

AGENDA
LOVELAND CITY COUNCIL MEETING
LOVELAND URBAN RENEWAL AUTHORITY BOARD OF COMMISSIONERS
TUESDAY, JULY 15, 2014
CITY COUNCIL CHAMBERS
500 EAST THIRD STREET
LOVELAND, COLORADO

The City of Loveland is committed to providing an equal opportunity for citizens and does not discriminate on the basis of disability, race, age, color, national origin, religion, sexual orientation or gender. The City will make reasonable accommodations for citizens in accordance with the Americans with Disabilities Act. For more information, please contact the City's ADA Coordinator at bettie.greenberg@cityofloveland.org or 970-962-3319.

5:30 P.M. DINNER - City Manager's Conference Room
6:30 P.M. REGULAR MEETING - City Council Chambers

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

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. Members of the public 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 comments to no more than three minutes.

CONSENT AGENDA

1. **CITY MANAGER** (presenter: Bill Cahill)
Appointment of Members to the Community Marketing Commission, the Cultural Services Board, the Historic Preservation Commission, the Housing Authority and the Loveland Utilities Commission
 1. **A motion to reappoint Miki Roth to the Community Marketing Commission for a term effective until June 30, 2017.**
 2. **Motion to reappoint Justin Erion to the Community Marketing Commission for a term effective until June 30, 2017.**
 3. **Motion to appoint Christine Forster to the Community Marketing Commission for a partial term effective until June 30, 2016.**
 4. **A motion to appoint Adrian Somerset to the Cultural Services Board for a partial term effective until December 31, 2015.**
 5. **A motion to appoint Paula Sutton to the Historic Preservation Commission**

for a term effective until June 30, 2017.

6. A motion to appoint Chris Wertheim to the Historic Preservation Commission for a term effective until June 30, 2017.

7. A motion to appoint Dale Doering to the Housing Authority for a term effective until June 30, 2019.

8. A motion to reappoint Gene Packer to the Loveland Utilities Commission for a term effective until June 30, 2017.

9. A motion to reappoint Larry Roos to the Loveland Utilities Commission for a term effective until June 30, 2017.

These are administrative actions recommending appointments of members to the Community Marketing Commission, the Cultural Services Board, the Historic Preservation Commission, the Housing Authority, and the Loveland Utilities Commission.

2. **DEVELOPMENT SERVICES** (presenter: Noreen Smyth)
KERSEY EXEMPTION EASEMENT VACATION

A Motion to Approve and Order Published an Ordinance on Second Reading Vacating Access Easements, Drainage Easements, Emergency Access Easements, and Utility Easements across Lot 1, Amended Parcel 3 of the Kersey Exemption, Larimer County, Colorado, also known as a Portion of Parcel 6, North Boyd Lake Avenue 1st Addition to the City of Loveland, County of Larimer, State of Colorado

This is a legislative action to consider adoption on second reading of an ordinance vacating utility, drainage, emergency access and access easements. The easements are on a lot located southeast of the intersection of North Boyd Lake Avenue and Medford Place. A minor subdivision application is being processed to subdivide the lot into two lots. The applicant is Industrial Piping Specialists, Inc., who has also submitted a site development plan application to construct a 22,000 sq ft warehouse facility on one of the new lots. This ordinance was approved unanimously on first reading by Council at the July 1, 2014 regular meeting.

3. **ECONOMIC DEVELOPMENT** (presenter: Cindy Mackin)
SUPPLEMENTAL APPROPRIATION FOR LODGING TAX RESERVES

A Motion to Approve and Order Published on Second Reading an Ordinance Enacting a Supplemental Budget and Appropriation to the 2014 City of Loveland Budget for Additional Funding for Way Finding Signage, Event Support, Website Reconstruction and Installing Fiber Optic Communications to the Visitors Center

This is an administrative action. On June 18, 2014, the Community Marketing Commission unanimously voted to approve a supplemental appropriation of \$170,000 of Lodging Tax Reserves in support of certain 2014 projects. Support of these programs is consistent with the Destination Loveland Strategic Plan adopted by City Council in 2011. The ordinance is funded with reserves reducing the flexibility to use the reserves for other projects. This ordinance was unanimously approved on first reading by Council at the July 1, 2014 regular meeting.

ADJOURN AS CITY COUNCIL AND CONVENE AS THE BOARD OF COMMISSIONERS FOR THE LOVELAND URBAN RENEWAL AUTHORITY (LURA)

4. **DEVELOPMENT SERVICES** (presenter: Bethany Clark)
LOVELAND URBAN RENEWAL AUTHORITY 2014 FAÇADE MATCHING GRANTS AND AGREEMENTS

A Motion to Approve a Resolution #R-42-2014 of the Loveland Urban Renewal Authority Awarding Façade Matching Grant Program Grants for 2014 and

Authorizing Façade Matching Grant Agreements

This is an administrative action. The Façade Matching Grant program provides a dollar for dollar matching grant of up to \$12,500 for property or business owners who undertake façade improvements in the core of the Downtown Loveland Urban Renewal Area. One application was received for the 2014 grant round and was scored by a committee of three Loveland Downtown Team members and one Historic Preservation Commission member. The review committee felt the project to be well-qualified and recommends that the grant be awarded. The application is for 239 East 4th Street, which will house Stone Forest Real Estate Services, LLC. City Council appropriated general seed funds for the LURA Façade program in November of 2007 and appropriated additional TIF funds in December of 2011. In 2013, only one matching grant was awarded resulting in a fund balance of \$36,310. The TIF funds generated in 2013 in the amount of \$23,680 resulted in a total Façade Improvement Program budget of \$59,990.

