECREATION HUB PROJECT - DRAFT : 9_14_23

APPLICATION SCOPE OF WORK

Source of Funds (CASH)	Date Secured	GOCO Funds	Matching Funds
Great Outdoors Colorado	Spring 2024	\$594,990.00	
Town of Rico: Commitment from 2022 budgeting cycle	Fall 2022		\$40,000.00
Town of Rico: Commitment from 2023 budgeting cycle	Fall 2023		\$40,000.00
Rico Skatepark Alliance: Go Fund Me	Spring 2021		\$2,000.00
Rico Skatepark Alliance: Community Fundraiser	Fall 2022		\$10,000.00
Rico Skatepark Alliance: Private donation from celebrity musician	Spring 2023		\$5,000.00
Rico Skatepark Alliance: Misc. donations	Fall 2023		\$191.00
Rico Skatepark Alliance: Upcoming community fundraisers	Winter 2024		\$6,404.50
Rico Skatepark Alliance: Upcoming community fundraisers	Spring 2024		\$6,404.50
Rico Center Community Foundation	Spring 2024		\$40,000.00
Source of Funds (IN-KIND)			
Town of Rico	Summer 2023		\$55,258.34
Community of Rico	Summer 2023		\$45,000.00
NEED TO ADD IN THE REMEDIATION COSTS	subtotal	\$594,990.00	\$250,258.34
TOTAL SOURCE OF FUNDS			\$845,248.34

Use of Funds (CASH)	Description	GOCO Funds	Matching Funds	Total Funding
Project Management				
<i>Fischer Project Management</i>	Turnkey design-build and project management: Concept through Closure	\$56,370.83	\$35,000.00	\$91,370.83
	Research and identification of funders to inform funding strategy and project goals - development of a master project plan and schedule - project management of entire project, to include grant funds and terms of funders - development and management of comprehensive community engagement process -development of a fundable and maintainable (cost effective) project design with component and vendor(s) extensive vetting/selection as informed by community process - completion of applications for funding - coordination of all funding related to project - management of project construction and associated vendor(s) - final reporting and project closeout.			
Playground				
<i>Summit Recreation</i>	Playground: design build/price locked: with input from local youth and community	\$193,719.17	\$32,410.00	\$226,129.17
	A '68' x 64' ADA accessible, customized playground with EWF surfacing to include play features for all ages, with an amenity for preschool aged children, and amenities for ages 5-12, and tween/teen ages. Not only is their current playground outdated (they can no longer get replacement parts), but it lacks these features. The existing small shade structure with picnic tables, sand volleyball court, and green-space with bleachers will remain.			
Concrete Pad and Shade Cover				
<i>Bannister Construction</i>	Community Space: design build/price locked: Winter Ice Rink with cover to extend season; Summer shade and community gathering space	\$189,450.00	\$37,740.00	\$227,190.00
	A 44' x 100' concrete pad using high altitude concrete construction and materials and practices, with a 44' x 100' x 12' metal steel shade cover for use as a winter ice rink and a shaded summer gathering area. The town's current small portable rink is too small for demand, and without a cover, the near-daily removal of snow is labor-intensive, and ice melts quickly in the spring; therefore, this improvement will accommodate more people and extend the skating season. The town has a bin of ice skates of different sizes that it places next to the ice so that people of all ages can skate for free. Ice skating is especially popular with families and those who do not or cannot afford to ski. In summer this area will be used for gatherings, activities, and events.			
Dirt Pump Track				
<i>Bannister Construction</i>	Dirt Track: design build/price locked: with input from local community	\$5,450.00	\$3,750.00	\$9,200.00
	A modest 300'x200' dirt track, with 4 small and 3 large jumps currently planned for bike riders of all ages and abilities. Community feedback showed strong preference to do a modest dirt track versus high-end and more expensive asphalt or other poured/solid material tracks			
Skate Park				
<i>Fifth Pocket</i>	Concrete Skate Park: design build/price locked: with input from local skating community	\$150,000.00	\$30,000.00	\$180,000.00
	A modest 4-6,000 square-foot concrete bowl skatepark using high altitude concrete construction materials and practices. Currently skaters have a little (approx 10'x4') homemade ramp; however, it is overly busy and unable to meet current needs. Rico's welcoming skater community provides an accessible recreational opportunity with zero barriers to entry, through their loaned boards (skaters often bring extra boards so that newbies can try their hand at skating), informal coaching, and guidance.			
Site Amenities				
	Site Amenities: price locked by vendor			
	Community feedback showed need for a small port-a-potty near the existing small park, an 8' steel picnic table and 8' steel bench with back for the riverfront portion of the park. The community made these choices, as lowest cost, in order to focus funding on amenities for the youth, such as the playground, skate park, and dirt pump track. The town of Rico's budget will allow for adding more benches and tables over time, should the need present.			
<i>Summit Recreation</i>	<i>Picnic Table - 8'</i>		\$3,000.00	\$3,000.00
<i>Summit Recreation</i>	<i>Benches - 8' with back</i>		\$4,600.00	\$4,600.00
<i>Port-A-Potty Company</i>	<i>ADA Accessible Port-a-Potty</i>		\$3,500.00	\$3,500.00
	subtotal	\$594,990.00	\$150,000.00	\$744,990.00

