

# *Memos of Interest*

## MEMO OF INTEREST

**WORK SESSION DATE:** September 7, 2010

**TOPIC:** Update Regarding the *Aspen Area Community Plan*  
Schedule for Completion

**STAFF RESPONSIBLE:** Ellen Sassano, Senior Long Range Planner

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**ISSUE STATEMENT:** The purpose of this MOI is to update the Board on the schedule for the anticipated completion of the *Aspen Area Community Plan (AACP)*.

**BACKGROUND:** The Aspen and Pitkin County Planning Commissions have completed a first draft of all of the chapters of the AACP which cover the following topics:

- Sustaining the Aspen Idea
- Environmental Quality
- Managing Growth & Economic Sustainability
- Housing
- Historic Preservation
- Transportation
- West of Castle Creek Area
- Lifelong Aspenite
- Parks, Recreation, Open Space & Trails

An editing group comprised of City and County Planning Commissioners has been working with Staff on editing the chapters for format, consistency and readability. The full P&Zs continue to meet twice a week to work through outstanding issues that have been identified as needing further discussion and resolution. All of the draft chapters may be reviewed in the following location on the AACP project website:

[http://www.aspencommunityvision.com/page\\_41](http://www.aspencommunityvision.com/page_41).

We anticipate the following schedule for completion of the Plan:

- ✓ Planning Commissioners will finish their work on the document by September 9<sup>th</sup>.
- ✓ Staff will put it into a final format for release to the public on-line by the end of September.
- ✓ Small group meetings with the public will be scheduled in early October for two weeks from the 11<sup>th</sup> – 22<sup>nd</sup> to get feedback on the draft.
- ✓ Large group meetings with the public will be held the week of November 15<sup>th</sup> for 3 days. Questions and issues arising from the initial October public meetings will be

incorporated into a survey and clicker response format for the large group meetings, which will be held at the Wheeler.

- ✓ Staff will bring an overview of the draft Plan to the BOCC and City Council for feedback on December 7<sup>th</sup>, at a regularly scheduled joint meeting.
- ✓ Public hearings will be scheduled in January for review and adoption of the Plan by the City and County Planning Commissions, adoption of the Plan by City Council and ratification of the Plan by the BOCC.

**LINK TO STRATEGIC PLAN:** This matter relates to the *Regionalism* goal of the Strategic Plan, specifically to the goal of working with citizens, groups and other jurisdictions in order to identify a shared vision for the region.

**BUDGETARY IMPACT:** Funding for the AACP process was allocated in 2008. No additional funding is requested for completion or implementation of the Plan. In their 2011 budget deliberations, the City of Aspen is considering a funding request for \$250,000.00 to put towards implementation of the Plan over a two year period following Plan adoption. The County Community Development Department anticipates applying for grants to fund Plan direction for items such as 3-D modeling of the Highway 82 Corridor within the Urban Growth Boundary. Other “action items” in the Plan will be implemented in-house with current Staff.

**STAFF ACTION:** This MOI is for informational purpose only. No action is proposed or requested.

**ATTACHMENTS:** None.

## Budget Supplemental Request

For increases above budgeted revenues or expenditures; new or increased programs, services, or personnel; transfers over \$50,000; or transfers across funds.

**Email the completed form to the Department's Fund Specialist**

<b>Project/Service Name:</b>	FEMA Mapping GIS Groundwater Study	<b>Work Session Date:</b>	September 7, 2010
<b>Department:</b>	Healthy Rivers & Streams	<b>Budget Year:</b>	2010
<b>Request Type:</b>	Adjustment to Operations	<b>Adjustment Type:</b>	One time adjustment
<b>Fund:</b>	Healthy Rivers and Streams		

<b>Staff Responsible:</b>	John Ely	<b>Prepared By:</b>	Lisa MacDonald
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**1) PROJECT DESCRIPTION AND BACKGROUND** - On June 17, 2010, Catherine Berg, Pitkin County Planning Engineer presented information to the Healthy Rivers and Streams Citizens Advisory Board ("River Board") on the Federal Emergency Management Agency ("FEMA") Floodplain Map project. The Community Development Dept was approached by FEMA and was offered a grant for the digitization and update of its floodplain maps. The Community Development Dept will oversee the map project. The project cost is \$517,220 with FEMA committing 75% of the funds. Ms. Berg requested a \$41,155.00 contribution from the River Board. The remaining funds will come from the Open Space & Trails Dept, the City of Aspen, and the Colorado Water Conservation Board, as well as an in-kind contribution from the GIS Department. The River Board moved to recommend approval of a budget allocation for the FEMA Floodplain Mapping Project for the digitization and update of floodplain maps in the amount of \$41,155.00.