ADJOURN AS THE BOARD OF COMMISSIONERS FOR THE LOVELAND URBAN RENEWAL AUTHORITY AND RECONVENE AS CITY COUNCIL

5. **DEVELOPMENT SERVICES** (presenter: Bethany Clark)
PUBLIC HEARING
HISTORIC LANDMARK DESIGNATION FOR THE SCOTT HOUSE
A Motion to Approve and Order Published on First Reading an Ordinance Designating as a Historic Landmark the Scott House Located at 719 East 5th Street in Loveland, Colorado
 This is a legislative action. The owner of a Craftsman-style home on East 5th Street is requesting Loveland Historic Landmark designation to recognize the building's architecture and cultural significance in Loveland. The Historic Preservation Commission acknowledges the building's significance and recommends that City Council designate the building to the Loveland Historic Register.

6. **PARKS & RECREATION** (presenter: Keven Aggers)
PARKS & RECREATION MASTER PLAN
A Motion to Approve a Resolution #R-43-2014 Adopting the 2014 Parks and Recreation Master Plan of the City of Loveland and Amending the 2005 Comprehensive Plan by Addition of the 2014 Parks and Recreation Master Plan as a Functional (Component) Plan Element
 This is a legislative action to adopt the 2014 Parks and Recreation Master Plan and to amend the 2005 Comprehensive Master Plan by addition of the 2014 Parks and Recreation Master Plan as a functional (component) plan element.

7. **ECONOMIC DEVELOPMENT** (presenter: Betsey Hale)
PUBLIC HEARING
SUPPLEMENTAL APPROPRIATION FOR LEGAL COSTS ASSOCIATED WITH NEW DOWNTOWN ORGANIZATION
A Motion to Approve and Order Published on First Reading an Ordinance Enacting a Supplemental Budget and Appropriation to the 2014 City of Loveland Budget for Legal Costs to Assist in the Formation of a New Downtown Organization
 This is an administrative action requesting a supplemental budget and appropriation of \$50,000 for the purpose of hiring legal counsel to assist with the formation of a downtown leadership organization. The ordinance is funded by fund balance in the General Fund that reduces the flexibility to fund other projects.

**8. PARKS & RECREATION (presenter: Janet Meisel-Burns)
PUBLIC HEARING
SUPPLEMENTAL APPROPRIATION FOR MOREY/MARIANA RIVERWORK AND
VIESTENZ-SMITH MOUNTAIN PARK**

A Motion to Approve and Order Published on First Reading An Ordinance Enacting a Supplemental Budget and Appropriation to the 2014 City of Loveland Budget for Engineering Work to Develop River Modeling Along the River Reaches of the Morey Wildlife Reserve/Mariana Butte Golf Course, River's Edge Natural Area and Viestenz-Smith Mountain Park

This is an administrative action. The ordinance on first reading appropriates funding for engineering costs to determine the scope for 4 park and recreation projects that require hydraulic modeling and river scour analysis prior to the full restoration of the sites. The total appropriation is \$500,000. Depending on the final determination from FEMA, some of these costs may be eligible for reimbursement and other grant opportunities that may arise. In particular the costs for Mariana Butte Golf Course's share will likely not be reimbursed but the Viestenz-Smith Mountain Park costs may be covered under the reimbursement from FEMA if the project is selected for the Alternative Pilot Program. Supplemental funding requested for the engineering studies is from the Open Space funds, \$162,500 (Fund 202), and \$250,000 from the General Fund (Fund 100) for the studies required for Viestenz-Smith Mountain Park and \$87,500 is from the Golf Enterprise Fund for engineering studies required for Marianna Butte Golf Course. The ordinance is funded with unreserved fund balance reducing the flexibility to fund other projects.

