



SAN MIGUEL COUNTY PLANNING COMMISSION

PLANNING COMMISSION MEETING AGENDA THURSDAY, FEBRUARY 10, 2022 – 9:00 AM

- . **MEETING INFORMATION** - This meeting will be held online due to the COVID-19 virus. To join the meeting: <https://zoom.us/join>, Meeting ID: 965 1288 5206, Password: 534277; Audio only; Dial 1-301 715-8592 or 1-253-215-8782 (long distance rates may apply)

1. 9:00 A.M. CALL TO ORDER

2. APPROVAL OF MINUTES, PLANNING COMMISSION AND STAFF COMMENTS

Approval of the January 13, 2022 meetings as presented.

Recommended Motion: MOTION

[pc.1.13.22.minutes.edited KS EDITS.docx](#)

3. 9:15 A.M. PUBLIC HEARING: LAND USE APPLICATION

Applicant: Helen Thomas, Geosyntec Consultants on behalf of Standard Materials, Inc.

Location: West off Highway 141 and County Road U29 W. San Miguel County

Parcel(s): Mining claims on Bureau of Land Management (BLM) land

Zone District: West End (WE) Zone District

Proposal: Mining Exploration of mining claims, located on public lands managed by the BLM. The boring exploration program includes nine (9) drill pads, each measuring about 50 feet by 50 feet, for the purpose of exploring for Uranium.

Recommended Motion: MOTION

[COMBINED PACKET 2-10-2022 \(3\).pdf](#)

4. PUBLIC HEARING: LAND USE APPLICATION

CONTINUED REVIEW OF LAND USE APPLICATION FROM JANUARY 13, 2022

Applicant: Lawson Hill Property Owners Co. & Telluride Mountain School

Location: Lot H1, Lawson Hill PUD located north of Society Drive off San Miguel Dr.

Parcel Size: 1.88 acres

Zone District: Public (PUB)

Proposal: Rezone from Public (PUB) to Industrial (I); and Substantial PUD

Amendment to increase maximum Building Height

Recommended Motion: MOTION

[COMBINED PACKET 2-10-2022 \(6\).pdf](#)

5. WORKSESSION:

Discussion of Affordable Housing

[Report Affordable Housing Fee Method DRAFT.pdf](#)

6. ADJOURN

NOTE: This agenda is subject to change, including the addition of items up to 24 hours in advance or the deletion of items at any time. All times are approximate. This meeting is considered a San Miguel County Committee Meeting.

If special accommodations are necessary per ADA, contact 970-728-3844, via email bocc@sanmiguelcountyco.gov prior to the meeting.

The official, designate posting place for all meeting notices will be online at <https://www.sanmiguelcountyco.gov/liveagenda>. Use this link to view the live agenda with any last-minute changes. To be automatically notified, please sign up at www.sanmiguelcountyco.gov, sign up for alerts, and follow the prompts.



AGENDA ITEM

TITLE:

Approval of the January 13, 2022 meetings as presented.

Presented by:

Time needed:

PREPARED BY:

Nancy Hrupcin, Planning

RECOMMENDED ACTION/MOTION:

INTRODUCTION/BACKGROUND:

FISCAL IMPACT:

ATTACHMENTS:

[pc.1.13.22.minutes.edited KS EDITS.docx](#)

Description:

**SAN MIGUEL COUNTY PLANNING COMMISSION
MINUTES – REGULAR MEETING**

January 13, 2022

Online Meeting

Present:

Lee Taylor, Chair
Josselin Lifton-Zoline, Vice-Chair
M.J. Schillaci, Secretary
Ian Bald, Member
Matthew Bayma, Member

Absent:

Tobin Brown, Alternate

Planning Staff Present:

Kaye Simonson, Planning Director
John Huebner, Senior Planner
Troy Hangen, Senior Planner

County Staff Present:

Amy Markwell, County Attorney
Nancy Hrupcin, Legal Assistant, County Attorney's Office

9:00 a.m. Chair called the meeting to order.

PROCLAMATION: A proclamation with appreciation and gratitude to thank Pam Hall for 20 years of services as a member of the County Planning Commission.

MOTION by Lee Taylor to approve the proclamation.

SECONDED by Ian Bald. **VOTE PASSED 5-0.**

Lee Taylor	<u>Aye</u>	Nay	Abstain	Absent
Ian Bald	<u>Aye</u>	Nay	Abstain	Absent
M.J. Schillaci	<u>Aye</u>	Nay	Abstain	Absent
Josselin Lifton-Zoline	<u>Aye</u>	Nay	Abstain	Absent
Matthew Bayma	<u>Aye</u>	Nay	Abstain	Absent
Tobin Brown	<u>Aye</u>	Nay	Abstain	<u>Absent</u>

APPROVAL OF MINUTES:

MOTION by MJ Schillaci to approve the December 8, 2021, Joint Meeting minutes and the December 9, 2021 minutes as presented.

SECONDED by Josselin Lifton-Zoline. **VOTE PASSED 5-0.**

Lee Taylor	<u>Aye</u>	Nay	Abstain	Absent
Ian Bald	<u>Aye</u>	Nay	Abstain	Absent
M.J. Schillaci	<u>Aye</u>	Nay	Abstain	Absent
Josselin Lifton-Zoline	<u>Aye</u>	Nay	Abstain	Absent
Matthew Bayma	<u>Aye</u>	Nay	Abstain	Absent
Tobin Brown	<u>Aye</u>	Nay	Abstain	<u>Absent</u>

PLANNING COMMISSION AND STAFF COMMENTS:

The Planning Commission will have a work session with the Board of County Commissioners regarding employee housing fee mitigation as well as short term rentals on March 8, 2022.

The RFQ for the Master Plan consultant is going out, there is a need for two people to help choose the consultant.

The SUP for the Skelton Gravel Pit will go to the BOCC next Wednesday, January 19, 2022.

9:15 A.M. PUBLIC HEARING: LAND USE APPLICATION

Applicant: Gabriel Sweet, Big Rock Exploration on behalf of Alianza Minerals Limited
Location: SH Highway 141 and County Road 23R, Klondike Basin, San Miguel County
Parcel(s): Mining claims on Bureau of Land Management (BLM) lands, and lease on State Land Board section located at S16 T43N R16W
Zone District: West End (WE) Zone District
Proposal: Mineral Exploration of mining claims, Klondike Basin, located on public lands managed by the BLM, and the State of Colorado. The boring exploration program includes twenty (20) drill pads, each measuring about 50 feet by 50 feet, one (1) laydown yard, for the purpose of exploring for copper/MOTION

John Huebner mentioned the addition of a comment letter received, after the packet went out, from Mark Caddy, CPW. John then presented the application submitted by Gabriel Sweet, Big Rock Exploration, LLC on behalf of Alianza Minerals Limited that proposes Mineral Exploration on mining claims in the Klondike Basin on Bureau of Land Management (BLM) public lands off County Roads 23R and P23, and on a State Land Board section located at S16 T43N R16W. The drilling program includes up to twenty (20) drill pads, each measuring about 50 feet by 50 feet, and one (1) laydown yard, for the purpose of exploring copper. The project involves using existing BLM roads and routes and county roads with limited development of temporary access drives. Primary access to the project is off State Highway 141 via County Road 23R in the West End of San Miguel County.

The proposed layout of the project is to minimize new surface impact within the project area and to help facilitate reclamation after the exploratory drilling. There are to be 3-5 persons on site per shift, in 12 hours shifts. The workers are to be housed in Naturita.

County roads and established access routes (two-track) are utilized wherever practical, and the development of new access routes to drill pad locations is limited. The location of drill pads and laydown sites favor areas that are level or were previously disturbed and cleared.

It is expected to take approximately one week per hole while drilling to depths of 100-1500 feet with the total estimated ground disturbance being up to 5 acres. Signs are to be placed on reclaimed routes that are not open to travel.

The reclamation will consist of the boreholes being sealed and capped. The temporary routes will be scarified, re-contoured, and revegetated. A weed control plan will be required. All the

reclamation is subject to specific guidance protocols and permit requirements by the BLM, Colorado DRMS, and the county.

Notice was sent to the referral agencies. Lucas West of CDRMS had any concerns already addressed through the CDRMS application process. Julie Kolb, County Vegetation Manager stated she wanted a weed control plan. Mark Caddy, CPW said habitat was an area of concern and would like activities restricted from at least Dec 1 to April 30 due to critical winter range, and October 1 to December 1 for hunting season.

There was discussion about the BLM Reclamation Bond and what the reclamation would actually cost compared to what the state requires. If that amount is not sufficient, the commission could require more reclamation conditions.

With logistics and COVID conditions making a site visit for the Planning Commission harder, a staff site visit is scheduled to the Klondike Basin on January 27, 2022.

The review of the Special Use Permit is expected to take approximately 45 days to process with the BLM and at least 3-4 months with the county. Because of the timeline, they are starting the process with the county.

Josselin asked if there was anything in the Land Use Code regarding inventorying cultural and historic resources that would be relevant to any decisions.

John stated he believed the BLM would look at such matters as part of their review process, and Parks and Open Space were also noticed as one of the referral agencies.

The Commission inquired about any other mining or exploratory mining going on in the area. Currently, only the San Miguel County historical gravel pit, near the lay down area, is active.

MJ Schillaci commented about Mark Caddy's recommendation to work only run from May 1 to Sept 30 and would like to consider adding that to the motion. In addition, consider his recommended seed mixture as it is rangeland for primarily mule deer, which are browsers. It would be advantageous to include replacing shrubs that are suitable for the climate as part of the reclamation, as this proposal takes out a lot of the shrubs. There was further discussion regarding the concern of lack of water for plantings to aid in re-establishing the vegetation.

The commission inquired about the county going beyond restoration requirements to include soil restoration or supplements and wished to know more about soils and mitigation. Methods such as stockpiling topsoil are good practices to foster regrowth.

Gabriel Sweet then made his presentation to the commission. He stated that the permits to the BLM and the state DRMS states the "notice of intent" is for exploring rather than active mining.

The commission inquired as to what if they hit a pocket of gas and what is done about it. If there is a void or gas the situation is reevaluated for safety. It was also asked what the results are if they do find copper. The mineral exploration is a separate permit and additional active mining

would require further permitting. There are numerous steps if they find enough copper to warrant mining. 1 in 1,000 test sites might result in mining, and from discovery to development, this is a 10-15 year process.

Jason Weber, BLM Geologist further explained there are geological criteria to guide known copper mineralization on the surface. If there is enough concentration, they will be back for more exploration. Also, pockets of gas are not anticipated because of the geology, and the drilling contractor will have procedures for safety to deal with any hazards such as gas if they were discovered.

The commission did ask if the county could require them to identify water resources and could a condition be to ask for documentation of a water source.

It was asked how many drills will be used in a day, which is only one. The sound of the drills will sound no louder than a fridge running if over 500 ft. away.

Amy Markwell, County Attorney asked if the bond requirement is adequate for the reclamation. The county wants to make sure the reclamation is successful and guaranteed.

Gabriel estimated the bond would be between \$20,000 and \$30,000, but the costs could depend on the contractor.

Amy recommended a check-back after they get permits to see if there needs to be more protections for reclamation success.

Ryan Righetti, Road and Bridge Superintendent, said his department will also require a bond until all the sites are reclaimed.

11:08 a.m. Break

11:14 a.m. Reconvene

11:19 a.m. Open for Public Comment

Doug Tooley – Via chat, suggest repurposing drilling pads into campsites

Jennifer Thursten, Executive Director, Information Network for Responsible Mining – Value of landscape has increased. Public value is recreation use. Inadequate restoration is a major concern. The company should go above and beyond with existing stormwater. She asked if the road could be incorporated into the drill pad. Leaving roads improved leads to more development. Leave roads rugged.

Mason Osgood – Sheep Mountain Alliance – Cryptobiotic soils do get lost. They can take decades to generate. It is important to use native seed mixes. The pinion and juniper canopy do not come back. He shares Jennifer Thurston's concerns. The elk herd is struggling and decreasing. Mining affects and stresses the herds.

11:36 a.m. Closed Public Comment

The commission went over the additional conditions to add to the permit.

Those who addressed the commission:

Mason Osgood, Sheep Mountain Alliance

Gabriel Sweet, President of Alianza

Jason Webber, CEO of Alianza.

MOTION by Matt Bayma move to recommend to the Board of County Commissioners approval of a Special Use Permit (SUP) for Alianza Minerals Limited (Alianza) or its contractor, for the proposed Mining Exploration on mining claims in the Klondike Basin on Bureau of Land Management (BLM) public lands off County Roads 23R and P23, and on a State Land Board section located at S16 T43N R16W in San Miguel County, Colorado, based on the finding that the application is consistent with the County Master Plan, and with the Land Use Policies in LUC Section 2-8, Natural and Man-Made Hazard and Resource Area; LUC Section 2-11, Erosion; LUC Section 2- 34, Revegetation with Native Species; LUC Section 2-35; Mining and Mineral Processing Operations, and complies with the Land Use Code review standards in Section 5-407 Wildlife Habitat Areas; Section 5-10, Special Uses; Section 5-11, Conditional Uses on Federal Lands; and Section 5-16; Mining; and Section 5-320 K, Review Standards for WE Zone District Special Uses, subject to the following specific terms and conditions, ***and the suggestion of deletion of paragraph condition #7, renumbering of subsequent conditions, and the addition of Conditions 13-21:***

1. The Special Use Permit is issued to the Applicant, Alianza Mineral Limited, and does not run with the land.
- 2 No future mining activity at the project site by Alianza, its lessees, or the property owners or its lessees is authorized by this approval.
3. Obtain a County Road & Bridge Special Construction Permit for the proposed improvements to County Road (CR) 23R, and a Driveway Access Permit for CR 23R and P23.
4. A traffic control plan shall be submitted to County Road and Bridge. The plan shall identify procedures, personnel, and equipment (signs, signals, barricades, etc.) to be used to protect workers and the public during the project.
5. Contact the Planning Department, Road and Bridge Department, and County Sheriff's Office before mobilization of and the start of drilling activities.
6. Provide a list of onsite contacts for Alianza and the drilling project contractor.
- ~~7. Provide for review of the construction schedule by the Colorado Parks and Wildlife for any seasonal timing limitations that may be necessary for the protection of wildlife. Findings shall be reported to County Planning at least two weeks prior to mobilization.~~
87. The revegetation and weed control along the county road right-of-way (ROW) will be reviewed by the County Vegetation Manager to assure reclamation of these areas.

98. This Special Use Permit conditional approval is subject to the Bureau of Land Management (BLM) and Colorado Division of Reclamation and Mining and Safety (CDRMS) approving this drilling program and issuing the requisite permits. Provide copies of these permits to County Planning.

109. The project drilling program and reclamation plan shall be consistent with and comply with the applicable provisions as approved by the County unless specifically modified in the BLM and CDRMS approval action.

110. Comply with all terms and conditions of the Colorado Department of Public Health and Environment Stormwater Discharge Permit... Provide a copy of the permit to County Planning

111. Provide monthly progress reports to County Planning.

112. All written representations of the applicant, in the original submittal and all supplements, are deemed to be conditions of approval except to the extent modified by this approval.

13. The permit shall be valid for three years, with review of the BLM and DRMS permits by staff prior to commencement, and with annual reviews by the CPC and BOCC through the life of the project.

14. Exploration activities shall be limited to May 1 to September 30.

15. The clearing of pinion-juniper and sagebrush shall be minimized to the greatest extent practical.

16. Provide a grading and drainage plan that includes a higher quality of sediment fencing and control.

17. The County shall be informed of any cultural resources discovered in the course of work. Pads and road disturbance should avoid any areas with cultural resources. All appropriate mitigation measures shall be taken to protect cultural resources.

18. The revegetation plan shall include soil restoration and best practices to maximize available water. The CPW recommendation shall be followed.

19. Provide documentation regarding the water source(s) for the project.

20. Minimize the disturbed area for drill pads by using the roadways for parking to the extent possible.

21. Identify any hazardous materials that will be used in the process, and describe how those materials will be stored and transported.

SECONDED By MJ Schillaci. VOTE PASSED 3-2

Lee Taylor	<u>Aye</u>	Nay	Abstain	Absent
Ian Bald	<u>Aye</u>	<u>Nay</u>	Abstain	Absent
M.J. Schillaci	<u>Aye</u>	Nay	Abstain	Absent
Josselin Lifton-Zoline	<u>Aye</u>	<u>Nay</u>	Abstain	Absent
Matthew Bayma	<u>Aye</u>	Nay	Abstain	Absent
Tobin Brown	<u>Aye</u>	Nay	Abstain	<u>Absent</u>

**PUBLIC HEARING: CONTINUED REVIEW OF LAND USE APPLICATION FROM
DECEMBER 9, 2021**

Applicant: Lawson Hill Property Owners Co & Telluride Mountain School
 Location: Lot HI, Lawson Hill PUD located north of Society Drive off San Miguel Dr.
 Parcel Size: 1.88 acres Zone District: Public (PUB)
 Proposal: Rezone from Public (PUB) to Industrial (I); and Substantial PUD Amendment to increase maximum Building Height/MOTION

MOTION by MJ Schillaci to continue the item to the February 10, 2022, Planning Commission meeting. **SECONDED** by Josselin Lifton-Zoline. **VOTE PASSED 5-0.**

Lee Taylor	<u>Aye</u>	Nay	Abstain	Absent
Ian Bald	<u>Aye</u>	Nay	Abstain	Absent
M.J. Schillaci	<u>Aye</u>	Nay	Abstain	Absent
Josselin Lifton-Zoline	<u>Aye</u>	Nay	Abstain	Absent
Matthew Bayma	<u>Aye</u>	Nay	Abstain	Absent
Tobin Brown	<u>Aye</u>	Nay	Abstain	Absent

ADMINISTRATIVE:

Election of officers.

MOTION by Matt Bayma to nominate that the Planning Commission officers stay the same with Lee Taylor as Chair, Josselin Lifton-Zoline, Vice-Chair, MJ Schillaci as Secretary.

SECONDED by Ian Bald. **VOTE PASSED 5-0**

Lee Taylor	<u>Aye</u>	Nay	Abstain	Absent
Ian Bald	<u>Aye</u>	Nay	Abstain	Absent
M.J. Schillaci	<u>Aye</u>	Nay	Abstain	Absent
Josselin Lifton-Zoline	<u>Aye</u>	Nay	Abstain	Absent
Matthew Bayma	<u>Aye</u>	Nay	Abstain	Absent
Tobin Brown	<u>Aye</u>	Nay	Abstain	Absent

12:32 p.m. Adjourned.

Respectfully Submitted,

 Nancy Hrupcin, Legal Assistant, County Attorney

Approved on _____, 2022.

SAN MIGUEL COUNTY PLANNING COMMISSION

M.J. Schillaci, Secretary

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DRAFT



AGENDA ITEM

TITLE:

Applicant: Helen Thomas, Geosyntec Consultants on behalf of Standard Materials, Inc.
Location: West off Highway 141 and County Road U29 W. San Miguel County
Parcel(s): Mining claims on Bureau of Land Management (BLM) land
Zone District: West End (WE) Zone District
Proposal: Mining Exploration of mining claims, located on public lands managed by the BLM. The boring exploration program includes nine (9) drill pads, each measuring about 50 feet by 50 feet, for the purpose of exploring for Uranium.

Presented by:

Time needed:

PREPARED BY:

Troy Hangen, Planning

RECOMMENDED ACTION/MOTION:

INTRODUCTION/BACKGROUND:

FISCAL IMPACT:

ATTACHMENTS:

[COMBINED PACKET 2-10-2022 \(3\).pdf](#)

Description:

Public Meeting Record

County Planning Commission

Application: Standard Minerals, Inc. c/o Thor Mining LLC – West End (WE) Zone District,
Conditional Uses on Federal Lands, Mining Special Use Permit

Date: February 10, 2022

1. San Miguel County Land Use Code (Adopted 11/30/90) with all amendments to date (By Reference Only).
2. San Miguel County Comprehensive Development Plan (Adopted 8/3/78) with all amendments to date (By Reference Only).
3. Memorandum to the San Miguel County Planning Commission from Troy Hangen, Senior Planner dated February 10, 2022.
4. Application submitted by Helen Thomas, Geosyntec Consultants, dated December 8, 2021.
5. Applicant's Certifications of Compliance with the public noticing requirements of the San Miguel County Land Use Code Section 3-9 dated January 8, 2022.

AGENCY COMMENTS

6. Email from Ryan Righetti, County Road Director to Troy Hangen, Senior Planner received January 13, 2022.
7. Email from Tony Bonacquista, Nucla District Manager for Colorado Parks and Wildlife to Troy Hangen, Senior Planner received January 27, 2022.
8. Email from Julie Kolb, SMC Vegetation Control Manager to Troy Hangen, Senior Planner received January 31, 2022.

PUBLIC COMMENTS

9. Email from Mason Osgood, Executive Director of the Sheep Mountain Alliance, and Jennifer Thurston, Executive Director of the Information Network for Responsible Mining, to Troy Hangen, Senior Planner dated February 1, 2022.

MEMORANDUM

TO: San Miguel County Planning Commission
FROM: Troy Hangen, Senior Planner
RE: Standard Minerals, Inc. c/o Thor Mining LLC – West End (WE) Zone District, Conditional Uses on Federal Lands, Mining Special Use Permit
DATE: February 10, 2022
[\"Z:\\Applications\\2021_Wedding Bells Mining SUP\\1 Staff Memo(s) and Resolution(s)\\CPC Project Report - Thor Mining Uranium Exploration 2.10.22.docx\"]

Proposal

Helen Thomas, Geosyntec, submitted an application on behalf of Thor Mining PLC that proposes Mineral Exploration on mining claims just north of Big Gypsum Valley on Bureau of Land Management (BLM) public lands off County Road 14Z and County Road U29. The drilling program includes nine (9) drill pads, each measuring about 50 feet by 50 feet, for the purpose of exploring for Uranium. The project involves using existing BLM roads and county roads with limited development of temporary access drives. Primary access to the project is off State Highway 141 via County Road U29 W in the West End of San Miguel County. Additional drill pads will be proposed in Montrose County, but accessed from San Miguel County.

Project Design

The project is designed to minimize new surface impacts within the mining claims. Existing BLM roads, County roads and established access routes (two track) are utilized wherever practical. The location of drill pads favors areas that are level or were previously disturbed and cleared. This site planning lessens the dirt work required to prepare access routes and drill pads, simplifies reclamation of new access routes, and minimizes the overall impacts of this project.