Use of Funds (IN-KIND)	Description	Matching Funds
Category		
<i>Town of Rico</i>	Removal of existing playground equipment, and preparation of site for new installation	\$ 46,000.00
	Bear Proof Trash Stations for project (quantity of 2)	\$9,258.34
Category		
<i>Community of Rico</i>	Community Build: Installation of shade shelter to be placed over concrete pad. We have a list of experienced volunteers locked in who have committed to building the cover over the skate rink.	\$ 45,000.00
	subtotal	\$100,258.34

	GOCO Funds	Matching Funds
subtotal	\$594,990.00	\$250,258.34
TOTAL USE OF FUNDS*		\$845,248.34

* The Total Use of Funds must equal the Total Source of Funds in the section above.

OTHER LEVERAGED RESOURCES (OPTIONAL)

CASH OR IN-KIND	Description	Total Funding
Lower Level Property Improvements		
<i>DOLA / Town of Rico</i>	Grant 1:1 Match (950K each DOLA and Town of Rico) for Riverfront Property Improvements.	\$1,900,000.00
	subtotal	\$1,900,000.00

TOTAL PROJECT VALUE	\$2,745,248.34
	GOCO % of project cost 70%
	GOCO % of project value 22%

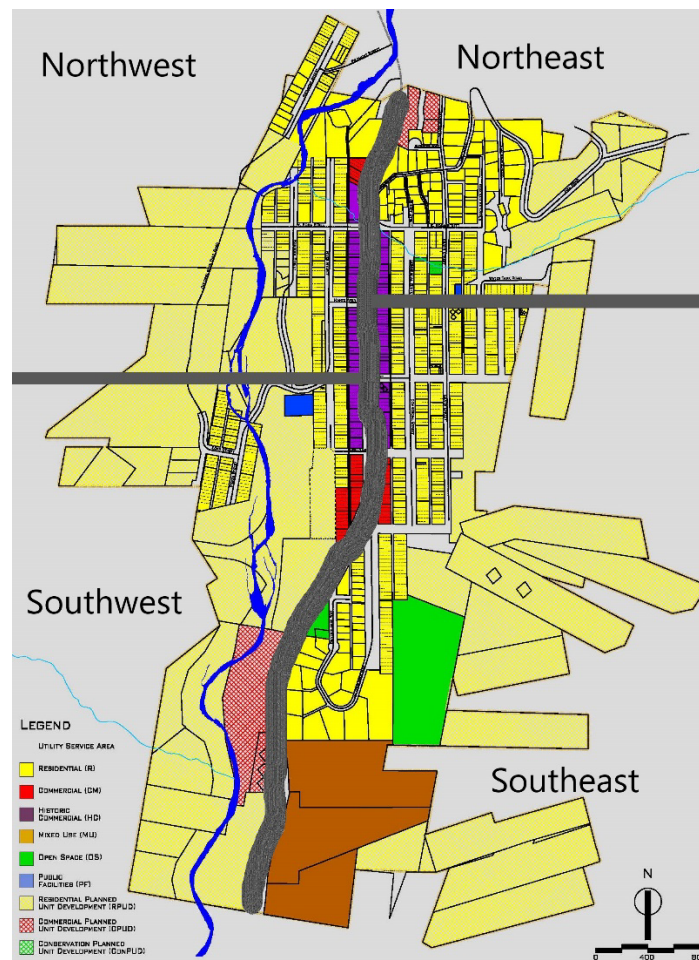
Date: November 30, 2023

TO: Town of Rico Board of Trustees
 FROM: Chauncey McCarthy, Rico Town Manager
 SUBJECT: Reconfiguration of quadrant boundaries

Ordinance No. 2022-05 amended the land use code and established a licensing process for short-term rentals and removed them from the special use permit process. In this code amendment the total number of STR dwelling units is 7% of the Town's total housing units as determined by the state demography office. Which is currently set at 231 homes allowing for 16 residential zoned STR. A quadrant system was adopted dividing the town into four zones with considerations on acreage, zoning, current and future development/density. Currently each quadrant can have a maximum of 4 residential zoned STR

These quadrants are as follows:

- Northwest: North of W. Campbell Street and West of S. Glasgow Ave.
- Northeast: North of E. Mantz Ave and East of S. Glasgow Ave.
- Southeast: South of E. Mantz Ave and East of S. Glasgow Ave.
- Southwest: South of W. Campbell Street and West of S. Glasgow Ave.



