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**REGULAR CITY COUNCIL MEETING AGENDA
WEDNESDAY, JUNE 17, 2020
5:30 PM**

IN PERSON IN CHAMBERS AND ONLINE VIA WEBEX

Webex Meeting Information: [June 17, 2020 Regular City Council Meeting](#)

Meeting Number: 126 699 4396

Meeting Password: 3yCZ4mj32MQ (39294653 from phones/video systems)

Join By Phone: +1-408-418-9388 United States Toll

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**
- 4. APPROVAL OF MINUTES**
 - A. June 3, 2020 Regular Meeting.
- 5. PUBLIC COMMENT**
- 6. REPORTS**
 - A. Interim City Administrator / Finance Director
- 7. PRESENTATIONS, UPDATES & OTHER REPORTS**
 - A. Update regarding 2020 Salute to American Veteran's Rally scheduled for August 21-23, 2020; Jim Wear, Pro Promotions President.
- 8. NEW BUSINESS**
 - A. Consider approval of Resolution 2020-13 waiving Gaming Device Fees for June 1 thru June 14, 2020; Paul Harris, Interim City Administrator / Finance Director. **(THIS BUSINESS ITEM HAS BEEN REMOVED TO THE JULY 1, 2020 REGULAR MEETING)**
 - B. Consider request from FHR Colorado, LLC to release Bronco Billy's Hotel & Casino Redevelopment Project Performance Bond; Bill Gray, Planning & Community Development Director.
- 9. ADJOURNMENT.**



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**REGULAR CITY COUNCIL MEETING MINUTES
WEDNESDAY, JUNE 3, 2020 – 5:30 PM
IN PERSON AND ONLINE VIA WEBEX**

Location: Council Chambers, City Hall, 337 E. Bennett Avenue, Cripple Creek, Colorado 80813

1. **CALL TO ORDER** – Mayor Ashworth called the meeting to order at 5:30 PM having previously been posted in accordance with Colorado Open Records Law.
2. **PLEDGE OF ALLEGIANCE** – Mayor Ashworth led the Pledge of Allegiance.
3. **ROLL CALL** – City Clerk Sciacca called the roll. Present were Mayor Milford Ashworth, Mayor Pro Tem Tom Litherland and Councilmembers Charles Solomone, Meghan Rozell (online), and Melissa Trenary (online – joined after roll call due to connection issues). Staff present were City Clerk Janell Sciacca, City Attorney Erin Smith (online), Interim Administrator / Finance Director Paul Harris, Police Chief Charles Bright (online), Dispatch Supervisor Diann Pritchard (online); HR & Risk Management Director Carol Stotts (online); Ted Schweitzer, Transportation Director (phone), Planning & Community Development Director Bill Gray, Marketing & Events Director Jeff Mosher, and Public Works Director Steve DiCamillo (phone).
4. **APPROVAL OF MINUTES**
 - A. May 20, 2020 Regular Meeting – **MOTION** by Mayor Pro Tem Litherland and seconded by Councilman Solomone to approve the minutes of the May 20, 2020 Regular Meeting as written. Motion carried unanimously (*Councilwoman Trenary did not vote on this item as she had to reboot and rejoin the meeting*).
5. **PUBLIC COMMENT** – County Assessor Colt Simmons provided a quarterly update on assessments and stated the County is overall in good health. Simmons advised that an initiative was being proposed to repeal the Gallagher amendment. If the matter is submitted to the voters in the fall it would require a constitutional amendment. He also advised the County Courthouse is slowly reopening from the COVID19 related closure.
6. **REPORTS**
 - A. Interim Administrator/Finance Director – Harris announced the City received a \$15,000 grant from Newmont to offset direct COVID-19 related costs. The City worked with Teller County on variance requests for the Casinos to reopen, and with a new amendment that was submitted today removing all table games, he was hopeful for approval to reopen prior to Blackhawk & Central City. Harris also announced Teller County will receive \$2.2 million in CARES funding and the cities and County will meet soon to begin dialogue on how that money is to be allocated. He also reported the City submitted a letter of support for a variance for the Cripple Creek & Victor Narrow Gauge Railroad and the City would be submitting variances next week for the Heritage and Jail Museums in conjunction with the District Museum and Homestead House.
 - B. Public Works Director Update on Bennett Avenue Project – DiCamillo provided an update via phone advising the secondary \$500,000 grant the City was after from CDOT would not be able to be used for the Bennett Avenue Project due to timing of signing of the IGA. However, CDOT will roll the funds to the TAP grant for Galena sidewalks which should mean the City would have no out of pocket expense on that project which is set to move forward next spring. Bennett Avenue is 95% complete and the walk through for the final punch list was completed yesterday. There are few things outstanding such as curb and asphalt, but overall the project went very well, was completed on-schedule and possibly under budget.

