

CALL TO ORDER

Mayor Pro Tem Klassen called the regular meeting of the Loveland City Council to order on the above date at 6:30 PM.

PLEDGE OF ALLEGIANCE

ROLL CALL

Roll was called and the following responded: Farley, Klassen, Trenary, Shaffer, Fogle, Taylor, McKean, and Clark were present. Mayor Gutierrez was absent.

INFORMATION

Mayor Pro Tem Klassen made the following procedural announcement: Anyone in the audience will be given time to speak to any item on the Consent Agenda. Please ask for that item to be removed from the Consent Agenda. Items pulled will be heard at the beginning of the Regular Agenda. You will be given an opportunity to speak to the item before the Council acts upon it. Public hearings remaining on the Consent Agenda are considered to have been opened and closed, with the information furnished in connection with these items considered as the only evidence presented. Adoption of the items remaining on the Consent Agenda is considered as adoption of the staff recommendation for those items. Anyone making a comment during any portion of tonight's meeting should come forward to a microphone and identify yourself before being recognized by the Mayor. Please do not interrupt other speakers. Side conversations should be moved outside the Council Chambers. Please limit your comments to no more than three minutes.

CONSENT AGENDA

Mayor Pro Tem Klassen asked if anyone in the audience, Council or staff wished to remove any of the items or public hearings listed on the Consent Agenda. Councilor Clark asked that Item #5 be removed from the Consent Agenda. Councilor Shaffer moved to approve the Consent Agenda with the exception of Item #5. The motion was seconded by Councilor Taylor and roll call vote was taken with all councilors present voting in favor.

1. CITY MANAGER

BOARD & COMMISSION APPOINTMENTS

Administrative Action: The following appointments to the Youth Advisory Commission were approved to serve as members and alternates from June, 2013 through May, 2014. Hope Skeen, Wesley Walton, and Reid Maynard were reappointed as YAC Commissioners. Emilee Mendoza, Gibb Charron, Mattea Wabeke, Tory Hass, Anna Kirk, Lauren Howard, Emma Pattison, Alexandra McKenna, and Dylan McNally were appointed as YAC Commissioners. Sophia Beall, Payton Buhler, Kyle Brinkman, and Billie Anna Runions as YAC Alternates.

2. DEVELOPMENT SERVICES

KENDALL BROOK UTILITY EASEMENT VACATION

Ordinance #5770

Legislative Action. "AN ORDINANCE VACATING A PORTION OF A UTILITY EASEMENT ON LOT 5, BLOCK 21, KENDALL BROOK FIRST SUBDIVISION, CITY OF LOVELAND" was approved and ordered published on second reading.

3. DEVELOPMENT SERVICES

OIL & GAS MAILED NOTIFICATION AMENDMENT

Ordinance #5771

Legislative Action: "AN ORDINANCE AMENDING SECTIONS 18.05.030 AND 18.05.060 OF THE LOVELAND MUNICIPAL CODE TO ESTABLISH MAILED NOTIFICATION

DISTANCES FOR NEIGHBORHOOD MEETINGS AND PUBLIC HEARINGS ASSOCIATED WITH OIL AND GAS PERMIT APPLICATIONS UNDER CHAPTERS 18.77 AND 18.78" was approved and ordered published on second reading.

4. DEVELOPMENT SERVICES

REALLOCATION OF CDBG FUNDS TO HABITAT FOR HUMANITY

Resolution #R-35-2013

Administrative Action: Resolution #R-35-2013 Approving the Grant Funding Recommendation of the Loveland Affordable Housing Commission for the Reallocation of Certain 2011 and 2012 Community Development Block Grant Funds was approved.