Current Quadrant Configuration

The current configuration places:

- 71 houses and 173 bedrooms in the northeast quadrant (4 active STR licenses)
- 49 houses and 114 bedrooms in the northwest quadrant (1 active STR license)
- 18 houses and 45 bedrooms in the southwest quadrant (1 active STR license)
- 59 houses and 160 bedrooms in the southeast quadrant. (1 active STR license)

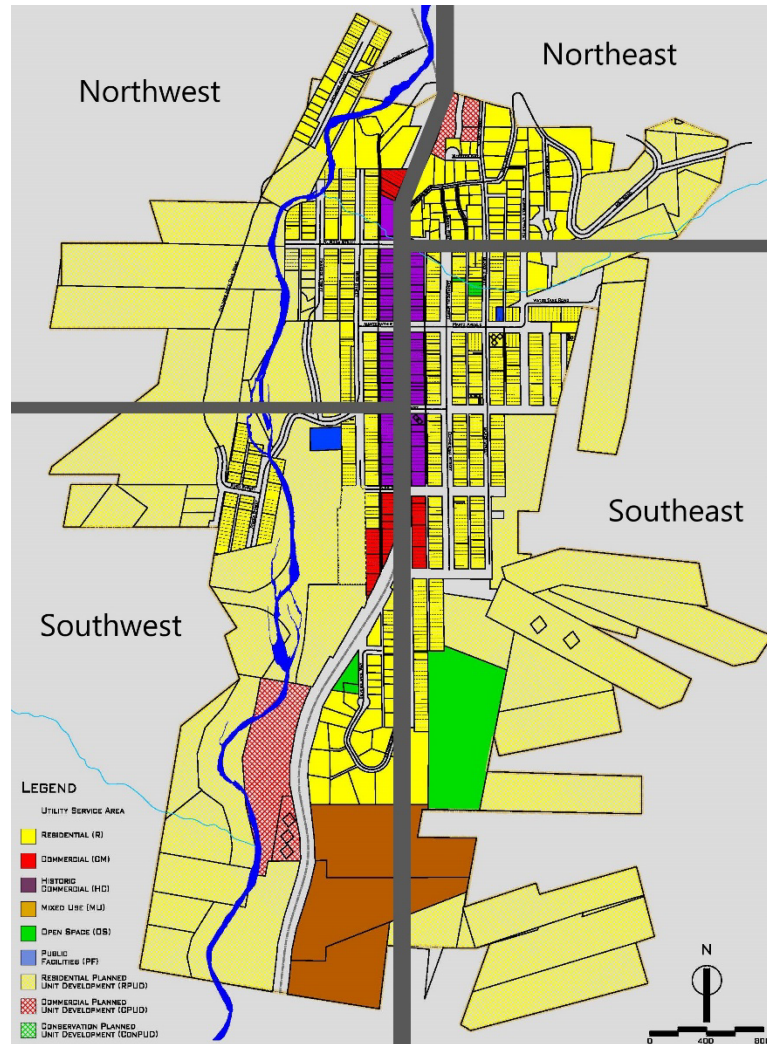
Totaling 197 houses and 492 bedrooms that are not listed in the commercial zone district.

*This data was collected from county GIS database and records.

Currently the northeast quadrant is close to fully developed and has the largest number of homes and bedrooms. If each quadrant were to have an equal number of homes at town's current build out there would be 49.25 homes per quadrant. By shifting quadrant boundary lines, it is possible to divide the town into four areas ranging from 43 to 55 homes per quadrant.

These quadrants are as follows:

- Northwest: North of W. Campbell Street and West of S. Glasgow Ave.
- Northeast: North of E. Soda Street and East of S. Glasgow Ave.
- Southeast: South of E. Soda Street and East of S. Glasgow Ave until Silverglance Street. East of Silverglance Street until lot 1 Silverglance subdivision.
- Southwest: South of W. Campbell Street and West of S. Glasgow Ave until Silverglance Street West of block 10,38, and lot 1 Silverglance subdivision



Proposed Quadrant Reconfiguration

The proposed reconfiguration places:

- 55 houses and 134 bedrooms in the northeast quadrant (2 active STR licenses)
- 49 houses and 114 bedrooms in the northwest quadrant (1 active STR license)
- 43 houses and 118 bedrooms in the southwest quadrant (2 active STR licenses)
- 50 houses and 126 bedrooms in the southeast quadrant. (2 active STR licenses)

The proposed reconfiguration would be a more equal distribution of current housing stock but does not take into consideration future developments. As the town becomes more developed this proposed reconfiguration will also become greatly skewed. As drafted, the southeast quadrant would now be 4 times the size of the northeast quadrant, but it still has over 70 home sites that have not been developed.

