

RESOLUTION #R-48-2013

A RESOLUTION APPROVING THE LOVELAND COMMUNITY HEALTH CENTER INCENTIVE AND FEE WAIVER AGREEMENT WITH SUNRISE COMMUNITY HEALTH

WHEREAS, Sunrise Community Health is a Colorado nonprofit corporation (“Sunrise”) providing community health care and owns that real property consisting of approximately 6.38 acres known as 302 3rd Street SE, Loveland, Colorado (the “Property”); and

WHEREAS, the 49,164 square foot building located on the Property has been near-vacant and underutilized for an extended period of time; and

WHEREAS, Sunrise is redeveloping the Property to co-locate the Loveland Community Health Center operated by Sunrise and the Stepping Stones Adult Day Program operated by McKee Medical Center (“McKee”), in order to leverage resources, reduce costs, integrate service, and improve client experience in the provision of medical, dental, and behavioral health care services and adult respite services to low-income individuals and families in the greater Loveland area (the “Health Center”); and

WHEREAS, the first phase of the redevelopment (“Phase I”) includes (i) purchase of the facility and renovation of approximately 34,000 square feet of space at a total project cost estimated at \$8.4M, including 25,000 square feet to accommodate Sunrise’s community health care services now located at 450 N. Cleveland Avenue, approximately 6,400 square feet of space to accommodate McKee’s Stepping Stones Adult Day Program, approximately 2,364 square feet of space for a private contractor to continue providing meals on site for community service organizations and catering services, and completion of shared space for ancillary functions such as break rooms, meeting and conference space, IT and similar supporting infrastructure; and (ii) site improvements to include sidewalks, access modifications, electrical service upgrades, and fire hydrant replacement and installation (“the “Site Improvements”); and

WHEREAS, as a part of the Site Improvements, the Loveland Municipal Code and Larimer County Urban Area Street Standards (“LCUASS”) require Sunrise to design and install a sidewalk along the western border of the Property adjacent to Lincoln Avenue at an estimated cost of Eighty Thousand Dollars (\$80,000.00) (the “Lincoln Sidewalk”) and a new five foot (5’) detached public sidewalk along the northern border of the Property adjacent to 3rd Street SE from Lincoln Avenue to Washington Avenue at an estimated cost of Forty Thousand Dollars (\$40,000.00) (the “3rd Street SE Sidewalk”), or provide a “cash-in-lieu” payment if approved by the City Engineer; and

WHEREAS, the City Engineer has approved a “cash-in-lieu” payment of Eighty Thousand Dollars (\$80,000.00) for the Lincoln Sidewalk, since this Sidewalk, if built in connection with Phase I of the Health Center, would terminate at the Farmers’ Ditch and would be unnecessary until a pedestrian bridge is completed in the future; and

WHEREAS, in connection with Phase I, Sunrise is also required to pay the City certain capital expansion fees in the estimated amount of Three Hundred Seventy Eight Thousand

Dollars (\$378,000.00) (the “CEFs) and building permit fees, inspection fees, and other fees imposed on new development in the City which are estimated not to Exceed Forty Two Thousand Dollars (\$42,000.00) (“the Fees”) as a precondition to receiving from the City a building permit and/or final certificate of occupancy for Phase I; and

WHEREAS, Sunrise has asked the City for certain economic incentives to aid it in undertaking Phase I to facilitate redevelopment of the Property, which is anticipated to increase employment by Sunrise of as many as 23 full time employees and provide affordable quality health care and adult respite care to low-income individuals and families in the greater Loveland area, serving a critical need in the community; and

WHEREAS, Sunrise has asked the City to provide a cash incentive to fund some of the Site Improvements, provide a challenge grant and to waive the cash-in-lieu payment for the Lincoln Sidewalk, CEFs, and certain Fees for the redevelopment of the Health Center; and

WHEREAS, the waiver of Fees is authorized under City Code Section 16.38.070, if the City Council finds that such waiver serves a public purpose, including, without limitation, providing the public with significant social, economic or cultural benefits; and

WHEREAS, City Code Section 16.38.075 provides that the City Council may, by resolution, grant an exception from all or part of the CEFs imposed, or any other fees imposed, upon a development project upon a finding that the project for which the CEFs and fees would otherwise be imposed will provide not-for-profit facilities open to Loveland area residents that might otherwise be provided by the City at taxpayer expense, that such facilities relieve the pressures of growth on city-provided facilities, and that such facilities do not create growth or growth impacts; and

WHEREAS, pursuant to Article XX of the Colorado Constitution and C.R.S. Section 31-15-711(1)(e), the City is authorized to establish and operate community health care facilities within Loveland; and

WHEREAS, provision of a cash incentive is authorized under City Code Section 3.04.090 for all public purposes to the full extent authorized by the Colorado Constitution, which includes the public purposes of producing significant economic, cultural and social benefits to the citizens of Loveland; and

