

**TOWN OF SILT
SPECIAL BOARD OF TRUSTEES AGENDA
MONDAY, MAY 4, 2020 – 6:00 P.M.**

REMOTE MEETING
(Participation information available on homepage of: townofsilt.org)

ESTIMATED TIME	AGENDA ITEM	PUBLIC HEARING or ACTION ITEM	STAFF PRESENTOR
	Agenda		Tab A
6:00	Call to order		Mayor Richel
	Roll call		
	Pledge of Allegiance and Moment of Silence		
6:05	Consent agenda – 1. Minutes of the April 27, 2020 Board of Trustees meeting	Action Item	Tab B Mayor Richel
	Conflicts of Interest		
6:10	Public Comments - The Mayor will announce the time for public comment. Persons desiring to make public comment on items not on the agenda shall activate the “raise hand” function in the meeting program. For persons who will participate in the meeting by telephone, they should send an email by 5:00 p.m. on the day of the meeting to sheila@townofsilt.org indicating their desire to make public comment.		
6:25	Agenda Changes		
6:25 45 min	Silt Metropolitan District Model Service Plan / Special District Ordinance presentation	Info Item	Tab C Administrator Layman
7:10 10 min	Marijuana Licensing Moratorium update	Info Item	Tab D Director Aluise
7:20 20 min	Town of Silt Small Business Emergency Loan Program	Action Item	Tab E Administrator Layman
7:40 5 min	Updates from Board / Board comments		
7:45	Adjournment		

The next regularly scheduled meeting of the Silt Board of Trustees is Monday, May 11, 2020. Items on the agenda are approximate and intended as a guide for the Board of Trustees. “Estimated Time” is subject to change, as is the order of the agenda. For deadlines and information required to schedule an item on the agenda, please contact the Silt Town Clerk at 876-2353.

**TOWN OF SILT
REGULAR BOARD OF TRUSTEES MEETING
APRIL 27, 2020 – 7:00 P.M.**

REMOTE MEETING

The Silt Board of Trustees held their regularly scheduled meeting remotely on Monday, April 27, 2020. Mayor Richel called the meeting to order at 7:00 p.m.

Roll call	Present	Mayor Keith Richel Mayor Pro-tem Kyle Knott Trustee Justin Brintnall Trustee Andreia Poston Trustee Jerry Seifert Trustee Sam Walls Vacancy
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Also, present remotely were Town Administrator Jeff Layman, Town Clerk Sheila McIntyre, Community Development Director Janet Aluise, Town Treasurer Amie Tucker, Chief of Police Mike Kite, Town Attorney Michael Sawyer and members of the public.

Pledge of Allegiance and Moment of Silence

Consent Agenda

- 1) Minutes of the April 13, 2020 Remote Board of Trustees meeting

Trustee Seifert made a motion to approve the consent agenda as presented. Trustee Brintnall seconded the motion, and the motion carried unanimously.

Conflicts of Interest – There were no conflicts of interest.

Public Comments – There were no public comments.

Agenda Changes – Administrator Layman stated staff has scheduled a special meeting of the Board of Trustees on May 4, 2020 at a time to be determined to discuss the Metropolitan District Model Service Plan and Ordinance.

Interviews for Board of Trustee Vacancy – Samuel Flores and Michael Hixson

The Board interviewed each of the candidates for the vacant position.

Trustee Poston made a motion to appoint Samuel Flores to the Board of Trustee vacancy. Mayor Pro-tem Knott seconded the motion, and the motion carried unanimously.

Town Clerk McIntyre swore in Samuel Flores and he joined the Board immediately. Attorney Sawyer went over the agenda to confirm that Trustee Flores had no conflicts.

Second reading of Ordinance No. 9, Series 2020, AN ORDINANCE OF THE TOWN OF SILT (“TOWN”) APPROVING A LAND LEASE AGREEMENT BETWEEN THE TOWN AND HIGHWATER FARM, A COLORADO NONPROFIT CORPORATION (“HIGHWATER”) FOR A LEASE OF A PORTION OF THE SILT RIVER PRESERVE KNOWN AS PARCEL # 2179-094-00-733 AND THE APPURTENANT WATER RIGHTS, FOR THE PURPOSE OF ACTIVE AGRICULTURAL PRODUCTION, WITHIN THE TOWN OF SILT, GARFIELD COUNTY, STATE OF COLORADO

Director Aluise went through her staff report reiterating that this lease agreement allows for an additional four years in the first term and an additional five 5-year terms.

The public hearing was opened at 7:46 p.m. There were no public comments and the hearing was closed at 7:47 p.m.

Mayor Pro-tem Knott asked how the towns water rights that are being used by Highwater Farms are protected should there be a need for them downstream. Attorney Sawyer that there is no liability to the town and that the water rights stay with the property just as they have for many years. Sara Tymczynyn stated that she anticipates using only 100,000 gallons per acre each year of the water rights leased by Highwater Farms.