**TOWN OF RICO
ORDINANCE NO. 2022-05**

**AN ORDINANCE OF THE TOWN OF RICO, COLORADO
ESTABLISHING A LICENSING PROCESS FOR SHORT-TERM
RENTALS AND AMENDING THE RICO LAND USE CODE TO REMOVE
SHORT-TERM RENTALS FROM SPECIAL USE PERMIT REVIEW.**

WHEREAS, the Town of Rico, Colorado (“Town”) is a Colorado home rule municipality organized pursuant to Article XX of the Colorado Constitution and with the authority of the Rico Home Rule Charter; and

WHEREAS, The Board of Trustees of the Town (“Board”) recognizes the potential for increasing impacts to the community as a result of a rise in short-term and vacation rentals; and

WHEREAS, the Board adopted Ordinance 2011-3 on June 15, 2011 amending the Rico Land Use Code (“RLUC”) to allow short-term rentals in residential areas pursuant to a special use permit; and

WHEREAS, the Board convened a work session on March 7, 2022 to receive public input and discuss the regulation of short-term rentals in the Town; and

WHEREAS, the Rico Planning & Zoning Commission has considered the amendments to the RLUC contained in this Ordinance, conducted a duly noticed public hearing regarding the amendments at its May 11 meeting, and recommended the Board adopt the amendments; and

WHEREAS, in accordance with the Rico Regional Master Plan’s goals of preserving small town character while maintaining livability, the Town desires to minimize the adverse effects of short-term rentals on residential neighborhoods and the supply of housing in the Town; and

WHEREAS, the Board desires to amend Section 221 of the RLUC to remove short-term rental dwelling units from the list of Residential Uses by Special Use Permit Review and amend Sections 220, 240, 250, 270, and 280 of the RLUC to add short-term rental dwelling units to the list of Uses Permitted by Right for Residential (R), Historic Commercial (HC), Commercial (CM), Residential Planned Unit Development (RPUD), and Commercial Planned Unit Development (CPUD) zone districts, subject to the Sections of the RLUC requiring a license and compliance with standards for operation; and

WHEREAS, the Board desires to add new sections to the RLUC to create a licensing procedure and regulations for the operation of short-term rental dwelling units in the Town; and

WHEREAS, the Board finds and declares that the amendments to the RLUC regarding short-term rentals set forth herein are proper in light of the needs and desires of the Town and in the promotion of the public health, safety, and welfare of the Town’s residents.

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF RICO THAT:

Section 1. The recitals above are hereby adopted as findings and incorporated herein.

Section 2. The Rico Land Use Code shall be and is hereby amended as set forth in **Exhibit A** to this Ordinance, incorporated by reference hereto.

Section 3. This Ordinance shall take effect immediately on final adoption.

THIS ORDINANCE WAS, FOLLOWING PUBLIC NOTICE, INTRODUCED, READ, AND APPROVED ON FIRST READING, AND ORDERED PUBLISHED BY TITLE ONLY THIS 18TH DAY OF MAY 2022.

TOWN OF RICO, COLORADO

Nicole Pieterse, Mayor

ATTEST:

Anna Wolf, Town Clerk

THIS ORDINANCE WAS, FOLLOWING PUBLIC NOTICE, INTRODUCED, READ ON SECOND READING, PASSED AND ORDERED PUBLISHED BY TITLE ONLY TO BE EFFECTIVE IMMEDIATELY THIS 15TH DAY OF JUNE 2022.

TOWN OF RICO, COLORADO

Nicole Pieterse, Mayor

ATTEST:

Anna Wolf, Town Clerk

Effective Date: June 15, 2022

EXHIBIT A**AMENDMENTS TO THE RICO LAND USE CODE**

Additions shown in double underline; deletions shown in ~~strike through~~.

220. RESIDENTIAL (R) ZONE DISTRICTS - USES PERMITTED BY RIGHT

Single family dwellings, accessory dwelling units, accessory buildings and uses, including home occupation, and short-term rental dwelling units subject to the licensing procedures and regulations in Sections 450-457.

221. RESIDENTIAL USES BY SPECIAL USE PERMIT REVIEW

~~A. Short-term rental dwelling units/accommodations, excluding hotels, condominium hotels, bed and breakfasts, motels, lodges, boarding houses and rooming houses.~~

AB. Daycare facilities, schools and churches.

240. HISTORIC COMMERCIAL (HC) ZONE DISTRICT - USES PERMITTED BY RIGHT

Commercial, religious institution, fire house, school, and residential, including multi-family, apartments, town homes, ~~and condominiums,~~ and short-term rental dwelling units subject to the licensing procedures and regulations in Sections 450-457. All uses permitted by right must be conducted primarily out of a structure that meets the requirements of this RLUC.

250. COMMERCIAL (CM) ZONE DISTRICT - USES PERMITTED BY RIGHT

Commercial and residential, including multi-family, apartments, town homes, ~~and condominiums,~~ and short-term rental dwelling units subject to the licensing procedures and regulations in Sections 450-457. All uses permitted by right must be conducted primarily out of a structure that meets the requirements of this RLUC.

270. RESIDENTIAL PLANNED UNIT DEVELOPMENT (RPUD) ZONE DISTRICT – USES PERMITTED BY RIGHT

Single-Family, duplex, triplex, accessory dwelling use, ~~and~~ home occupation, and short-term rental dwelling units subject to the licensing procedures and regulations in Sections 450-457.