WHEREAS, City Council believes the assistance in the form of a cash incentive payment and waiver of the Fees, CEFs and the cash-in-lieu payment for the Lincoln Sidewalk, are in the best interests of the City and the public and serve the public purposes of producing significant economic and social benefits to the citizens of Loveland, primarily in the form, primarily in the form of economic development, high-quality jobs, and increased property tax revenues to the City, and in the form of access to medical, dental, and behavioral health care services and adult respite services to low-income individuals and families in the greater Loveland area; and

WHEREAS, the City Council further believes that the waiver of the CEFs under the “Agreement” (as defined below) will provide not-for-profit facilities open to Loveland area residents that might otherwise be provided by the City at taxpayer expense, and that such

facilities relieve the pressures of growth on City-provided facilities and do not create growth or growth-impacts.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

Section 1. That the City Council hereby finds that granting Sunrise assistance in the form of a cash incentive payment and waiver of certain Fees and the cash-in-lieu payment for the Lincoln Sidewalk, are in the best interests of the City and the public and serve the public purposes of producing significant economic and social benefits to the citizens of Loveland, primarily in the form, primarily in the form of economic development, high-quality jobs, and increased property tax revenues to the City, and in the form of access to medical, dental, and behavioral health care services and adult respite services to low-income individuals and families in the greater Loveland area.

Section 2. That the City Council further finds that the waiver of the CEFs under the “Agreement” (as defined below) is made to support a project undertaken by a nonprofit entity that will provide not-for-profit community health care facilities open to Loveland area residents that might otherwise be provided by the City at taxpayer expense, and that such facilities relieve the pressures of growth on City-provided facilities and do not create growth or growth-impacts.

Section 3. That the Loveland Community Health Center Incentive and Fee Waiver Agreement between the City and Sunrise attached hereto as **Exhibit A** and incorporated by reference (the “Agreement”) is hereby approved, subject to an appropriation by City Council, in its discretion, of the funds required to fulfill the financial obligations of the City set forth therein, except the capital expansion fees waived the Agreement and waived pursuant to City Code Section 16.38.075, all as more fully set forth in the Agreement. In addition, pursuant Section 16.38.075, the CEF funds are not required to be reimbursed by the general fund for the waived CEFs

Section 4. That the City Manager is authorized, following consultation with the City Attorney, to modify the Agreement in form or substance as deemed necessary to effectuate the purposes of this Resolution or to protect the interests of the City.

Section 5. That the City Manager and the City Clerk are hereby authorized and directed to execute the Agreement on behalf of the City of Loveland.

Section 6. That this Resolution shall be effective as of the date of its adoption.

ADOPTED this 18th day of June, 2013.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

J. Yost Schmidt
Deputy City Attorney

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WHEREAS, as a part of the Site Improvements, the Loveland Municipal Code and Larimer County Urban Area Street Standards (“LCUASS”) require Sunrise to design and install a sidewalk along the western border of the Property adjacent to Lincoln Avenue at an estimated cost of Eighty Thousand Dollars (\$80,000.00) (the “Lincoln Sidewalk”) and a new five foot (5’) detached public sidewalk along the northern border of the Property adjacent to 3rd Street SE from Lincoln Avenue to Washington Avenue at an estimated cost of Forty Thousand Dollars (\$40,000.00) (the “3rd Street SE Sidewalk”), or provide a “cash-in-lieu” payment if approved by the City Engineer; and

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WHEREAS, the waiver of Fees is authorized under City Code Sections 16.38.070, if the City Council finds that such waiver serves a public purpose—, including, without limitation, providing the public with significant social, economic or cultural benefits; and

WHEREAS, City Code Section 176.38.075 provides that the City Council may, by resolution, grant an exception from all or part of the CEFs imposed, or any other fees imposed, upon a development project upon a finding that the project for which the CEFs and fees would otherwise be imposed will provide not-for-profit facilities open to Loveland area residents that might otherwise be provided by the City at taxpayer expense, that such facilities relieve the pressures of growth on city-provided facilities, and that such facilities do not create growth or growth impacts; and

WHEREAS, pursuant to Article XX of the Colorado Constitution and C.R.S. Section 31-15-711(1)(e), the City is authorized to establish and operate community health care facilities within Loveland; and

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Section 43. That the City Manager is authorized, following consultation with the City Attorney, to modify the Agreement in form or substance as deemed necessary to effectuate the purposes of this Resolution or to protect the interests of the City.

Section 54. That the City Manager and the City Clerk are hereby authorized and directed to execute the Agreement on behalf of the City of Loveland.

Section 65. That this Resolution shall be effective as of the date of its adoption.

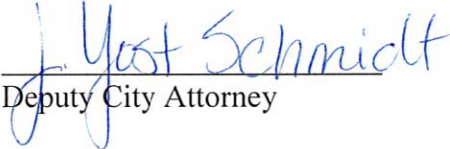
ADOPTED this 18th day of June, 2013.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:


Deputy City Attorney