Trustee Brintnall made a motion to approve second reading of Ordinance No. 9, Series 2020, AN ORDINANCE OF THE TOWN OF SILT (“TOWN”) APPROVING A LAND LEASE AGREEMENT BETWEEN THE TOWN AND HIGHWATER FARM, A COLORADO NONPROFIT CORPORATION (“HIGHWATER”) FOR A LEASE OF A PORTION OF THE SILT RIVER PRESERVE KNOWN AS PARCEL # 2179-094-00-733 AND THE APPURTENANT WATER RIGHTS, FOR THE PURPOSE OF ACTIVE AGRICULTURAL PRODUCTION, WITHIN THE TOWN OF SILT, GARFIELD COUNTY, STATE OF COLORADO. Trustee Seifert seconded the motion, and the motion carried unanimously.

Continued first reading of **Ordinance No. 3, Series 2020**, AN ORDINANCE ANNEXING THAT CERTAIN PROPERTY KNOWN AS THE VILLAGE AT PAINTED PASTURES ANNEXATION, A 9.223-ACRE PARCEL AND A 2.001-ACRE PARCEL, BOTH SOUTH OF THE EXISTING PAINTED PASTURES SUBDIVISION AND EAST OF THE LYON COMMERCIAL PLANNED UNIT DEVELOPMENT, WITHIN GARFIELD COUNTY, STATE OF COLORADO

Director Aluise provided a presentation on both the annexation and zoning applications together. She stated that the applicant proposes that these two parcels be annexed and zoned as a Planned Unit Development for mixed commercial and residential uses. This development lends to the completion of the roundabout on State Highway 6, and addresses the Town’s concerns related to the shortage of light commercial and multi-family units.

There was discussion regarding open space, density and parking requirements for both the commercial and resident units. Doug Pratte, planner for the project, stated that they have been working with staff on the PUD guide and feel comfortable that they can meet the standards. He clarified for the Board that the apartments would be available for rent to anyone.

The public hearing was opened at 8:19 p.m.

Bret Conant, Silt resident asked about the ingress and egress of the development, how it will tie in with the current sidewalk from the Post Office, and the acceleration and deceleration lanes into the development. Director Aluisse stated that these items would be addressed at subdivision and that the final plat would be coming before the board very soon. Yancy Nichol, engineer for the applicant briefly explained their plan that addresses the ingress and egress to the subdivision and also includes a full roundabout that will also into the trail on Highway 6.

The hearing was then closed at 8:23 p.m.

Mayor Richel commented that this is a project that Silt has been yearning for, with smaller residential and higher density.

Trustee Seifert made a motion to approve the continued first reading of Ordinance No. 3, Series 2020, AN ORDINANCE ANNEXING THAT CERTAIN PROPERTY KNOWN AS THE VILLAGE AT PAINTED PASTURES ANNEXATION, A 9.223-ACRE PARCEL AND A 2.001-ACRE PARCEL, BOTH SOUTH OF THE EXISTING PAINTED PASTURES SUBDIVISION AND EAST OF THE LYON COMMERCIAL PLANNED UNIT DEVELOPMENT, WITHIN GARFIELD COUNTY, STATE OF COLORADO. Trustee Brintnall seconded the motion, and the motion carried unanimously.

Continued first reading of **Ordinance No. 4, Series 2020**, AN ORDINANCE OF THE TOWN OF SILT, COLORADO, ZONING AS A PLANNED UNIT DEVELOPMENT CERTAIN ANNEXED LAND KNOWN AS THE VILLAGE AT PAINTED PASTURES ANNEXATION, A 9.223-ACRE PARCEL AND A 2.001-ACRE PARCEL, BOTH SOUTH OF THE EXISTING PAINTED PASTURES SUBDIVISION AND EAST OF THE LYON COMMERCIAL PLANNED UNIT DEVELOPMENT, WITHIN THE TOWN OF SILT, GARFIELD COUNTY, STATE OF COLORADO

Director Aluisse stated that this item was already discussed during the first presentation.

The public hearing was opened at 8:28 p.m. There were no public comments and the hearing was closed at 8:28 p.m.

There was brief discussion about multi-family units throughout the PUD, that the zoning will more closely resemble B2 zoning and what commercial uses would be allowed within the PUD.

Mayor Pro-tem Knott made a motion to approve the continued first reading of Ordinance No. 4, Series 2020, AN ORDINANCE OF THE TOWN OF SILT, COLORADO, ZONING AS A PLANNED UNIT DEVELOPMENT CERTAIN ANNEXED LAND KNOWN AS THE VILLAGE AT PAINTED PASTURES ANNEXATION, A 9.223-ACRE PARCEL AND A 2.001-ACRE PARCEL, BOTH SOUTH OF THE EXISTING PAINTED PASTURES SUBDIVISION AND EAST OF THE LYON COMMERCIAL PLANNED UNIT DEVELOPMENT, WITHIN THE TOWN OF SILT, GARFIELD COUNTY, STATE OF COLORADO. Trustee Seifert seconded the motion, and the motion carried unanimously.