280. COMMERCIAL PLANNED UNIT DEVELOPMENT (CPUD) ZONE DISTRICT – USES PERMITTED BY RIGHT

Single family dwellings, duplexes and triplexes, accessory structures and uses, including home occupation, commercial, light industrial, and short-term rental dwelling units subject to the licensing procedures and regulations in Sections 450-457. All uses permitted by right must be conducted primarily out of a structure that meets the requirements of this RLUC.

450. SHORT-TERM RENTAL LICENSE REQUIRED

It shall be unlawful to operate a short-term rental dwelling unit, as defined in Section 910, within the Town until the Town has issued a short-term rental license under the provisions of the RLUC contained in Sections 450-457, as amended (the “Short-Term Rental Regulations”).

451. PURPOSE

The Town of Rico recognizes that there are benefits to allowing owners of residential units within the Town to rent their dwelling units for periods of time less than thirty (30) days. Short-term rental of dwelling units brings additional visitors to the Town, can allow owners to recoup housing costs, and provides revenues for the Town through the additional tax collections. The provision of short-term rentals offers additional diversification to the accommodations market. However, due to the potential for adverse impacts, the Town wishes to regulate short-term rentals to protect the health, safety, and welfare of owners, residents, neighbors, and visitors.

452. APPLICABILITY

452.1 The Short-Term Rental Regulations shall apply to any residential dwelling unit within the Town. The Short-Term Rental Regulations are applicable within a Planned Unit Development unless the short-term rental of property is specifically identified as a prohibited use by the Planned Unit Development.

452.2 The Town is not a party to and does not enforce any private covenants. Private covenants may restrict the ability for owners to engage in short-term rentals.

452.3 Unless otherwise stated or modified, the Short-Term Rental Regulations, including owner responsibilities, operation standards, penalties, and enforcement, shall apply to

existing short-term rental dwelling units authorized by a special use permit prior to the date of adoption of the ordinance enacting these regulations. Any short-term rental dwelling unit authorized by special use permit prior to the date of these regulations must comply with any conditions imposed on the special use permit at the time of issuance. A short-term rental dwelling unit authorized by special use permit shall be considered an existing non-conforming use under Section 208. Under Section 208.4, discontinuance and abandonment of the non-conforming short-term rental use exists when the owner of the short-term rental dwelling unit fails to remit lodging tax to the Town for a period of six (6) months, upon the transfer of fee simple title to the short term dwelling unit, whether by the owner or by operation of law, or when the owner applies for and receives a short-term rental license under the procedures in Section 456.

453. OWNER RESPONSIBILITIES

453.1 The owner of the short-term rental dwelling unit shall designate a natural person located within a one-hour driving distance of the short-term rental who is available twenty-four (24) hours per day, seven (7) days per week, to serve as the local responsible party for the short-term rental and to immediately respond to any issues arising from the short-term rental. The designated responsible party may be the owner of the property. The owner shall notify the Town in writing of the designation of the responsible party within five (5) days of such designation or modification of any such designation.

453.2 The owner or responsible party shall collect and pay all applicable local, state, and federal taxes including sales, lodging, and excise taxes as applicable.

453.3 The owner or responsible party is responsible for ensuring the short-term rental meets all applicable local, state, and federal regulations. This includes compliance with the RLUC and, for example C.R.S. § 38-45-101 et seq., as amended, which requires carbon monoxide alarms in residential properties.

453.4 The owner or responsible party is responsible for obtaining all required licenses in accordance with the Town of Rico's business licensing ordinances.

454. LOCATION, USE, AND OCCUPANCY RESTRICTIONS

454.1 Occupancy limitations of a short-term rental dwelling unit shall be established by the Town's building code, as determined by the Town's building inspector, and shall be indicated on the short-term rental license.

454.2 In residential zone districts, in a multi-family building under single ownership, or for properties with an accessory dwelling unit, no more than one (1) unit may be licensed as a short-term rental, provided the use restrictions in Section 454.3 are met.

454.3 The total number of short-term rental dwelling units shall be limited to seven percent (7%) of the Town's total housing units as determined by the Colorado State Demography Office and updated from time to time. This percentage limit may be amended by the Board of Trustees by ordinance.

- (a) In addition, the available number short-term rental dwelling units shall be distributed into four quadrants, assuming an approximately equal number of housing units per quadrant. The quadrants shall be as follows:
 - (i) Northwest: North of W. Campbell Street and West of S. Glasgow Ave.
 - (ii) Northeast: North of E. Mantz Ave and East of S. Glasgow Ave.
 - (iii) Southeast: South of E. Mantz Ave and East of S. Glasgow Ave.
 - (iv) Southwest: South of W. Campbell Street and West of S. Glasgow Ave.
- (b) In addition, in residential zone districts, no short-term rental dwelling unit shall be issued a license in a property immediately adjacent to a property that contains a short-term rental dwelling unit. "Immediately adjacent," for the purposes of this section, means that the properties share at least 25 feet of contiguous boundary line.
- (c) The limitations on location and total number of short-term rental units in this Subsection 454.3 shall include existing short-term rental dwelling special use permits existing as of the date of the ordinance adopting these Short-Term Rental Regulations.