**9. ECONOMIC DEVELOPMENT (presenter: Marcie Erion)
PUBLIC HEARING
SUPPLEMENTAL APPROPRIATION AND FEE WAIVER AGREEMENT FOR THARP
CABINET CORPORATION**

1. A Motion to Adopt a Resolution #R-44-2014 Approving an Incentive and Fee and Tax Waiver Agreement with Fraley Holdings Company LLC (Tharp Cabinet Corporation)

2. A Motion to Approve and Order Published on First Reading An Ordinance Enacting A Supplemental Budget And Appropriation To The 2014 City Of Loveland Budget For Incentives To Tharp Cabinet Corporation For The Expansion Of Its Current Facility

These are administrative actions. The City of Loveland is being asked to waive up to but not to exceed \$100,000 of fees and taxes based on final fee calculations provided at time of building permit issuance. The funds to backfill the Capital Expansion Fees and System Impact Fees will come out of the Economic Development Incentive Fund contingent upon City Council approval. Based on the current fee estimate, the fee waivers amount to \$40,000 with the backfill of Capital Expansion Fees and System Impact Fees in the amount of \$60,000. These figures may change based on final building plan submittal. The ordinance is funded with available fund balance that reduces the flexibility to fund other projects.

**END OF CONSENT AGENDA
CITY CLERK READS TITLES OF ORDINANCES ON THE CONSENT AGENDA**

PUBLIC COMMENT *Anyone who wishes to speak to an item NOT on the Agenda may address the Council at this time.*

PROCEDURAL INFORMATION

Anyone in the audience will be given time to speak to any item on the Regular Agenda before the Council acts upon it. The Mayor will call for public comment following the staff report. 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 quorum 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

10. WATER AND POWER (presenter:Chris Matkins)

PUBLIC HEARING

SUPPLEMENTAL APPROPRIATION FOR WATER TREATMENT PLANT EXPANSION AND WATERLINE REPAIRS

1. A Resolution #R-45-2014 Concerning Funding for the Water Enterprise to Improve the Water Treatment Plant

2. Public Hearing and First Reading of an Ordinance enacting a supplemental budget and appropriation to the 2014 City of Loveland Budget for the Water Treatment Plant Expansion Project and Repair of Water Lines Damaged in the 2013 Flood

This is an administrative action. Because of construction bids coming in higher than expected for the WTP expansion project and because of uncertainty regarding when the Water Utility will be reimbursed by FEMA and the State for costs associated with the Flood of 2013, there is a need to appropriate more funding in order to award the contracts for construction and services during construction for the WTP expansion project. Staff is proposing to add to the \$9.865 million fund balance included in the 2014 budget by appropriating additional revenue from three sources: a) the available balance on the previously authorized \$10 million loan from Wells Fargo (approximately \$9.9 million); b) an internal loan from the Raw Water Utility in the amount of \$13 million; and c) a new external borrowing sufficient to provide net loan proceeds that range from zero to \$2.3 million.

11. DEVELOPMENT SERVICES (presenter: Alison Hade)

INLAND GROUP AFFORDABLE HOUSING DESIGNATION AND FEE WAIVERS

1. A Resolution #R-47-2014 Approving An Affordable Housing Designation And Associated Reduction In Development Fees For A Project Known As Traditions At Loveland Senior Apartments To Be Constructed On Fox Pointe First Subdivision Within The City Of Loveland

2. A Resolution #R-48-2014 Granting an Exemption from Certain Capital Expansion Fees and Other Development Fees for a Qualified Affordable Housing Development Known as Traditions at Loveland Senior Apartments.

These are administrative actions. The first Resolution will allow Inland Group to designate low-income senior housing (55+) in the Fox Pointe Subdivision as an affordable housing development. The second Resolution would grant the Inland Group a waiver of capital expansion and building permit fees totaling \$947,153. None of the waived fees would require back filling from another funding source. City staff and the Affordable Housing Commission are recommending that City Council adopt the two resolutions to allow the Inland Group to develop an affordable housing project that would provide 165 units of affordable senior housing. The total fee waiver would be \$947,153, or 62.8% of all building permit and capital expansion fees. City Code allows a waiver of up to 70% of fees for an affordable housing project. The applicant would be paying fees

totaling \$1,896,825. Granting of the fee waiver would have a negative effect on future fund balances for capital expansion and building permit fees.

**12. ECONOMIC DEVELOPMENT (presenter: Mike Scholl)
PUBLIC HEARING**

SUPPLEMENTAL APPROPRIATION FOR SOUTH CATALYST PROJECT

A Motion to Approve and Order Published on First Reading an Ordinance Enacting a Supplemental Budget and Appropriation to the 2014 City of Loveland Budget for the Purchase of Property for the South Catalyst Project

This is an administrative action. The ordinance appropriates \$6.25 million to fund the acquisition of Downtown property in support of the South Catalyst redevelopment project. The proposed project, a partnership with the Michaels Development Company and Larimer County, is expected to result in a mixed-use project that would include office, residential and retail. The total investment is expected to generate between \$50 to \$70 million. Both the Michaels Development Company and Larimer County are progressing in their project development. The project was originally conceived in the 2010 Downtown Vision book as the South Catalyst project. Staff identified the Michaels Development Company as a private sector development partner for the project and Council approved a six month exclusive right to negotiate in February of 2014. The negotiations are moving forward with Michaels and we expect an update to Council by August 5, 2014. The ordinance is funded by General Fund Reserves that reduce the flexibility to fund other projects.