River Valley Metropolitan District Service Plan (continuance requested)

Administrator Layman explained that this item had been noticed for tonight's meeting by the applicant but that staff is still working with them to complete the final draft of the Service Plan. He asked that the board continue this public hearing until the May 11, 2020 meeting adding that the Model Service Plan and Ordinance will be presented to the Board at their May 4, 2020 meeting.

Chad Lee, attorney for the applicant stated that he had nothing to add.

Mayor Richel made a motion to continue the River Valley Metropolitan District Service Plan discussion to the May 11, 2020 agenda. Mayor Pro-tem Knott seconded the motion, and the motion carried unanimously.

March 2020 financials and balance sheets

Treasurer Tucker went over the March 2020 financials and balance sheets. Mayor Richel stated that he doesn't believe that Silt will get hit as hard from the COVID-19 crisis as neighboring communities since Silt is not a tourism-based town but added that we will see a decrease in revenue. He thanked staff for being proactive and taking measures to reduce expenditures now.

Administrator Layman went over the updated general fund revenue numbers compiled by staff as well as the list of capital expenditure projects that were approved in the budget, showing where staff feels items could be reduced depending upon how revenues look. He added that he is also optimistic that our numbers won't be as bad as neighboring communities since we don't rely on tourism. Administrator Layman added that staff will continue to reduce spending until they have a better feel for what is going on with the economy. He stated that staff would be bringing back a more comprehensive idea of what expenditure reductions would look like at the May 11, 2020 meeting.

Mayor Pro-tem Knott asked if staff had heard from the County Commissioners, the state of Colorado or GCFMLD as to whether or not their grant programs would still be moving forward and Administrator Layman stated staff has already received some of the grants for projects due to take place this summer. He added that some of the other monies are still up in the air right now but that staff is watching to see what other money might be out there for the town to utilize to help our community.

Resolution No. 23, Series 2020, A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF SILT, COLORADO, OFFERING A FOOD VOUCHER PROGRAM TO SILT RESIDENTS IN NEEDS DURING THE COVID-19 PANDEMIC CRISIS

Administrator Layman went over the program that could help our citizens during this time. The food voucher program is an attempt to direct aid to folks who are in need of food assistance to help both citizens and the local businesses who would provide the food to them.

There was discussion to open this program up to anyone who needs the help that lives within the 81652-zip code. Staff will provide the information to the Board so that they can assist with getting the word out.

Mayor Pro-tem Knott made a motion to approve Resolution No. 23, Series 2020, A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF SILT, COLORADO, OFFERING A FOOD VOUCHER PROGRAM TO SILT RESIDENTS IN NEEDS DURING THE COVID-19 PANDEMIC CRISIS with the change to include all Silt residents who live within the 81652-zip code area . Trustee Walls seconded the motion, and the motion carried unanimously.

Administrator Layman added that the Rifle Regional Economic Development Corporation (RREDC) is working with other surrounding communities to administer loans with money provided by each of the communities to small businesses who need assistance during this difficult period. He asked the Board if they would consider this program and suggested that the town could use \$20,000 from the General Fund budget to put into this loan program for those businesses that apply. He added that the RREDC would administer these loans at no cost to the town since we are members of their organization.

There was a consensus of the Board to move forward on this program quickly and to have the information brought back for approval at the May 4, 2020 meeting. Attorney Sawyer stated that his office has already prepared the documents for the other communities that are doing it and that it would be very easy to include Silt.

Updates from Board / Board comments

The Board welcomed newly appointed member Samuel Flores to the Board. Trustee Flores thanked the Board for appointing him and stated that he would do his best to do his part. The Board also thanked staff for all of their hard work and appreciates everything the town is doing to reach out to citizens and businesses to help wherever they can.

Mayor Pro-tem Knott asked if there was a plan for the opening of the youth sports season. Director Aluise stated that there may be a chance that spring soccer could still happen but if not, it could be transferred to the fall season. He also asked the status of the moratorium discussion for marijuana and Administrator Layman stated that it would be coming before the Board very soon. Mr. Knott also asked if there was a timeline on when the town parks would be opened back up again and Administrator Layman stated that he is awaiting guidance from Garfield County.

Mayor Richel and Trustee Walls commented about people taking their dogs to the Silt River Preserve and the 16th Street and Roy Moore parks. He added that dogs are not allowed in town parks other than the designated Dog Park on the south side of the Interstate. He also commented about kids riding their dirt bikes on the skateboard ramps and that young people are doing donuts in the parking lot at the skateboard park. He asked that everyone respect the skateboard park, adding that it was very expensive to install and that the town does not want to see it damaged or closed.

Executive Session

Mayor Richel made a motion to go into an executive session for the purpose of receiving legal advice on a specific legal question under C.R.S. Section 24-6-402(4)(b) Silt Castle LLC v Town of Silt. Mayor Pro-Tem Knott seconded the motion, and the motion carried unanimously. The board adjourned to executive session at 9:20 p.m.