454.4 Short-term rental dwelling units in the Commercial (CM) or Historic Commercial (HC) zone districts shall not count towards the total number of short-term rental dwelling units in Section 454.3 above.

455. OPERATION

455.1 All vehicles associated with the short-term rental use shall be parked in designated parking areas, such as driveways and garages, or on-street parking, where permitted. No parking shall occur on lawns or sidewalks. Unless otherwise requested by the license applicant and specified in the license, two parked vehicles shall be allowed per short-term rental dwelling unit, and the vehicles shall display a parking permit with the license number of the short-term rental at all times when parked.

455.2 The owner shall be responsible for ensuring that the short-term rental complies with Town of Rico garbage, refuse, and trash collection standards. The owner and local responsible party shall arrange for proper garbage, refuse, and trash collection. The owner and local responsible party shall arrange for snow removal on the sidewalks and driveways associated with the short-term rental.

455.3 The following information must be posted in a prominent and visible location in the short-term rental:

- (a) Town of Rico business license and short-term rental license;
- (b) Contact information for owner and/or local responsible party, including phone number for twenty-four-hour response to emergencies;
- (c) Notice of any fire ban in effect in the Town;
- (d) Description of location of fire extinguishers and emergency egress; and
- (e) Any other information deemed necessary by the Town Manager or Building Official to ensure the public's health and safety.

455.4 All advertising of a short-term rental, including advertising on website vacation booking sites, shall display the Town of Rico short-term rental license number and business license number.

456. LICENSE PROCEDURES

456.1 Application Requirements. The owner shall submit the application on the form provided by the Town and shall pay the application fee. The application fee shall be \$2500 for an initial application and \$1500 for a renewal application (including renewals pursuant to the lottery system). Applications for a short-term rental license starting on January 1 shall be submitted to the Town no later than August 1 of the preceding calendar year.

456.2 Application Review, Referral, and Appeal. The Town Manager, in consultation with the Town Planner, shall review applications for short-term rental licenses for compliance with these regulations. The Town shall review applications during the month of August and shall issue license decisions no later than September 15. If the application is in conformity with the Short-Term Rental Regulations, the Town Manager shall issue a short-term rental license. The Town Manager may, in his or her sole discretion, refer an application to the Board of Trustees if the application raises issues on which the Board's input is necessary or desirable. If the application is not approved and the license is not issued, the Town Manager shall state in writing the reason(s) for the denial of the license. The applicant may appeal the Town's denial to the Board of Trustees within thirty (30) calendar days of issuance of the written denial decision.

456.3 Issuance and Term of License. All short-term rental units, except short-term rental dwelling units for which the Town has issued a special use permit as of the date of the ordinance adopting these regulations, shall require a license from the Town. Such license shall only be issued after the short-term rental application has been approved in accordance with the Municipal Code. The short-term rental license shall specify any terms and

conditions of the license. All licenses shall be issued to the owner of the property. No natural person or business entity shall be issued more than one short-term rental license, nor shall the owner of an existing short-term rental dwelling unit as of the date of adoption of these regulations be issued a license for an additional short-term rental. Licenses shall not transfer with the transfer of property to a new owner: a change in ownership of the property shall necessitate a new application and issuance of a new license. Licenses shall be issued for a period of two (2) years starting on January 1 and shall automatically expire on December 31 of the second year.

456.4 Lottery System. If the number of new or renewal license applications submitted for an application cycle would lead to a total number of short-term rental units in excess of the number allowed in Section 454.4 (including the total number allowed for any quadrant of the Town), the Town Manager shall issue licenses by random lottery. Such lottery shall not provide a preference to renewal applications over new applications. The Town shall refund the application fees, except for an administrative fee of \$50 which shall be retained by the Town, for applications not issued pursuant to a lottery.

456.5 Neighborhood Notification. Upon issuance of a short-term rental license, the property owner shall be responsible for mailing public notification of the license to owners of all real property within two hundred fifty (250) feet of any boundary or edge of the subject property or parcel. The property owner shall provide certification to the Town Manager that proper notice has been provided, including a signed affidavit.

456.6 Revocation of License. A short-term rental license may be revoked at any time by the Board following a hearing if the Town determines that the property is not being operated in compliance with this Short-Term Rental Regulations or any other Town ordinance. A short-term rental license shall be revoked automatically upon the property owner's third conviction in Rico Municipal Court of a violation of any provision in these Short-Term Rental Regulations with respect to the short-term rental. An applicant whose short-term rental license has been revoked within the last two years shall not be allowed to apply for a new or renewal short-term rental license.

456.7 Tax Collection. A license holder who fails to collect any applicable taxes on a short-term rental, including but not limited to lodging tax, during the license period shall not be allowed to renew the license for the next two-year license cycle. Owners shall present documentation demonstrating the collection and remittance of taxes to the Town as part of the license renewal application.