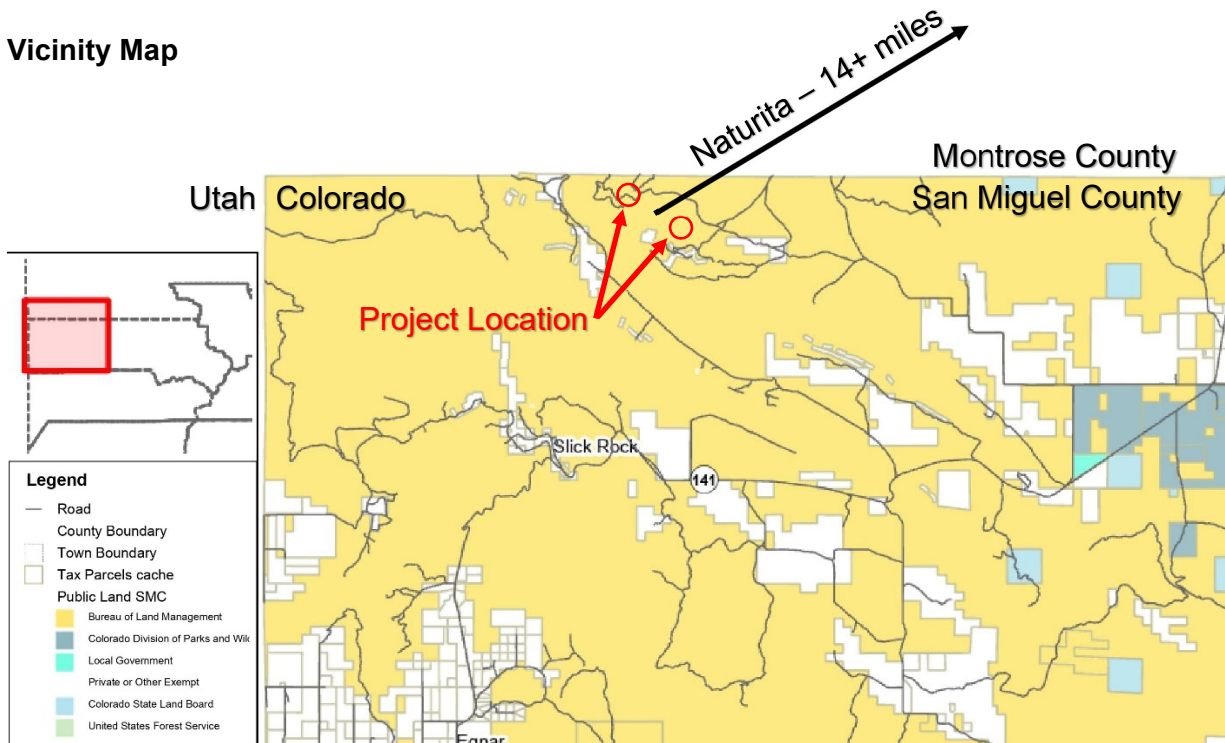
Infrastructure Component	Number / Linear Feet	Comments
Drill Pads	9	50x50ft
Access Route	2000	12 ft nominal width

The existing access routes have been assessed to determine the level of improvement required to safely provide access to the project site for project personnel, vehicles and equipment. Segments of existing BLM roads and routes will require maintenance prior to mobilizing drill equipment. Repairs will generally include:

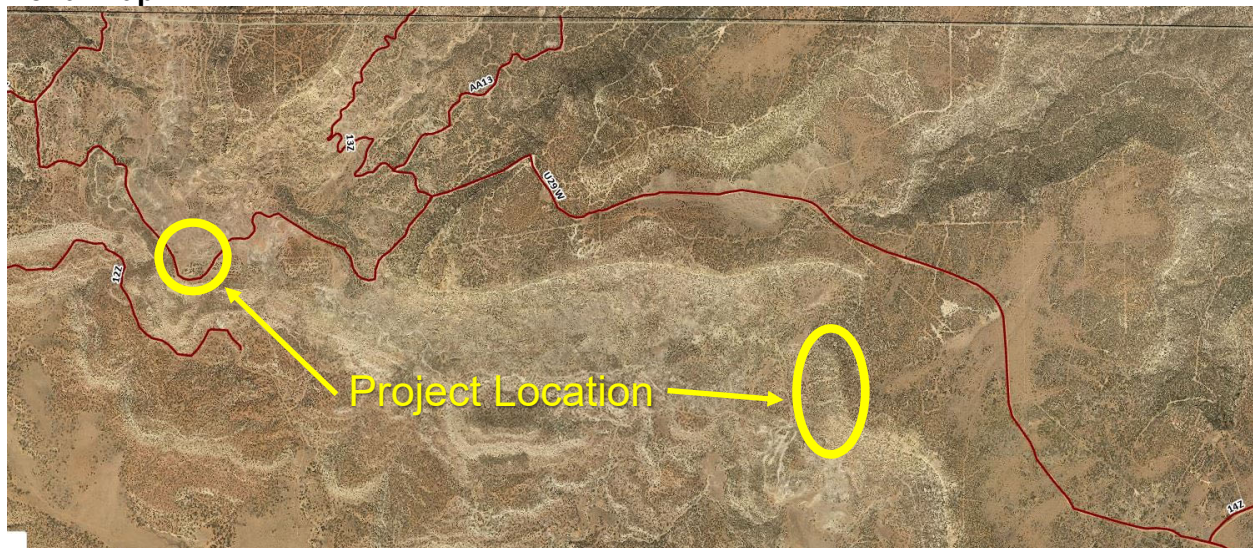
- Clearing debris and rocks from road surfaces
- Filling potholes, ruts and washouts with gravel
- Grading and leveling

Drill pads will have sump pits, approximately 10 feet by 12 feet and 6 feet deep, to retain drill cuttings and drilling mud and to allow for infiltration of water back into the ground during drilling operations.

Vicinity Map

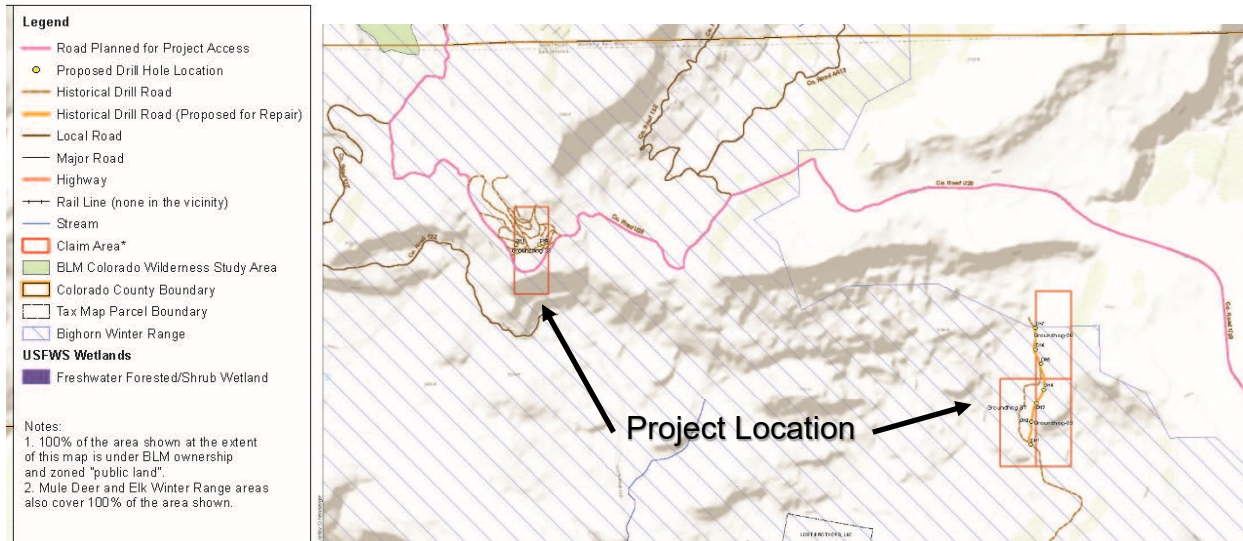


Aerial Map



The proposed locations of drill pads and temporary access routes proposed in this application are preliminary. Final placement is dependent on input received from federal and local governments during the permit application processing.

Site Map with project infrastructure layout



Project Operations

The access route to get to the drill sites are mainly unimproved dirt roads. Minimal road improvements are needed. Drill pad preparation (brush clearing) plus digging a 10X12X6 foot deep sump on each 50 X 50 foot pad is planned. Each sump will be fenced with temporary fencing until reclamation is completed.

The drill rig, service/water truck, and two (2) pick-ups will be used to conduct the exploratory drilling. One truck will be used for the drillers and one truck will be used for the Geologist. The applicant is proposing to work 10 hours a day Monday thru Friday. Water is proposed to be hauled from the water dock in the Town of Naturita or from another local source. Approximately three to five (3-5) persons will work on site per shift.

The applicant proposes to drill nine (9) reverse circulation holes on nine (9) claims in San Miguel County. Each hole will be of a cylindrical shape (6") in width. Chip samples will be collected and removed from the site for research. The bore holes will be drilled to depths of 80 to 300 feet. This project is not anticipated to negatively impact the access, safety, usability or enjoyment of these public lands by residents and visitors.

Reclamation

Upon completion of the drilling, the plastic fencing around the sump will be removed and the sump will be filled and the site smoothed out with a blade. The drill hole will be plugged in accordance with closure standards specified in Colorado state regulations. If groundwater is encountered, the hole will be plugged according to Colorado state regulations. In addition, the drill hole will be plugged prior to the drill rig moving away from the drill site. If required for each hole, cement grout will be pumped from the bottom to the top of the hole.

The total estimated ground disturbance for this project is approximately 1.78 acres. Reclamation of drill pads and holes will occur concurrently following the completion of drilling at individual pads. Drill pads will be regraded and revegetated with a BLM approved native seed mixture. All reclamation will conform to the specific guidance, protocols, and all permit requirements by the BLM, and Colorado DRMS.

A weed control plan is required and will include the washing of vehicles prior to entering and leaving sites. Reclamation bonds will be held by BLM and DRMS.

Required Permits

The following permits are required to be obtained prior to Standard Minerals, Inc. commencing the proposed exploratory boring program:

1. U.S. Bureau of Land Management (BLM) Notice of Intent (for operations on BLM land)
2. Colorado Department of Reclamation, Mining and Safety (CDRMS) Notice of Intent (NOI) (for operations on BLM land)
3. CDRMS Notice of Intent to Conduct Prospecting Operations on State land
4. San Miguel County Special Use Permit
5. State of Colorado construction storm water management permit

The BLM will examine the project area for things such as archeological remains, existing disturbances, and endangered wildlife. All prospecting operations must comply with the Colorado Mined Land Reclamation Act and all applicable CDRMS rules and regulations.

The County Planning Department and County Road and Bridge Director visited the site with the applicant November 16, 2021 to view the existing conditions of the access to get to the site and the site itself. A slide show presentation is planned that will serve as a virtual site visit for the Planning Commission, using maps, aerial photos, drawings and site photos provided by the applicant.

Per Land Use Code (LUC) Section 5-320 F. XVII "Conditional uses on federal lands (BLM) – mineral exploration, mining and logging, subject to applicable state and federal statutes and regulation", and LUC Section 5-320 F. XVI "...new commercial resource development and extraction operations and facilities", require Two-Step Special Use Permit Planning Commission and Board of County Commissioners review.

Review Standards and Policies

(Staff comments in italics)

The application shall be reviewed pursuant to applicable policies in LUC Sections 2-1 to 2-35, Land Use Policies, and pursuant to applicable standards in LUC Section 5-4, Areas and Activities of Local and State interest/"1041" Environmental Hazard Review, LUC Section 5-10, Special Uses; LUC Section 5-11, Conditional Uses on Federal Lands; LUC Section 5-16, Mining; and LUC Section 5-320 West End (WE). Areas of key concern include use of and impacts on County roads; development of access roads, mitigation of impacts to wildlife and natural resources during drilling; and site reclamation.

SECTION 2-8: NATURAL AND MAN-MADE HAZARD AND RESOURCE AREAS

It is the policy of San Miguel County to prevent any use and development of land that may:

- 2-801 Unreasonably subject any person, or use, to natural or man-made hazards;
- 2-802 Unreasonably create or contribute to the danger of natural or man-made hazards that might affect lands or the use and development thereof;
- 2-803 Unreasonably subject other persons including the County to the risks and expenses necessary to mitigate hazardous conditions, respond to emergencies created by such conditions, or to rehabilitate any lands or improvements thereof;
- 2-804 Be unduly destructive to the natural resources of the County; or
- 2-805 Constitute a public or private nuisance.

SECTION 2-11: EROSION

It is the policy of the County to prevent the acceleration of the erosion of soil and rock and whenever possible maintain vegetative cover to minimize soil disturbance.

Best management practices (BMPs) will be used for the duration of the project. Temporary plastic fencing will be used around each drill location. Straw wattles or other best practices should be used to control stormwater and runoff. At the end of the project all disturbed areas will be reseeded per the revegetation plan.

SECTION 2-34: REVEGETATION WITH NATIVE SPECIES

It is the policy of the County to prevent weed infestation and to ensure that all surface disturbances, especially of topsoil, are revegetated with native species.

A plan and specification for weed management – clean equipment, etc. - is designed to meet BLM and CDRMS guidelines. The plan uses native species in a BLM approved seed mix. Prior to commencement of drilling, the contractor should meet with the County Vegetation Control Manager for education and orientation regarding identification of noxious weeds and methods to prevent their spread.

SECTION 2-35: MINING AND MINERAL PROCESSING OPERATIONS

It is the policy of the County to permit commencement or expansion of Mining and Mineral Processing operations only in appropriate areas identified pursuant to the County Comprehensive Development Plan, with review, as appropriate, under Land Use Code Section 5-4 and CRS 24-65.1-101 et. seq., "Areas and Activities of State Interest," subject to adequate mitigation of environmental, noise, traffic, and other impacts of such activities.

The proposed project location is within the West End Zone District of San Miguel County. The purpose of the proposed project is for mineral exploration, which is consistent with the West End Zone District's purpose to preserve large, relatively remote areas of western San Miguel County for resource, agricultural, open space, and recreational purposes, while protecting private property rights. The work will be consistent with the County Land Use Policies in Article 2 as detailed within this report. The potential environmental, noise, traffic, and other impacts are mitigated.

SECTION 5-407: WILDLIFE HABITAT AREAS

This section establishes land use standards for wildlife habitat areas in addition to the general standards in Section 5-402. The standards apply to areas mapped by the Colorado Parks and Wildlife (CPW) on the County's adopted Wildlife Resource Information System (C.R.S.1041 Wildlife maps) and to areas known to be wildlife habitat areas by the Colorado Parks and Wildlife, and areas mapped by the Colorado Natural Heritage Program. Agricultural and Ranching activities are exempt from this Section.

5-407 A. General Standards. The standards in this section apply to all wildlife habitat areas.

- I. Residential development shall be clustered to avoid impacting wildlife and their habitat.
- II. Removal of vegetation shall be minimized. Vegetation removed shall be promptly replaced with beneficial native browse species.
- III. Wildlife food, cover and water shall be preserved and development effects that would destroy these shall be mitigated. Special consideration shall be given to trees and shrubs with high wildlife food value, especially heavy seed, berry and fruit producing species.
- IV. The planting of wildlife food species and woody cover along fences shall be encouraged as one way of improving wildlife habitat.
- V. Waterholes, springs, seepage, marshes, pond and watering areas shall be preserved.
- VI. Known endangered species habitats shall be preserved and all disturbances to those habitats shall be minimized.
- VII. Every golden eagle nest site, bald eagle roost site, and all other raptor nest sites shall be protected from the adverse impacts of development within a ½ mile buffer.
- VIII. Mesh or woven fences shall be prohibited and are encouraged to be removed.
- IX. Fences located within CPW designated mapped wildlife habitat areas are discouraged. Fences in such wildlife habitat areas shall be limited to "wildlife friendly fences" that are in compliance with applicable CPW fencing standards. Wildlife friendly fences are very visible and allow wildlife to jump over or slip under the wires or rails.

5-407 B. Deer, Elk and Bighorn Sheep Winter Concentration Area/Severe Winter Range

Land uses in deer, elk or bighorn sheep winter concentration areas/severe winter range shall comply with the standards in Section 5-407 A. and the standards in this Section.

- I. Overgrazing of ranges by livestock shall be prohibited.
- II. Development shall be restricted to areas in which wildlife impacts can be minimized.

- III. Access for the Colorado Parks and Wildlife for managing wildlife shall be maintained.

5-407 C. Deer, Elk and Bighorn Sheep Winter Range.

Land uses located in deer, elk or bighorn sheep winter range shall comply with Sections 5-407 A. and 5-407 B.I.-III. and the standard in this section.

Commercial activity and recreational uses requiring County review shall be prohibited from December 1 through April 15, unless an applicant can demonstrate written approval from the Colorado Parks and Wildlife of a site-specific wildlife protection plan. Such plan shall include CPW monitoring provisions and set forth on-site protection, including but not limited to habitat enhancement and habitat protection, including but not limited to control of fencing, noise, lighting and siting of structures, and establishment of routes and means of transportation and hours/days of operation. Permits must be renewed annually. The dates in this section may be modified and permits may be suspended at any time upon CPW recommendation on a case-by-case basis as necessary to protect the health of the herd.

The project area is located within mapped Bighorn Winter Range. The proposed project schedule will occur outside of the prohibited time period.

SECTION 5-1002: Standards for All Special Uses and Other Uses Requiring One-step and Two-step Review

All Uses requiring One-step and Two-step Review shall comply with the standards in this section.

5-1002 A. Consistency with Master Plan, Land Use Policies, Zone District and Neighborhood

The Use shall be:

- I. Consistent with the County Master Plan;
- II. Consistent with County Land Use Policies in Article 2;
- III. Consistent with the purpose of the Zone District in which it is proposed to be located;
- IV. Consistent with and Compatible with the Character of the Neighborhood of the Parcel proposed for Development and surrounding land Uses, and may enhance the mixture of complimentary Uses and activities in the Neighborhood of the Parcel proposed for Development;
- V. Necessary for public convenience at the proposed location; and
- VI. Designed, located and proposed to be operated so that the public health, safety and welfare will be protected.

The proposed project location is within the West End Zone District and the land use is consistent with the purpose of the Zone District. The drilling program will be consistent with the County Land Use Policies in Article 2 as detailed within this report. No activities proposed for this exploratory boring program are anticipated to affect the access, functionality, safety or condition for any public land users. The impacted area will be reclaimed in a manner that protects public lands.

5-1002 B. Impacts on Surrounding Area

Compatibility with the Character of Parcels adjacent to the Parcel shall be expressed in terms of appearance, scale and features, Site design, landscaping, weed seed dispersal, as well as, the control and Minimization of adverse Impacts including Noise, vibration, dust, dirt, smoke, fumes, gas, odor, explosion, glare, Impacts on pedestrian and traffic congestion, parking, trash, service delivery, or other undesirable or hazardous conditions.

The proposed project is compatible with the character of parcels adjacent to the parcel in terms of appearance, scale and features.

5-1002 C. Public Facilities

Adequate public facilities and services shall exist or shall be provided to serve any reviewable Use including, but not limited to, roads, potable water, sewer, solid waste, parks, police, fire protection, emergency medical, hospital and medical, drainage system and schools.

Access roads will be kept clear for access to surrounding public lands. Sanitation will be kept on site via a San-O-Let. The proposed access routes to the 9 drill pads will be reclaimed after project use where required. No staging or parking of vehicles should occur within rights-of-way in order to ensure access is maintained, except as approved by County Road and Bridge or the BLM.

5-1002 D. Bond Requirement

A bond may be required, as a condition of any reviewable Use permit as deemed necessary by the Board of Commissioners or the Planning Commission, sufficient to cover the cost of Site remediation and/or satisfaction of the other conditions and requirements.

A reclamation bond will be required as designated by the CDRMS to cover the cost of reclamation conditions and weed control.

5-1002 E. The following must be addressed as part of any application:

- I. A Site plan including:
 - a. Ownership, Use and zoning of all adjacent Parcels;
 - b. Driveways, streets and right-of-way, Access ways, including points of ingress, egress, parking plan;
 - c. Easements;
 - d. Location and dimensions of Structures and Signs;
 - e. Typical elevations/Heights of such Buildings;
 - f. Landscaping;
 - g. Topography;
 - h. Specific areas proposed for specific types of land Use/the identification of specific land Uses; and
 - i. Information regarding the function and characteristics of any Building or Use proposed, including: days and hours of operation, number of employees, number of students, number of rooms for rent, etc., as applicable;
- II. Lighting plan;

- III. Signs – all Signs must meet Section 5-704 standards;
- IV. Water/sewer plan – must meet state standards and may include verification of a commercial well permit;
- V. Drainage plan;
- VI. Grading plan;
- VII. Dust control plan;
- VIII. Detailed engineered plans and specifications by a registered Colorado Professional Engineer as requested by staff or Referral Agents;
- IX. Weed control plan that must include use of weed free hay or straw;
- X. Fencing Plan; and
- XI. Additional permits as necessary from other agencies.

The application includes a map of layout and ownership. No lighting plan, fencing plan, water/sewer plans, or building plans are applicable to this project.

Additional permits from other agencies that are required for the use have been identified and listed within this report.

5-1002 F Review of Approved Special Uses

SECTION 5-11: CONDITIONAL USES ON FEDERAL LANDS

5-1101 General. This section of the Code establishes standards for review of conditional uses on Federal lands. Refer to Section 3-6 for two-step review procedures and Section 4-7 for submission contents. This Section does not apply to Minor Facility Oil and Gas Exploration and Development on Federal Lands.

The Applicant acknowledges that the proposed use is entirely located on Federal lands.

5-1102 Standards

5-1102 A. The location, size, design and operating characteristics of the proposed conditional use minimizes adverse effects, including visual impacts, impacts on pedestrian and vehicular circulation, parking, trash, service delivery, noise, vibrations and odor on surrounding properties;

5-1102 B. The conditional use is designed, located and proposed to be operated so that the public health, safety and welfare will be protected.

The use is designed, located and proposed to be operated to protect public health safety and welfare.

SECTION 5-16: MINING

The standards in this Section are intended to mitigate the impacts of mining and mineral processing, including protecting the health, safety and welfare of persons residing in the vicinity and of persons traveling on roads, streets and highways in San Miguel County utilized for hauling of mined material. This Section also contains provisions to ensure that the environmental impacts of mining and mineral processing are adequately mitigated. Mining and mineral processing operations are also subject to the special use permit provisions of Section 5-10.

5-1601 Applicability

The standards and requirements in this Section 5-16 shall apply to all mining and mineral processing operations required to obtain special use permit approval from the County, including any expansion of existing mining and/or mineral processing operations. Mining and mineral processing operations also are subject to applicable review requirements for Activities of Local and State Interest, as set forth in Section 5-4, and for Wetland Areas, as set forth in Section 5-22.

The applicant acknowledges that the exploratory drilling proposed at the Groundhog Mine and Section 23 is subject to these standards.

5-1602 Mitigation of Impacts

All on-site and off-site impacts shall be adequately mitigated to protect the health, safety and welfare of persons in San Miguel County and to protect the integrity and appearance of the natural environment. Consideration shall be given to site-specific environmental assessments and mitigation plans approved by the appropriate Federal agencies and/or the Colorado Division of Minerals and Geology and/or the Colorado Department of Health. However, compliance with such plans, as well as additional mitigation, may be required by the County as part of the special use permit review process. Such mitigation may include, but is not limited to, revegetation, dust control, noise control, visual screening, limitations on hours of operations, truck haul routes and traffic volumes.

The proposed drilling project layout and design has been developed to minimize new surface impact within the project area. The use of existing routes and areas previously disturbed serve to minimize the volume of dirt work and overall project impact, and will simplify project reclamation. No new permanent road construction is proposed. Temporary access routes will be reclaimed.

5-1603 Enforcement of State and Federal Regulations

In the event that the County discovers that applicable state and/or federal regulations pertaining to a specific mining activity in San Miguel County have not been adequately enforced by the appropriate agency or organization, the Board of County Commissioners may require the mining activity to comply with any and all terms of such regulations. If such regulations are not complied with, the Board of County Commissioners may order such mining activity to cease and desist.

The project will conform to all Colorado Division of Mining, Reclamation, and Safety (DRMS) standards and to all BLM requirements.

5-1604 Traffic Impacts and Highway Access

Mining (including sand and gravel operations) and mineral processing shall be limited to the greatest extent possible to areas where the surrounding road, street and/or highway network can accommodate heavy truck traffic. In no event shall a proposed operation be permitted where the carrying capacity of the surrounding road, street and/or highway network is exceeded by existing traffic volumes, or would be exceeded by projected or proposed traffic volumes.

Project vehicles are sized to minimize impacts. No foreseen road damage is expected. Upon completion of work, the applicant will repair any damage and return the roads to the conditions specified by the County or BLM in their respective permits. No new permanent structures that require future maintenance (e.g. culverts) will be installed.