**13. CITY CLERK (presenter: Terry Andrews)
PUBLIC HEARING**

CHARTER AMENDMENTS PERTAINING TO THE NUMBER OF AFFIRMATIVE VOTES FOR APPOINTMENT AND REMOVAL OF CITY ATTORNEY, CITY MANAGER, MUNICIPAL JUDGES AND CALLING A SPECIAL ELECTION

1. **A Motion to Approve and Order Published on First Reading an Ordinance Submitting to a Vote of the Registered Electors of the City of Loveland, Colorado at a Special Municipal Election to be Held on November 4, 2014, the Ballot Question of Whether Subsections 9-1(a) and 9-1(d) of the City of Loveland Charter Pertaining to the Number of Affirmative Votes Required for the Appointment and Removal of the City Attorney Should be Amended**

2. **A Motion to Approve and Order Published on First Reading an Ordinance Submitting to a Vote of the Registered Electors of the City of Loveland, Colorado at a Special Municipal Election to be Held on November 4, 2014, the Ballot Question of Whether Subsections 8-1(a) and 8-1(e) of the City of Loveland Charter Pertaining to the Number of Affirmative Votes Required for the Appointment and Removal of the City Manager Should be Amended**

3. **A Motion to Approve and Order Published on First Reading an Ordinance Submitting to a Vote of the Registered Electors of the City of Loveland, Colorado at a Special Municipal Election to be Held on November 4, 2014, the Ballot Question of Whether Subsections 9-2(b) and 9-2(e) of the City of Loveland Charter Pertaining to the Number of Affirmative Votes Required for the Appointment and Removal of the Municipal Judges Should be Amended**

4. **A Motion to Approve a Resolution #R-46-2014 Calling for a Special Municipal Election to be Held on November 4, 2014 for the Purpose of Submitting to the Loveland Registered Electors Three Ballot Questions Asking Whether to Amend the City of Loveland Charter Provisions Pertaining to the Number of Affirmative Votes Required for the Appointment and Removal of the City**

Attorney, the City Manager, and Municipal Judges and Such Other Ballot Questions as Council May Hereafter Approve, and to Authorize the Loveland City Clerk to Notify the Larimer County Clerk and Recorder of the City of Loveland's Intention to Conduct This Special Election as a Coordinated Election with Larimer County

This is a legislative action. City Council on June 3, 2014, asked that Staff draft ordinances for its consideration that would amend the City Charter to reduce the number of votes necessary to appoint or remove the City Manager and City Attorney from a super-majority of six to a simple majority of five. The Municipal Judge(s) is also appointed and removed by Council by a super-majority of six under the current Charter. Charter Amendments must be approved by the citizens of Loveland. If one or more of the ordinances and the resolution are approved the ballot measure would be considered by voters at the November 4, 2014, coordinated election.

BUSINESS FROM CITY COUNCIL *This is an opportunity for Council Members to report on recent activities or introduce new business for discussion at this time or on a future City Council agenda.*

CITY MANAGER REPORT

CITY ATTORNEY REPORT

ADJOURN



CITY OF LOVELAND
CITY MANAGER'S OFFICE

Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2303 • FAX (970) 962-2900 • TDD (970) 962-2620

AGENDA ITEM: 1
MEETING DATE: 7/15/2014
TO: City Council
FROM: City Manager's Office
PRESENTER: Bill Cahill, City Manager

TITLE:

Appointment of Members to the Community Marketing Commission, the Cultural Services Board, the Historic Preservation Commission, the Housing Authority, the Loveland Utilities Commission, and the Senior Advisory Board

RECOMMENDED CITY COUNCIL ACTION:

1. A motion to reappoint Miki Roth to the Community Marketing Commission for a term effective until June 30, 2017.
2. A motion to reappoint Justin Erion to the Community Marketing Commission for a term effective until June 30, 2017.
3. A motion to appoint Christine Forster to the Community Marketing Commission for a partial term effective until June 30, 2016.
4. A motion to appoint Adrian Somerset to the Cultural Services Board for a partial term effective until December 31, 2015.
5. A motion to appoint Paula Sutton to the Historic Preservation Commission for a term effective until June 30, 2017.
6. A motion to appoint Chris Wertheim to the Historic Preservation Commission for a term effective until June 30, 2017.
7. A motion to appoint Dale Doering to the Housing Authority for a term effective until June 30, 2019.
8. A motion to reappoint Gene Packer to the Loveland Utilities Commission for a term effective until June 30, 2017.
9. A motion to reappoint Larry Roos to the Loveland Utilities Commission for a term effective until June 30, 2017.
10. Motion to appoint Linda Aron to the Senior Advisory Board for a full term effective until December 31, 2016.
11. Motion to appoint Marlene Quattrocchi to the Senior Advisory Board for a full term effective until December 31, 2016.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action

SUMMARY:

This is administrative action recommending the appointment of members to the Community Marketing Commission, the Cultural Services Board, the Historic Preservation Commission, the Housing Authority, the Loveland Utilities Commission, and the Senior Advisory Board.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible
-

BACKGROUND:

The **Community Marketing Commission** had two term vacancies and one vacancy due to a resignation. During the Spring recruiting cycle, four applications were received. Interviews were held June 26th and the committee recommends the reappointment of Miki Roth and Justin Erion to the commission, each for a term effective until June 30, 2017. Christine Forster is recommended for appointment to the Community Marketing Commission for a partial term effective until June 30, 2016.