457. PENALTIES AND ENFORCEMENT

457.1 Penalties for Violations. Any violation of the Short-Term Rental Regulations shall be subject to a fine of two hundred fifty dollars (\$250.00) for the first offense, five hundred dollars (\$500.00) for the second offense, seven hundred fifty dollars (\$750.00) for the third

offense, and one thousand dollars (\$1,000.00) for the fourth offense and all subsequent offenses. Each day's continuing violation shall be a separate and distinct offense.

457.2 Taxes Owed. In addition to the fine amounts stated in Section 457.1, any owner or operator of a short-term rental dwelling unit, including unauthorized owners operating a short-term rental without a license in violation of the Short-Term Rental Regulations, shall pay all unpaid taxes, including lodging tax, owed to the Town and interest thereon calculated at a rate of ten percent (10%) per year. The amount of outstanding tax owed shall be separate from the amount of the fine.

457.3 Inspection and Audit. The Town has the right to inspect any short-term rental dwelling unit after giving forty-eight (48) hours' notice to the property owner and designated responsible party to verify compliance with the Short-Term Rental Regulations. The Town has the right to require an audit of any short-term rental owner's records concerning the operation of the short-term rental, to include occupancy rates, prices, revenues generated, and taxes remitted. The short-term rental owner shall be responsible for the cost of any audit.

**TOWN OF RICO
ORDINANCE NO. 2023-06**

**AN ORDINANCE OF THE TOWN OF RICO, COLORADO AMENDING
THE SHORT-TERM RENTAL RESTRICTIONS AND LICENSING
REQUIREMENTS IN THE RICO LAND USE CODE .**

WHEREAS, the Town of Rico, Colorado (the “Town”) is a Colorado home rule municipality organized pursuant to Article XX of the Colorado Constitution and with the authority of the Rico Home Rule Charter (the “Charter”); and

WHEREAS, by Ordinance No. 2022-05, the Town amended the Rico Land Use Code to impose a license requirement for short-term rentals and remove short-term rentals from special use permit review; and

WHEREAS, on November 8, 2023, the Rico Planning & Zoning Commission considered the amendments to the RLUC contained in this Ordinance at a duly noticed public hearing, and recommended the Board adopt the amendments; and

WHEREAS, the Town desires to preserve small town character while maintaining livability in accordance with the Rico Regional Master Plan by minimizing the adverse effects of short-term rentals on residential neighborhoods and the Town’s housing supply; and

WHEREAS, the Board desires to amend the RLUC §§ 456 and 457 to allow for submission of applications at any time, creation and maintenance of a waitlist, shortening the permit duration to one year, amending the fee schedule and increasing fine amounts; and

WHEREAS, the Board finds and declares that the amendments to the RLUC regarding short-term rentals set forth herein are proper in light of the needs and desires of the Town and in the promotion of the public health, safety, and welfare of the Town’s residents.

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF RICO THAT:

Section 1. The recitals above are hereby adopted as findings and incorporated herein.

Section 2. The Rico Land Use Code shall be and is hereby amended as set forth in **Exhibit A** to this Ordinance, incorporated by reference hereto.

Section 3. This Ordinance shall take effect immediately on final adoption.

THIS ORDINANCE WAS, FOLLOWING PUBLIC NOTICE, INTRODUCED, READ, AND APPROVED ON FIRST READING, AND ORDERED PUBLISHED BY TITLE ONLY ON NOVEMBER 15, 2023.

TOWN OF RICO, COLORADO

Nicole Pieterse, Mayor

ATTEST:

Anna Wolf, Town Clerk

THIS ORDINANCE WAS, FOLLOWING PUBLIC NOTICE, INTRODUCED, READ ON SECOND READING, PASSED AND ORDERED PUBLISHED BY TITLE ONLY TO BE EFFECTIVE IMMEDIATELY ON DECEMBER 20, 2023.

TOWN OF RICO, COLORADO

ATTEST:

Nicole Pieterse, Mayor

Anna Wolf, Town Clerk

Effective Date: December 20, 2023

EXHIBIT A

AMENDMENTS TO THE RICO LAND USE CODE

Additions shown in double underline; deletions shown in ~~strikethrough~~.

456. LICENSE PROCEDURES

456.1 Application Requirements. The owner shall submit the application on the form provided by the Town and shall pay the application fee. The nonrefundable application fee shall be ~~\$2500~~100 for an initial application and ~~\$1500~~75 for an annual renewal application ~~(including renewals pursuant to the lottery system).~~ Prior to issuance or renewal of a short-term rental license, the applicant shall pay the licensing fee. The licensing fee for a new short-term rental license shall be \$2500 and \$750 for renewal of an existing short-term rental license. Applications for renewal of a short-term rental license ~~starting on January 1~~ shall be submitted to the Town no later than August 1 of the year preceding calendar year the renewal term.