5-1605 Additional Notice Requirements

In addition to the notice requirements set forth in Section 3-9, applicants for approval of mining and mineral processing operations shall also be required to provide written notice of a pending application by mailing such notice first class, postage prepaid, no less than 20 days prior to the scheduled meeting date to all owners of property within 1,500 feet of the subject property, and to all municipalities within 3 miles of the subject property.

In addition to the notice requirement set forth in Section 3-9 of the Code, written notice of a pending application by mailing such notice first class, postage prepaid, no less than 20 days prior to the scheduled meeting date was made to all owners of property within 1,500 feet of the subject property, and to all municipalities within 3 miles of the subject property.

SECTION 5-320 West End (WE) Zone District

5-320 A. Purpose

The West End (WE) Zone District is intended to preserve large, relatively remote areas of western San Miguel County for resource, agricultural, open space, and recreational purposes, while protecting private property rights. These areas currently have minimum public facilities and services and are considered premature for substantial development. Development activities in these areas shall be encouraged to preserve historical, archeological and natural resources and landmarks, while allowing individuals the right to farm and ranch, using the necessary resources desired and needed with as little intrusion as possible on property rights.

Development Permits are not required in the WE Zone District except for Oil and Gas Exploration and Development.

5-320 K. Review Standards for all WE Zone District Special Uses

All special uses shall:

- I. Be consistent with the County Master Plan, the County Land Use Policies in Article 2 and the purpose of the WE Zone District;
- II. Be consistent with and compatible with the character of the immediate vicinity of the parcel proposed for development and surrounding land uses, and/or shall enhance the mixture of complimentary uses and activities in the immediate vicinity of the parcel proposed for development;
- III. Be designed, located and operated so that the public health, safety and welfare will be protected;
- IV. Be located, designed and operated to minimize adverse effects, including impacts on scenic quality, pedestrian and vehicular circulation, parking, trash, service delivery, noise, vibration and odor on surrounding properties;
- V. Provide adequate public facilities and services to serve the special use, including but not limited to roads, adequate water supply in terms of both quality and quantity,

- sewer, solid waste and fire protection;
- VI. Not substantially adversely affect agriculture or ranching operations and residences;
- VII. Only include roads, utilities and associated structures that bear logical relationships to existing topography and minimize cuts and fills; and
- VIII. Be consistent with the historic rural and agricultural character of the West End. Input from neighbors shall be considered by the County in determining consistency.

The proposed project location is within the West End Zone District and the land use is consistent with the purpose of the Zone District. No activities proposed for this exploratory boring program are anticipated to affect the access, functionality, safety or condition for any public land users.

Public Noticing

In addition to the notice requirements set forth in Section 3-9, the applicant provided notice of the proposed application and the Planning Commission meeting date to all property owners within 1,500 feet of the subject parcel per Section 5-1605. The applicant also posted a sign on at the intersection of SH 141 and CR U29 W that provided notice concerning this SUP application and information on the time and date of the Planning Commission meeting to be held on-line Thursday, February 10, 2022. The meeting agenda was published in the Telluride Daily Planet and Norwood Post on February 7 and 9, 2022.

Referral Agents

The application was referred to the County Administrator, County Attorney, County Road and Bridge, County Natural Resources and Special Projects, County Parks and Open Space, County Vegetation Control, County Sheriff, Colorado Department of Public Health & Environment, Egnar-Slickrock Fire Protection District, Colorado Department of Transportation, Colorado Division of Reclamation, Mining and Safety, US Bureau of Land Management, Montrose County, and Colorado State Parks & Wildlife for review and comment. It was also provided to INFORM and Sheep Mountain Alliance as parties who have indicated an interest in the project.

Referral Agency Comments

Ryan Righetti, San Miguel County Road and Bridge Director, states there will not be a requirement of any additional permits from Road and Bridge as all usage is expected to be under County thresholds (i.e. weight and vehicle sizes) and there are no modifications or improvements proposed for County roads.

Tony Bonacquista, Nucla District Wildlife Manager, Colorado Parks and Wildlife (CPW), is supportive of the dates proposed from May 15-December 1 for mining exploration. CPW would suggest minimal new roads and requests the ability to review the proposed seed mix for revegetation.

Julie Kolb, San Miguel County Vegetation Control Manager, recommends the operator wash the equipment before and after leaving the site. Seed mix should come from the BLM. Herbicide controls should be in place for noxious weeds. Contact San Miguel County Weed Management before and after the project so weed control can take place. Prior to the project commencing, the operator should also contact County Weed Management for education and orientation regarding identification and avoidance of noxious weeds.

Public Comments

Mason Osgood, Executive Director for Sheep Mountain Alliance, AND Jennifer Thurston, Executive Director for Information Network for Responsible Mining, presented a joint letter stating their beliefs that the area will experience negative impacts from mining in relation to public recreation. Mason and Jennifer also believe there are some historical artifacts connected to the pioneering settlers and Indigenous Peoples and that the Historic Preservation Office should be consulted under the National Historic Preservation Act. Drainage, access, reclamation, and revegetation should thoroughly be addressed. A denial for the SUP is recommended.

Sample Motion:

I move to recommend to the Board of County Commissioners approval of a Special Use Permit (SUP) for Standard Minerals Inc. c/o Thor Mining PLC for the proposed Mining Exploration on mining claims at Groundhog Mine and Section 23 on Bureau of Land Management (BLM) public lands off County Road U29 W in San Miguel County, Colorado, based on the finding that the application is consistent with the County Master Plan, and with the Land Use Policies in LUC Section 2-8, Natural and Man-Made Hazard and Resource Area; LUC Section 2-11, Erosion; LUC Section 2-34, Revegetation with Native Species; LUC Section 2-35, Mining and Mineral Processing Operations, and complies with the Land Use Code review standards in Section 5-407 Wildlife Habitat Areas; Section 5-10, Special Uses; Section 5-11, Conditional Uses on Federal Lands; and Section 5-16, Mining; and Section 5-320 K, Review Standards for WE Zone District Special Uses, subject to the following specific terms and conditions:

1. The Special Use Permit is issued to the Applicant, Standard Minerals Inc. c/o Thor Mining PLC, and does not run with the Land.
2. No future mining activity at the project site by Standard Minerals Inc., its lessees, or the property owners or its lessees is authorized by this approval.
3. Contact the Planning Department, Road and Bridge Department, County Vegetation Management, and County Sheriff's Office prior to mobilization of and the start of drilling activities.
4. Provide a list of onsite contacts for Standard Minerals, Inc. and the drilling project contractor.
5. Provide for review of the construction schedule by the Colorado Parks and Wildlife for any of seasonal timing limitations that may be necessary for the protection of wildlife. Findings shall be reported to County Planning at least two (2) weeks prior to mobilization.
6. The revegetation and weed control along the county road right-of-way (ROW) shall be reviewed by the County Vegetation Manager to assure reclamation of these areas.
7. The County Vegetation Manager shall be afforded the opportunity to provide education and orientation regarding identification of noxious weeds and methods of limiting spread to the operator prior to commencement of work.
8. This Special Use Permit conditional approval is subject to the Bureau of Land Management (BLM) and Colorado Division of Reclamation and Mining and Safety (CDRMS) approving this drilling program and issuing the required permits. Provide copies of these permits to County Planning.
9. The project drilling program and reclamation plan shall be consistent with and comply with the applicable provisions as approved by the County, unless specifically modified in the BLM and CDRMS approval action.
10. Comply with all terms and conditions of the Colorado Department of Public Health and Environment Stormwater Discharge Permit. Provide a copy of the permit to County Planning.
11. Provide monthly progress reports to County Planning.
12. The permit shall be valid for one (1) year, with review of the BLM and DRMS permits by

- staff prior to commencement, and with annual reviews by the CPC and BOCC if needed.
13. Exploration activities shall be limited to May 15 to December 1 of 2022.
 14. The clearing of pinion-juniper and sagebrush shall be minimized to the greatest extent practical.
 15. Provide a grading and drainage plan that includes a higher quality of sediment fencing and control.
 16. The County shall be informed of any cultural resources discovered in the course of work. Pads and road disturbance should avoid any areas with cultural resources. All appropriate mitigation measures shall be taken to protect cultural resources.
 17. The revegetation plan shall include soil restoration and best practices to maximize available water. The CPW (when provided) recommendation shall be followed.
 18. Provide documentation regarding the water source(s) for the project.
 19. Identify any hazardous materials that will be used in the process, and describe how those materials will be stored and transported.
 20. All written representations of the applicant, in the original submittal and all supplements, are deemed to be conditions of approval except to the extent modified by this approval.



58 Galway Avenue
MARLESTON, SA, 5035
Australia
www.thormining.com

8 December 2021

Transmitted via email to: kayes@sanmiguelcountyco.gov

Copies to: Troy Hangen, Nicole Galloway Warland, Jeff Kurtz, Helen Thomas

Kaye Simonson
Planning Director, San Miguel County Planning Department
333 W Colorado Ave, 3rd Flr
Telluride, CO 81435

**Subject: West End (WE) Zone District, Conditional Use on Federal Lands, Mining
Special Use Permit Application for the Wedding Bell/Radium Hill Project**

Submitted by: Thor Mining, PLC c/o Standard Minerals, Inc

Dear Ms. Simonson,

Enclosed is our application for a Mining Special Use Permit under San Miguel County Land Use Code Section 4-207 and Section 5-320 F. XVII for proposed Mining Exploration for the Wedding Bell Project in the “Groundhog Area” and for the “Section 23 Area” located on Bureau of Land Management (BLM) land. Payment of \$1000 has been sent via FedEx from Geosyntec Consultants in the form of a written check. The following attachments are included as part of this permit application:

- A. Land Use Application Form
- B. Pre-Application Conference Summary Sheet
- C. Submission Requirements with Responses
- D. Vicinity Map
- E. Detailed Site Map for Groundhog Area
- F. Detailed Site Map for Section 23 Area
- G. Notice of Intent Submitted to Bureau of Land Management
- H. Weed Control Plan

Please do not hesitate to reach out with questions or comments.

Sincerely,

Jim Guilinger
Jim Guilinger
Project Geologist

LAND USE APPLICATION

SAN MIGUEL COUNTY – PLANNING DEPARTMENT

P.O. Box 548, Telluride CO 81435
Phone (970) 728-3083 www.sanmiguelcountyco.gov

Permit # _____

Project # _____

Received _____

Paid _____

Property Owner: Standard Minerals Inc. c/o Thor Mining PLC

Mailing Address: 3500 Washington Ave, Suite 200, Houston, TX 77007

E-mail: nicole@thormining.com **Phone:** (303) 905 9820

Representative/Agent: Jim Guilinger

Mailing Address: N/A

E-mail: jimrg46@cs.com **Phone:** (303) 905 9820

Project Location/Address: San Miguel County approximately 23 miles SW of Naturita, CO

Parcel ID Number: N/A **Zone District:** West End

Project Title: Mineral Exploration at Groundhog Mine and Section 23

Describe your project:

Eleven reverse circulation drill holes on the claims listed above are proposed to be drilled. No road building is contemplated. The drill site will be accessed via Colorado roads U29 then via existing dirt roads on BLM ground (see attached route). Drilling will be completed with a RC rig. Access to the site will be by pickup truck. Depth of the holes range from 80 feet to 300 feet.

Project Type (check all that apply)

☐ Special Use Permit – 1-step

☒ Special Use Permit – 2-step

☐ Subdivision Exemption

☐ Subdivision

☐ Planned Unit Development

☐ Substantial Plat Amendment

☐ Substantial PUD Amendment

☐ Rezoning

☐ Land Use Code Amendment

☐ Master Plan Amendment

- | | |
|--|--|
| ☐ Insubstantial Plat Amendment | ☐ Major Review – Single Family Residence |
| ☐ Insubstantial PUD Amendment | |
| ☐ Minor Amendment to Special Use Permit | ☒ Mineral Exploration and Mining |
| ☐ Right-of-Way Vacation | ☐ Logging |
| ☐ Variance | ☐ Major Oil and Gas Facility |
| ☐ Area of Local/State Interest | ☐ Minor Oil and Gas Facility |
| ☐ Scenic Foreground Overlay Review | ☐ Temporary Use |
| | ☐ Flood Plain |
| | ☐ Wetland |
| ☐ Other: _____ | |

SUBMIT THE FOLLOWING:

- ☐ 2 sets of paper copies of all submittal requirements (refer to the Pre-Application letter for submission requirements)
- ☐ Complete Set of Electronic Files (25MB maximum per file)
- ☐ Legal Description
- ☐ Proof of Ownership
- ☐ Authorization of Representative if other than Owner

I hereby certify, subject to penalty of perjury, that the above is true and accurate to the best of my knowledge and that I understand all provisions of County and State Codes applicable to the proposed development, and all information requested by this document. I agree to abide by any and all conditions placed upon the proposed development by the Decision-Making Body. I also understand that if I violate any applicable provisions of County and/or State codes, I may be required to remedy such violation(s) through appropriate legal processes imposed by the County, including moving or removing structures and ceasing construction and/or uses,

Nicole Galloway Warland

 Owner

12/08/2021

 Date

Jim Guilinger

 Representative

12/08/2021

 Date



PLANNING DEPARTMENT

KAYE SIMONSON, PLANNING DIRECTOR

October 27, 2021

Jim Guilinger	Via email:	jimrg46@cs.com
Helen Thomas		hthomas@geosyntec.com
Nicole Galloway Warland		nicole@thormining.com
Jeff Kurtz		jkurtz@geosyntec.com
Jonathan Gillen		jgillen@geosyntec.com

Re: Pre-application Conference Summary - West End (WE) Zone District, Conditional Use on Federal Lands, Mining Special Use Permit

Dear Mr. Guilinger:

The purpose of this correspondence is to serve as a Pre-application Conference Summary, in accordance with San Miguel County Land Use Code Section 4-207, for the proposed Mining Exploration for the Wedding Bell Project in the "Groundhog Area" and for the "Section 23 Area" located on Bureau of Land Management (BLM) land. This is an update of our letter of June 23, 2021, and a follow-up to our meeting via Zoom on October 26, 2021.

Per Land Use Code (LUC) Section 5-320 F. XVII "Conditional uses on federal lands – mineral exploration, mining and logging, subject to applicable state and federal statutes and regulation" requires a Two-Step Special Use Permit through the Planning Commission and Board of County Commissioners.

The application shall be reviewed pursuant to applicable policies in LUC Sections 2-1 to 2-35 Land Use Policies, and to applicable standards in LUC Section 5-4, Areas and Activities of Local and State interest/"1041" Environmental Hazard Review, LUC Section 5-10, Special Uses; LUC Section 5-11, Conditional Uses on Federal Lands; and LUC Section 5-16, Mining. It is recommended to have a site visit with the SMC Road & Bridge Director prior to application submission to address pertinent issues including access to your drilling locations from County Roads and possible road maintenance and reclamation issues. The use of San Miguel County roads to access the Rimrock site in Montrose County should be described in the application. Issues including mitigation of impacts to wildlife and natural resources during drilling, revegetation and site reclamation should be described in detail in the submission as well.

Submission Requirements

See Attached Submission Requirements

Review Standards

See Attached Review Standards

Scheduling of Application Consideration

Please submit one paper copy and a complete set of electronic files (e.g. thumb drive or e-mail) of the complete application that conforms to all applicable Land Use Code requirements. We may request additional paper copies if it is determined to be the best method to transmit the application to the Planning Commission. The Planning Department can then schedule the application for consideration by the Planning Commission. The Planning Commission meets the second Thursday of each month. A complete application must be submitted at least one month prior to the requested meeting date.

Payment of \$1000 for the Special Use Permit to San Miguel County must accompany the application for it to be considered complete (in accordance with Board of County Commissioners Resolution 2020-35). The applicant is responsible for reimbursement of all copy fees and County Designated Engineer review fees, which includes the initial review and any revisions.

The Planning Department will refer the application to the County Administrator, County Attorney, County Road and Bridge, County Natural Resources and Special Projects, County Open Space and Parks, County Sheriff, Colorado Department of Public Health & Environment, Egnar-Slickrock Fire Protection District, Colorado Division of Reclamation, Mining and Safety, US Bureau of Land Management, and Colorado State Parks & Wildlife. Other referrals will be determined upon receipt of the application.

Prior to 20 days before any meeting for which consideration of any land use application is scheduled, the applicant shall **notify by First Class mail** every property owner and condominium unit owner within 500 feet of the perimeter of the subject property as listed in the records of the San Miguel County Assessor. In addition, prior to 20 days before any meeting for which consideration of any land use application is scheduled, the applicant shall **post notice** (*letter and sign to be obtained from the Planning Department*) of the scheduled consideration of the application. Mailing and posting of notice by an applicant prior to a meeting that is not a public hearing shall be carried out pursuant to Section 3-903 A., B. and C. In addition to the notice requirements set forth in Section 3-9, applicants for approval of mining and mineral processing operations shall also be required to provide written notice of a pending application by mailing such notice first class, postage prepaid, no less than 20 days prior to the scheduled meeting date to all owners of property within 1,500 feet of the subject property, and to all municipalities within 3 miles of the subject property. An applicant's failure/refusal to submit the required certification of notice required by C.R.S. §§24-65.5-103(4) and 104(2), will result in the public meeting or hearing being rescheduled to a later date.

Please contact the Planning Department if you have questions. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Troy Hangen", with a stylized flourish at the end.

Troy Hangen
Senior Planner

Attachments: Submission Requirements
Review Standards

Cc: Ryan Righetti, Road and Bridge Director
Starr Jamison, Government Affairs and Natural Resources Director

SUBMISSION REQUIREMENTS

Land Use Code Section 4-2 establishes the minimum submission requirements for all development applications:

4-201 General

All applications for land use approvals shall include, at a minimum, the information and materials specified in this section of the Code. During the pre-application conference the Planning Office staff may authorize modifications to the required submission contents.

4-202 Required Background Information

A letter signed by the property owner containing the property owner's name, the applicant's name, address and telephone number, and if applicable, the name, address and telephone number of the representative authorized to act on behalf of the property owner.

4-203 Parcel Description

The street address and current legal description of the parcel on which the development is proposed to occur and an 8-1/2" x 11" vicinity map locating the subject property within San Miguel County.

4-204 Disclosure and Proof of Ownership

A disclosure of ownership of the parcel on which the development is proposed to occur, consisting of a current certificate from a title insurance company or attorney licensed to practice law in the State of Colorado, listing the names of all owners of the property and all holders of subsurface mineral interests of record listed in the real estate records of the San Miguel County Clerk and Recorder, mortgages, judgments, liens, easements, contracts and agreements affecting use and development of the parcel and proof of the owner's right to use the land for the purposes identified in the development application. This shall normally require proof of complete ownership or written consent from all owners. The staff may also request the applicant to supply information regarding the subject property and contiguous property sufficient to indicate that the subject lot was legally created.

4-205 Legal Access

Sufficient information to demonstrate that the applicant has adequate legal access to the parcel for the development proposal.

4-206 Standards Report

A written report demonstrating that the proposed development complies with the applicable substantive review standards.

4-207 Pre-Application Conference Summary Sheet

A copy of the pre-application conference summary sheet provided to the applicant at the pre-application conference.

4-208 Site Plan

A site utilization map shall be submitted. Where applicable, a preliminary or final plat shall also be submitted. During the pre-application conference, the Planning Office may authorize an applicant to consolidate or delete specific maps that may not be applicable to a particular development proposal. The 24" x 36" site utilization maps must be folded to fit within a legal-size folder with the name of the application visible. Site maps shall include identification of Areas of Local and State Interest as set forth in Section 5-4 and Wetland Areas as set forth in Section 5-22, for all areas where development activity is proposed.

4-209 Copies of Application

During the pre-application conference the staff shall specify the number of copies of the application to be submitted, including the number of copies of 24" by 36" maps or plats, if applicable. The Planning Office may authorize the submission of application materials, including maps and plats, in electronic format in lieu of paper copies.

4-210 Revegetation Plan

A plan for revegetation of all surfaces disturbed in conjunction with Development that employs predominantly native species, includes replacement of topsoil and specifies a maintenance schedule and techniques.

4-211 Weed Control Plan

A plan for control of noxious weeds, as listed in the San Miguel County Weed Identification List, for all surfaces disturbed in conjunction with Development. Disturbed surfaces over one (1) cumulative acre in size will require bonding for revegetation and weed control.

4-212 Employee Housing Mitigation Plan

A plan that complies with Section 5-13 of this Code to provide appropriate employee housing mitigation for the proposed development in the R-1 School District, if applicable.

Review Standards

SECTION 5-10: SPECIAL USES

5-1002 Standards for All Special Uses and Other Uses Requiring One-Step and Two-Step Review

All Uses requiring One-Step and Two-Step Review shall comply with the standards in this section.

- 5-1002 A. Consistency with Master Plan, Land Use Policies, Zone District and Neighborhood

The Uses to be reviewed shall be:

- I. Consistent with the County Master Plan;
- II. Consistent with County Land Use Policies in Article 2;
- III. Consistent with the purpose of the Zone District in which it is proposed to be located;
- IV. Consistent with and Compatible with the Character of the Neighborhood of the Parcel proposed for Development and surrounding land Uses, and may enhance the mixture of complementary Uses and activities in the Neighborhood of the Parcel proposed for Development;
- V. Necessary for public convenience at the proposed location; and
- VI. Designed, located and proposed to be operated so that the public health, safety and welfare will be protected.

- 5-1002 B. Impacts on Surrounding Area

Compatibility with the Character of Parcels adjacent to the Parcel shall be expressed in terms of appearance, scale and features, Site design, landscaping, as well as, the control and Minimization of adverse Impacts including Noise, vibration, dust, dirt, smoke, fumes, gas, odor, explosion, glare, Impacts on pedestrian and traffic congestion, parking, trash, service delivery, or other undesirable or hazardous conditions.

- 5-1002 C. Public Facilities

Adequate public facilities and services shall exist or shall be provided to serve any reviewable Use including, but not limited to, roads, potable water, sewer, solid waste, parks, police, fire protection, emergency medical, hospital and medical, drainage system and schools.

5-1002 D. Bond Requirement

A bond may be required, as a condition of any reviewable Use permit as deemed necessary by the Board of Commissioners or the Planning Commission, sufficient to cover the cost of Site remediation and/or satisfaction of the other conditions and requirements.

5-1002 E. The following must be addressed as part of any application:

- I. A Site plan including:
 - a. Ownership, Use and zoning of all adjacent Parcels;
 - b. Driveways, streets and right-of-way, Access ways, including points of ingress, egress, parking plan;
 - c. Easements;
 - d. Location and dimensions of Structures and Signs;
 - e. Typical elevations/Heights of such Buildings;
 - f. Landscaping;
 - g. Topography; and
 - h. Specific areas proposed for specific types of land Use/the identification of specific land Uses;
 - i. Information regarding the function and characteristics of any Building or Use proposed, including: days and hours of operation, number of employees, number of students, number of rooms for rent, etc., as applicable;
- II. Lighting plan;
- III. Signs – all Signs must meet Section 5-704 standards;
- IV. Water/sewer plan – must meet state standards and may include verification of a commercial well permit;
- V. Drainage plan;
- VI. Grading plan;
- VII. Dust control plan;
- VIII. Detailed engineered plans and specifications by a registered Colorado Professional Engineer as requested by staff or Referral Agents;
- IX. Weed control plan that must include use of weed free hay or straw;
- X. Fencing Plan; and
- XI. Additional permits as necessary from other agencies.

5-1002 F. Review of Approved Special Uses

- I. All approved Special Uses subject to either one-step Planning Commission or Board of County Commissioner review or two-step Special Permit Review shall commence within three (3) years of the date of approval. If the owner has not obtained a Development Permit for the approved Special Use and/or commenced the approved use or activity, in accordance with the terms and conditions of the approval, within this three (3) year time period, the Special Use shall be subject to review at a duly noticed Public Hearing by the entity that approved the Special Use. The purpose of this review is to determine if there has been a change in circumstances since the Special Use Permit was granted and to determine if the Special Use meets or complies with the review standards for Special Uses set forth in Land Use Code Section 5-1002 A. Standards for all Special Uses and Section 5-1002 B. Impacts on Surrounding Area.