Also at its June 17, 2010 meeting, Kenneth E. Kolm and Paul van der Heijde of Hydrologic Systems Analysis, LLC and Heath Hydrology, Inc. provided a presentation to the River Board on their work to date involving a GIS-based, stepwise groundwater resources evaluation procedure that can be used as a land use management tool by the county. The procedure, supported by GIS maps and related data bases, guides the site specific analysis with respect to, economical exploitability, long-term sustainability of the utilization of the resources for water supply and the vulnerability or susceptibility of the resources to contamination. Pitkin County, through the Community Development Department, had contracted with Mr. Kolm and Mr. van der Heijde for the initial mapping project. It was recommended to continue the analysis on areas not yet studied, in particular, Castle, Maroon and Woody Creeks, the Frying Pan River as well as the Town of Aspen. Mr. Kolm submitted a proposal to complete the study to the River Board in July. At its August 16, 2010 meeting, the River Board reviewed the proposal and unanimously voted to recommend an expenditure of \$41,000.00 for the completion of the GIS based groundwater study.

**2) STRATEGIC PLAN GOAL(S) ADVANCED** – Ballot language objectives for the fund provide for the maintenance and improvement of water quality and quantity within the Roaring Fork Watershed and as such promote the County's strategic goals of Regionalism, Environmental Protection, Safe and Healthy Community

**3) REVENUE STREAM** – Dedicated fund

4) FUNDING SUMMARY					
Line Item Description	Account Coding	Original Budget Amount	Revenue Increase/ Decrease	Expenditure Increase/ Decrease	Total Adjusted Budget
FEMA mapping project		0		41,155.00	41,155.00
GIS Based Groundwater Survey				41,000.00	41,000.00
	Subtotal:				
*Highlight the cell and press F9 to update the Subtotals and Cost				<b>Net Cost</b>	<b>\$82,155.00</b>

**BOCC Approval:** \_\_\_\_\_  
Date County Manager Signature

For Finance Dept Use:

TRANSACTION #	NAME	DATE ENTERED

## MEMO OF INTEREST

**WORK SESSION DATE:** September 7<sup>th</sup>, 2010

**TOPIC:** Energy Smart Program Update

**STAFF RESPONSIBLE:** Dylan Hoffman, Energy Program Manager

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**ISSUE STATEMENT:** On Tuesday, August 24<sup>th</sup>, Energy Management staff sent out a Press Release updating the public and involved parties about the current status of the Energy Smart Program. Due to recent decisions made at the federal level that have an immediate and detrimental impact on programs like Energy Smart, Pitkin County has been forced to put the Energy Smart Program on an indefinite hold.

**BACKGROUND:** On November 3<sup>rd</sup>, 2009 the Pitkin County electorate overwhelmingly approved Referendum 1A, which authorized County debt for the Energy Smart Local Improvement District in the amount of \$7 million. Additionally, identical measures passed in Eagle and Gunnison Counties (at \$10 million and \$3 million respectively). Because of this, the three Counties have been working to create a regional Energy Smart Program (ESP) for the purpose of financing energy efficiency and renewable improvements on properties throughout the Counties. These programs, nationally referred to as PACE programs (Property Assessed Clean Energy), have been approved in at least 23 states and have seen rapid proliferation in the last several years.