RESOLUTION # R-35-2013

A RESOLUTION APPROVING THE GRANT FUNDING RECOMMENDATION OF THE LOVELAND AFFORDABLE HOUSING COMMISSION FOR THE REALLOCATION OF CERTAIN 2011 AND 2012 COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS

WHEREAS, the City Council of the City of Loveland recognizes the need to provide opportunities for the well-being of less fortunate citizens; and

WHEREAS, the City receives federal Community Development Block Grant ("CDBG") funds through the U.S. Department of Housing and Urban Development to assist in meeting the housing needs for Loveland citizens with low incomes; and

WHEREAS, the City Council has charged the Affordable Housing Commission with the task of reviewing all "bricks and mortar" grant applications made to the City for CDBG funds related to housing and making a recommendation to the City Council regarding such grant funds distribution; and

WHEREAS, the City Council has, by resolution approved the allocation of CDBG funds to the Housing Authority of the City of Loveland ("HACOL") for various projects during the 2011 program year, of which a total of \$22,770.15 was not expended by contract deadlines and has reverted to the City; and

WHEREAS, the City Council by resolution approved the allocation of \$35,000 in CDBG funds to ArtSpace, Inc., for multi-family housing, the total amount of which has not been expended by contract deadlines and has reverted to the City; and

WHEREAS, a total of \$57,770.15 in CDBG funds is available for reallocation for projects that must be completed by September 30, 2013; and

WHEREAS, the \$57,770.15 in CDBG funds were initially a portion of the CDBG funds appropriated in the 2011 and 2012 City budgets, and the unspent balance has been rolled into and appropriated in the 2013 City Budget; and

WHEREAS, the Affordable Housing Commission has since reviewed the grant applications made to the City for these CDBG funds, and has recommended that the City Council reallocate the \$57,770.15 to Loveland Habitat for Humanity to purchase lots in the Sierra Valley subdivision to build multi-family affordable housing; and

WHEREAS, the City Council desires to approve the grant funding recommendation of the Affordable Housing Commission.

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

Section 1. That the recommendation of the Affordable Housing Commission for the reallocation of the unexpended 2011 and 2012 Community Development Block Grant funds is hereby approved and the total of \$57,770.15 is hereby reallocated to Loveland Habitat for Humanity to purchase lots in the Sierra Valley subdivision to build multi-family housing, subject to Agency or Project Owner execution of a subrecipient contract with the City of Loveland on or before July 31, 2013 and completion of the acquisition and expenditure of these sums on or before September 30, 2013.

Section 2. That this Resolution shall be effective as of the date of its adoption.

ADOPTED this 4th day of June, 2013.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

5. ECONOMIC DEVELOPMENT

INCENTIVE AGREEMENT FOR "ROUGHING IT IN STYLE"

Resolution #R-36-2013

This item was removed from the Consent Agenda and will be considered on the Regular Agenda.

6. PUBLIC WORKS

TEMPORARY EASEMENT TO PUBLIC SERVICE COMPANY

Resolution #R-37-2013

Administrative Action: Resolution #R-37-2013 Granting a Temporary Easement to Public Service Company of Colorado was approved.

RESOLUTION #R-37-2013

A RESOLUTION GRANTING A TEMPORARY EASEMENT TO PUBLIC SERVICE COMPANY OF COLORADO

WHEREAS, Public Service Company of Colorado ("PSCo") has requested that the City of Loveland grant PSCo a non-exclusive temporary easement for construction, access, and staging purposes associated with PSCo's installation of gas facilities within the adjacent right-of-way, Wilson Avenue; and

WHEREAS, the Public Works Department reviewed PSCo's request and found that the proposed temporary use will not affect the City's operations at that location; and

WHEREAS, the City Council desires to grant the requested temporary easement on the terms and conditions set forth in the "Public Service Company of Colorado Temporary Easement."

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

Section 1. That the "Public Service Company of Colorado Temporary Easement," attached hereto as Exhibit A and incorporated herein by reference ("Temporary Easement"), is hereby approved.

Section 2. That the City Manager and the City Clerk are hereby authorized and directed to execute the Temporary Easement on behalf of the City of Loveland.

Section 3. That the City Manager is authorized, following consultation with the City Attorney, to approve changes to the form or substance of the Temporary Easement as deemed necessary to effectuate the purposes of this Resolution or to protect the interests of the City.

Section 4. That this Resolution shall be effective as of the date of its adoption.

ADOPTED this 4th day of June, 2013.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

Exhibits are available in City Clerk's Office

7. WATER & POWER

WATER CONSERVATION PLAN

Resolution #R-38-2013

Legislative Action: Resolution #R-38-2013 Adopting the City of Loveland Water Conservation Plan was approved.