Ginger Klein resigned from the **Cultural Services Board** in April. One application was received. The interview committee recommends the appointment of Adrian Somerset to the Cultural Services Board for a partial term effective until December 31, 2015.

Recruiting for two term vacancies on the **Historic Preservation Commission** took place during the recent Spring recruiting cycle. Three applicants were interviewed on June 16th. On June 17th, one applicant withdrew his candidacy stating he had received another opportunity. The committee recommends appointing Paula Sutton and Chris Wertheim to the Historic Preservation Commission, each for a term effective until June 30, 2017.

A long-serving incumbent did not apply for reappointment to the **Housing Authority**. During a Spring recruiting process, two applications were received and the candidates were interviewed. One person was approved for appointment on May 6, 2014. When the incumbent did not apply, the second Spring applicant expressed interest in being considered for appointment to the term vacancy. A second application was subsequently received. An interview was scheduled, and the candidate did not cancel or participate in the interview. The interview committee recommends the appointment of Dale Doering to the Housing Authority for a term effective until June 30, 2019.

The **Loveland Utilities Commission** has three term vacancies. During the recent recruiting cycle, two applications were received. After interviews held June 20, 2013, the committee recommends the reappointment of Gene Packer and Larry Roos to the commission. Both are recommended for terms effective until June 30, 2017. Recruiting continues for the remaining vacancy.

Three term vacancies on the **Senior Advisory Board** occurred at the end of December, 2013. No one applied for appointment during the Fall, 2013 recruiting cycle. Continued recruiting resulted in three applications. One applicant withdrew due to work conflicts. The interview committee recommends the appointment of Linda Aron and Marlene Quattrocchi to the Senior Advisory Board, each for a full term effective until December 31, 2016.

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

None



CITY OF LOVELAND
 DEVELOPMENT SERVICES DEPARTMENT
 Civic Center • 500 East 3rd Street • Loveland, Colorado 80537
 (970) 962-2346 • FAX (970) 962-2945 • TDD (970) 962-2620

AGENDA ITEM: 2
MEETING DATE: 7/15/2013
TO: City Council
FROM: Greg George, Development Services
PRESENTER: Noreen Smyth, Current Planning

TITLE:

An Ordinance on Second Reading Vacating Access Easements, Drainage Easements, Emergency Access Easements, and Utility Easements across Lot 1, Amended Parcel 3 of the Kersey Exemption, Larimer County, Colorado, also known as a Portion of Parcel 6, North Boyd Lake Avenue 1st Addition to the City of Loveland, County of Larimer, State of Colorado

RECOMMENDED CITY COUNCIL ACTION:

Adopt the ordinance on second reading as presented.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adoption a motion continuing the item to a future Council meeting

SUMMARY:

This is a legislative action to consider adoption on second reading of an ordinance vacating utility, drainage, emergency access and access easements. The easements are on a lot located southeast of the intersection of North Boyd Lake Avenue and Medford Place. A minor subdivision application is being processed to subdivide the lot into two lots. The applicant is Industrial Piping Specialists, Inc., who has also submitted a site development plan application to construct a 22,000 sq ft warehouse facility on one of the new lots. This item was approved on first reading on July 1, 2014 as part of the consent agenda. The ordinance was approved unanimously on first reading by Council at the July 1, 2014 regular meeting.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

BACKGROUND:

The public access easement being vacated extends past the end of the Medford Drive right-of-way onto the property. A new, shorter private access easement will be established with the plat to align better with the new lots to be created with the plat. The emergency access easement being vacated extends from North Boyd Lake Avenue to the public access easement. In its place, a new emergency access easement will be established with the plat in a more suitable location. The existing utility and drainage easements will be replaced with new utility and drainage easements on the plat in more suitable locations that correlate to the needs of the proposed development.

The establishment of the new easements through the recordation of the plat will occur after the existing easements are formally vacated. The North Boyd Lake Avenue First Addition, Second Subdivision plat is nearing completion of the staff review process. Once that process is complete and the associated easements are vacated, the plat showing the new easements can be approved and recorded.

Development Review staff is supportive of the vacation because all necessary easements will be established in suitable locations with the recordation of the associated plat. Per Chapter 16.36 of the Municipal Code, the vacation of access easements is required to be heard by the Planning Commission in advance of the City Council public hearing. The Planning Commission considered vacation of the access and emergency access easements at their June 9, 2014 meeting and recommended approval as part of the consent agenda.