However, in early May, the expansion of PACE programs among state and local governments came to an abrupt end. Fannie Mae and Freddie Mac (who are overseen by the Federal Housing Finance Agency, or FHFA) issued brief letters that suggested PACE violated standard mortgage provisions. In early July, the FHFA reinforced the Fannie/Freddie letters with a statement regarding PACE, cautioning that lenders and taxpayers faced “significant” risk from PACE assessments. The regulators concluded that property owners that participate in senior-lien residential PACE programs will violate standard mortgage provisions and trigger a mortgage default. In addition, the FHFA instructed Fannie and Freddie to use more restrictive mortgage underwriting standards for all borrowers in jurisdictions with PACE programs. Those warnings, coming from the issuers or holders of over three quarters of the nation’s residential mortgages, froze, and have now begun reversing, the rapid expansion of PACE programs around the country.

The attached update, dated August 24<sup>th</sup>, outlines the current situation, project background, recent developments, possible outcomes, and next steps for the regional Energy Smart Program.

**LINK TO STRATEGIC PLAN:** This project directly supports the County’s Strategic Issues in Environmental Protection (most notably, *Promotion of Energy Efficiencies, and Regional Activism on Environmental Issues*), and Regionalism (most notably, *Developing Broad Regional Policies, Regional Efficiencies, and Shared Vision*).

**BUDGETARY IMPACT:** None at this time.

**STAFF ACTION:** This memo serves only to update the Board on the current PACE situation. Staff will continue to move forward with clean energy financing options and await movement on PACE programs at the federal level.

**ATTACHMENTS:**  
Energy Smart Update 8.24.10



## **Pitkin County Energy Smart Update August 24<sup>th</sup>, 2010**

### **Current Situation**

Due to recent decisions made at the federal level that have an immediate and detrimental impact on Property-Assessed Clean Energy (PACE) programs, Pitkin County has been forced to put the Energy Smart Program on an **indefinite hold**.

The County is extremely disappointed by the lack of flexibility and vision that has been encountered with the FHFA and with Fannie Mae and Freddie Mac, and will continue to work with our local Congressional members as well as other stakeholders around the country to try to resolve these issues as quickly as possible. Initially, PACE communities hoped to get this issue resolved within a few weeks of receiving notice of this new policy. However, it now appears that it will take several months before any kind of agreeable solution can be reached.

### **Background**

On November 3rd, the Pitkin County electorate overwhelmingly approved Referendum 1A, which authorized County debt for the Energy Smart Program in the amount of \$7 million. Additionally, identical measures passed in Eagle and Gunnison Counties (at \$10 million and \$3 million respectively). Because of this, the three counties have been working to create a regional Energy Smart Program for the purpose of financing energy efficiency and renewable improvements on properties within the three counties. The repayment mechanism for these improvements would be through special assessment on the property to be repaid over a 15 year term as part of the owner's property tax payment.

However, in early May, the expansion of PACE programs among state and local governments came to an abrupt end. Fannie Mae and Freddie Mac (who are overseen by the Federal Housing Finance Agency, or FHFA) issued brief letters that suggested PACE violated standard mortgage provisions. In early July, the FHFA reinforced the Fannie/Freddie letters with a statement regarding PACE, cautioning that lenders and taxpayers faced "significant" risk from PACE assessments. The regulators concluded that property owners that participate in senior-lien residential PACE programs will violate standard mortgage provisions and trigger a mortgage default. In addition, the

FHFA instructed Fannie and Freddie to use more restrictive mortgage underwriting standards for all borrowers in jurisdictions with PACE programs. Those warnings, coming from the issuers or holders of over three quarters of the nation's residential mortgages, froze, and have now begun reversing, the rapid expansion of PACE programs around the country.

### **Recent Developments and Possible Outcomes**

Since the July 6<sup>th</sup> FHFA letter, significant pressure has been exerted upon the financial regulators to find a solution to the PACE impasse. Several legal challenges, from the Attorney General of California, Sonoma County, Babylon NY, and the Sierra Club, have been filed. Bills in both the Senate and the House have been introduced in order to restrict FHFA's ability to alter underwriting standards within PACE communities. Additionally, FHFA, along with members of congress, have reengaged in discussions about possible options for moving PACE programs forward in a manner that works for both the local governments and the financial regulators.

Although, a tremendous amount of uncertainty surrounds PACE programs, these actions could lead to future resolution:

- A federal judge may find any of the lawsuits sufficiently compelling and prohibit FHFA from discouraging mortgages on PACE properties.
- Congress may find a legislative solution which would eliminate FHFA's ability to alter underwriting standards within PACE communities.
- The Administration may successfully reach an interagency solution that provides sufficient assurances to mortgage lenders and regulators.