RESOLUTION #R-38-2013

A RESOLUTION ADOPTING THE CITY OF LOVELAND WATER CONSERVATION PLAN

WHEREAS, Colorado Revised Statutes Section 37-60-126 requires any entity with a legal obligation to supply, distribute, or otherwise provide water at retail to domestic commercial, industrial, or public facility customers, and that has a total demand for such customers of 2,000 acre-feet or more of water, to develop, adopt, make publically available, and implement a water

conservation plan pursuant to which the entity shall encourage its customers to use water more efficiently; and WHEREAS, Section 37-60-126 further requires any entity that seeks financial assistance from the Colorado Water Conservation Board ("CWCB") or the Colorado Water Resources and Power Development Authority to submit to the CWCB a copy of the entity's water conservation plan for the CWCB's approval prior to the release of new loan proceeds; and WHEREAS, on June 4, 1996 by Resolution #R-53-96, the Loveland City Council adopted a water conservation plan; and WHEREAS, an updated water conservation plan has been prepared by City staff in consultation with Great Western Institute; and

WHEREAS, in accordance with the requirements of Section 37-60-126, the updated water conservation plan was made available for a sixty-day public comment period beginning February 21, 2013 and ending April 21, 2013 and has been revised, where appropriate, to reflect public comments received; and

WHEREAS, the City Council desires to adopt the updated water conservation plan and submit it to the CWCB for approval.

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

Section 1. That the "City of Loveland Water Conservation Plan" dated June 2013, a copy of which is attached hereto as Exhibit A and incorporated herein by reference ("Water Conservation Plan"), is hereby adopted by the Loveland City Council. A copy of the Water Conservation Plan shall be placed on file with the Loveland City Clerk. The Water Conservation Plan shall supersede and replace the City's previous water conservation plan adopted on June 4, 1996 by Resolution #R-53-1996.

Section 2. That the City Manager is hereby directed to submit the Water Conservation Plan to the CWCB for approval.

Section 3. That this Resolution shall take effect as of the date of its adoption.

ADOPTED this 4th day of June, 2013.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

Exhibits are available in the City Clerk's Office

8. WATER & POWER

DROUGHT MANAGEMENT PLAN

Resolution #R-39-2013

Legislative Action: a Resolution #R-39-2013 Adopting the City of Loveland Drought Management Plan was approved.

RESOLUTION #R-39-2013

A RESOLUTION ADOPTING THE CITY OF LOVELAND DROUGHT MANAGEMENT PLAN

WHEREAS, pursuant to Section 13.04.230 of the Loveland Municipal Code, the Loveland City Council may adopt by resolution such rules, regulations, and restrictions upon the use of water as are necessary to protect the water supply or water system of the City of Loveland; and

WHEREAS, in light of the continued threat of drought conditions in Loveland, and the evolving condition of the City's water supply and the information related thereto, the City Council desires to establish a system by which water use restrictions shall be determined and implemented; and

WHEREAS, Water Utility staff and the Loveland Utilities Commission have recommended that the City Council adopt a five-tier drought management plan, which will provide a system of water supply shortage response levels and corresponding water restrictions and conservation measures to be implemented based on the projected water supply shortage; and

WHEREAS, the City Council has determined that adoption of a drought management plan will enable the City to respond timely and appropriately to changing water supply conditions.

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

Section 1. That the "City of Loveland Drought Management Plan" dated June 4, 2013, a copy of which is attached hereto as Exhibit A and incorporated herein by reference ("Drought Management Plan"), is hereby adopted by the Loveland City Council. A copy of the Drought Management Plan shall be placed on file with the Loveland City Clerk.

Section 2. That the City Council hereby finds that, based on information known as of the date of this Resolution, voluntary restrictions are appropriate. The City Council accordingly hereby declares that Tier 0 of the Drought Management Plan shall be in effect as of the date of this Resolution until further action by the City Council.

Section 3. That the City Council hereby directs staff to bring to a future meeting of the City Council for its consideration any information that would tend to indicate the need for a change in the restrictions and corresponding tier adopted herein.

Section 4. That this Resolution shall take effect as of the date of its adoption.