7. PRESENTATIONS, UPDATES & OTHER REPORTS

- A. Newmont Cripple Creek & Victor Gold Mine Operational Update; Melissa Harmon, General Manager and Justin Raglin, External Relations Manager. Harmon introduced herself stating she started in Cripple Creek in February but has been with Newmont for 20 years. Harmon reviewed a Powerpoint presentation providing information on mine planning and operations through 2027. Current mine life is 2027 with processing through 2036 and reclamation and closure in 2042. Raglin reviewed the scope of Amendment 13 which would allow mining/processing after 2024. He also discussed concurrent reclamation efforts and Newmont’s Community Support Fund contributions totaling over \$550,000. The Council thanked Harmon and Raglin for their presentation and also for their support of Teller County and the Cripple Creek community.
- B. Presentation of “Streeteries at The Creek” proposed temporary program for restaurants, bars and retail stores to operate in outdoor settings; Bill Gray, Planning & Community Development Director & Jeff Mosher, Marketing & Events Director. Gray presented an overview of the proposal in the packet. At approximately 6:08 PM Councilwoman Rozell interrupted stating that she could not hear any part of the presentation by Gray and would not be voting on this item. She announced that she was leaving the meeting and would not be voting any subsequent business items either. Gray continued but at 6:10 PM City Attorney Smith announced that viewers online still could not hear Gray’s presentation. Mosher spoke briefly and stated the feedback received from the business community was positive. Sound quality issues continued and after repeated unsuccessful attempts to reestablish the sound for online viewers, Gray and Mosher ended the presentation with no vote being taken on the matter and general support of the concept by Councilmembers still participating in the meeting online and in person.

8. NEW BUSINESS

- A. Consider approval of Resolution 2020-11 approving the application for the Double Eagle Self-Storage Conditional Use Permit in the BB-Neighborhood Mixed Use Zone District at certain real property described as Lots 1-4, Block 1, Arcadia Heights, 401 E. Warren Ave, Cripple Creek, Colorado; Bill Gray, Planning & Community Development Director. Gray presented stating Resolution 2020-11 ratifies the Council’s May 20, 2020 decision to approve the Double Eagle Conditional Use Permit capturing the conditions applied to the recommendation at the Public Hearing. He recommended approval. **MOTION** by Mayor Pro Tem Litherland and seconded by Councilman Solomone to approve Resolution 2020-11 approving the application for the Double Eagle Self-Storage Conditional Use Permit in the BB-Neighborhood Mixed Use Zone District at certain real property described as Lots 1-4, Block 1, Arcadia Heights, 401 E. Warren Ave, Cripple Creek, Colorado as presented. Motion carried unanimously.
- B. Consider approval of Resolution 2020-12 approving a contract with the State of Colorado Department of Transportation for CARES Act funding to prevent, prepare for, and respond to COVID-19; Ted Schweitzer, Transportation Director. Schweitzer presented by phone stating the grant amount is \$62,073 with no match and is 100% reimbursable through the CARES Act. He added the 5311 Administration Grant will be put on hold until this money is expended. Harris clarified the grant is 100% funded. Schweitzer agreed adding the 5311 grant is a 80/20 match on the admin end and 50/50 on the operation end but this is 100% funding. **MOTION** by Mayor Ashworth and seconded by Councilman Solomone to approve Resolution 2020-12 approving a contract with the State of Colorado Department of Transportation for CARES Act funding to prevent, prepare for, and respond to COVID-19 as presented. Motion carried unanimously.