At the end of executive session, Mayor Richel made the following statement: “The time is now 10:04 p.m., and the executive session has concluded. No formal action was taken in executive session. The participants in the executive session were: Keith Richel, Kyle Knott, Andrea Poston, Jerry Seifert, Sam Walls, Justin Brintnall, Samuel Flores, Janet Aluise, Jeff Layman, Michael Sawyer and Andy Nathan. For the record, if any person who participated in the executive session believes that any substantial discussion of any matters not included in the motion to go into the executive session occurred during the executive session, or that any improper action occurred during the executive session in violation of the Open Meetings Law, I would ask that you state your concerns for the record”. No objections were stated.

Adjournment

Trustee Seifert made a motion to adjourn. Mayor Pro-tem Knott seconded the motion, and the motion carried unanimously. Mayor Richel adjourned the meeting 10:05 p.m.

Respectfully submitted,

Approved by the Board of Trustees

Sheila M. McIntyre, CMC
Town Clerk

Keith B. Richel
Mayor

TOWN OF SILT
BOARD OF TRUSTEES WORK SESSION

May 4, 2020

AGENDA ITEM SUMMARY

SUBJECT: Silt Metropolitan District Model Service Plan / Special District Ordinance Presentation

PROCEDURE: Information/Discussion

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

Mr. Robert Cole of the law firm of Collins, Cockrell and Cole will again be on hand to provide a description of the draft Silt Metropolitan District Model Service Plan. This model plan is meant to be a guide for the Town in future applications to the Town for the establishment of special and/or metropolitan districts.

Our intent is to gather Trustees' specific thoughts on what they would prefer to see in a metro district service plan, what restrictions should be put in place and what provisions should be included in the approval process policy document and ordinance. It is suggested that it be adopted by resolution once the Board of Trustees is satisfied with its contents. Likewise, it is suggested that the Town adopt an ordinance regarding special district establishment.

The Town currently has no model, policy or ordinance to which proposals must conform. Any application at this time must conform to Colorado state law.

Town Attorney Michael Sawyer will also be present.

ORIGINATED BY: Jeff Layman

PRESENTED BY: Bob Cole, Attorney

SUBMITTED BY:

REVIEWED BY:

Jeff Layman
Jeff Layman, Town Administrator

Sheila M. McIntyre
Sheila McIntyre, Town Clerk



SHAREHOLDERS
 Paul R. Cockrel
 James P. Collins
 Robert G. Cole
 Timothy J. Flynn
 Evan D. Ela
 Linda M. Glesne
 David A. Greher
 Kathryn G. Winn
 Allison C. Ulmer
 Matthew P. Ruhland

ASSOCIATES
 Joseph W. Norris
 Bart W. Miller
 Ayshan E. Ibrahim

303.218.7205
 kwinn@cccfirm.com

MEMORANDUM

April 29, 2020

ATTORNEY-CLIENT PRIVILEGED

VIA E-MAIL

TO: Board of Trustees
Town of Silt

FROM: Kathryn G. Winn and Robert G. Cole

RE: **Metropolitan Districts**

The Model Service Plan for Metropolitan Districts and the proposed Chapter 18.01 of the Silt Municipal Code have been updated and revised based on comments from your prior work sessions as well as our meetings with your staff, Town attorney Michael Sawyer, and financial consultant James Mann, as well as feedback from the proponents of the River Valley Metropolitan District. In order to help focus your review of the documents and aid in your discussion, below is a summary of what we believe to be key components of the policy.

	<u>Descriptions</u>	<u>Requirement/Condition</u>	<u>Purpose</u>
1.	Flexibility	The policy is intended as a guide upon which the Town can evaluate metropolitan district proposals. The Trustees retain full discretion to approve a service plan that varies from the guidelines of the Model Service Plan and Town Code.	The Code and Model Service Plan establish the basic guidelines that are important to the Town; however, there are times when flexibility may be needed based on the specifics of a certain project or proposal.
2.	Extraordinary Public Benefit	Formation of a metropolitan district must provide some <i>“extraordinary public benefit”</i> .	The Town has expressed a desire to see metropolitan districts organized only when there is some benefit to the public through the organization of the district that could not otherwise practically be achieved.