ADOPTED this 4th day of June, 2013.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

Exhibit available in City Clerk's Office

END OF CONSENT AGENDA

CITY CLERK READ TITLES OF ORDINANCES ON THE CONSENT AGENDA.

CITY COUNCIL

a) Citizens' Reports

Matthew Fredricy commented on the fracking moratorium for two years. Tony Dumosch from the American Legion and part of the committee for the Veterans Plaza, presented a Certificate of Appreciation to Chief Hecker and patches for the officers for their escort of the Traveling Vietnam Memorial Wall through Loveland.

b) Business from Council

Trenary

Attended the Tedx event at the Rialto. Attended the Groundbreaking for Brinkman along with the all the other councilors.

Taylor

Read letter from Sierra's Race. Commented that Loveland is a community that cares.

Shaffer

Welcomed the Woodbury Company. Attended the last day of the Governor's Art Show. The Loveland Downtown Team (LDT) will not have its July meeting. Attended the State Steering Commission for Transportation. Mentioned the North Front Range Metropolitan Planning Organization (NFRMPO)- Colorado Department of Transportation (CDOT) impact 64 Ballot Initiative for Specified Sales Tax.

Klassen

Read the Stepping Stones Adult Day Care Program letter regarding Alzheimer patients. The consensus of Council was to unanimously consent to authorizing Mayor Pro Tem Klassen to send the letter.

c) City Manager Report

City Manager, Bill Cahill removed Item #13 Investment Report from the Agenda.

d) City Attorney Report

None

PROCEDURAL INFORMATION

Anyone who wishes to address the Council on any item on this part of the agenda may do so when the Mayor calls for public comment. All public hearings are conducted in accordance with Council Policy. When Council is considering adoption of an ordinance on first reading, Loveland's Charter only requires that a majority of the Council present vote in favor of the ordinance for it to be adopted on first reading. However, when an ordinance is being considered on second or final reading, at least five of the nine members of Council must vote in favor of the ordinance for it to become law.

REGULAR AGENDA

CONSIDERATION OF ITEMS REMOVED FROM CONSENT AGENDA

5. ECONOMIC DEVELOPMENT

INCENTIVE AGREEMENT FOR "ROUGHING IT IN STYLE"

Resolution #R-36-2013

Administrative Action: Betsey Hale, Business Development Manager, introduced this item to Council. Resolution #R-36-2013 Approving an Incentive Agreement for "Roughing It In Style". Roughing It In Style" is a family owned custom furniture manufacturer and retailer. The ownership group is considering a Loveland location on Byrd Drive immediately north of the Thunder Mountain Harley Davidson dealership. The company is asking the City Council to consider a request for a sales tax rebate of one third of the municipal sales taxes over a period of 36 months, not to exceed a total of \$150,000. The estimated sales tax to be generated in 36 months of operation is \$450,000. At the April 16, 2013 Study Session the City Council directed staff to bring the request to a future council meeting for further consideration and approval. The project meets all of the retail incentive standards required by the incentive policy. Councilor Shaffer motioned to approve the resolution. Councilor Trenary seconded and all councilors present voted in favor.

RESOLUTION #R-36-2013

A RESOLUTION APPROVING AN INCENTIVE AGREEMENT FOR ROUGHING IT IN STYLE

- WHEREAS, Roughing It In Style, a Wisconsin corporation (the "Company"), currently owns and operates two retail furniture and interior design stores in Wisconsin; and
- WHEREAS, the Company recently purchased a 4 acre commercial property on Byrd Drive (address yet to be determined) in Loveland (the "Property"); and
- WHEREAS, the Company intends to develop the Property to construct and operate a 17,500 square-foot retail store and showroom, with additional warehouse and storage space, similar to those operated by the Company in other locations (the "Store"); and
- WHEREAS, before purchasing the Property, the Company asked the City for certain economic incentives to assist the Company in redeveloping the Property in the form of a refund of sales taxes in an amount equal to one-third (1/3) of all City sales taxes collected by the Company and received by the City with respect to transactions in or from the Store during a thirty-six (36) month period; and
- WHEREAS, the Company estimates that it's construction and operation of the Store will employ 8-10 people initially, increasing to 12-14 employees within a 3-year period, with averages between \$35,000 and \$60,000 per year depending on position and qualifications, and estimated revenues of \$4.5-5 million in the first year and \$5-6 million by the second and third year; and; and
- WHEREAS, the City Council believes that granting the Company assistance in the form of a refund of sales taxes on the terms and conditions set forth in the Roughing It in Style Sales Tax Refund Agreement attached hereto as Exhibit A and incorporated herein (the "Agreement") will provide significant social and economic benefits to the citizens of