- 9. **ADJOURNMENT** – There being no further business before the Cripple Creek City Council, Mayor Ashworth adjourned the meeting at 6:25 PM

APPROVED:

ATTEST:

Milford Ashworth, Mayor

Janell Sciacca, City Clerk



June 8, 2020

City Council
337 E. Bennett Ave.
P.O. Box 430
Cripple Creek, CO 80813

RE: Bronco Billy's Hotel and Casino Redevelopment Project

Dear Councilmembers,

I am writing to you on behalf of our subsidiary, FHR-Colorado, LLC ("FHR"), the long-term owner and operator of Bronco Billy's Casino and Casino (collectively, "Bronco Billy's").

This letter requests a temporary release of the existing performance bond posted by FHR related to the redevelopment of Bronco Billy's in light of current construction being halted because of COVID-19.

1. Background

In May 2018, the Cripple Creek City Council approved FHR's application for the Bronco Billy's Hotel and Casino Redevelopment (the "Project"), which required various types of City Council approvals. These approvals included a June 27, 2018 Development Agreement with the City of Cripple Creek (the "City"), which established performance and completion guarantee terms for the Project, among other things.

Specifically, the Agreement requires FHR to furnish a performance bond to the City in order to secure the performance and completion of public infrastructure components of the construction of the Project. FHR posted the performance bond and has since completed part of the Phase 1 construction, including, but not limited to, the following significant improvements:

- All utility relocation work for the parking structure has been completed, with the exception of the phone line relocation, including:
 - Relocated and consolidated the electrical utility lines
 - Relocated the gas utilities to above-ground
 - Vacated alley sewer line
 - Cleared and graded the "palladium" property
 - Demolished dilapidated property at corner of Second Street and Carr in anticipation of Project and turned property into surface parking

2. Request

Due to the ongoing outbreak of COVID-19 which has had a significant negative effect on all aspects of casino operation and construction, the Project has been interrupted. We remain fully committed to proceeding with the construction as soon as practicable. However, during this time that the construction work is halted, we respectfully request that the performance bond be temporarily released. This allows us to put that funding toward our employees and operations.

In an effort to minimize and mitigate any impacts or risks to the City or the Project, we will perform the actions listed below in exchange for the temporary release of the performance bond. Such actions are intended to (1) make use of the construction site during this interim period; and (2) improve the aesthetics of the immediate area, paying special attention to the views from Second Street and Carr Avenue.

- Grade/surface cleared area for use as temporary convenient casino parking for the summer season.
- Pave alley from Third Street to Second Street.
- Install erosion control blanket with seed on all disturbed areas (excluding gravel surface parking areas) within the parking garage site and the recently graded lot.
- Align the construction fence in straight lines and corners around the perimeter of the construction area.
- Screen construction site from the street.
- Temporary lighting plan for parking areas.
- Clean all Bronco Billy's surface parking lots so that they are clear of debris and clutter.

We note that the nationwide closure of casinos is unprecedented. When the closures began, we had no idea when we would be permitted to reopen, or what the constraints would be on our reopened operations. Additionally, while other markets have had successful reopenings, we do not know how sustainable those business levels are in the longer term, especially with unprecedented national unemployment levels. The temporary pause of our Project was not a decision that we took lightly, but it was one we were forced to make to preserve capital in the face of so much uncertainty.

In a crisis like this, none of us can go it alone. We must all work together to make it through these challenging times and solve the problems exacerbated by this unprecedented pandemic. To help ease the impact of COVID-19, FHR respectfully requests that City Council temporarily release the performance bond until FHR is able to resume construction on the Project.

We still intend to build the four-star hotel we have designed, as well as the parking garage. However, the COVID-19 situation has also disrupted the normal financial markets and we are unlikely to be able to arrange financing on acceptable terms until we have reopened and proven the long-term stability of our business. The release of the bond, which helps fund improvement of the site to be used for temporary parking, should help us achieve such long-term stability.

Prior to resuming construction on the Project, FHR will re-post the performance bond, based on updated construction estimates, in order to secure the performance of the construction of the Project.

If City Council is willing to agree to this request, we will work with the City Attorney to prepare a simple amendment to the Development Agreement accounting for the temporary release of the performance bond.

If you have any questions or require additional information, please do not hesitate to contact me.

Sincerely,



Daniel R. Lee
President & Chief Executive Officer
Full House Resorts, Inc.