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3.	Town Comprehensive Plan and other Master Plans	Proponents are asked to address how either the district or project/development associated with the district furthers (or at a minimum does not hinder) the objectives of the Town Plans. This can be provided in the Service Plan, cover letter, or Letter of Intent.	Addressing components of the Town Plans will assist the Town in evaluating the appropriateness of the use of a metropolitan district, and what public benefits would be realized.
4.	Assessed Valuation of \$5 million +	Districts with a projected AV of less than \$5 million at build-out are not permitted.	Discourages the use of metropolitan district for very small projects and helps ensure that districts will have a sufficient tax basis to support the public improvement costs.
5.	Debt Restrictions	District-issued debt cannot have a term greater than the useful life of the improvements being financed, not to exceed 30 years; unless a majority of the District Board are residents of the District and vote in favor of a refunding or the refunding results in a savings. A debt mill levy cannot be imposed for more than 40 years.	Provides property owners with an end date for the debt mill levy, ensuring that properties are taxed only for a reasonable amount of time in relation to the benefits received.
6.	Mill Levy Caps	The aggregate of the Operations & Maintenance Mill Levy and Debt Mill Levy cannot exceed 50 mills.	Ensures property owners are not overburdened by either mill levy.
7.	Financial Advisor Certification	All debt requires certification of a 3 rd party financial advisor.	Provides for a 3 rd party review of debt to confirm that the structure is reasonable.
8.	Limit District Fees	Fees are generally prohibited, unless specific fee types are approved in the service plan, and the actual fees approved by Resolution of the Trustees.	Prevents metropolitan districts from imposing fees without restriction that could financially burden property owners.
9.	Public Improvements	Must be designed in accordance with Town Code standards and specifications. The Town's warranty and security requirements of the Subdivision Regulations apply to all public improvements.	Ensures public improvements are built to Town standards and security provided for any issues that appear during the warranty period.
10.	Other Restrictions	Metropolitan districts in Silt will not have any eminent domain power, and cannot provide services provided by the Town or other local governments (such as providing water and wastewater facilities or fire protection services)	Prevents metropolitan districts from using eminent domain powers to acquire property. Preventing districts from providing overlapping services protects residents from paying twice for the same service.



**TOWN OF SILT
BOARD OF TRUSTEES REGULAR MEETING
May 4, 2020
Council Action Form**

SUBJECT: Marijuana Moratorium and discussion regarding proposed code changes to Titles 5 (Business License) and 17 (Zoning) regarding marijuana business.

PROCEDURE: Public Meeting

RECOMMENDATION: Discussion and direction from the Board.

SUMMARY: On or about 1-13-20, the Board of Trustees approved an Emergency Ordinance to impose a 6-month moratorium on the processing of marijuana business applications in lieu of the Board (& Planning & Zoning Commission) reviewing Titles 5 (Business License) and 17 (Zoning) of the Silt Municipal Code.

FUNDING SOURCE: Town

ORDINANCE FIRST READING DATE: N/A

ORDINANCE SECOND READING DATE: N/A

RESOLUTION READING DATE: N/A

ORIGINATED BY: Board of Trustees

PRESENTED BY: Janet Aluise, CDD

DOCUMENTS ATTACHED: Staff Memorandum

TOWN ATTORNEY REVIEW [] YES [] NO INITIALS _____

SUBMITTED BY:



Janet Aluise, Community Development Director

REVIEWED BY:



Jeff Layman, Town Administrator

BOARD OF TRUSTEE MEMORANDUM

TO: HONORABLE MAYOR AND BOARD OF TRUSTEE MEMBERS
FROM: JANET ALUISE, COMMUNITY DEVELOPMENT DIRECTOR 
DATE: APRIL 30, 2020
RE: MORATORIUM ON MARIJUANA – PROSPECTIVE CODE CHANGES

TITLE 5, CHAPTER 5.32 (BUSINESS LICENSE) & TITLE 17, CHAPTER 17.73 (ZONING)

Title 5 of the Silt Municipal Code provides guidance as to the general licensing requirements for an applicant to obtain a marijuana license (retail store, cultivation facility, products manufacturing facility, testing facility). This code is in place to ensure that the Town has the information required by state statutes, such as the composition of the company/individuals applying for the license, the location of the proposed license, the scope of the business, the type of security system, etc. Title 5 (Chapter 5.32) works in conjunction with Title 17 (Chapter 17.73) listing the procedure for Board, staff, and the applicant to follow in reviewing and approving such marijuana uses. As such, this section of code may need to change to reflect the Board's desire for:

- 1) Regulation of the number of marijuana businesses within the Town;
- 2) Regulation of the permitted locations of marijuana businesses;
- 3) Delivery stipulations or prohibitions;
- 4) Limitations or allowances on scope of operation (square footage, number of cultivated plants);
- 5) Limitations or allowances on proximity to other uses (setbacks, screening);
- 6) More strenuous controls over odor, sight, traffic); &
- 7) Signage restrictions.

ORDINANCE AMENDMENT PROCESS & BOARD DIRECTION

Should the Board wish to make changes to either or both Titles (5 and/or 17), the staff would take the Board's consensus and produce a draft ordinance. Any ordinance affecting Title 17 (Zoning) would necessarily proceed through the Planning & Zoning Commission for a recommendation to the Board of Trustees. Title 5 would just be brought to the Board of Trustees for consideration in two public hearings (1st reading and 2nd reading). Staff and the Board have both indicated in the past the necessity of involving the public to a large degree in these potential ordinance changes, and to that end, the staff would suggest that it heavily advertise the meeting dates and topics for work sessions and meetings, as well as to post informational items about the potential changes to both Titles 5 and 17. This agenda item's purpose is to give staff general direction as to the mode and scope of the Board's and staff's efforts to review and amend Titles 5 and 17.