Upon or prior to the expiration of the three (3) year period, the owner/applicant may provide a written statement withdrawing the Special Use application and requesting the Special Use approval be terminated. If upon expiration of the three (3) year period the owner/applicant does not provide a written statement

withdrawing the application the matter shall be noticed and scheduled for Public Hearing by the County. The applicant is encouraged to provide a written statement, prior to the Public Hearing, indicating why the approved Special Use has not been permitted and/or commenced, identifying any changes that may have occurred in the surrounding land uses and explaining how the proposed Special Use meets the review standards in Land Use Code Sections 5-1002 A. and 5-1002 B.

Review of an approved Special Use shall be conducted in accordance with the applicable provisions of Article 3 Procedures for one-step reviews and shall include posting and sending written notice of the Public Hearing for review of the Special Use to adjacent property owners.

The Planning Commission and/or Board of County Commissioners in reviewing the Special Use Permit, at a duly noticed Public Hearing, may extend the Special Use Permit approval, extend the approval subject to modifications or additional conditions, or they may rescind and terminate the approval if a finding is made that the Special Use does not meet the review standards for Special Uses pursuant to Section 5-10 Special Uses.

- II. If any approved Special Use is discontinued or abandoned for twelve (12) consecutive months, then such Special Use shall be subject to review initiated by the County. The procedures and standards for review of discontinued or abandoned Special Uses are the same as those for Review and Approval of Special Uses set forth in Land Use Code Section 5-1002 F. I. If a Special Use is discontinued or abandoned for twelve (12) consecutive months, and the Special Use is re-established or resumed by the owner, the use shall be subject to review in accordance with the provisions of this section and subject to review by either the Planning Commission and/or Board of County Commissioners, at a duly noticed Public Hearing, where the permitting entity may rescind or terminate, recognize and extend the original approval, or extend subject to additional conditions or modifications. The procedures and standards for review of discontinued Special Uses are the same as those for Review of Approved Special Uses set forth in 5- 1002 F. I.

SECTION 5-11: CONDITIONAL USES ON FEDERAL LANDS

5-1101 General

This section of the Code establishes standards for review of conditional uses on Federal lands. Refer to Section 3-6 for two-step review procedures and Section 4-7 for submission contents.

5-1102 Standards

- 5-1102 A. The location, size, design and operating characteristics of the proposed conditional use minimizes adverse effects, including visual impacts, impacts on pedestrian and vehicular circulation, parking, trash, service delivery, noise, vibrations and odor on surrounding properties; and
- 5-1102 B. The conditional use is designed, located and proposed to be operated so that the public health, safety and welfare will be protected.

SECTION 5-16: MINING

The standards in this Section are intended to mitigate the impacts of mining and mineral processing, including protecting the health, safety and welfare of persons residing in the vicinity and of persons traveling on roads, streets and highways in San Miguel County utilized for hauling of mined material. This Section also contains provisions to ensure that the environmental impacts of mining and mineral processing are adequately mitigated. Mining and mineral processing operations are also subject to the special use permit provisions of Section 5-10.

5-1601 Applicability

The standards and requirements in this Section 5-16 shall apply to all mining and mineral processing operations required to obtain special use permit approval from the County, including any expansion of existing mining and/or mineral processing operations. Mining and mineral processing operations also are subject to applicable review requirements for Activities of Local and State Interest, as set forth in Section 5-4, and for Wetland Areas, as set forth in Section 5-22.

5-1602 Mitigation of Impacts

All on-site and off-site impacts shall be adequately mitigated to protect the health, safety and welfare of persons in San Miguel County and to protect the integrity and appearance of the natural environment. Consideration shall be given to site-specific environmental assessments and mitigation plans approved by the appropriate Federal agencies and/or the Colorado Division of Minerals and Geology and/or the Colorado Department of Health. However, compliance with such plans, as well as additional mitigation, may be required by the County as part of the special use permit review process. Such mitigation may include, but is not limited to, revegetation, dust control, noise control, visual screening, limitations on hours of operations, truck haul routes and traffic volumes.

5-1603 Enforcement of State and Federal Regulations

In the event that the County discovers that applicable state and/or federal regulations pertaining to a specific mining activity in San Miguel County have not been adequately enforced by the appropriate agency or organization, the Board of County Commissioners may require the mining activity to comply with any and all terms of such regulations. If such regulations are not complied with, the Board of County Commissioners may order such mining activity to cease and desist.

5-1604 Traffic Impacts and Highway Access

Mining (including sand and gravel operations) and mineral processing shall be limited to the greatest extent possible to areas where the surrounding road, street and/or highway network can accommodate heavy truck traffic. In no event shall a proposed operation be permitted where the carrying capacity of the surrounding road, street and/or highway network is exceeded by existing traffic volumes, or would be exceeded by projected or proposed traffic volumes.

5-1605 Additional Notice Requirements

In addition to the notice requirements set forth in Section 3-9, applicants for approval of mining and mineral processing operations shall also be required to provide written notice of a pending application by mailing such notice first class, postage prepaid, no less than 20 days prior to the scheduled meeting date to all owners of property within 1,500 feet of the subject property, and to all municipalities within 3 miles of the subject property.

SECTION 5-4: AREAS OF STATE AND LOCAL INTEREST

5-405 Historic and Archaeological Resource Areas

5-405 A. Applicability

The development standards in this section apply to the following activities within Historic and Archaeological Resource Areas:

- I. Development;
- II. Changes in the amount or character of open space;
- III. Exterior alteration or remodeling of any existing structure within the site, or any addition thereto;
- IV. Demolition or destruction of structures or buildings within the site.

5-405 B. Persons responsible for activities listed in Section 5-405 A. shall:

- I. Minimize damage to historic structures; and
- II. Demonstrate that a proposal will enhance the meaning of a historic or archaeological site as representative of a period, style, occasion or unique activity.

5-407 Wildlife Habitat Areas

This section establishes land use standards for wildlife habitat areas in addition to the general standards in Section 5-402. The standards apply to areas mapped by the Colorado Parks and Wildlife (CPW) on the County's adopted Wildlife Resource Information System (C.R.S.1041 Wildlife maps) and to areas known to be wildlife habitat areas by the Colorado Parks and Wildlife, and areas mapped by the Colorado Natural Heritage Program. Agricultural and Ranching activities are exempt from this Section.

5-407 A. General Standards

The standards in this section apply to all wildlife habitat areas.

- I. Residential development shall be clustered to avoid impacting wildlife and their habitat.
- II. Removal of vegetation shall be minimized. Vegetation removed shall be promptly replaced with beneficial native browse species.
- III. Wildlife food, cover and water shall be preserved and development effects that would destroy these shall be mitigated. Special consideration shall be given to trees and shrubs with high wildlife food value, especially heavy seed, berry and fruit producing species.
- IV. The planting of wildlife food species and woody cover along fences shall be encouraged as one way of improving wildlife habitat.
- V. Waterholes, springs, seepage, marshes, pond and watering areas shall be preserved.
- VI. Known endangered species habitats shall be preserved and all disturbances to

those habitats shall be minimized.

- VII. Every golden eagle nest site, bald eagle roost site, and all other raptor nest sites shall be protected from the adverse impacts of development within a ½ mile buffer.
- VIII. Mesh or woven fences shall be prohibited and are encouraged to be removed.
- IX. Fences located within CPW designated mapped wildlife habitat areas are discouraged. Fences in such wildlife habitat areas shall be limited to “wildlife friendly fences” that are in compliance with applicable CPW fencing standards. Wildlife friendly fences are very visible and allow wild animals to easily jump over or slip under the wires or rails. The following regulations shall apply to fencing:
 - a. Smooth wire or rounded rail for the top, smooth wire on the bottom;
 - b. Fence is limited to 42: in height;
 - c. At least 12” between the top two wires or rails;
 - d. At least 16” between the bottom wire or rail and the ground;
 - e. Posts at minimum 16’ intervals;
 - f. Gates, drop-downs, removable fence sections or other passages where animals concentrate and cross;
 - g. Using a rail, high-visibility wire, flagging or other visual markers for the top.
 - h. A zigzagged worm fence (rails stacked alternately on top of one another, with rails interlocked like laced fingers where the ends meet) should create openings for wildlife to cross by intermittently dropping rails to the ground every 400’; and in swales and at stream crossing for easy wildlife passage.
 - i. Perimeter fencing of an entire parcel is discouraged.
 - j. As an exception to “wildlife friendly fencing” dogs shall be kept in an enclosed kennel or small fenced yard adjacent to the residence. The standards or allowance for a small fenced yard or area shall be specified in the county’s revised dog or animal control regulations.

If staff has a question regarding the appropriateness of proposed fencing to be located within a CPW mapped wildlife habitat area the application may be referred to the CPW for comment and recommendation. Any new fencing shall follow the CPW “Fencing with Wildlife in Mind” guidelines available at the CPW website, www.wildlife.state.co.us

- X. Residential development shall maintain bear proof storage for garbage disposal for all parcels located in all zone districts.
- XI. Development activities, such as Subdivisions, PUDs and Special Use Permits uses may require a Wildlife Impact Assessment prepared by a qualified wildlife biologist or scientist for all mapped wildlife habitat areas or known habitat areas to be submitted with the land use application. The Impact Assessment should include changes, trends and proposed mitigation to be reviewed by the Colorado Parks and Wildlife or other County review staff.
- XII. Barking dogs, dogs at large, and stray dogs are not permitted in any unincorporated portion of San Miguel County pursuant to Board of County Commissioner Resolution 1982-27 or as may be set forth in the most current Board of County Commissioner Resolution regarding dog or animal control rules and regulations.

- XIII. It is illegal for dogs to chase and/or harass wildlife, on public or private property. A Colorado wildlife officer or other peace officer may capture or kill any dog he or she determines to be harassing wildlife, pursuant to C.R.S. §33-6-128.

5-407 B. Deer, Elk and Bighorn Sheep Winter Concentration Area/Severe Winter Range

Land uses in deer, elk or bighorn sheep winter concentration areas/severe winter range shall comply with the standards in Section 5-407 A. and the standards in this Section.

- I. Overgrazing of ranges by livestock shall be prohibited.
- II. Development shall be restricted to areas in which wildlife impacts can be minimized.
- III. Access for the Colorado Parks and Wildlife for managing wildlife shall be maintained.
- IV. Commercial activity and recreational uses requiring County review shall be prohibited from December through April 15.

5-407 C. Deer, Elk and Bighorn Sheep Winter Range

Land uses located in deer, elk or bighorn sheep winter range shall comply with Sections 5-407 A. and 5-407 B.I.-III. and the standard in this section.

Commercial activity and recreational uses requiring County review shall be prohibited from December 1 through April 15, unless an applicant can demonstrate written approval from the Colorado Parks and Wildlife of a site-specific wildlife protection plan. Such plan shall include CPW monitoring provisions and set forth on-site protection, including but not limited to habitat enhancement and habitat protection, including but not limited to control of fencing, noise, lighting and siting of structures, and establishment of routes and means of transportation and hours/days of operation. Permits must be renewed annually. The dates in this section may be modified and permits may be suspended at any time upon CPW recommendation on a case-by-case basis as necessary to protect the health of the herd.

5-407 D. Deer and Elk Migration Corridors

Land uses located in deer and elk Migration Corridors shall comply with Section 5-407 A. and the standards in this section.

- I. Development blocking a corridor and preventing migration between summer and winter ranges shall be prohibited.
- II. Fences restricting deer or elk migration shall be prohibited.

5-407 E. Deer and Elk Production Areas

Land uses located in deer and elk production areas shall comply with Section 5-407 A. and the standards in this Section.

- I. Where no appropriate development site exists in a production area, development shall be prohibited.
- II. Access shall be maintained for the Colorado Parks and Wildlife for trapping, tagging and studying wildlife.
- III. Manipulation of vegetation shall be prohibited, except within a designated building

envelope.

- IV. Commercial and construction activity, recreational uses and off-road motorized activity shall be prohibited from May 1 through June 30. These dates may be modified upon Colorado Parks and Wildlife recommendation on a case-by-case basis as necessary to protect the health of the herd.

5-407 F. Riparian Areas and Shorelands

Land uses located in riparian or shoreland areas shall comply with the standards in 5-407 A. and the standards in this section.

- I. Development and the removal of vegetation and disturbance of ground cover within the riparian area shall be prohibited.
- II. Culverts shall be designed to prevent plugging and washouts.
- III. Culverts that may become barriers to fish passage shall be prohibited.
- IV. Riparian and shoreland habitat areas that have been denuded or disturbed by development shall be revegetated in the first available growing season.

ARTICLE 2 LAND USE POLICIES

SECTION 2-8: NATURAL AND MAN-MADE HAZARD AND RESOURCE AREAS

It is the policy of San Miguel County to prevent any use and development of land that may:

2-801

Unreasonably subject any person, or use, to natural or man-made hazards;

2-802

Unreasonably create or contribute to the danger of natural or man-made hazards that might affect lands or the use and development thereof;

2-803

Unreasonably subject other persons including the County to the risks and expenses necessary to mitigate hazardous conditions, respond to emergencies created by such conditions, or to rehabilitate any lands or improvements thereof;

2-804

Be unduly destructive to the natural resources of the County; or

2-805

Constitute a public or private nuisance.

SECTION 2-11: EROSION

It is the policy of the County to prevent the acceleration of the erosion of soil and rock and whenever possible maintain vegetative cover to minimize soil disturbance.

SECTION 2-28: COMPATIBILITY WITH HISTORICAL AND ARCHAEOLOGICAL RESOURCES

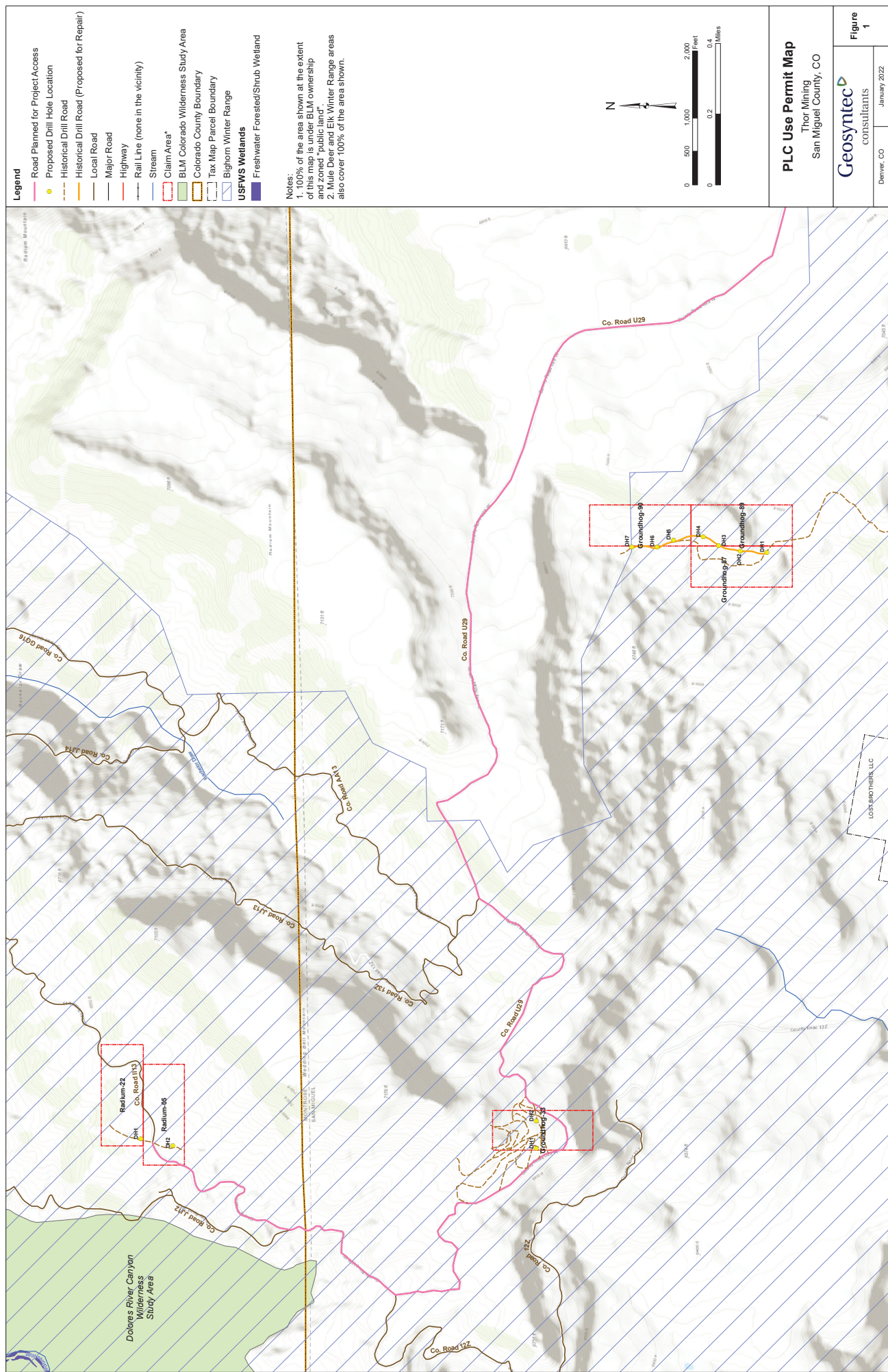
It is the policy of the County to protect any sites, structures and surrounding areas determined to have historical or archaeological significance to the community, the region, or the State of Colorado from any destruction or alteration of the site, structure or surrounding area that would detract from its historical and archaeological significance.

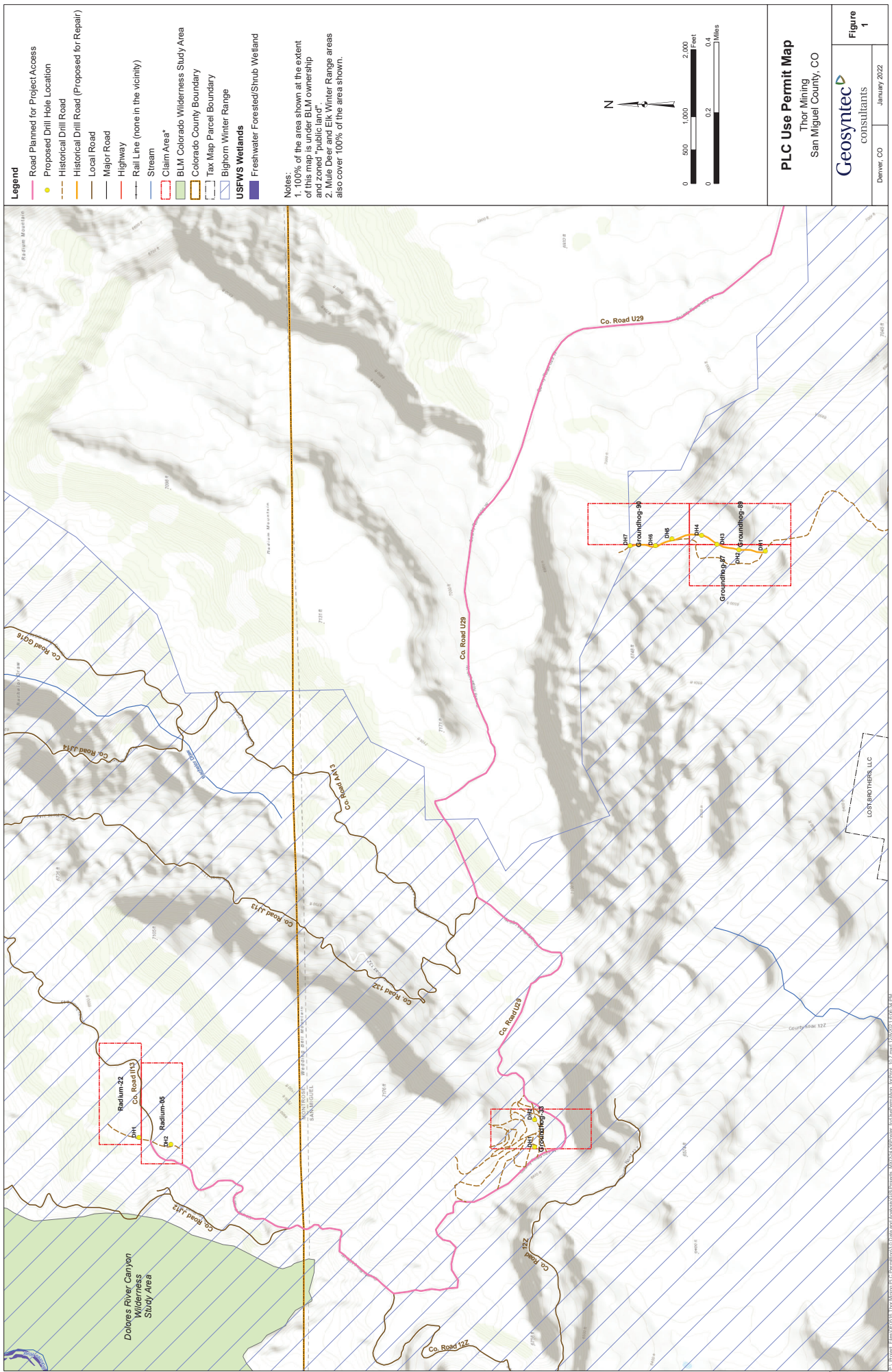
SECTION 2-34: REVEGETATION WITH NATIVE SPECIES

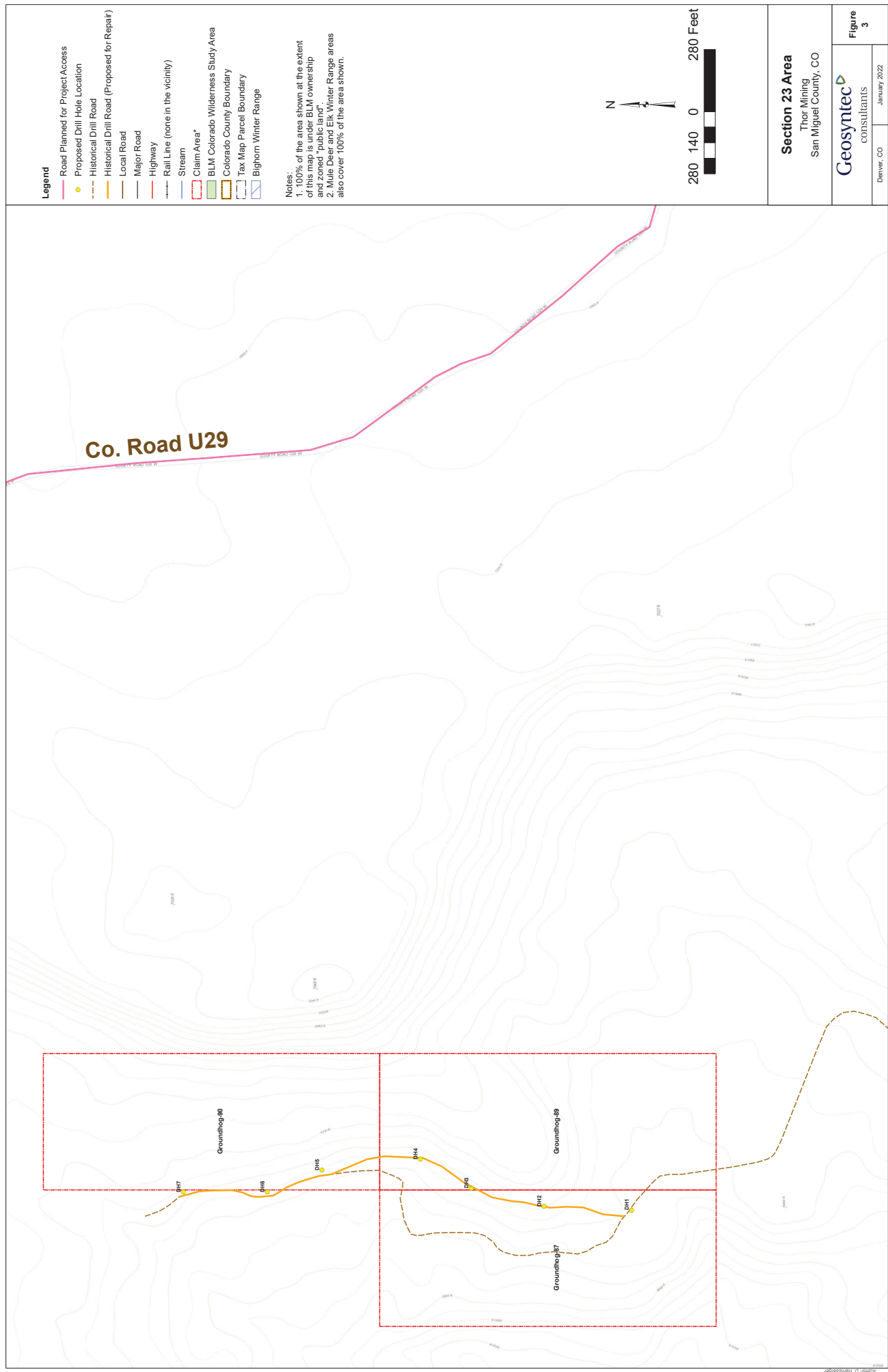
It is the policy of the County to prevent weed infestation and to ensure that all surface disturbances, especially of topsoil, are revegetated with native species.