REVIEWED BY CITY MANAGER:

LIST OF ATTACHMENTS:

1. Ordinance
2. Complete first reading packet from July 1, 2014 can be accessed at:
<http://www.cityofloveland.org/index.aspx?page=20&recordid=58776>

FIRST READING July 1, 2014

SECOND READING July 15, 2014

ORDINANCE NO.

AN ORDINANCE VACATING ACCESS EASEMENTS, DRAINAGE EASEMENTS, EMERGENCY ACCESS EASEMENTS, AND UTILITY EASEMENTS ACROSS LOT 1, AMENDED PARCEL 3 OF THE KERSEY EXEMPTION, LARIMER COUNTY, COLORADO, ALSO KNOWN AS A PORTION OF PARCEL 6, NORTH BOYD LAKE AVENUE 1ST ADDITION TO THE CITY OF LOVELAND, COLORADO

WHEREAS, the City Council, at a regularly scheduled meeting, considered the vacation of those access easements, drainage easements, emergency access easements, and utility easements described below (collectively, the “Easements”) and located across **Lot 1, Amended Parcel 3 of the Kersey Exemption, Larimer County, Colorado, also known as a Portion of Parcel 6, North Boyd Lake Avenue 1st Addition to the City of Loveland, Colorado;** and

WHEREAS, the City Council finds and determines that no land adjoining the Easements to be vacated is left without an established public or private easement connecting said land with another established public or private easement; and

WHEREAS, the City Council further finds and determines that the Easements to be vacated are no longer necessary for the public use and convenience; and

WHEREAS, the City Council further finds and determines that the application filed with the City’s Current Planning Division was signed by the owners of more than fifty percent of the property abutting the Easements to be vacated.

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

Section 1. That the City Council hereby adopts and makes the findings set forth above.

Section 2. That based on the City Council’s findings set forth above, the following Easements be and the same are hereby vacated:

Those portions of LOT 1, AMENDED PARCEL 3 OF THE KIRKSEY EXEMPTION to Larimer County, Colorado also known as a portion of Parcel 6, NORTH BOYD LAKE AVENUE 1ST ADDITION to the City of Loveland, Colorado, situate in the Southwest Quarter of Section 33, Township 6 North, Range 68 West of the 6th P.M., City of Loveland, County of Larimer, State of Colorado, being more particularly described as follows;

All Access Easements, Drainage Easements, Emergency Access Easements, and Utility Easements located on and dedicated (platted) with said LOT 1, AMENDED PARCEL 3 OF THE KIRKSEY EXEMPTION to Larimer County, Colorado as shown on the Final Plat of said AMENDED PARCEL 3 OF THE KIRKSEY EXEMPTION recorded on May 21 , 2002 at Reception No. 2002055762, records of the Larimer County Clerk and Recorder.

EXCEPTING THEREFROM the 10-foot Utility Easement described at the document recorded in Book 2058 at Page 827, records of the Larimer County Clerk and Recorder.

A depiction of the above-described Easements vacation is attached hereto as Exhibit A and incorporated herein by reference.

Section 3. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full. This Ordinance shall be in full force and effect ten days after its final publication, as provided in City Charter Section 4-8(b).

Section 4. That the City Clerk is hereby directed to record this Ordinance with the Larimer County Clerk and Recorder after its effective date in accordance with State Statutes.

ADOPTED this 15th day of July, 2014.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

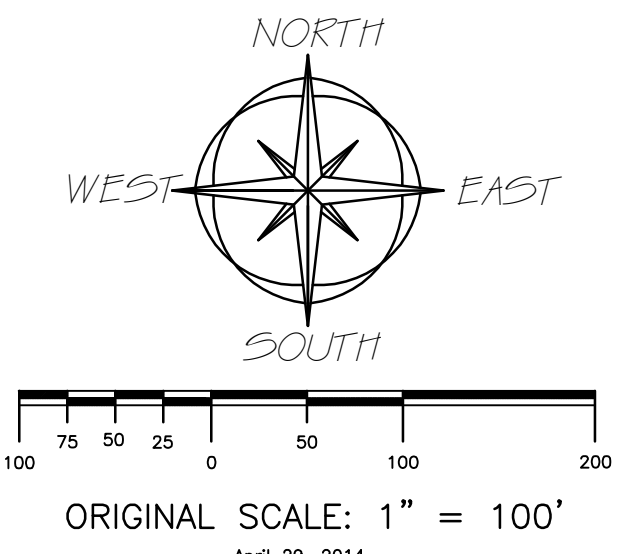
APPROVED AS TO FORM:

Sharon L. Oltus

Assistant City Attorney

EASEMENT VACATION MAP

LOT 1, AMENDED PARCEL 3 OF THE KIRKSEY EXEMPTION TO LARIMER COUNTY, COLORADO; a.k.a. A PORTION OF PARCEL 6, NORTH BOYD LAKE AVENUE 1ST ADDITION, CITY OF LOVELAND, COLORADO, SITUATE IN THE SOUTHWEST QUARTER OF SECTION 33, TOWNSHIP 6 NORTH, RANGE 68 WEST OF THE 6TH P.M., CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO.