### **Next Steps**

While Pitkin County continues to move towards resolution on the PACE issues in order to facilitate a future launch of the Energy Smart Program, several "bridge" financing scenarios are in the works.

1. **Private Bank Financing Products:** The County is working to identify all existing loan products for energy improvements and determine if new loan products could be developed with the assistance of State and Federal grant opportunities.
2. **Non-Fannie/Freddie Properties:** A potential opportunity exists to move forward with PACE financing on non-conforming mortgages, those not held to Fannie/Freddie underwriting standards, or properties without an existing mortgage.
3. **Commercial Energy Smart Program:** County staff is currently exploring the potential of launching a PACE program for commercial properties. Commercial mortgages are not subject to FHFA guidelines, and there is a possibility that the federal restrictions would not impact commercial PACE programs.

As Pitkin County and local partners make progress in these areas, additional information will be provided to the public. Additionally, the County will work diligently to keep our community apprised of any movement with PACE at the federal level. We ask for your continued patience as we seek additional financing options and work to reinstate PACE in our community.

If you have any questions, comments, suggestions, etc., please do not hesitate to contact the County:

**Dylan Hoffman**  
Energy Program Manager  
76 Service Center Road  
Aspen, CO 81611  
(970) 429-2897  
dylan.hoffman@co.pitkin.co.us

**Additional Information/Resources:**

Lawrence Berkeley National Lab White Paper:  
<http://eetd.lbl.gov/EAP/EMP/reports/ee-policybrief081110.pdf>

PACENOW:  
[www.pacenow.org/blog](http://www.pacenow.org/blog)

## MEMO OF INTEREST

**WORK SESSION DATE:** September 7, 2010

**TOPIC:** Pearl Bridge Reconstruction

**STAFF RESPONSIBLE:** G.R. Fielding, County Engineer

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**ISSUE STATEMENT:** On July 31<sup>st</sup> and August 1<sup>st</sup>, the Pearl Pass Bridge spanning Castle Creek in the far upper reaches of the Castle Creek Valley was repaired.

**BACKGROUND:** Due to high runoff in the last several years, the Pearl Pass Bridge has come into disrepair. To make the bridge passable, four wheel drive enthusiasts have done some work in the past year, but those repairs would likely have only last a year or two. Because of these circumstances, Staff took an interest in repairing the structure to increase its life expectancy. In 2009, after a several phone calls to the local engineering firm, Schmueser Gordon and Meyer (SGM), a site visit was conducted and the consensus was that repairs were necessary.

Time and budget did not allow for work to be done on the bridge in 2009, but during the early part of 2010, Staff received a request from SGM to set up a volunteer service project to rehabilitate the bridge. After several site visits during the spring and early summer, the weekend of July 31<sup>st</sup> and August 1<sup>st</sup> was chosen as the most appropriate date for repairs. Plans were drawn up and between 20 and 30 volunteers worked throughout the weekend to complete the rehabilitation in the allotted 2 days. The work which took place during the rehabilitation included constructing a new abutment on the downhill side of the bridge, reinforcing the uphill abutment, stringing new girders made from local timber, and recycling the old deck.

**LINK TO STRATEGIC PLAN:** Regional Transportation – Provide funding necessary to sustain safe, efficient, and high quality County roads.

**BUDGETARY IMPACT:** In total, this project cost the County well under \$2,500 including staff and equipment time, and materials. This is compared to a price tag of about 10 times that amount if not for the volunteers from SGM.

**ATTACHMENTS:** Aspen Daily News Article from August 14, 2010 and Employee Newsletter article

# Extreme bridge makeover



Photo courtesy

**Volunteers rebuild the Pearl Pass bridge, connecting Aspen to Crested Butte.**

Aspen Daily News Staff Report

Pearl Pass, a popular high country trail connecting Aspen to Crested Butte, is now passable, thanks to a combined effort by Pitkin County and a general contractor.

More than a year ago, Pitkin County contacted Schmueser Gordon Meyer (SGM) to review the deteriorating Pearl Pass bridge and provide a proposal to rebuild it on the heavily-used Upper Castle Creek Road Trail.