SECTION 2-35: MINING AND MINERAL PROCESSING OPERATIONS

It is the policy of the County to permit commencement or expansion of Mining and Mineral Processing operations only in appropriate areas identified pursuant to the County Comprehensive Development Plan, with review, as appropriate, under Land Use Code Section 5-4 and CRS 24-65.1-101 et. seq., "Areas and Activities of State Interest," subject to adequate mitigation of environmental, noise, traffic, and other impacts of such activities.







APPLICANT'S CERTIFICATION OF COMPLIANCE WITH THE PUBLIC NOTICING REQUIREMENTS OF THE SAN MIGUEL COUNTY LAND USE CODE SECTION 3-9

Helen Thomas, Applicant, or the duly designated agent(s) of Applicant, has applied to San Miguel County for approval of a land use application. Applicant recognizes that the provisions of the San Miguel County Land Use Code (LUC) Section 3-9 require public notice by First Class mail and posting of the property not less than twenty (20) days before the date scheduled for a public meeting or hearing.

Applicant or Applicant's agent(s) have examined the current tax records of San Miguel County as they appeared either in the records of the San Miguel County Assessor or under the San Miguel County Geographic Information Systems* (GIS) mapping program no more than sixty (60) days prior to the date of the public meeting or hearing. Applicant or Applicant's agent(s) hereby certifies that: (Applicant must check all.)

☒ Following an examination of the records in the San Miguel County Assessor or under the San Miguel County GIS* mapping program, the Applicant has provided public notice, in compliance with LUC § 3-903C not less than twenty (20) days before the date scheduled for a public meeting or hearing, by First Class mail to every property owner and condominium unit owner within 500 feet of the perimeter of the subject property. **I hereby certify that I have attached a copy of this public notice letter and mailing list to this certification.**

AND

☒ Not less than twenty (20) days before the date scheduled for a public meeting or hearing, I hereby certify that, in compliance with LUC § 3-903B, public notice has also been provided by posting a sign in a conspicuous place on the property that is the subject of the land use application.

I understand that San Miguel County requires completion and delivery of this Certification of Compliance to the San Miguel County Planning Department at least ten (10) days prior to the initial public meeting or hearing on a land use application. I further understand that failure to submit the required Certification of Compliance to the County Planning Department at least ten (10) days prior to the initial public meeting on a land use application will result in the public meeting or hearing being rescheduled to a later date.

Helen Thomas elo Thor Mining
Name (Insert Applicant's name if executed by agent)

"Groundhog" + "Section 23" West of CR 429
Physical location of Property and/or legal description

PO Box 458, Marlestone, SA 5033, Australia
Mailing Address (if different from above)

Date: 1/18/2022

Signature: Helen Thomas

[text/luc/certification.property.owner]

* GIS data may not accurately or completely reflect owners in multi-unit, multi-floor buildings in San Miguel County. In such instance, the applicant must examine the Assessor's information in addition to the GIS data in order to provide the required public notice.



ROAD & BRIDGE DEPARTMENT

RYAN RIGHETTI, ROAD SUPERINTENDENT

January 13, 2022

TO: Troy Hangen; Kaye Simonson: SMC Planning Dept
FROM: Ryan Righetti; San Miguel County Road and Bridge *RR*
CC: Amy Markwell; Mike Bordogna; Phyllis Shaffer

RE: **Road and Bridge Comments on Thor Mining West End Zone District Wedding
Bell/Radium Hill Project SUP application**

Mr. Hangen:

After field review, site visits and discussion, Road and Bridge has determined that the current plan for exploration and testing of the sites listed in the application will not require any additional permits from Road and Bridge.

The equipment and vehicles proposed for this phase of the mining process have sufficient access on existing County roads. The observed improvements that are needed to roadways or access trails are outside the County Road Right-of-Way. Therefore, any work associated with this plan shall be done under the direction and scope of the Bureau of Land Management or any other agency with regulatory oversight of use on public lands.

If mining activity or work progresses beyond the limits described in this application, or if the amount of recoverable material increases to the quantities defined in BoCC Resolution 2021-03, then additional review will be performed and permits may be required at that time.



COLORADO

Parks and Wildlife

Department of Natural Resources

Montrose Service Center
2300 South Townsend Avenue
Montrose, Colorado 81401
P 970.252.6000 | F 970.252.6053

January 27, 2022

Troy Hangen
Senior Planner
San Miguel County Planning Department
333 W Colorado Ave, 3rd Floor
P.O. Box 548
Telluride, CO 81435

RE: Mining Special Use Permit- Groundhog Mine and Section 23 Exploratory Drill Program

Dear Mr. Hangen,

Thank you for your notification and the opportunity to comment on Mining Special Use Permit for Thor Mining, PLC c/o Standard Minerals Inc. The 11 proposed exploratory mining samples would take place in portions of Western San Miguel and Montrose counties. The applicant seeks a permit for mineral exploration of privately owned mining claims under public lands owned and managed by the Bureau of Land Management. Drilling exploration activities, as described by the applicant, are largely core samples with a total of approximately 1.87 acres of above ground disturbance.

Colorado Parks and Wildlife would like to offer the following comments for the exploratory process currently being considered:

Wedding Bell and Radium Hill, specifically in portions of sections 16, 21 and 23 in T45N, R15W, lie within mapped winter range of mule deer, and severe winter range for elk. The area is also habitat for numerous species that include, but not limited to, mountain lions, bobcats, coyotes, cotton-tailed rabbits, jack rabbits and numerous non-game species.

Severe winter range for deer and elk is identified by CPW as High Priority Habitat (HPH). Mule deer and elk use in the area is primarily during the winter months, starting around October 1 as the animals move onto the winter range, until the end of April when migration to summer range begins. During the winter, animals are more vulnerable to reduced body condition and fitness as a direct result of disturbance. This can impact individual animals and herd health. CPW consistently recommends no permitted or authorized human activities within these HPH areas from December 1 to April 30. Given the high animal use during this time frame, impacts to wildlife would be reduced if the drilling activities occur outside of this time frame. This timing would also reduce the potential for motor vehicle/wildlife collisions for workers commuting to the work site.

There is also a population of Desert Bighorn Sheep in the area. Movement is general, but common crossing does occur from Bull Canyon into Hamm Canyon near the proposed sites. As



the mining plan suggests, limiting exploration from May 15-December 1 will benefit large ungulates.

Due to historic mineral exploration/extraction in the area, there are numerous roads/trails that contribute to habitat fragmentation. The low yearly precipitation rate in addition to surface disturbance contributes to overall slow recovery of range health. CPW would suggest that creation of new roads be reduced as much as possible, and that any new routes are reclaimed. CPW recommends that Thor Mining, PLC reclaim all surface disturbance, specifically the 11 drill sites proposed.

CPW would also appreciate the opportunity to review the proposed reclamation seed mixture. As the area is winter range for mule deer, who are primarily browsers, the presence of shrubs suitable for the climate would be advantageous.

Again, thank you for the opportunity to comment on such land use actions that have direct impact on our natural resources. If you have any questions, please feel free to contact District Wildlife Manager Tony Bonacquista at 970-209-2374.

Sincerely,

A handwritten signature in black ink that reads "Tony Bonacquista". The signature is fluid and cursive, with the first name "Tony" being more prominent and the last name "Bonacquista" following in a similar style.

Tony Bonacquista
Nucla District Wildlife Manager
Colorado Parks and Wildlife
970-209-2374
tony.bonacquista@state.co.us



VEGETATION CONTROL and MANAGEMENT DEPARTMENT

JULIE KOLB

January 31, 2022

Applicant: Thor Mining, PLC c/o Standard Minerals, Inc.
Wedding Bell Project in the "Groundhog Area"

Dear Jim Guilinger,

4. WEED MANAGEMENT If weed species have been identified at the project site, Standard Minerals Inc. will assess the appropriate method to mitigate and eliminate species spread. The two most likely strategies will be demarcation and avoidance of areas with noxious weeds, or removal of weeds from the project area. If these options are impracticable, the use of herbicides may be used in limited instances. To prevent accidental spreading of noxious weeds, equipment to be used at the project site will be washed down prior to mobilization to the site. Additionally, equipment will be washed down between the three primary drilling areas, Groundhog, Section 23, and the parcel in southern Montrose County. Standard Minerals has a form available to document vehicle inspection and washing prior to site entry. The disturbed drill site areas will be revegetated utilizing a seed bed mixture consistent with the local environment and approved by the BLM as soon as practical as part of reclamation activities. In regards to the Vegetation/Weed Management Plan. County Roads U29 will be used as access routes.

The referenced Table 1. San Miguel Noxious Weed Survey is outdated, the survey is dated 2017.

The area mentioned likely has 5 species on the noxious weed lists. Including; Kochia, Russian Thistle, Russian Knapweed, Halogeton and Tamarix. Per the State of Colorado, Halogeton is a list C, and Tamarix, and Russian Knapweed are list B. Although Kochia and Russian Thistle are not actually listed on the State lists, they are a frequent problem, and are herbicide resistant in many cases. The state of Colorado designates list B species as control species, with the goal of not allowing them to go to seed and produce new infestations, and to reduce existing populations each year. Tamarix being a list C has less

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juliek@sanmiguelcountyco.gov

stringent requirements however, it is a frequent problem in this area and a species of concern which should not be allowed to spread. All of the above mentioned species reproduce by seed, and the seeds are easily scattered and moved by motor vehicles. San Miguel County will survey the County ROW in 2022 and provide an updated survey of infestations.

In regards to weed efforts:

Washing the vehicles before entry and after each work day is a great step in weed management. However, this one mentioned weed control effort is not sufficient. There should also be herbicide controls in the spring and potentially the fall as well as some potential cutting of flowering shoots.

What exactly does the applicant mean by “removal of weed species from the area?” Is this hand pulling? This may not be effective based on the species.

In regards to seed mixes:

San Miguel County Vegetation Management requires that the revegetation seed mix come from either the BLM or San Miguel County. Any disturbance on the ROW that results in the increase of noxious weeds, will require corrective measures by the Vegetation Management Department, and payment for those services will be required by the applicant. On the county ROW, San Miguel County must be notified in advance of project operations so that weed control can take place, and also at the conclusion of the project so that weed control can take place.

The county roads used to access the site, must be returned to their pre-project status, according to the Road and Bridge Department requirements. However, with regards to noxious weeds the Vegetation Management Department requires a 50% or greater reduction in any noxious weed species present. Status will be determined by a site visit. When conditions permit in the spring Vegetation Management will conduct a weed survey on the County ROW to determine the status of any noxious weeds. Thor Mining will be provided a copy of this survey.

Thank you again!

Sincerely,

Julie Kolb
Vegetation Control Manager

Cc:

1120 Summit Street • Norwood, Colorado 81423 • (970) 327-0399 •
juliek@sanmiguelcountyco.gov

February 1, 2022

San Miguel County Planning Commission
333 W Colorado Avenue
Telluride, Colorado 81435
cc: Troy Hangen, senior planner, San Miguel County
via email to troyh@sanmiguelcountyco.gov

Mining Special Use Permit-Groundhog Mine and Section 23 Exploratory Drill Program

Dear Members of the San Miguel County Planning Commission:

Thank you for the opportunity to comment on the mining special use permit application from Thor Mining and Geosyntec Consulting. These comments are submitted on behalf of the Information Network for Responsible Mining and Sheep Mountain Alliance. We also appreciate the continued efforts of San Miguel County to increase public participation in mining special use permit applications.

The general location of the proposed exploration activities in Section 23 is of great concern to our organizations, as they will likely experience negative impacts from mining activities and the area is of high value for public recreation. Wedding Bell is cherished for its natural scenic values, its proximity to the Dolores River, and the superb opportunities it provides for accessing the river canyon as well as for biking, climbing, hiking, wildlife viewing, camping, and jeeping. A San Juan Hut Systems cabin is located near proposed drilling and would be especially impacted by drilling operations. Paleontological resources, historic artifacts and building remains from 19th and 20th century mining are present, indicating historic values for its connection to pioneering settlers as well as Indigenous Peoples.

The Wedding Bell area is already significantly degraded due to the high number of historic, unreclaimed drill roads from previous mining operations, so the proposed activities will increase the cumulative impacts the area is already experiencing. The project area provides important habitat to wildlife species of interest, including mountain lion, bighorn, black bear, mule deer and elk, as well as nongame species and a mature piñon-juniper ecosystem. Any drilling activities approved in the area should require consultation with the Colorado State Historic Preservation Office and, because they will occur on public lands, should also be subject to federal review under the National Historic Preservation Act. Additional commitments by the prospector should be required to preserve and protect any artifacts or historic features encountered during operations.

The San Miguel County land use code section 5 (review standards) outlines the specific requirements for a one-step or two-step special use application but it appears that the applicant has only provided the materials submitted to BLM for its non-public review. We appreciate the additional time it takes to prepare materials specifically for San Miguel County; however we

request that all of the application requirements are fulfilled so that they can be thoroughly reviewed by the San Miguel County Planning Department. This includes a drainage plan, which is especially important given the nature of mineral exploration. Off-site damages from stormwater events and waste disposal must be seriously considered in the permit conditions. Strict erosion and sediment controls should be utilized in order to prevent the release of any contaminants into the Dolores River basin, and the drilling locations and access roads pass through areas with steep slopes. The permittee should be required to provide sediment fencing around drill pads, mud pits, and any disturbed areas. At a minimum, provisions for a monitoring plan, lined mud pits, and off-site disposal of cuttings and other waste, which could potentially include radioactive contaminants or materials with acid-generating potential, should be required. Hazardous substances used for drilling should be stored onsite only when secondary containment structures are in place, in order to prevent damage to the surface from spills and leaks. We encourage you to require the best management practices that are appropriate for the drill sites in order to minimize any impacts to the watershed and to restore the area once exploration is completed.

The Bureau of Land Management (BLM) Solid Minerals Inspection Report for this proposal dated May 13th, 2021 [enclosed] identifies some reclamation concerns that we would like to emphasize. They stress the importance of proper reclamation of any roads used to deter future UTV use, which is popular in both San Miguel County permit areas. As stated above, this area is very popular for motorized and non-motorized recreation. Reclamation of drill roads is important to deter recreational vehicles from entering reclaimed areas. We suggest the frequent use of signage along reclamation areas where they may cross into county roads.

Our organizations strongly believe that the motorized and non-motorized recreation opportunities and the value of the important ecosystems in the permit area far outweigh the limited benefit of a uranium operation in this region, especially considering that uranium mines in the Wedding Bell district are not likely to prove economical to operate in the longterm. The climate impact of a mining operation from increased heavy equipment traffic, drilling operations, and destruction of valuable ecosystems is also not negligible, especially in San Miguel county's drought-stricken state, in order to develop a non-renewable energy source.

Lastly, it is important to recognize that exploration is closely tied to the redevelopment of historic uranium mines and the return of an industry that has left behind a significant footprint of radioactive pollution and disturbed sites in the Dolores and San Miguel river basins. Thor Mining holds approximately 199 unpatented mining claims on public lands in the vicinity of Wedding Bell and Radium Mountain, both in San Miguel and Montrose counties, indicating the potential for a much larger uranium mine development in the future. San Miguel County is already burdened with the environmental and socioeconomic impacts of Cold War-era uranium mining, and our organizations would like to see a comprehensive cleanup effort of historic mine impacts before active uranium mining is considered again. Therefore, we respectfully request that you deny the special use permit application from Thor Mining/Standard Minerals.

Thank you again for the opportunity to comment.

Sincerely,

Mason Osgood
Executive Director
Sheep Mountain Alliance
P.O. Box 389
Telluride, CO 81435
(970) 728-3729
mason@sheepmountainalliance.org

Jennifer Thurston
Executive Director
Information Network for Responsible Mining
2205 W. 136th Ave. Ste. 106-311
Broomfield, CO 80023
(303) 586-1437
jennifer@informcolorado.org

Solid Minerals Inspection Report Bureau of Land Management Tres Rios Field Office 29211 Hwy 184 Dolores, CO 81323			
Type of Operation	Notice Level 3809 Expl'n	Project Name	Wedding Bell/Radium
Serial Number	COC-80448	Company/Org.	Standard Minerals
Inspection Date	May 13, 2021	Others Present	None
Inspection Time	All Day	Inspected By	James Blair
Report Date	May 19, 2021	Legal	T45N, R18W, Sec 23, 21, 16
Preparer Signature	JAMES BLAIR Digitally signed by JAMES BLAIR Date: 2021.05.24 15:01:07 -06'00'	Supervisor Signature	ALLEN HOLUBEC Digitally signed by ALLEN HOLUBEC Date: 2021.05.24 15:37:48 -06'00'

On Thursday, May 13, 2021 I inspected the Standard Minerals proposed notice-level 3809 exploration plan. The inspection lasted the entire day. Conditions were sunny with scattered clouds, with a temperature around 70°F. The proposed drill sites are accessed using reclaimed drilling roads from previous drilling projects that occurred several years prior, or via overland travel from existing roads. I drove to each site in a clockwise fashion from the 14Y road and then the U29 and Montrose Co. II-13 roads. It would be faster to drive back from the Rimrock and Groundhog blocks by U-29 than by continuing clockwise out and coming up the Fawn Springs Bench road near the Van 4 mine. Photographs and notes were taken at each location and are presented in this report in the order that they were encountered.

No serious resource concerns were identified; however, steps could be taken to minimize both the intensity and duration of the disturbance. Addressing these issues could result in a lower bond that can be released in a shorter time frame. These steps include:

- 1) For access and drill preparation, do not blade the pads or access roads unless absolutely necessary. It would be useful to make sure the excavator or backhoe used to rehab/reclaim roads have a thumb attachment to allow it to pluck rocks and logs from the roadway prior to drilling, and to place them back on the road after drilling. Dead pinon-juniper logs may need to be scavenged from wooded areas to reclaim non-woody areas in no dead brush is present at the site.
- 2) It is very important to make the first part of the Section 23 access near the 14Y road un-drivable as possible.
- 3) Consider moving SDH3 and SDH4 to the main road alignment. Consider moving SDH7 to the end of the "existing" road. Consider moving SDH11 to one of the sites identified in this report.
- 4) The increasing popularity of UTV's since the last round of drilling in this area makes it critically important to render any new disturbance undrivable near existing roads so that reclamation is not destroyed by off-roading. Consider posting signs that say something along the lines of "reclamation area, do not disturb". There are a few areas on the Section 23 claim blocks where the road crosses the side of a hill where adjacent boulders could be put across the roadway to render it undrivable possibly even to UTVs and ATVs.
- 5) Avoid unnecessary trips by support vehicles anywhere but the pre-existing roads/2 tracks whenever possible



Figure 1: A view looking northwest from the main road in between the Groundhog and Rimrock (Radium) Claim Blocks. The photo is looking across the Dolores River WSA. The La Sal Mountains, UT are on the horizon. Moab, UT is on the far side of the mountains.

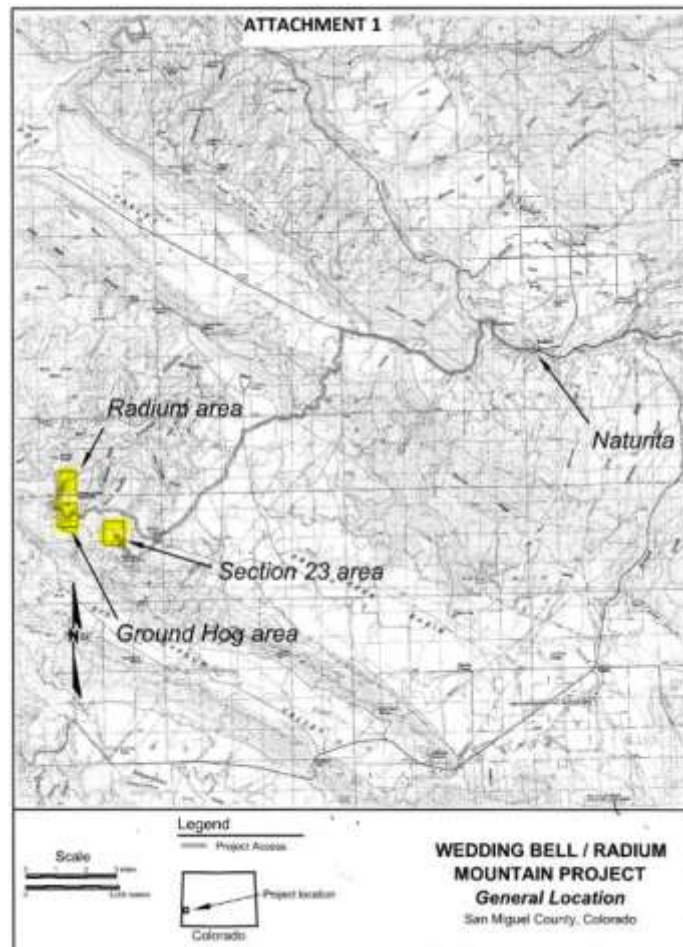


Figure 2: Area Map showing the different claim block locations. Claim Blocks are divided into the "Section 23", "Groundhog" and "Radium" areas. The "Radium" name was subsequently changed to "Rim Rock". For the purpose of this report, drill sites will be numbered sequentially, beginning with SDH1, GDH1, and RDH1, respectively. This map is taken from the original submission of the notice.

Section 23 Area

All of the holes in this block are located off of a single spur road off of San Miguel County Road 14Y. It looks as if the road was put in at least 20 years ago, and then reclaimed by scattering brush and rocks across the path, along with re-seeding. The seed mix appears to have contained crested wheat grass. Sage and rabbit brush and other forbs were also present, but I don't know if these are volunteer species or not. I would have considered the reclamation to be 100% complete. In many places the travel way is very faint 2-track where only the tracks from the last couple vehicles are visible, along with a slight imprint of the original wheel ruts and in aerial imagery. On the ground it is difficult to see. Because of this, I am concerned about the route beginning to look like "roads" and attracting OHV's, which would prevent reclamation from being completed. I recommend scattering brush and rocks to make it as un-drivable as practicable, particularly near the junction with road 14Y.



Figure 3: Screen capture of the google earth view showing the locations of drill holes for the Groundhog group.