EASEMENT VACATION DESCRIPTION:

Those portions of Lot 1, AMENDED PARCEL 3 OF THE KIRKSEY EXEMPTION to Larimer County, Colorado also known as a portion of Parcel 6, NORTH BOYD LAKE AVENUE 1ST ADDITION to the City of Loveland, Colorado, situate in the Southwest Quarter of Section 33, Township 6 North, Range 68 West of the 6th P.M., City of Loveland, County of Larimer, State of Colorado, being more particularly described as follows;

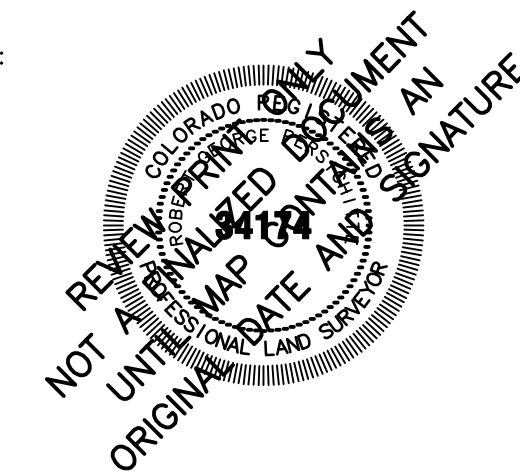
All Access Easements, Drainage Easements, Emergency Access Easements and Utility Easements located on and dedicated (platted) with said Lot 1, AMENDED PARCEL 3 OF THE KIRKSEY EXEMPTION, to Larimer County, Colorado as shown on the Final Plat of said AMENDED PARCEL 3 OF THE KIRKSEY EXEMPTION recorded on May 21, 2002 at Reception No. 2002055762, records of the Larimer County Clerk and Recorder.

EXCEPTING THEREFROM; The 10-foot Utility Easement described at the document recorded in Book 2058 at Page 827, records of the Larimer County Clerk and Recorder

PREPARED BY AND ON BEHALF OF:

INTERMILL LAND SURVEYING, INC.
1301 North Cleveland Avenue
Loveland, Colorado 80537
P: (970) 669-0516
F: (970) 635-9775
E: intermill@qwestoffice.net

Robert George Persichitte
Colorado PLS No. 34174
Date: _____



W1/4 Cor.
Sec. 33-6-68

TRACT 7 OF BOYD LAKE NORTH ADDITION,
REPLAT OF TRACTS C, D, E, F AND G

NORTH BOYD LAKE AVENUE

SW Cor.
Sec. 33-6-68

PARCEL 1
KIRKSEY EXEMPTION

PARCEL 2
KIRKSEY EXEMPTION

LOT 1 - AMENDED
PARCEL 3 OF THE
KIRKSEY EXEMPTION

TRACT A OF LOVELAND / FORT COLLINS
LIMITED PARTNERSHIP ADDITION

D=57'24'08"
R=270.00'
L=270.50'
C=N61°06'47"W
259.33'

D=32°27'25"
R=300.00'
L=169.94'
C=N18°09'17"W
167.68'

D=08°29'46"
R=3894.83'
L=577.55'
C=N36°40'00"W
577.02'

C1	{ D=29°14'49" R=300.00' L=153.14' C=N17°45'36"W 151.48'	C3	{ D=45°55'15" R=35.00' L=28.05' C=S22°53'12"E 27.31'	C5	{ D=45°55'15" R=50.00' L=40.07' C=N23°02'02"E 39.01'
C2	{ D=03°12'36" R=300.00' L=16.81' C=N01°31'53"W 16.81'	C4	{ D=45°55'15" R=50.00' L=40.07' C=S22°53'12"E 39.01'	C6	{ D=45°55'15" R=35.00' L=28.05' C=N23°02'02"E 39.01'

LINE	BEARING	LENGTH
L1	S32°23'00"E	20.00'
L2	N12°37'00"E	35.00'
L3	N57°37'00"E	18.00'
L4	N32°23'00"W	24.25'
L5	N32°23'00"W	27.50'
L6	S81°01'58"W	59.87'
L7	S00°04'25"W	85.34'
L8	N44°09'10"E	115.00'
L9	S89°55'35"E	50.00'
L10	N44°30'20"W	115.00'
L11	S89°55'35"E	50.00'

Centerline of 10' Utility Easement
Length of 1823.54' Per Book
2058 Page 827, Recorded July
31, 1980. EASEMENT TO REMAIN.