Loveland, primarily in the form of jobs, economic development, and increased property tax revenues to the City, and is in the best interests of the public and the City.

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 the Company a refund of sales taxes as set forth in the Agreement, will serve a public purpose because the Company's construction and operation of the Store in Loveland will provide significant social and economic benefits to the citizens of Loveland, primarily in the form of jobs, economic development, and increased property tax revenues to the City,

Section 2. That the Agreement attached hereto as Exhibit A and incorporated by reference is hereby approved.

Section 3. 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 4. 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 5. That this Resolution shall be effective as of the date of its adoption.

ADOPTED this ___ day of _____, 2013.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

Exhibits available in City Clerk's Office

9. CITY CLERK

APPROVAL OF COUNCIL MINUTES

A. May 14, 2013 Study Session

Administrative Action: The Council minutes from the May 14, 2013 Study Session, where Councilor Shaffer was not present for the entire meeting. Councilor Shaffer motioned to approve the minutes, Councilor Trenary seconded the motion. The motion was approved unanimously with Councilor Shaffer abstaining.

A. May 21, 2013 City Council

Administrative Action: The Council minutes from the May 21, 2013 Council Meeting, where Councilor McKean was absent. Councilor Shaffer motioned to approve the minutes, Councilor Farley seconded. The motion was approved unanimously with Councilor McKean abstaining.

10. ECONOMIC DEVELOPMENT

CRUNCHY GROCER, LLC. TAX WAIVER

Information Only Item: Staff is looking for City Council direction. Economic Development Manager, Mike Scholl presented this item. Jonas Buehl represented Crunchy Grocer. Crunchy Grocer, LLC is seeking a refund of 1/3 of City sales tax for a period of five years not to exceed \$175,000, in and fee and materials use tax waivers estimated at \$7,500. The Crunchy Grocer is a natural and organic food grocer that will be located at 1461 East Eisenhower in Loveland. According to the City's approved Economic Development Incentive Policy, any agreement that exceeds \$20,000 is required to go before Council as an informational item prior to final consideration. Pending Council review, the item is expected to be returned for final consideration at the

regular meeting on Tuesday, June 18, 2013. If approved, the City will refund 1/3 of the sales tax collected for five years and waive \$7,500 in fees. Council direction was to bring this item to the City Council meeting on June 18, 2013.

11. ECONOMIC DEVELOPMENT

LEED FABRICATION DEFERRAL AND WAIVER

Information Only Item: Staff is looking for City Council Direction. Economic Development Manager, Mike Scholl introduced this item and Steve Olson and Virgil Simmons represented LEED. LEED, located at 5100 Boyd Lake Avenue is seeking a deferral of the cash-in-lieu payment for the required street improvements to Boyd Lake Avenue. Further, the City is offering a \$75,000 waiver of building permit fees and construction materials use tax. The street improvements are required as part of the City's site development standards, which were triggered by the proposed 40,200 square foot addition to the existing facility and the proposed construction of an additional 28,100 square foot building. Council direction was to bring this item to the City Council meeting on June 18, 2013.

12. FINANCE

APRIL 2013 FINANCIAL REPORT

Information Only Item: John Hartman presented this item in place of Brent Worthington, Finance Director. The Snapshot Report included the City's preliminary revenue and expenditures including detailed reports on tax revenue and health claims year to date, ending April 30, 2013.

ADJOURNMENT

Having no further business to come before Council, the June 4, 2013 Regular Meeting was adjourned at 8:55 pm.

Respectfully Submitted,



Teresa G. Andrews, City Clerk



Daryle Klassen, Mayor Pro Tem