Figure 4 - The top of the 14R road looking southwest from Dry Creek Basin toward the Abajo Mountains. Road is in good condition and is well travelled. (Not on map)



Figure 5: The access road looking north from the junction with 14Y road. This is an old, reclaimed drill road. Extra effort should be made to reclaim this portion near the 14Y road so that UTV's don't continue to drive down it.



Figure 6: A gully eroded across the roadway. This will need to be filled in with rocks prior to crossing, and the drive-around blocked off. During reclamation, any fill should be removed, but the drive-around should be left. May be a good place for a large boulder in the road. 38.131742, -108.821510



Figure 7: The roadway, taken just past the previous photograph, near sites SDH10 and SDH11. Note that the wheel tracks are very faint in this location. Care should be taken to minimize the number of times this site is driven across, to keep the ruts from getting more incised. The ruts should be raked and seeded, and brush scattered across where practical. Some sort of barrier (boulders, logs) should be placed across the road south of this location at a topographic choke point to prevent UTV's and ATVs from driving up and down and making this a permanent roadway.



Figure 8: SDH-1 drill stake looking northwest.



Figure 9: Boulders that have been placed across the access route presumably during the reclamation of the last drilling project. These will need to be moved on the way in and put back in place on the way back out. It looks like they have been pretty effective at preventing atv/utv's from driving the reclaimed road. Located between SDH1 and SDH2.



Figure 10: These barrel cacti were in full bloom in the project area.



Figure 11: Drill Site SDH-2 looking west. The roadblock rocks are visible on the left edge of the photo (orange arrow). Note the brush scattered across the road. It appears that this spot has been drilled before, but that natural reclamation is basically at full extent.



Figure 12: Looking west at SDH3 from the access road. The red arrow shows the location of the drill stake. The blue arrow shows the secondary access road to SDH3 and SDH4. Moving the drill site up to the location where the photo was taken on the road above would eliminate a substantial amount of disturbance and result in a lower bond, but if the location needs to be at the stake for geologic reasons, or because the road alignment above doesn't have enough space, then drilling at the staked location may be needed.



Figure 13: A screen capture of a google earth image showing the locations of drill holes SDH3 to SDH7. The previous photo of SDH3 was taken at the blue X. SDH3 could be relocated to the X location and eliminate ~200 feet of disturbance. The blue arrow shows where SDH7 could be placed to avoid disturbance on relatively erodible aeolian soil.



Figure 14. Drill site SDH4 looking southwest. A lot of rocks will need to be moved to get to this location and from this location to the next. The vegetation at this location already looks a little bit thin, though it has mature forbs and wheat grass. I suspect this more a function of the lack of duff dead leaves and pine needles than a lack of vegetation. Care should be taken not to blade any vegetation unless absolutely needed.



Figure 15: A photograph of SDH5 looking west. The site is well reclaimed and has abundant crested wheat grass.



Figure 16. This photograph was taken at SDH5 and is looking south across the reclaimed portion of the road.



Figure 17: A photo of SDH6 looking west. The drill stake is marked with the blue arrow.



Figure 18: Panorama looking south from SDH6 location.



Figure 19: The proposed location of SDH7 looking south. The area is aeolian soil that is erodible. Moving the drill site to the beginning of the “proposed new road” marked with a blue arrow in figure 11. Avoiding the new disturbance would lower the bond and allow it to be reclaimed and returned faster.



Figure 20: A screen capture image from google earth showing the location of SDH7 from the beginning of the "proposed new road" at the blue X.



Figure 21: A view looking south southwest from the blue X in figure 18 towards the proposed SDH7 location. The blue arrow indicates the location of the DH7 stake, which is obscured behind a juniper. The blue dashed line shows the proposed access route. Note that the area is fragile aeolian soil. Moving the drill site to the point where this photo was taken, at the blue X in figure 18, would result in approximately 100 feet less disturbance on an area that had not been previously disturbed. There are very faint 2-tacks, probably from several years or even decades prior just from somebody driving over it a few times at most.



Figure 22: A photo looking east along the existing road alignment from the blue X in figure 18. I propose moving drill site SDH7 to this location, at the blue arrow in this photo. The dashed line shows where the road goes behind the bushes. Reclamation in the area is mature.



Figure 23: View of drill stake SDH8 (blue arrow) looking towards the north. Cheat Grass was present on the ground at DH8.



Figure 24: SDH9. Based on the order of photo's I believe that this is SDH9, however I cannot be sure. SDH8, SDH9, and SDH10 were all similarly situated near the road, on relatively undisturbed ground.



Figure 25: South facing photo of SDH10 proposed drill site.

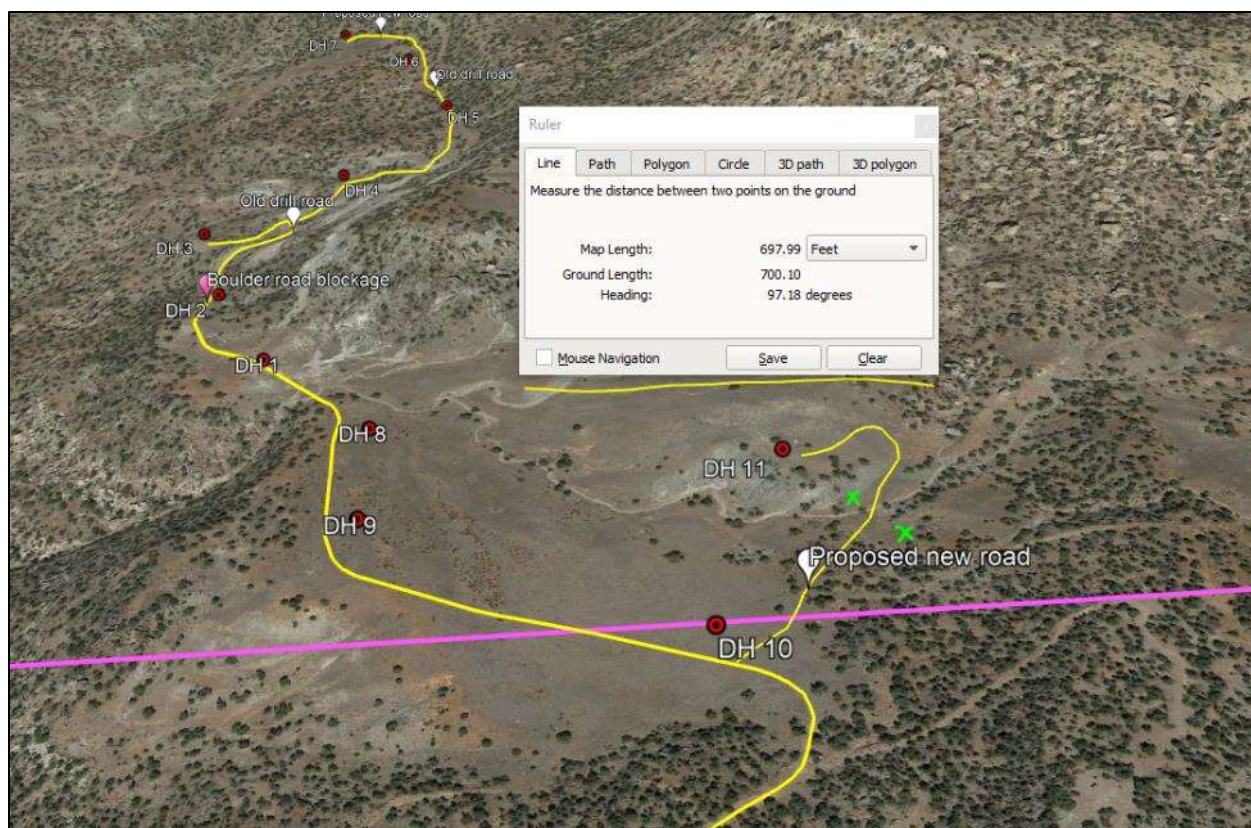


Figure 26: Google Earth screen capture image showing the locations of SDH9, SDH10, and SDH11. Lime colored X's show alternate potential DH11 sites that would cut off over a hundred yards of overland travel. The navigation box in the photo is ~700 feet across, as indicated by the yellow “measure tool” line below the box.



Figure 27: A view of SDH11 looking north.



Figure 28: View of proposed hole SDH11 looking South from atop a knoll.



Figure 29: Standing atop the knoll just south of SDH11. My fingers are pointing at two alternate sites for this drill hole also marked by Xs in figure 24. The X on the left side is probably better since no dry wash crossing would be needed.



Figure 30: Close up of SDH11 site looking south.



Figure 31: Close up of proposed alternate site for SDH11 shown on the left in Figure 27.



Figure 32: A photo of the same location as Figure 29 looking the opposite direction.

Groundhog Area

A total of 2 holes are proposed for the Groundhog Area, with 2 short spurs to reach the drill sites from the U29 road. DH1 access is new, and DH2 utilizes a reclaimed overland travel area. DH1 has an old sump that can be reutilized.

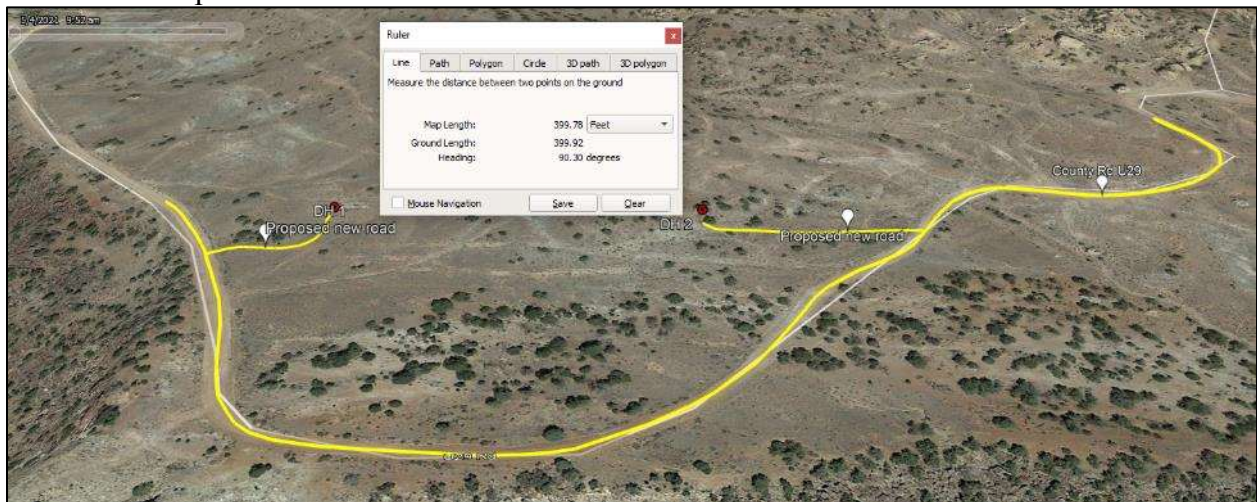


Figure 33: A screen capture of a Google Earth image showing the 2 proposed drill holes for the Groundhog Group. The measurement window is approximately 400 feet and north is up. Both holes look like the access is along very old, reclaimed drill spurs. GDH1 is on the left (west) and GDH2 is on the right (east). During this inspection, I travelled from east to west on the U29 Road. The U29 road is in good shape and does not require any improvements to allow vehicular access even for large vehicles. The proposed access "new road" to GDH2 is actually proposed for an old area that looks like it was once used as overland access to a drill hole at the same location. The access way was only faintly visible, mostly because brush was scattered across the faint 2 track, which had also been revegetated with crested wheat grass and volunteer vegetation. Access to GDH1 appeared to be overland travel and there was no previous disturbance for the "road" however there was an old sump or discovery pit at the proposed GDH1 location. Aerial photography indicates that the site was once accessed via a now-faint overland 2 track. The new location should have brush and rocks scattered across it. Because there is not abundant brush nearby, deadfall from pinon-juniper should be picked up off the ground from other locations adjacent to the U29 and scattered across the travel alignment.



Figure 34: The location of proposed drill site GDH2 looking east towards U29 road.



Figure 35: Another photo of GDH2, showing the reclaimed access alignment represented by yellow dashes. Wood and rocks that were scattered across are still visible, though vegetation is mature and would be considered complete.



Figure 36: A northeast looking view of GDH1. Note the presence of an open discovery pit/sump from the previous generation of reclamation. The sump was unreclaimed, but volunteer vegetation has come in. I recommend that the sump be re-used for this exploration project, and then backfilled with the spoil that was excavated from the original pit.



Figure 37: A view of proposed location GDH1, showing the proposed access alignment (yellow dash). It doesn't look as if this has been a travel route in the past, however it also doesn't look like it will need to be bladed or improved. The view is looking southwest.

Rimrock (Radium) Group Area

Like the Groundhog area, the Radium Group area also contains only 2 proposed drill sites. One has an existing access spur and the other is overland travel.

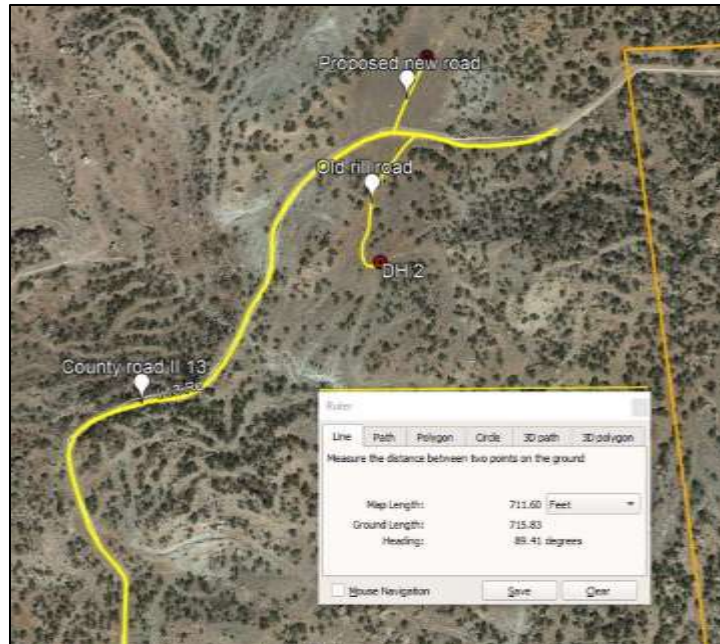


Figure 38: A screen capture of the Rimrock (Radium) Group of proposed drill holes. RDH1 is accessed via “new” overland, though aerial imagery indicates a very faint pre-existing travel route that has since re-vegetated. It is on the north side of the main road, and is not labelled in this photo, but the location is shown by a red dot. The soil is erodible aeolian soil. RDH2 via a pre-existing spur road. The “Ruler” box in the image is ~700 feet across. North is up in the image.



Figure 39: Proposed drill site location RDH1. The RDH1 stake is in the lower middle of the photo. The photo is looking south. Note that there is no readily observable track from the road to the drill site. Scattering brush and rocks across the roadway will be important to have successful reclamation without campers and ATVs utilizing them. The view is looking south. RDH2 location is indicated by the blue arrow, and the access to it by the dashed line highlighted in yellow.



Figure 40: Drill stake RDH1 looking north into Bull Canyon.



Figure 41: The access route for RDH2 looking south. The blue arrow indicates the location of the drill stake.



Figure 42: Photograph looking east of the stake for RDH2. Note that the site is not heavily disturbed and is on aeolian soil. Scattering branches and rocks across the disturbed area of the pad would be helpful to reclaim the site and prevent additional vehicles from travelling across it.



AGENDA ITEM

TITLE:

CONTINUED REVIEW OF LAND USE APPLICATION FROM JANUARY 13,2022

Applicant: Lawson Hill Property Owners Co. & Telluride Mountain School

Location: Lot H1, Lawson Hill PUD located north of Society Drive off San Miguel Dr.

Parcel Size: 1.88 acres

Zone District: Public (PUB)

Proposal: Rezone from Public (PUB) to Industrial (I); and Substantial PUD Amendment to increase maximum Building Height

Presented by:

Time needed:

PREPARED BY:

Troy Hangen, Planning

RECOMMENDED ACTION/MOTION:

INTRODUCTION/BACKGROUND:

FISCAL IMPACT:

ATTACHMENTS:

[COMBINED PACKET 2-10-2022 \(6\).pdf](#)

Description:

Public Meeting Record

County Planning Commission

Application: Substantial PUD Amendment and Rezone for Telluride Mountain School and
Lawson Hill Property Owners CO for Lot HI in the Lawson Hill PUD

Date: February 10, 2022

1. San Miguel County Land Use Code (Adopted 11/30/90) with all amendments to date (By Reference Only).
2. San Miguel County Comprehensive Development Plan (Adopted 8/3/78) with all amendments to date (By Reference Only).
3. Memorandum to the San Miguel County Planning Commission from Troy Hangen, Senior Planner dated February 10, 2022.
4. Revised Application submitted by Nate Smith, Representative for Lawson Hill dated January 21, 2022.

AGENCY COMMENTS

5. Email from Ron Quarles, Town of Telluride Planning and Building Director, to Kaye Simonson, Planning Director received January 26, 2022
6. Email string from Nate Smith, Representative for Lawson Hill and Don Quarles, Town of Telluride Planning and Building Director received February 3, 2022

PUBLIC COMMENTS

None

MEMORANDUM

TO: San Miguel County Planning Commission
FROM: San Miguel County Planning Department Staff
RE: Lawson Hill Property Owners Company and Telluride Mountain School Rezone and Substantial PUD Amendment
DATE: February 10, 2022
"Z:\Applications\2021_Telluride Mountain School Rezone and LLA\1 Staff Memo(s) and Resolution(s)\CPC meeting Number CPC Project Report \ CPC Project Report - Meeting number two MEMO 2-10-2022.docx"

Background

At their December 9, 2021 meeting, the San Miguel County Planning Commission (CPC) moved to continue a Public Meeting for a Rezone from Public (PUB) to Industrial (I); and Substantial PUD Amendment to increase maximum Building Height for Lot HI in the Lawson Hill PUD. The application was continued again at its January 13, 2022 meeting to February 10, 2022. The CPC requested clarification regarding:

- I. Allowed uses on Lot HI-R
- II. Town of Telluride's position on the Application mainly pertaining to the "Water Agreement"
- III. Reasoning for the requested reduction in parking

The Lawson Hill Property Owners Company, with assistance from Attorney Nate Smith, has submitted revised information to clarify these three topics.

Revised Application

After direction from the Planning Commission at the December 9, 2021 meeting, the Applicant revised the application for clarity, as follows:

- I. Clarification of allowed uses on Lot HI-R

Footnote 20 clarifies that the entirety of the 30,000 square feet of public usage would remain intact on Lot HI-R and an additional 10,000 square feet of Low Intensity Industrial/Heavy Commercial Zone District would be added to Lot HI-R after being transferred from Lot G. More specific revisions to the proposed Matrix include:

1. Re-inclusion of a regional medical center as an allowed public use on Lot HI-R.
2. Removal of dry cleaning and self-service laundries as an allowed use in the Low Intensity Industrial/Heavy Commercial Zone District portion of Lot HI-R.
3. The inclusion of catering services as an allowed use in the Low Intensity Industrial/Heavy Commercial Zone District portion of Lot HI-R.
4. Confirmation that underground parking located on Lot HI-R shall not be included as part of the maximum buildable area on Lot HI-R.
5. The additional four dwelling units on Lot HI-R would be included in the 30,000 square feet allowed for public uses.

The Application does not seek any new, additional square footage of uses for the Lawson Hill PUD. The Application seeks only to transfer 10,000 square feet from Lot G to Lot HI-R.

Thus, Lot G's 16,560 square feet would be reduced to 6,560 square feet and Lot HI-R would be increased from 30,000 to 40,000 square feet.

Proposed Note 20 for the Lawson Hill Matrix: (The existing and proposed matrices can be found in Attachment A)

20 ~~30,000 square feet max~~: Public facilities, regional medical center, emergency services, ~~helicopter landing pad~~, justice center, courts, ~~jails, indoor pistol range~~, uses approved by the County; ~~up to four (4) affordable housing dwelling units~~.

~~10,000 square feet max~~: Uses allowed in the Low Intensity Industrial (I) Zone District and the Heavy Commercial (HC) Zone District, including the following, subject to the standards and provisions of LUC Section 5-308.; appliance and equipment rental, storage and repair; automobile washing facilities; electrical and plumbing service shops; commercial bakeries; catering services; computer sales and service; printing and publishing shops; telecommunications supply; utility service facilities; day care centers (on lots of at least one acre); business and professional offices; warehouses; lumber yards; building supply sales, manufacturing and processing businesses; light industrial facilities; research and development facilities; feed and seed stores; auto sales; auction houses; construction contractors; commercial laundries; ~~dry cleaning plants and self-service laundries~~; gasoline service stations and auto repair subject to the standards and provisions of LUC 5-308 B. XII.; business and professional schools.

* Parking is per LUC Section 5-702, to a maximum of 75 spaces. If housing is constructed, 2 parking spaces will be reserved for each residential unit built. Total parking requirements may be reduced subject to review of final plan at permitting per LUC Section 5-702 G.

*An additional 12' of height may be added to the 35' maximum if the additional floor is used for affordable housing for persons working in the R-1 School District or otherwise complying with current Housing Authority Guidelines.

* In the event that underground parking is constructed on Lot HI-R, the area of such underground parking shall not count towards the maximum buildable square footage on the lot.

The final matrix language will be edited for consistency and clarity prior to final adoption by the Board of County Commissioners.

II. Town of Telluride's position on the Application mainly pertaining to the "Water Agreement"

Lawson Hill Property Owners Association, with representative Nate Smith, have recently met with Ron Quarles of the Town of Telluride to discuss the Utility Connection and Hydropower Lease Agreement for the Lawson Hill Project aka the "Water Agreement". The Town has provided the following:

Because the overall mix and ratio of allowed uses are not modified by this application, in general, the effect on utility services provided by the Town should be minimal.

The Town of Telluride also has concerns that there may be a reduction of public-serving uses due to the reduction of lot area for the proposed Lot HI-R along with the addition of the additional uses. Also, The Town is supportive of affordable housing, and questioned why it was being limited to four units, stating, "*The Town supports the addition of affordable housing, however without limiting the number or size, consistent with how other allowed*

uses are designated for Lot HI-R. If there is a rationale for the limit, that should be clarified in the application."

(see Attachment B Letter from Ron Quarles, Town of Telluride)

III. Reasoning for the requested reduction in parking

The Applicant is asking for the required parking to be reduced so the number of spaces per square foot of development is similar to that required for other lots. The number of required parking is as specified in the Matrix, or as required by Land Use Code Section 5-702, whichever is less.

The number of required spaces for the other lots, on a square foot basis, varies for different lots in Lawson Hill. The Applicant has proposed a parking space requirement that is similar to the neighboring Industrial zoned properties. Their rationale is that the Matrix requires more parking per square foot on Lot HI than any other lot in the Lawson Hill PUD. For example, the Matrix assigns Lot A-2 (presently occupied by Alpine Lumber), with a maximum build out of 32,000 square feet, one space per 695 square feet (totaling 46 parking spaces). Other Industrial lots nearby in Lawson Hill range from 1 parking space per 576 feet, 587 feet, and 625 feet. Presently, the requirements for Lot G is 1 space per 485 feet and Lot HI is 1 per 400 square feet. Under the existing requirements of Lot HI, and with the floor area transferred from Lot G, Lot HI-R would be required to have 100 parking spaces. 100 parking spaces is more than twice the required parking than is required on Lot A-2 even though the build-out on Lot HI-R would be only 8,000 square feet larger. The applicant's position is that parking requirements for Lot HI-R should be similar to all other non-residential lots. Historically, the need for parking spaces in Low Intensity and Heavy Industry has been low due to the daily low traffic volume. For this reason, Lawson Hill believes the 10,000 square feet of Low Intensity Industrial/Heavy Commercial use would require less of a demand on parking for that portion of use on Lot HI-R.