456.2 Available Licenses, Waitlist. In the event that there are no short-term rental licenses available within the quadrant, as established by Section 454.3(a) above, in which the applicant's proposed short-term rental property is located, the applicant shall be added to a short-term rental license wait list. The Town shall create and maintain a wait list for this purpose for each quadrant.

(a) Priority for issuing a short-term rental license, when available in the applicable quadrant, shall be based on application date such that the applicant that has been on the wait list the longest shall be entitled to receive the next available license upon payment of the licensing fee.

(b) An applicant shall remain on the wait list until a license is issued to the applicant, or the applicant is otherwise removed from the wait list, whichever occurs first. An applicant shall be removed from the wait list for violation of the Short-Term Rental Regulations, or upon transfer of the applicant's proposed short-term rental property to a new owner.

456.3 Application Review, Referral, and Appeal. The Town Manager, in consultation with the Town Planner, shall review applications for short-term rental licenses for compliance with these regulations. The Town shall review applications ~~during the month of August and shall issue license decisions no later than September 15.~~ If the application is in conformity with the Short-Term Rental Regulations, the Town Manager shall issue a short-term rental license, if available, or add the applicant to the waitlist pursuant to Section 456.2 above, within thirty (30) days of submission. The Town Manager may, in his or her sole discretion, refer an application to the Board of Trustees if the application raises issues

on which the Board's input is necessary or desirable. If the application is not approved and the license is not issued, the Town Manager shall state in writing the reason(s) for the denial of the license. The applicant may appeal the Town's denial to the Board of Trustees within thirty (30) calendar days of issuance of the written denial decision.

~~456.4~~ Issuance and Term of License, Initial Term and Renewal. All short-term rental units, except short-term rental dwelling units for which the Town has issued a special use permit as of the date of the ordinance adopting these regulations, shall require a license from the Town. Such license shall only be issued after the short-term rental application has been approved in accordance with the Municipal Code. The short-term rental license shall specify any terms and conditions of the license. All licenses shall be issued to the owner of the property. No natural person or business entity shall be issued more than one short-term rental license, nor shall the owner of an existing short-term rental dwelling unit as of the date of adoption of these regulations be issued a license for an additional short-term rental. Licenses shall not transfer with the transfer of property to a new owner: a change in ownership of the property shall necessitate a new application and issuance of a new license.

(a) Licenses shall be issued for an initial period of ~~two (2) years starting on January 1~~ commencing on the approval date and shall automatically expire on December 31 of the ~~second~~ same year.

(b) The renewal period for each license shall be one (1) year starting on January 1 and shall automatically expire on December 31 of the same year.

~~456.4 Lottery System.~~ ~~If the number of new or renewal license applications submitted for an application cycle would lead to a total number of short term rental units in excess of the number allowed in Section 454.4 (including the total number allowed for any quadrant of the Town), the Town Manager shall issue licenses by random lottery. Such lottery shall not provide a preference to renewal applications over new applications. The Town shall refund the application fees, except for an administrative fee of \$50 which shall be retained by the Town, for applications not issued pursuant to a lottery.~~

456.5 Neighborhood Notification. Upon issuance of a short-term rental license, the property owner shall be responsible for mailing public notification of the license to owners of all real property within two hundred fifty (250) feet of any boundary or edge of the subject property or parcel. The property owner shall provide certification to the Town Manager that proper notice has been provided, including a signed affidavit.

456.6 Revocation of License. A short-term rental license may be revoked at any time by the Board following a hearing if the Town determines that the property is not being operated in compliance with this Short-Term Rental Regulations or any other Town ordinance. A short-term rental license shall be revoked automatically upon the property owner's third conviction in Rico Municipal Court of a violation of any provision in these

Short-Term Rental Regulations with respect to the short-term rental. An applicant whose short-term rental license has been revoked within the last two years shall not be allowed to apply for a new or renewal short-term rental license.

456.7 Tax Collection. A license holder who fails to collect any applicable taxes on a short-term rental, including but not limited to lodging tax, during the license period shall not be allowed to renew the license for the next two-year license cycle. Owners shall present documentation demonstrating the collection and remittance of taxes to the Town as part of the license renewal application.

457. PENALTIES AND ENFORCEMENT

457.1 Penalties for Violations. Any violation of the Short-Term Rental Regulations shall be subject to a fine of ~~two thousand two~~ two ~~five hundred fifty~~ five hundred dollars (\$~~2,500~~2,500.00) for the first offense, ~~three thousand five hundred~~ three thousand ~~five hundred~~ five hundred dollars (\$~~3,050~~3,050.00) for the second offense, ~~seven~~ seven ~~four thousand hundred fifty~~ four thousand ~~hundred fifty~~ hundred dollars (\$~~7504,000~~7,504,000.00) for the third offense, and ~~one~~ one ~~Five~~ Five thousand dollars (\$~~51,000~~51,000.00) for the fourth offense and all subsequent offenses. Each day's continuing violation shall be a separate and distinct offense.