Spring runoffs from recent above-average snowpacks had compromised the Pearl Pass Bridge, and the insufficient span length required extensive annual maintenance to keep the road passable for vehicles, according to officials.

Crews worked on a remote site at 10,500 feet, with challenging off-road conditions and used nearby timber resources to create the new structure.

It became a company-wide volunteer project at SGM, enabling the group of over 20 volunteers to remove and rebuild the bridge in one weekend.

The high country trail sees moderate travel from hikers, back country skiers, and off-road vehicles throughout the year.

“The bridge needed significant rehabilitation,” said Pitkin County Engineer GR Fielding. “SGM was instrumental in improving the structure to weather major spring runoff events, and increase the life of the structure.”

## Extreme Bridge Make-Over

*Replacing the washed-out Pearl Pass Bridge*



County Engineer G.R. Fielding and the SGM volunteer crew

What happens when you take a weekend time constraint and combine a Pitkin County bridge in dire need of repair with an engineering firm looking for a volunteer service project? Extreme Pearl Pass Bridge Makeover!

The Pearl Pass bridge nearly washed away during Spring Runoff after the winter of 2008/2009. It became difficult if not impossible to cross in a vehicle until some "jeep enthusiasts" piled rock up under it to make it somewhat passable. That was a temporary "fix" that was only expected to hold up until the next big runoff season.

Over a year ago, Pitkin County contacted Schmuesser Gordon Meyer (SGM) to review the deteriorating bridge and provide a proposal for rebuilding Pearl Pass Bridge on the popular Upper Castle Creek Road Trail, but had to shelve the project because of financial limitations.

Meanwhile, a committee at SGM had been grappling with how to give back to the community when charitable funds were lower than in the past. The Pearl Pass Bridge project seemed like a perfect fit! The idea "swelled" to a company-wide volunteer project, enabling the group of volunteers to remove and rebuild the bridge in a weekend.

"We were really excited to partner with SGM on this project," said Pitkin County Engineer, G.R. Fielding. "It saved us a significant amount of money," Fielding said.

Fielding spent a weekend in early August with volunteer SGM staffers, and other volunteers including Amos Mace, grandchild of the late Stuart Mace. Road and Bridge backhoe operator, Hans Ayers was also on the crew.



The result was sturdy bridge at the intersection of Pearl Pass and Montezuma Basin road that should withstand spring runoffs for years to come.

## MEMO OF INTEREST

**WORK SESSION DATE:** September 7<sup>th</sup>, 2010

**TOPIC:** Food Waste Composting

**STAFF RESPONSIBLE:** Chris Hoofnagle, Rich Ludwig

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**ISSUE STATEMENT:**

Create a pilot program to collect food waste to be processed through composting.

**BACKGROUND:**

A major goal for the landfill is to provide diversion programs to extend the life of the landfill. The City of Aspen and Pitkin County were awarded a \$94,000 grant to pilot a food waste composting program which will enhance landfill diversion.

The grant was awarded by the Colorado Department of Health and Environment through their Recycling Resources Economic Opportunity (RREO) fund. The RREO funds are generated from a tipping fee surcharge at all landfills in the State. A waste characterization study was performed at the Pitkin County Landfill in 2009 funded by a \$100,000 USDA grant awarded to Eagle County. The characterization revealed food waste was 53% of the total weight of trash from the commercial sector.

Food waste mixed with waxed cardboard or other carbonaceous material can be composted to recycle the nutrients. Waxed cardboard is usually considered trash and not recyclable, however, it can be composted. Currently Pitkin County composts wood chips from the public and biosolids from the waste water treatment plant. This program has existed in the county for over 10 years. Food waste composting will be a great addition to the composting program.

If the pilot program is successful and expanded over the next several years the program will extend the life of the Landfill.

**LINK TO STRATEGIC PLAN:** Environmental Protection

**BUDGETARY IMPACT:** There will be no budgetary impact at this time.

**STAFF ACTION:** Landfill staff will work with the City of Aspen to setup an Intergovernmental Agreement (IGA) to create a pilot food waste composting program. The IGA will be brought back to the Board for consideration.