The Applicant seeks a parking requirement of one parking space per 535 square feet of development, which would result in approximately 75 parking spaces. This parking requirement is more consistent with other nonresidential lots. It also accounts for the less parking-intensive uses associated with Low Intensity Industrial/Heavy Commercial. However, the public uses, depending on how the property is ultimately developed, may have a higher parking demand; this most likely is the rationale for the parking requirement in the current Matrix. Specifically, assembly areas have a parking requirement of 1 space per 300 square feet, while retail stores and offices require one space per 400 square feet. Industrial uses require one space per 3 employees on two shifts.

Mixed use development often has a lower parking demand due to varying times of use or customers frequenting multiple businesses in a single use. LUC Section 5-702 E.XIII, Mixed Use Developments states, "When a combination of uses exists on a single parcel (such as a planned unit development), the required parking shall be determined by the Planning Commission using its judgement.

LUC Section 5-702. G, Deviation from Guidelines, states:

If for any reason any person feels that the requirements of these parking regulations are excessive or inadequate, he/she may seek to increase or decrease the parking

standards pursuant to PUD procedure, based upon the criteria set for in Section 5-1404 C.

Consideration of the alternative parking should be based on the following criteria:

5-1404 C. Off-street Parking

Off-street parking standards (see Section 5-702) may be increased or decreased based upon consideration of the following criteria:

- I. The estimated number of cars owned by future occupants of dwellings in a Planned Unit Development (PUD);
- II. The parking needs of any non-residential uses;
- III. The varying time periods of use, whenever joint use of common parking is proposed; and
- IV. Available or proposed transportation system.

Sample Motion:

“Move to recommend to the BOCC approval of the Substantial PUD Amendment for Lot HI and Rezone of Lot HI and a portion of Lot G, based on the findings that the uses as proposed are consistent with Land Use Code 5-15 Final Plat and Planned Unit Development (PUD) Amendments; and Land Use Code 5-18 Land Use Code Amendments and Rezoning; and the County Master Plan, with the following conditions:

1. All written representations of the applicant in the original submittal and all supplements, letters and emails are deemed to be conditions of approval, except to the extent modified by this Motion.



January 21, 2022

Via email at planning@sanmiguelcounty.org

Troy Hangen
Senior Planner
San Miguel County
P.O. Box 548
Telluride, CO 81435

RE: Revisions and clarification to application submitted by Lawson Hill Property Owners Company (“**Lawson Hill**”) and Telluride Mountain School (the “**Application**”)

Dear Troy:

Following up on our January 6, 2022 meeting with Ms. Simonson and you, please accept these revisions and clarifications to the above-referenced Application (the “**Amendment**”). This Amendment seeks to (i) revise and clarify proposed changes in use and zoning for Lot HI-R; (ii) provide an update to the Town of Telluride’s (the “**Town**”) position on the Application; and (iii) clarify the reasoning behind the Application’s request for reduced parking requirements on Lot HI-R.

I. Revisions and clarification of allowed uses on Lot HI-R

After considering comments received at the December 2021 San Miguel County Planning Commission (“**CPC**”) meeting, Lawson Hill determined that certain revisions and clarifications are necessary in its proposed Land Use Matrix (the “**Matrix**”). Please accept the proposed Matrix revisions attached hereto as Schedule 1. We believe these revisions address all questions and concerns previously expressed by county staff, CPC, and the Town (which are discussed in more detail in Section II.).

Footnote 20 clarifies that the entirety of the 30,000 square feet of public usage would remain intact on Lot HI-R and an additional 10,000 square feet of Intensity Industrial/Heavy Commercial Zone District would be added to Lot HI-R after being removed and transferred from Lot G.¹ More specific revisions to the proposed Matrix include:

1. Re-inclusion of a regional medical center as an allowed public use on Lot HI-R.
2. Removal of dry cleaning and self-service laundries as an allowed use in the Low Intensity Industrial/Heavy Commercial Zone District portion of Lot HI-R.

¹ The Application does not seek any new, additional square footage of uses for the Lawson Hill PUD. The Application seeks only to transfer 10,000 square feet of maximum built out from Lot G to Lot HI-R. Thus, Lot G’s 16,560 square feet would be reduced to 6,560 square feet and Lot HI-R would be increased from 30,000 to 40,000 square feet.

3. The inclusion of catering services as an allowed use in the Low Intensity Industrial/Heavy Commercial Zone District portion of Lot HI-R.
4. Confirmation that underground parking located on Lot HI-R shall not be included as part of the maximum buildable area on Lot HI-R.

For further clarification purposes, Schedule 1 also includes footnote 18 of the Matrix to clearly show that the Application seeks no revisions to properties subject to footnote 18.

II. Town of Telluride's position on the Application

The Town has an interest in the Application pursuant to the Pre-Annexation, Utility Connection and Hydropower Lease Agreement for the Lawson Hill Project (the "**Water Agreement**"). Town Planning Director, Ron Quarles submitted to the CPC a conferral letter dated December 8, 2021 (the "**Town Letter**"). Lawson Hill received a copy of the Town Letter only minutes before the December CPC meeting. Upon review of the Town Letter, it became clear that there was some confusion surrounding the details of the Application, especially as it pertains to potential additional demands on water usage being proposed by Lawson Hill.

Lawson Hill has worked to revise and clarify the proposed changes to the Matrix, as set forth in Schedule 1, and held two discussions with Mr. Quarles in an effort to clear up any confusion created by the Application related to water demand. While Mr. Quarles would like to formally follow up the Town Letter with a new comment letter, he has indicated to Lawson Hill that his original concerns with the Application have been addressed. Prior to providing his new comment letter, he has reserved his right to confer related to the Application with additional Town staff. Lawson Hill believes that the CPC will receive Mr. Quarles letter shortly.

III. Reasoning for the requested reduction in parking

Parking space requirements throughout Lawson Hill vary based on each individual lot at issue. There appears to be different formulas used for different lots without any clear explanation. This Application seeks to conform the parking space requirements for Lot HI-R with other nonresidential lots in Lawson Hill of similar sizes.

Currently, Lot HI is required to have one space per 400 square feet. The Matrix requires more parking per square foot on Lot HI than any other lot in the Lawson Hill PUD. For example, the Matrix assigns Lot A-2 with a maximum build out of 32,000 square feet and requires only one space per 695 square feet (totaling 46 parking spaces). Whereas, under the existing requirements of Lot HI, Lot HI-R would be required to have 100 parking spaces. 100 parking spaces is more than twice the parking than is required on Lot A-2 even though the build out on Lot HI-R would be only 8,000 square feet larger. Parking requirements for Lot HI-R should be adjusted to conform to the requirements of Lot A-2 and all other non-residential lots. Additionally, Lawson Hill believes the 10,000 square feet of Low Intensity Industrial/Heavy Commercial use would require less of a demand on parking for that portion of use on Lot HI-R.

The Application seeks a parking requirement of one parking space per 535 square feet of build out, which would result in approximately 75 parking spaces. This parking requirement is more

consistent with other nonresidential lots. It also accounts for the less parking intensive uses associated with Low Intensity Industrial/Heavy Commercial.

IV. Conclusion

The revisions and clarifications set forth and attached to this letter address the comments provided by the CPC at the December meeting. Lawson Hill, thus, requests that CPC approve of the Application, including the revisions set forth herein.

Sincerely,

SMITH LAW FIRM, P.C.

By: 
Nathaniel R. Smith, President

cc: Kaye Simonson, San Miguel County Planning Director
Pam Hall, Lawson Hill Property Owners Company
Ron Quarles, Town of Telluride, Planning Director

Schedule 1

Current Matrix language

Lot G

¹⁸ Uses allowed in the Low Intensity Industrial (I) Zone District and the Heavy Commercial (HC) Zone District, including the following, subject to the standards and provisions of LUC Section 5-308.; appliance and equipment rental, storage and repair; automobile washing facilities; electrical and plumbing service shops; commercial bakeries; computer sales and service; printing and publishing shops; telecommunications supply; utility service facilities; day care centers (on lots of at least one acre); affordable housing accessory to a principal use for persons employed within the PUD; business and professional offices; warehouses; lumber yards; building supply sales, manufacturing and processing businesses; light industrial facilities; research and development facilities; feed and seed stores; auto sales; auction houses; construction contractors; commercial laundries; dry cleaning plants and self service laundries; gasoline service stations and auto repair subject to the standards and provisions of LUC 5-308 B. XII.; business and professional schools.

Lot HI

²⁰ Public facilities, regional medical center, emergency services, helicopter landing pad, justice center, courts, jails, indoor pistol range, uses approved by the County.

Revised proposed Matrix language

Lot G-R

(no proposed changes in types of uses)

Lot HI-R

²⁰ 30,000 square feet max: Public facilities, regional medical center, emergency services, ~~helicopter landing pad~~, justice center, courts, ~~jails, indoor pistol range~~, uses approved by the County; up to four (4) affordable housing dwelling units.

10,000 square feet max: Uses allowed in the Low Intensity Industrial (I) Zone District and the Heavy Commercial (HC) Zone District, including the following, subject to the standards and provisions of LUC Section 5-308.; appliance and equipment rental, storage and repair; automobile washing facilities; electrical and plumbing service shops; commercial bakeries; catering services; computer sales and service; printing and publishing shops; telecommunications supply; utility service facilities; day care centers (on lots of at least one acre); business and professional offices; warehouses; lumber yards; building supply sales, manufacturing and processing businesses; light industrial facilities; research and development facilities; feed and seed stores; auto sales; auction houses; construction contractors; commercial laundries; ~~dry cleaning plants and self service laundries~~; gasoline service stations and auto repair subject to the standards and provisions of LUC 5-308 B. XII.; business and professional schools.

* Parking is per LUC Section 5-702, to a maximum of 75 spaces. If housing is constructed 2 parking spaces will be reserved for each residential unit built. Total parking requirements may be reduced subject to review of final plan at permitting per LUC Section 5-702 G.

*An additional 12' of height may be added to the 35' maximum if the additional floor is used for affordable housing for persons working in the R-1 School District or otherwise complying with current Housing Authority Guidelines.

* In the event that underground parking is constructed on Lot HI-R, the area of such underground parking shall not count towards the maximum buildable square footage on the lot.

Schedule 1

Current Matrix language

Lot G

¹⁸ Uses allowed in the Low Intensity Industrial (I) Zone District and the Heavy Commercial (HC) Zone District, including the following, subject to the standards and provisions of LUC Section 5-308.; appliance and equipment rental, storage and repair; automobile washing facilities; electrical and plumbing service shops; commercial bakeries; computer sales and service; printing and publishing shops; telecommunications supply; utility service facilities; day care centers (on lots of at least one acre); affordable housing accessory to a principal use for persons employed within the PUD; business and professional offices; warehouses; lumber yards; building supply sales, manufacturing and processing businesses; light industrial facilities; research and development facilities; feed and seed stores; auto sales; auction houses; construction contractors; commercial laundries; dry cleaning plants and self service laundries; gasoline service stations and auto repair subject to the standards and provisions of LUC 5-308 B. XII.; business and professional schools.

Lot HI

²⁰ Public facilities, regional medical center, emergency services, helicopter landing pad, justice center, courts, jails, indoor pistol range, uses approved by the County.

Revised proposed Matrix language

Lot G-R

(no proposed changes in types of uses)

Lot HI-R

²⁰ 30,000 square feet max: Public facilities, regional medical center, emergency services, ~~helicopter landing pad~~, justice center, courts, ~~jails, indoor pistol range~~, uses approved by the County; up to four (4) affordable housing dwelling units.

10,000 square feet max: Uses allowed in the Low Intensity Industrial (I) Zone District and the Heavy Commercial (HC) Zone District, including the following, subject to the standards and provisions of LUC Section 5-308.; appliance and equipment rental, storage and repair; automobile washing facilities; electrical and plumbing service shops; commercial bakeries; catering services; computer sales and service; printing and publishing shops; telecommunications supply; utility service facilities; day care centers (on lots of at least one acre); business and professional offices; warehouses; lumber yards; building supply sales, manufacturing and processing businesses; light industrial facilities; research and development facilities; feed and seed stores; auto sales; auction houses; construction contractors; commercial laundries; ~~dry cleaning plants and self service laundries~~; gasoline service stations and auto repair subject to the standards and provisions of LUC 5-308 B. XII.; business and professional schools.

* Parking is per LUC Section 5-702, to a maximum of 75 spaces. If housing is constructed 2 parking spaces will be reserved for each residential unit built. Total parking requirements may be reduced subject to review of final plan at permitting per LUC Section 5-702 G.

*An additional 12' of height may be added to the 35' maximum if the additional floor is used for affordable housing for persons working in the R-1 School District or otherwise complying with current Housing Authority Guidelines.

* In the event that underground parking is constructed on Lot HI-R, the area of such underground parking shall not count towards the maximum buildable square footage on the lot.



Building and Planning Department
Ron Quarles, Director

January 26, 2022

Kaye Simonson
San Miguel County Planning Director

Delivered via email to: Kaye Simonson (kayes@sanmiguelcountyco.gov)

RE: Request of Lawson Hill PUD Amendment, Lot Line Vacation and Lot Line Adjustments.

Thank you for the opportunity to review this application with the revisions and clarifications provided by the letter dated January 21, 2022, from Nate Smith.

It is the Town's understanding that the changes that are sought include the following, in summary:

1. Eliminate shared interior lot line for Lot F1 and F2, with a corresponding modification to the Land Use Matrix, creating a single Lot F. "Allowed Uses" (Note 16), for F-1; and "Allowed Uses" (Note 17 and 18) for Lot F-2, have been merged to reflect "Allowed Uses" (Notes 16, 17 and 18) for the single Lot F.
2. Adjust the shared lot line between Lot G and Lot HI by shifting approximately .27 acres between the lots.

LOT G

- Size of lot increases from .911 acres to 1.18 acres and is redesignated as Lot GR.
- No changes are made to the Allowed Uses (Note 18) for Lot GR except for a reduction of the maximum non-residential square footage from 16,500 square feet to 6,500 square feet and a corresponding reduction in parking from 34 spaces to 13 spaces.

LOT HI

- Lot decreases from 1.88 to 1.61 acres and is redesignated as Lot HI-R.
- Allowed Uses (Note 20) for Lot HI-R are modified by removing helicopter landing pad, jails, and indoor pistol range, while adding up to four affordable housing dwelling units.
- The maximum non-residential square footage for Allowed Uses (Note 20) remains 30,000 square feet.
- A maximum of 10,000 square feet of Allowed Uses (Note 18) for Lot HI-R are added.
- Allowed Uses (Note 18) are modified to add catering services and eliminate dry cleaning plants and self-service laundries.
- Required parking remains as 75 spaces with a reservation of 2 spaces per residential unit. The required parking is decreasing from approximately 1 space per 400 square feet to approximately 1 space per 533 square feet.
- Maximum height is increasing from 24 feet to 35 feet with 12 extra feet for affordable housing.
- Finally, a note is added to allow underground parking without counting against the maximum square footage of developed area.

Because the overall mix and ratio of allowed uses, are not modified by this application, in general, the effect on utility services provided by the Town should be minimal. However, the Town is concerned that the reduction of lot size for HI-R compounded with the additional area established for I and HC uses (Note 18) will diminish available land for future public serving uses. Even though the application adheres to the anticipated overall mix of land uses established in the original PUD, the change may negatively impact future opportunities for public serving uses by concentrating a higher density of uses on a smaller lot. There are no assurances that the I and HC, if fully developed, will not constrict future public uses originally intended to occupy 30,000 square feet of a larger size lot.

Finally, it is not clearly established why the affordable housing units added to the allowed public uses are limited to four units. The Town supports the addition of affordable housing, however without limiting the number or size, consistent with how other allowed uses are designated for Lot HI-R. If there is a rationale for the limit, that should be clarified in the application.

Thank you for the opportunity to review this application, and we request any updates or modifications prior to BOCC review.

Respectfully,

A handwritten signature in dark ink, appearing to read "Ron Quarles", with a long horizontal flourish extending to the right.

Ron Quarles
Telluride Planning and Building Director

CC: Greg Sund, Interim Town Manager
Kevin Geiger, Town Attorney
Lance McDonald, Program Director
Paul Ruud, Public Works Director



Troy Hangen <troyh@sanmiguelcountyco.gov>

FW: Next SM PC

2 messages

Nate Smith <Nate@telluridefirm.com>

Thu, Feb 3, 2022 at 2:14 PM

To: Troy Hangen <troyh@sanmiguelcountyco.gov>, Kaye Simonson <kayes@sanmiguelcountyco.gov>

Troy and Kaye,

I wanted to forward to you this email from Ron Quarles. His letter expressed that the town has no concerns about the Lawson Hill application, but it did not explicitly state the town is no longer asking for town council approval for the application. Ron clarified this point below.

Best,

Nate Smith, Attorney

Smith Law Firm, P.C.

(970) 369-9070

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From: Ron Quarles <rquarles@telluride-co.gov>**Date:** Thursday, February 3, 2022 at 1:04 PM**To:** Nate Smith <Nate@telluridefirm.com>**Cc:** Pam Hall <lawsonhill@gmail.com>**Subject:** RE: Nest SM PC

Nate, that is correct since it is not altering the land use limitations.

From: Nate Smith <Nate@telluridefirm.com>**Sent:** Wednesday, February 2, 2022 2:22 PM**To:** Ron Quarles <rquarles@telluride-co.gov>

Cc: Pam Hall <lawsonhill@gmail.com>
Subject: Re: Nest SM PC

Ron,

To confirm, because the letter does not explicitly address this detail, the Town is no longer asking the applicants to obtain Town Council approval related to an increase in water usage, pursuant to the Pre-Annexation, Utility Connection and Hydropower Lease Agreement, correct? I want to make sure the Planning Commission understands the Town's position clearly.

Thanks,

Nate Smith, Attorney

Smith Law Firm, P.C.

(970) 369-9070

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From: Nate Smith <Nate@telluridefirm.com>
Date: Wednesday, February 2, 2022 at 2:11 PM
To: Ron Quarles <rquarles@telluride-co.gov>
Subject: Re: Nest SM PC

Thanks, Ron.

Nate Smith, Attorney

Smith Law Firm, P.C.

(970) 369-9070

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From: Ron Quarles <rquarles@telluride-co.gov>
Date: Wednesday, February 2, 2022 at 1:47 PM
To: Nate Smith <Nate@telluridefirm.com>
Subject: RE: Nest SM PC

Nate, here it is. Thanks, Ron.

From: Nate Smith <Nate@telluridefirm.com>
Sent: Wednesday, February 2, 2022 11:22 AM
To: Ron Quarles <rquarles@telluride-co.gov>
Cc: Pam Hall <lawsonhill@gmail.com>
Subject: Re: Nest SM PC

Hi Ron,

Can you share with me the Town's updated letter? The planning commission meeting is a week away and we want to be prepared accordingly.

Thanks,

Nate Smith, Attorney

Smith Law Firm, P.C.

(970) 369-9070

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From: Ron Quarles <rquarles@telluride-co.gov>
Date: Monday, January 24, 2022 at 9:29 AM
To: Nate Smith <Nate@telluridefirm.com>

Cc: Pam Hall <lawsonhill@gmail.com>

Subject: RE: Nest SM PC

Thanks Nate. I will get a letter out to SMC this week updating our comments based on the clarifications. Ron.

From: Nate Smith <Nate@telluridefirm.com>

Sent: Monday, January 24, 2022 9:28 AM

To: Ron Quarles <rquarles@telluride-co.gov>

Cc: Pam Hall <lawsonhill@gmail.com>

Subject: Re: Nest SM PC

Hi Ron,

The Planning Commission meeting is February 10th. Currently, a condition provided by the Planning Commission for the application to move forward is an update on the Town's position. I provided that update to the best of my ability in my letter, but I expect that the Commission will want to see your new letter too.

Best,

Nate Smith, Attorney

Smith Law Firm, P.C.

(970) 369-9070

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From: Ron Quarles <rquarles@telluride-co.gov>

Date: Monday, January 24, 2022 at 8:41 AM

To: Nate Smith <Nate@telluridefirm.com>

Subject: Nest SM PC

Hi Nate. Thanks for sending me a copy of the submittal to the County. When is the next PC meeting with them in February?

Ron Quarles

Planning and Building Director

Town of Telluride

970-728-2150

<https://www.telluride-co.gov/>

Troy Hangen <troyh@sanmiguelcountyco.gov>
To: Nate Smith <Nate@telluridefirm.com>
Cc: Kaye Simonson <kayes@sanmiguelcountyco.gov>

Thu, Feb 3, 2022 at 2:16 PM

Thank you

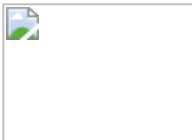
I will put it in the packet going out tomorrow.

[Quoted text hidden]

--

Troy Hangen
Senior Planner
San Miguel County
P:970-728-3083
333 W Colorado Ave, 3rd Flr
Telluride, CO 81435

www.sanmiguelcountyco.gov





AGENDA ITEM

TITLE:

Discussion of Affordable Housing

Presented by:

Time needed:

PREPARED BY:

Nancy Hrupcin, Planning

RECOMMENDED ACTION/MOTION:

INTRODUCTION/BACKGROUND:

FISCAL IMPACT:

ATTACHMENTS:

[Report Affordable Housing Fee Method DRAFT.pdf](#)

Description:

SAN MIGUEL COUNTY, COLORADO

San Miguel County Affordable Housing Fee Methodology **DRAFT**

Market-Affordability Gap approach

John Huebner, Senior Planner
2-10-2022



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Background

Purpose Statement

The purpose of this report is to provide a methodology for calculating fees that could be assessed by San Miguel County through its program to promote affordable housing in the Telluride R-1 School District. The methodology for calculating fees must be sound, easily understood and readily updated. It must also be compatible with the existing Land Use Code. It could be enacted through the San Miguel County Affordable Housing Guidelines in Appendix E of the Code.

This report recommends a methodology based on the difference between the market price of housing and the price that is affordable to people for which the housing is intended. This is referred to as the Market-Affordability Gap approach.

Introduction

San Miguel County in its regulations requires payment of an impact fee for the development of residential property in the unincorporated county in the R-1 District. San Miguel County Resolution 2007-11 adopted the residential impact fees and repealed existing provisions within the Land Use Code related to the requirement of building of affordable housing units.

Organization of the Document

This report consists of the following sections as follows:

1. Recommended Approach
2. Advantages over existing Methodology
3. Legal Justification
4. Calculating the Model
5. Impact Fee Model for San Miguel County

Additional supporting documents are provided as appendices to this report.

Recommended Approach

The Market-Affordability Gap approach is recommended for the calculating impact fee applicable to San Miguel County affordable housing requirements. It is based on the difference between the market price of housing and the price that is generally affordable to households meeting the affordable housing requirements. The benefits of this methodology are as follows:

- It is transparent and relatively simple, allowing for regular updating with readily available information from public sources (e.g. Telluride Multiple Listing Service, County Assessor, U.S. Department of Housing and Urban Development).
- May be used within the existing San Miguel County Building Department permitting process without requiring modifications. The impact fee may be expressed in per-unit, per-employee and per-square-foot amounts.
- Variables incorporated can be adjusted to reflect changes to local conditions and circumstances and to exclude outliers.
- Could be used to calculate fees for income categories as well as other categories, such as unit sizes that may be targeted in the future.



Affordable Housing Fee Methodology

- Reflects changes in land and construction costs since they adjust to market conditions.
- Is applicable to both ownership and rental housing since sales of both types of units are included in market price calculations and since the affordable housing payment is assumed to be the same regardless of whether the targeted household owns or rents.
- Represents the actual cost of housing available to employees without public-sector subsidies and responsibilities. The County's affordable housing program does not intend for the public sector to subsidize affordable housing requirements; subsidies vary widely based on a project, financing, and other factors.
- Provides sufficient revenue to potentially develop new units, to purchase and deed restrict existing units, to provide assistance to housing projects, or to acquire land.
- Is based on a widely-used method for examining the affordability of housing; the gap between market and affordable prices is a key indicator of need.
- Was tested in 2008 lawsuit in Gunnison County and found by the Gunnison District Court to be reasonable and sound.
- Is the methodology used by the Town of Telluride and other towns and counties in the Colorado Rocky Mountain region for calculating affordable housing impact fees.