TOWN OF SILT
BOARD OF TRUSTEES REGULAR MEETING
May 4, 2020
AGENDA ITEM SUMMARY

SUBJECT: COVID-19 Relief Efforts: COVID-19 Small Business Emergency Loan Program

PROCEDURE: Action by Resolution

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

The Rifle Regional Economic Development Corporation (RREDC) partnered with the City of Rifle to administer a "Small Business Emergency Loan Program" funded by the City. After RREDC Board Member Joe Carpenter suggested that other Towns might benefit, Executive Director Katie Mackley responded quickly saying that she would be willing to manage such a program for Silt, as well.

The concept behind asking RREDC to manage the program is that they may be able to move more quickly and nimbly than local government. This approach seems to be a good balance of accountability and moving quickly to help our local businesses until the federal assistance can reach those who have applied.

Attached is the description of the program in which the loan is forgiven if used to "pay for payment of operating expenses" within six months of the loan. The loan conditions are also included in the description. Loans are limited to \$2,000 and total program cost is \$20,000. The funds will be taken either from savings from the General Fund or General Fund reserve and will be reflected in a budget amendment mid-year 2020. The program will award loans on a "First come-first served" basis.

Under the terms of the program, the Town of Silt will transfer \$20,000 to the control of the RREDC. RREDC will administer the loans and report back to the Town.

Depending on the interest shown by the business community, the Board of Trustees could elect to refund and/or extend and/or revise the program.

It should also be noted that Ms. Mackley has made herself available to help Silt businesses navigate the world of funding options.

RECOMMENDATION: Staff recommends that Trustees discuss the attached program and if appropriate, pass a resolution to direct staff to undertake the initiative.

FUNDING SOURCE: General Fund

ORIGINATED BY: Jeff Layman

PRESENTED BY: Jeff Layman

DOCUMENTS ATTACHED:

- Description of program
- Proposed resolution
- Promissory Note
- Personal Guarantee Form

TOWN ATTORNEY REVIEW [x] YES [] NO INITIALS: MJS

SUBMITTED BY:

Jeff Layman
Jeff Layman, Town Administrator

REVIEWED BY:

Sheila M. McIntyre
Sheila M. McIntyre, Town Clerk

Proposal for COVID-19 Small Business Emergency Loan Program:

Overview:

The current COVID-19 pandemic has created a state of emergency for the small business community in Silt. Due to local, state, and national orders, many businesses that were not considered “Critical Businesses” were forced to temporarily close or dramatically limit operations. While nearly all local businesses are facing hardship and economic losses, businesses that have been forced to close or significantly cut back are struggling to pay mortgages, rent and other obligations. This program is designed to help those businesses bridge the gap while other loans or funding sources are obtained.

Program Description:

The Rifle Regional Economic Development Corporation is requesting \$20,000 from the Town of Silt that will be used to create a COVID-19 response fund that will be administered through the Revolving Loan Fund as forgivable loans. Small businesses in good standing, with a brick-and-mortar presence in Silt, may apply for up to \$2,000 to cover operating expenses.

To qualify for funding, businesses must meet the following criteria:

1. Applicant has been forced to temporarily close or forced to dramatically limit operations due to the COVID-19 pandemic.
2. Applicant must have been open as of March 1, 2020 with a physical, store-front address in the Silt city limits. (Home-based businesses are not eligible.)
3. Applicant applying for the funding must be a small business with less than 50 employees and have local ownership.
4. Applicant must be in good standing with the Town of Silt and/or Colorado Secretary of State.
5. Applicant must provide a line-item budget of the operating expenses for which the loan will be used.

6. Applicant must not have already received any COVID-19 relief funding (EIDL, PPP, etc...).
7. Borrowers are strongly encouraged to work with the RREDC and the Northwest SBDC, over the course of the loan, on their business plan and model in order to have a higher likelihood of success.

Loan payment/forgiveness clause:

1. Loans will be zero interest/payments for six months from origin date.
2. Loans will be 100% forgiven if the borrower submits documentation showing payment of operating expenses shown in line-item budget.

Minimum/Maximum Loan Sizes: Maximum loan amount will be \$2,000 based on documented need/approved uses of funds.

Loan Fee: There will be no fees associated with these loans.

Term: There will be no required principal or interest payments for the first six months of this loan. Should the loan fail to be forgiven, the payments will be amortized over the remaining 24 months at principal plus 3% interest.

Collateral: These loans are unsecured but will require unlimited guarantees of any business owner with 20% or more ownership of the business.

Draw Period: Borrower may fully-draw this loan within 24 hours of closing.

Technical Assistance Funding:

The RREDC will utilize the Town of Silt's \$1000 membership contribution to offset the technical assistance required to administer the loans. Should the Town of Silt decide to designate additional funding for this program in the future, supplementary funding may be required to cover costs associated with technical assistance.

Application:

Today's Date:

First Name:

Last Name:

Email Address:

Contact Phone Number:

Business Name:

Type of Business:

Town of Silt Sales Tax # (if applicable):

Business Address:

How has your business been impacted by the COVID-19 health emergency?

Check all that apply:

- | | |
|-----------------------------|------------------------------------|
| Business Closure | Employee Absenteeism |
| Reduced Hours of Operation | Inability to Serve Customers |
| Employee Layoffs | Decreased Customers |
| Revenue Decline | Request of Rent Deferral/Abatement |
| Increased Operating Costs | Utilization of Reserves |
| Interrupted Supply/Delivery | |

Grant amount you are applying for:

Please provide a line-item budget listing specifically what expenses the grant funds will be used for:

Have you received any other sources of aid or relief funding?

If yes, which source(s)?

Number of full-time employees on February 1, 2020?

Number of part-time employees on February 1, 2020?

Number of full-time employees currently?

Number of part-time employees currently?

Statement of Understanding & Certification by Applicant

I have read the program eligibility criteria for the COVID-19 Small Business Emergency Loan Program. I understand that loan awards will be determined at the discretion of the Rifle Regional Economic Development Corporation (RREDC) based on the program eligibility criteria and the responses provided in this Application. I understand that loan funds are limited, and that submitting an Application does not guarantee a loan. I further understand the RREDC may terminate the program at any time, for any reason.

I certify that I am authorized to sign this Application as or on behalf of the Applicant. I agree to verify any of the information contained in this Application upon request by the RREDC. If selected to receive a loan, I agree to provide, within six months of receiving the loan, a report to the RREDC, including receipts, demonstrating how the loan funds were utilized. I understand that loan forgiveness is contingent upon providing this report. I agree that my business is fully responsible for determining and understanding the effect that my receipt of loan funds, if awarded, may have on any other applications for, my business' eligibility for, or awards from, other economic aid or relief programs from any other entity whatsoever. I further agree that by submitting this Application, I and my business release and hold harmless the RREDC from any responsibility or liability for any effect the receipt of loan funds from the RREDC may have on such applications, eligibility, or awards from such other programs.

All Applications will become property of the RREDC, and all Applications are subject to the Colorado Open Records Act, C.R.S. § 24-72-200.1 et seq., provided that the RREDC will use its best efforts to maintain the confidentiality of any confidential financial information submitted, as permitted by law.

By signing below, I certify that all information in this application, and all information furnished in support of this application, is given for the purpose of obtaining a COVID-19 Small Business Emergency Loan and that the information provided is true, correct, and complete to the best of my knowledge.

By entering my name and title below, I am electronically signing my application.

Full Name:

Title:

Promissory Note
COVID-19 Small Business Emergency Loan Program

Principal Amount: \$ _____

Rifle, CO

Date of Note: _____

FOR VALUE RECEIVED under the Town of Silt, Colorado/Rifle Regional Economic Development Corporation COVID-19 Small Business Emergency Loan Program, the terms of which are incorporated herein in full (the "Program"), the undersigned, _____, whose address is _____, CO 81650 ("Borrower") promises to pay to the Rifle Regional Economic Development Corporation ("Lender") the principal sum of _____ U.S. dollars (\$ _____) (the "Loan"), as follows:

1. Interest shall accrue at the rate of 3% per annum on the principal balance of the Note. There will be no required principal or interest payments for the first six months of the Loan. The Loan will be 100% forgiven by Lender if Borrower submits to Lender documentation evidencing payment of operating expenses shown in the line-item budget included in Borrower's application for the Program within six months of the date of this Note.
2. Should Borrower fail to provide required documentation for Loan forgiveness, the entire principal amount outstanding and remaining accrued interest thereon shall be due and payable in full two years from the date of this Note.
3. All payments shall be made payable to the Rifle Regional Economic Development Corporation and shall be mailed or delivered to 144 East 3rd St., Rifle, CO 81650, or at such other places as Lender may designate in writing from time to time.

Application of Payments Received. Payments received for application to this Note shall be applied first to the payment of accrued interest specified above; and then to the reduction of the principal balance.

Prepayment. Borrower may pre-pay Lender in whole or in part, at any time, without fee or any penalty. Any such prepayments shall be applied to reduce the outstanding principal balance.

No Waiver by Lender. No failure on the part of Lender to exercise, and no delay in exercising any right hereunder, shall operate as a waiver of such right, nor shall any single or partial exercise by the Lender of any right hereunder preclude the exercise of any other right. The remedies herein provided for are cumulative and not exclusive of any remedies provided by law.

Waiver by Borrower. Borrower and all parties now or hereafter liable for payment of this note, primarily or secondarily, directly or indirectly, and whether as endorser, guarantor, surety or otherwise, hereby severally (a) waive presentment, demand, protest, notice of protest, notice of dishonor, and all other notices and demands whatsoever, and (b) consent to impairment or release

of collateral, extensions of time for payment, and acceptance of late or partial payments before, at or after maturity.

Attorney's Fees. In the event of default, Borrower agrees to pay all costs of collection, including reasonable attorney's fees and costs incurred by Lender. In the event of litigation arising from the terms and conditions of this note, the prevailing party shall be entitled to collect all reasonable costs and expense of collection and/or suit, including, but not limited to, reasonable attorney's fees.