Advantages over other approaches

The existing approach for calculating affordable housing impact fees was based on the gap between the historical cost of building affordable units and their affordable price, or the income received from sales and rentals. It relies on determining the costs of developing affordable housing, which has varied widely and has a small sample size. The market-affordability gap approach is recommended over the historic cost-affordability gap approach for several reasons:

1. It can be easily calculated with up-to-date reliable data on the market price of free market housing available from public sources (County Assessor, Telluride Association of Realtors). The previous model has not been updated since adoption in 2007, since compiling data was a complex time consuming process that involved the hiring of a consultant by the county.
2. It does not rely on adjustments to cost and price considerations of past projects to make the fees relevant. Affordable housing projects are infrequently built in this area so costs of past projects do not reflect current market conditions. Updating the impact fees would have required multiple assumptions regarding changes in land purchase, project design, construction costs and inflation.
3. Revenues could be more sufficient to build, buy or partner with other entities to produce housing when based on market prices. Calculating fees on the cost of public sector construction of affordable housing units under-represented the real cost to produce units.

Legal Justification

Local governments are expressly authorized to impose impact fees to serve new development as a condition of approval of development permits, C.R.S. 29-20-104.5. ("Colorado Land Use Control Enabling Act").



Affordable Housing Fee Methodology

- San Miguel County along with three resort-based governments participated in a comparative analysis, conducted by RRC Associates, Inc. and The Housing Collaborative, LLC in 2000, to determine the number of jobs directly generated by residential units. The Residential Job Generation Study covered employees in the residential construction industry as well as jobs associated with the on-going maintenance and operation of homes. This study provides the empirical data to justify the impact fees proposed and related amendments to the Land Use Code, specifically Section 5-13, and to Appendix E.
- Impact Fees must be established at a level no greater than necessary to defray impacts related to the proposed development, and not to remedy existing shortage of affordable housing.
- Fees must be assessed according to a schedule that is legislatively adopted and apply to a broad class of property.
- The recommended fee calculation model and components and using the market-affordable price gap methodology appear to be legally justified.

Calculating the Market-Affordability Gap/Fee

The basic formula to calculate the market-affordable price gap involves a three-step process:

1. Calculate the amount that households in certain income category can afford to pay for housing.
2. Determine the market price for housing using available previous home sales data.
3. Compare market price to the affordable amount calculated to determine the gap. Use conversion factors to express the gap in per-unit, per employee and per square foot amounts.

San Miguel County's calculation from 2020 utilizing this formula is illustrated in the table below:

San Miguel County Fee Calculation Model		2020
12/3/2021		
Income Targets		
Area Median Income (AMI) 100% - household size	2	4
Maximum Income	\$ 68,000	\$ 84,900
Affordable Price		
Affordable Monthly Payment (30%)	\$ 1,700	\$ 2,123
Affordable principal and interest (80% of pmt)	\$ 1,360	\$ 1,698
HOA dues, property taxes, insurance (20%)	\$ 340	\$ 425
Assumed Mortgage interest rate	5.0%	5.0%
Maximum mortgage	\$ 253,343	\$ 316,306
Maximum affordable price - 5% down	\$ 266,677	\$ 332,954
Market Price		
Market Price per SF of heated floor area	\$ 780	\$ 780
Assumed Affordable Unit Size	850	1075
Market Price per Unit	\$ 663,392	\$ 838,996
Market-Affordability Gap/Fee		
per Affordable Unit	\$ 396,715	\$ 506,042
Per SF of affordable unit (per unit gap/Unit Size)	\$ 467	\$ 471
Per Employee (per unit gap/1.6 employees per unit)	\$ 247,947	\$ 316,276



The variables impacting the bottom line are described for each of the main components of the formula 1) affordable price; 2) market price; and 3) market-affordability gap/fee.

Affordable Price

The affordable purchase price calculation involves the following main variables.

- Income – There are differing levels for qualifying household income used the region’s local governments related to affordable housing requirements. The County’s impact fees are based on 100% AMI (Area Median Income for San Miguel County), which is published annually by HUD (US Housing & Urban Development).
- Percentage of Income Spent on Housing Payment – The percentage among resort communities examined is 30%. Per the 2018 SMC Housing Needs Assessment, households spending over 30% of their annual income on housing costs are considered to be cost burdened. For purposes of calculating impact fees amounts governments usually assume that housing is affordable if 30% of gross household income covers the monthly mortgage (PITI – principal, interest, taxes, insurance) or rent payment.
- Property Taxes, Insurance and HOA fees – It is assumed that 20% of the housing payment covers taxes, insurance and HOA fees.
- Mortgage Interest Rate – San Miguel County assumes a 5% interest rate for purposes of this calculation. The interest rate assumed for calculating the maximum affordable mortgage amount impacts the affordable price and resulting gap/fee. For example, with a 30 year mortgage at 4.25%, a buyer could borrow 4.188 times their annual income assuming that 30% of their income covers PITI. At 5.25% they could only borrow 3.725 times their income. If buyers do not have a 20% down payment they will also have to purchase mortgage insurance. The Town of Telluride assumes a 5% interest rate.
- Down Payment – The communities surveyed assume employees can afford 5% down.
- Mortgage Term – The communities studied calculate the affordable purchase price based upon a 30-year fixed rate amortizing mortgage.

Market Price

- Source of Sales Data – Assessor records are comprehensive, unbiased, public and relatively easy to obtain, they are not easily compiled for use in developing these county impact fees. The MLS sales reports produced by real estate offices were used and were acquired and provided by Town of Telluride.
- Location – There is significant price variation by area within San Miguel County. Real estate sales occurring within the Telluride Region, as identified in the San Miguel County Master Plan, are used. This region encompasses the Towns of Mountain Village and Telluride and surrounding subdivisions in the unincorporated county. Sales from within these two municipalities are included in the County’s impact fee calculation since most of employee generation in the county occurs here in the east end.
- Types of Units included – Sales of dwelling units within duplex and multi-family buildings are employed for this study. Single-family residences with acreage were excluded; this removes the variation associated with attached land. Only free market real estate sales are utilized. No units



that are subject to use or occupancy restrictions, such as restrictions that require accommodations uses for any period of time (fractional ownership), or affordable housing Deed-restrictions.

- Average vs Median Price – The market price per square foot can be expressed as a median or average. The average price per square foot is typically higher than median price; the average is more influenced by high-end home sales.
- Period Covered – The sales from the three previous calendar years is utilized. Three (3) years of data are used rather than just the one previous year to increase the sample size and reduce the margin of error. This also reduces fluctuations in the sales values due to market volatility.
- Size of Employee Unit – The final step in the calculation of market price is to apply the average price per square foot to the square footage of the employee housing unit. The size of the employee housing units was determined using the Telluride Affordable Housing Guidelines, amended June 4, 2021. The average of the minimum and maximum square feet for Unit type from the Unit Size Standards table, Section 210.1., was utilized and took into account minimum household size for said unit types in Section 103.3. B.

Market Affordability Gap/Fee

The final step in the fee calculation process is the subtraction of the affordable price from the market price. The result is a per affordable housing unit gap. The unit gap is divided by the unit size to yield per square foot gap fee.

Conversion factors:

- Number of employees per Household – The average in San Miguel County is 1.6 employees per unit based upon the Telluride San Miguel County Regional Community Survey 2002. The 2018 SMC Housing Needs Assessment survey states the number of employees per households has increased per age groups surveyed, but didn't identify the total number per household.
- Number of Square Feet per Employee – A size standard is applied to convert the per-employee gap into a per square foot fee by applying a size standard. San Miguel County currently requires a minimum of 350 square feet per employee. Telluride uses a standard of 400 feet per employee.

San Miguel County Impact Fee Model Recommendation

Income Targets

Income targets are based on the 2019 HUD Area Median Income (AMI) amounts for San Miguel County. The figures for two person households are provided for comparison. For San Miguel County, a 100% AMI category is used since the County's code does not specify multiple income categories.

Affordable Price

A key variable in the fee calculation formula is the mortgage interest rate, which is assumed to be 5% and is used for the 2021 calculation. A down payment of 5% is used. Increasing the down payment and decreasing the interest rate increases the affordable price and would therefore lower the impact fees. Should interest rates rise in the future, the rate used for the fee can be adjusted.



Affordable Housing Fee Methodology

Several other variables involved in the calculation of affordable prices include the percentage of income that is affordable to spend on housing payments, the percentage of the monthly payment that covers mortgage principal and interest, the percentage of the payment that pays for HOA fees, property taxes and property insurance, and the term of the mortgage.

- Interest rate = 5%;
- Down Payment = 5%;
- Affordable housing payment = 30% of income;
- Mortgage principal and interest = 80% of affordable housing payment;
- HOA fees, property taxes and insurance = 20% of affordable housing payment;
- The mortgage term = 30 years at a fixed rate.

The square footage of the affordable units estimated for this model is assumed to be 850 sf (square feet) for a two person household and 1075 sf for a four person household. This seems reasonable. Increasing the size would increase the impact fee.

Market Price

The most significant variables in the determination of the market price per square foot and the resulting market-affordability gap fee are location of sales and improvement type. Through discussions with county staff and Town of Telluride staff, it was determined to use residential sales occurring in the Telluride Region and of those housing units only within duplexes and multi-family buildings. It does create a more Telluride and Mountain Village centric sales sample. Excluding the sales of single-family residence, uses sales that are more representative in size and improvement type to the affordable housing units that will be developed with impact fees in the future or purchased by locals in terms of size, design and density.

Staff was able to use a spreadsheet provided by the Town of Telluride of sales compiled for prior years.

There is a sufficient quantity of real estate sales each year needed to produce reliable data for this impact fee methodology. The total of all sales amounts is divided by the total of all finished square footage to determine the average price per square foot for each year.

Period Covered

Three options using three years of sales data are considered for calculating the market price per square foot: 1) Dividing the sum of average sales price per square foot by the total number of sales (Avg SP/SF). 2) Median value of annual sales price per square foot (Med SP/SF). 3) Dividing the sum of total annual sales by the total square footage for all sales (TOT Sales/SF).

The following table illustrates the compilation of sales data to determine the average price per square foot for 2019, 2020 and 2021.

Impact Fee Year: 2019				Impact Fee Year: 2020				Impact Fee Year: 2021			
Free Market Price Per SF	TOT Sales/ SF	Med SP/SF	Avg SP/SF	Free Market Price Per SF	TOT Sales/ SF	Med SP/SF	Avg SP/SF	Free Market Price Per SF	TOT Sales/ SF	Med SP/SF	Avg SP/SF
2018	793	755	801	2019	830	730	772	2020	975	850	899
2017	829	729	783	2018	793	755	801	2019	830	730	772
2016	744	714	717	2017	829	729	783	2018	793	755	801
Average Price per Square Foot	788.69	732.69	766.89	Average Price per Square Foot	817.16	738.05	785.05	Average Price per Square Foot	865.83	778.57	823.83



Affordable Housing Fee Methodology

Comparison of Existing and Proposed Fees

Table 1 - Fees resulting from SFR, Duplex development:							
Current Requirements: Mitigation=37%; 42,200/67,250 Employee/Unit subsidy; development cost/affordable price approach							
Square Footage	Employees Generated	Fee					
500	0.137	\$ -					
1000	0.207	\$ -					
1500	0.279	\$ -					
2000	0.354	\$ 3,092					
3000	0.514	\$ 4,388					
4000	0.694	\$ 5,984					
5000	0.901	\$ 7,995					
6000	1.144	\$ 10,579					
7000	1.438	\$ 13,951					
8000	1.802	\$ 18,413					
9000	2.263	\$ 24,379					
10000	2.856	\$ 32,418					
11000	3.634	\$ 43,320					
12000	4.664	\$ 58,171					

Table 2 - Comparison of Fees resulting from requirements for Single-family and Duplex development; Scenarios							
		Scenario 1	Scenario 2	Scenario 2a	Scenario 3	Scenario 4	Scenario 5
SF Per Employee		350	350	400	350	400	400
Mitigation %		37%	37%	37%	50%	50%	75%
Impact Fee/SF		471	529	529	529	529	529
Square Footage	Employees Generated	Aff Housing Impact Fee					
500	0.137	\$ 8,383	\$ 9,415	\$ 10,760	\$ 12,723	\$ 14,540	\$ 21,811
1000	0.207	\$ 12,616	\$ 14,169	\$ 16,193	\$ 19,147	\$ 21,883	\$ 32,824
1500	0.279	\$ 17,002	\$ 19,096	\$ 21,824	\$ 25,805	\$ 29,491	\$ 44,237
2000	0.354	\$ 21,569	\$ 24,225	\$ 27,685	\$ 32,736	\$ 37,413	\$ 56,119
3000	0.514	\$ 31,374	\$ 35,238	\$ 40,272	\$ 47,618	\$ 54,421	\$ 81,631
4000	0.694	\$ 42,356	\$ 47,571	\$ 54,367	\$ 64,286	\$ 73,469	\$ 110,204
5000	0.901	\$ 54,960	\$ 61,728	\$ 70,546	\$ 83,416	\$ 95,333	\$ 142,999
6000	1.144	\$ 69,804	\$ 78,400	\$ 89,600	\$ 105,946	\$ 121,081	\$ 181,621
7000	1.438	\$ 87,738	\$ 98,542	\$ 112,620	\$ 133,166	\$ 152,189	432
8000	1.802	\$ 109,936	\$ 123,474	\$ 141,113	\$ 166,857	\$ 190,694	541
9000	2.263	\$ 138,019	\$ 155,015	\$ 177,159	396	453	679
10000	2.856	370	370	423	500	571	857
11000	3.634	471	471	538	636	727	1,090
12000	4.664	604	604	690	816	933	1,399



Affordable Housing Fee Methodology

Appendices

- A. Model Year 2021
- B. Impact Fee template 2021
- C. Affordable Unit Size
- D. Employee Generation Tables
- E. HUD Income Table
- F. Implementation & Recommended Changes to the Current Land Use Code



Affordable Housing Fee Methodology

Appendix A: Model Year 2021

Recommended Fee Calculation Model and Components for San Miguel County			
San Miguel County Fee Calculation Model		2021	
12/3/2021			
Income Targets			
Area Median Income (AMI) 100% - household size	2	4	
Maximum Income	\$ 68,200	\$ 85,200	Enter data here (HUD)
Affordable Price			
Affordable Monthly Payment (30%)	\$ 1,705	\$ 2,130	
Affordable principal and interest (80% of pmt)	\$ 1,364	\$ 1,704	
HOA dues, property taxes, insurance (20%)	\$ 341	\$ 426	
Assumed Mortgage interest rate	5.0%	5.0%	
Maximum mortgage	\$ 254,088	\$ 317,424	
Maximum affordable price - 5% down	\$ 267,461	\$ 334,130	
Market Price			
Market Price per SF of heated floor area	\$ 840	\$ 840	Enter Market Price per SF here
Assumed Affordable Unit Size	850	1075	
Market Price per Unit	\$ 713,838	\$ 902,795	
Market-Affordability Gap/Fee			
per Affordable Unit	\$ 446,377	\$ 568,665	
Per SF of affordable unit (per unit gap/Unit Size)	\$ 525	\$ 529	
Per Employee (per unit gap/1.6 employees per unit)	\$ 278,986	\$ 355,415	
Components of the model are summarized below			
Income Targets			
based on 2019 HUD Area Median Family Income (AMI) for San Miguel County -100% AMI is \$85,200 4 person household			
2020 Household persons per occupied unit: San Miguel County - 2.24, Telluride - 2.16, Mountain Village 1.94			
Affordable Price			
A mortgage interest rate of 5.00% is used for 2020 calculation.			
affordable housing payment = 30% of income			
mortgage principal and interest = 80% of affordable payment			
HOA fees, property taxes and insurance = 20% of affordable payment			
mortgage term is 30 years at a fixed rate			
Market Sales Price per Square Foot			
Area Covered: Sales throughout the county are used for San Miguel County's fee calculation			
Residential sales: all free market condo and residential properties (Median vs Average?) (Parcel size?)			
Time Period of Sales: prior three year period			
Unit Sizes: Avg of Min. and Max SF for 2Br and 3Br units Tell Aff Hsg Guidelines 8/13/2019			
Conversion Factors			
Factor of 1.6 employees per unit was used. This figure was generated in 2005 Employee Housing Impact Fee Support Study. 1.6 per 2011; 1.56 per 2018 Housing Needs Asses			
To convert into per-square foot fee amounts: used Assumed Affordable Unit Size square fee per affordable Unit			



Appendix B: Impact Fee template 2021

Affordable Housing Mitigation Fee Calculator Single-family Residence / Duplex / Multi-family Unit		
Project Name		
Address/Location		
Property Owner		
Date		
Calculation of residential affordable housing impact fee		
New Construction		
Variables		
Residential Floor Area (Type SF in yellow box)		-
Constants		
Maintenance FTE's Coefficient		0.070174
Exponential Coefficient		0.000322
Average Construction FTE's		0.0044
Sq. Ft. Per Employee per LUC		350
Mitigation Rate per LUC		37%
Per SF of affordable unit (per unit gap/Unit Size)	\$	529
Mitigation Calculation		
Employees Generated		0.070174
Impact Fee	\$	4,807.30
Additions		
Variables		
EXISTING Residential Floor Area (Type SF in yellow box)		-
ADDITIONAL Residential Floor Area (Type SF in yellow box)		-
Total Residential Floor Area		-
Constants		
Maintenance FTE's Coefficient		0.070174
Exponential Coefficient		0.000322
Average Construction FTE's		0.0044
Sq. Ft. Per Employee per LUC		350
Mitigation Rate per LUC		37%
Per SF of affordable unit (per unit gap/900 SF)	\$	471
Mitigation Calculation		
Employees Generated		0.070174
Impact Fee	\$	4,280.23

Appendix C: Affordable Unit Size

[illegible]



Appendix D: Employee Generation Tables

Construction		
		Mitigation Rate
Square Feet	FTE's	
1000	0.11	
2000	0.22	
3000	0.33	
4000	0.44	
5000	0.55	
6000	0.66	
7000	0.77	
8000	0.88	
9000	0.99	
10000	1.1	
11000	1.21	
12000	1.32	
13000	1.43	
14000	1.54	
Maintenance		
		Mitigation Rate
Square Feet	FTE's	
1000	0.1	
2000	0.13	
3000	0.18	
4000	0.25	
5000	0.35	
6000	0.48	
7000	0.67	
8000	0.92	
9000	1.27	
10000	1.76	
11000	2.42	
12000	3.34	
13000	4.61	
14000	6.37	



Appendix E: HUD Income Table

					Obtain information from HUD Annual Income Limits summary					
Model			Persons in Family			Persons in Family		Median Family		
Year	Area	Fiscal Year	2	4	Income Limit	2	4	Income		
2020	SMC	2018	\$ 68,000	\$ 84,900	50%	\$ 34,000	\$ 42,450	\$ 77,000		
2021	SMC	2019	\$ 68,200	\$ 85,200	50%	\$ 34,100	\$ 42,600	\$ 78,800		
2022	SMC	2020	\$ 65,200	\$ 81,500	50%	\$ 32,600	\$ 40,750	\$ 81,500		
2023	SMC	2021	\$ 68,400	\$ 85,500	50%	\$ 34,200	\$ 42,750	\$ 87,800		
2024	SMC	2022	\$ -	\$ -	50%				Enter data here (HUD)	
2025	SMC	2023	\$ -	\$ -	50%					
2026	SMC	2024	\$ -	\$ -	50%					
2027	SMC	2025	\$ -	\$ -	50%					
2028	SMC	2026	\$ -	\$ -	50%					



Appendix F: Implementation & Recommended Changes to the Current Land Use Code

The adoption of the fee structure as presented in this report has significant implications for the Affordable Housing section of the current County land use code. A summary of these recommended code revisions follows.

- I. *Accessory Dwelling Units:* The residential development fee structure presented is based on the affordable housing mitigation required. A requirement to construct an ADU is included in the basis of this fee structure and should be added to the code.
- II. *Deed Restrictions:* Adopt deed restrictions that include minimum occupancy requirements applicable to all employee housing units.
- III. *Commercial Development:* Amend employee housing requirements for non-residential development to allow for the collection of fees up to a certain square foot threshold.
- IV. *Updating the Affordable Housing Fee Schedule:* What components need to be updated annually.

The following sections address the above items in more detail.

I. Accessory Dwelling Units:

The development of one accessory dwelling unit per lot or parcels is allowed in the HD, MD and LD Zone Districts, only within the Telluride Region as defined in the Telluride Regional Area Master Plan, subject to compliance with all applicable standards in LUC Section 5-13.

The construction of accessory dwelling units should only be allowed, as required for impact mitigation, or designated for affordable housing, and deed restricted as a condition of approval to promote affordable housing.

II. Deed Restrictions

Although requiring an on-site ADU for the mitigation of employees to construct a single-family residence in some zone districts would provide housing, the R-1 Deed Restriction is not restrictive enough to ensure that it is affordable and occupied by a qualified employee working in the R-1 School District.

A concern is that while units may be produced on site for mitigation of affordable housing, they may not be rented by qualified employees. They may be used for other purposes or sit vacant. Previously, the development of a single-family homes in some zone districts received County approval to construct an accessory dwelling unit as mitigation of affordable housing. Evidence gathered previously by the San Miguel County Regional Housing Authority suggested that Accessory Dwelling Units even with the R-1 Deed restriction in the unincorporated County were less than 40% occupied. This discovery regarding occupancy was an impetus for the County to discontinue the onsite ADU requirement in 2007, and instituting a residential impact fee instead.



Imposing occupancy requirements (e.g. unit is not allowed to remain vacant for more than 90 days and shall be leased for no less than 6 months at a time) would likely raise the occupancy rates, particularly if accompanied with enforcement.

III. Commercial Development: NEED MORE INFORMATION

IV. Updating the Affordable Housing Fee Schedule

Maintain the fee model and supporting tables within Appendix E of San Miguel County Land Use Code. Modifications to the fee structure could occur without having to amend the Land Use Code. County Planning staff shall update the Affordable Housing fee using the following method, which shall be calculated annually by April 30 each calendar year.

Update the following components of the San Miguel County Fee Calculation Model annually:

Step 1 - Income Targets –

- Obtain Fiscal Year (FY) Annual Income Limits Summary prepared annually by the US Housing and Urban Development for the San Miguel County, CO area, and utilize to obtain the 100% Income Limits utilized for developing impact fees by San Miguel County.
- Using the Very Low (50%) Income Limits (\$) obtain the incomes for 2 and 4 persons in a family. These income limits must be doubled to obtain the county income targets.
- Calculate the Maximum Affordable Price.

Step 2 - Market Price per Square Foot of Heated Floor Area –

- Utilize the Telluride Multiple Listing Service (MLS) to find and compile real estate sales that fit the following parameters:
 - i. Sales that occurred within the three (3) previous calendar years; and
 - ii. Free Market* Dwelling Units; and
 - iii. Duplex and multi-family occupancy; and
 - iv. Studio, one (1), two (2), and three (3) bedrooms; and
 - v. Within Telluride Region as defined in the County Master Plan.

* Free Market = housing units that are not subject to use or occupancy restrictions, such as deed-restricted housing or time share restrictions.

- Determine the average sales price per square foot of all Free Market Dwelling Units sales by dividing the sum of all average sale prices per square foot by the total number of sales.
- Calculate the Market Price per Unit.

Example: Planning staff compiled sales prices from 2018, 2019 and 2020 in accordance with the criteria outlined above. The (Free) Market Price per SF of heated floor area is \$840 per square foot. Using the proposed methodology, the Impact Fee would be \$529 per square foot.