Colorado Law. This note is made and shall be governed by and interpreted in accordance with the laws of the State of Colorado. The parties agree that the proper venue for any action to be filed under this note shall be in Garfield County, Colorado.

Headings. The paragraph headings are inserted herein only for the purpose of convenient reference and they shall in no way define limit or prescribe the scope or intent of this note.

BORROWER(S):

By: _____

Name: _____ Date: _____

[Print Name]

Title (if a legal entity)*: _____

By: _____ Date: _____

[Print Name]

*If Borrower is a legal entity, a Personal Guarantee of every owner of 20% or more of such entity shall accompany this Note.

PERSONAL GUARANTEE
COVID-19 Small Business Emergency Loan Program

In consideration of the loan made to _____ (“Borrower”) by the Rifle Regional Economic Development Corporation (“Lender”) pursuant to the COVID-19 Small Business Emergency Loan Program, the undersigned hereby guarantees absolutely and unconditionally the prompt payment when due, the indebtedness and obligations of Borrower to Lender (the “Indebtedness”), and in addition, the undersigned agrees to pay all expenses, including attorneys fees and legal expenses, paid or incurred by Lender to collect the Indebtedness, or any part thereof, and to enforce this guaranty. The undersigned also further agrees that all payments and obligations of Guarantor are performable in Garfield County, Colorado. Guarantor further agrees that the laws of the State of Colorado shall govern this contract between Lender and Guarantor and also govern any transactions made between Lender, Borrower and/or Guarantor.

The liability of the undersigned under this guaranty shall in no way be affected, by any compromise, waiver, settlement, change, subordination, modification or disposition of the Indebtedness, and in order to hold the undersigned liable hereunder, there shall be no obligation on the part of Lender at any time to resort first for payment to the Borrower, or any other guarantor, and Lender shall have the right to enforce this guaranty irrespective of whether or not proceedings or steps are being taken against any party primarily or secondarily liable on the Indebtedness.

The undersigned waives presentment, protest and notice of dishonor or default, notice of acceptance of the guaranty, notice of extensions of credit or other actions taken in reliance hereon, and all demands and notices of any kind in connection with this guaranty or the Indebtedness. Lender without notice of any kind, may sell, assign, or transfer any of the Indebtedness to a third party, and in such event, each successive assignee, transferee or holder of any of the Indebtedness shall have the right to enforce this guaranty for the benefit of such assignee, transferee, or holder. This guaranty shall be binding on the heirs, legal representatives, successors and assigns, of the undersigned and shall insure to the benefit of Lender, its successors, and assigns.

DATED this _____ day of _____ 2020.

GUARANTOR, Individually
(Individual’s signature only)

Printed Name

**TOWN OF SILT
RESOLUTION NO. 25
SERIES OF 2020**

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN
OF SILT, COLORADO, OFFERING A SMALL BUSINESS
EMERGENCY LOAN PROGRAM AS A RESULT OF THE COVID-
19 PANDEMIC CRISIS**

WHEREAS, the World Health Organization has declared the 2019 Novel Coronavirus/ COVID-19 disease (“COVID-19”) a Global Pandemic; and

WHEREAS, the COVID-19 pandemic has created a state of emergency for the small business community in Silt; and

WHEREAS, many businesses that were not considered as “Critical Businesses” were forced to temporarily close or dramatically limit their operations; and

WHEREAS, local businesses are facing hardship and economic losses, and may have been forced to close or significantly cut back; and

WHEREAS, the Town of Silt feels the need to help our local businesses by creating an emergency loan fund until the federal assistance can reach those who have applied to assist with those who are struggling to pay mortgages, rent and other obligations; and

WHEREAS, the Town of Silt is a member of the Rifle Regional Economic Development Corporation, and the RREDC has offered to administer and manage the program at no additional cost to the Town to those local businesses who apply.

NOW, THEREFORE, IT IS RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF SILT, COLORADO, THAT:

Section 1. The above recitals are hereby incorporated as findings by the Town Board of Trustees of the Town of Silt.

Section 2. The Board of Trustees hereby authorize an expenditure of up to \$20,000 from the General Fund to be used towards a small business emergency loan program for local businesses with a maximum loan of amount of \$2000 per applicant.

Section 3. Loans will be zero interest/payments for six months and loans will be 100% forgiven if the borrower submits documentation showing payment of operating expenses shown in a line-item budget.

Section 4. The Board of Trustees hereby authorize the Rifle Regional Economic Development Corporation to administer the program on behalf of the Town of Silt.

Section 5. Qualifying applicants of the program will be required to complete an application and follow the guidelines as stated in the attached Promissory Note and Personal Guarantee.

Section 6. The Board of Trustees may elect to refund, extend and/or revise the emergency loan program at any time and at their sole discretion.

INTRODUCED, READ, AND PASSED THIS 4TH DAY OF MAY 2020.

TOWN OF SILT, COLORADO

Keith B. Richel, Mayor

ATTEST:

Sheila M. McIntyre, Town Clerk, CMC