DATE:	
BY:	
REVISIONS:	

INTERMILL LAND SURVEYING, INC.
1301 NORTH CLEVELAND AVENUE
LOVELAND, COLORADO 80537
BUS. (970)-669-0516 / FAX (970)-635-9775

EASEMENT VACATION MAP
Lot 1, Amended Parcel 3 of the Kirksey Exemption, Larimer County, CO
a.k.a. A Portion of Parcel 6, North Boyd Lake Avenue 1st Addition, Loveland, CO

CLIENT: **DISCOVERY PARTNERS**

DRAWN BY:	JEB
CHECKED BY:	
APPROVED BY:	
DATE:	04/29/2014
SCALE:	1"=100'
PROJECT NO.:	P-13-7460
SHEET	OF
1	1

N:\Map\13-7460-ABC\Drawings\Drawings\Map.dwg



CITY OF LOVELAND
 ECONOMIC DEVELOPMENT OFFICE
 Civic Center • 500 East Third • Loveland, Colorado 80537
 (970) 962-2304 • FAX (970) 962-2900 • TDD (970) 962-2620

AGENDA ITEM: 3
MEETING DATE: 7/15/2014
TO: City Council
FROM: Betsy Hale, Economic Development Department
PRESENTER: Cindy Mackin, Visitors Service Coordinator

TITLE:

An Ordinance on Second Reading Enacting a Supplemental Budget and Appropriation to the 2014 City of Loveland Budget for Additional Funding for Way Finding Signage, Event Support, Website Reconstruction and Installing Fiber Optic Communications to the Visitors Center

RECOMMENDED CITY COUNCIL ACTION:

Approve the ordinance on second reading.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

SUMMARY:

This is an administrative action. On June 18, 2014, the Community Marketing Commission unanimously voted to approve a supplemental appropriation of \$170,000 of Lodging Tax Reserves to support the following 2014 projects:

Wayfinding Phase II	\$100,000
Fiber Connectivity at the Visitors Center	\$40,000
Winter/Snow event 2015 – Production/Marketing PR	\$15,000
Visit Loveland Website overhaul	\$15,000

Support of these programs is consistent with the Destination Loveland Strategic Plan adopted by City Council in 2011. This ordinance was approved unanimously on first reading by Council at the July 1, 2014 regular meeting.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

The ordinance is funded with reserves reducing the flexibility to use the reserves for other projects. The current lodging tax fund balance is \$908,190.

BACKGROUND:**Wayfinding:**

Phase I of the Visit Loveland Wayfinding Signage Project is complete. This project consists of 13 signs on the main corridors of Loveland along 287 and US 34. Phase II consists of 14 signs based on the approved HIP Street designs.

Fiber Connectivity at the Visitors Center:

It is the recommendation of IT for the City to invest in the connection to the City's fiber connection to fully realize the investments that the City makes in its datacenter and applications. It is recognized that the speeds for connectivity at the Visitor's Center have long been a hindrance to productivity and IT supports any connection that will improve the daily efficiency of the Center. The primary benefits of the direct connection to the City's fiber, as compared to direct internet access, are as follows:

- Direct access to files and printers within the City.
- No more connectivity issues that may arise from VPN.
- One time cost for connection. No subscriptions or contracts.
- The ability to join the rest of the City on the VOIP implementation.
- Direct access to Innoprise, City Intranet, and other applications hosted by the City.
- The connection speed to the City is extremely fast in both directions of communication. Upload speeds closely match download speeds; this is not typical of an internet connection.

February Event 2015:

Building upon the theme of snow, we are leveraging prior events and success to create a bigger and better showcase for Loveland Valentines weekend. New features being considered include snow sculpture demos, ice carving and laser light shows. Some funds are needed in 2014 for contracts and funding commitments that will need to be signed in 2014. Staff is creating a RFP for this process and management of the event.

Website Overhaul:

The VisitLovelandCO.com website needs to be overhauled to address functionality and issues pertaining to the SEO, lack of responsive design, inability to manage visual aspects including photo stream and videos more effectively and real-time calendar management.

REVIEWED BY CITY MANAGER:

William D. Cahill

LIST OF ATTACHMENTS:

1. Ordinance

FIRST READING July 1, 2014
SECOND READING July 15, 2014

ORDINANCE NO. _____

AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2014 CITY OF LOVELAND BUDGET FOR ADDITIONAL FUNDING FOR WAY FINDING SIGNAGE, EVENT SUPPORT, WEBSITE RECONSTRUCTION AND INSTALLING FIBER OPTIC COMMUNICATIONS TO THE VISITORS CENTER

WHEREAS, the City has reserved funds not anticipated or appropriated at the time of the adoption of the City budget for 2014; and

WHEREAS, the City Council desires to authorize the expenditure of these funds by enacting a supplemental budget and appropriation to the City budget for 2014, as authorized by Section 11-6(a) of the Loveland City Charter.

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

Section 1. That reserves in the amount of \$170,000 from fund balance in the Lodging Tax Fund 206 are available for appropriation. Revenues in the total amount of \$170,000 are hereby appropriated for way finding signage, event support, website reconstruction and installing fiber optic communications to the Visitors Center. The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:

Supplemental Budget Lodging Tax Fund 206		
Revenues		
Fund Balance		170,000
Total Revenue		170,000
Appropriations		
206-18-182-1504-43450	Professional Services	130,000
206-18-182-1505-43645	Telephone	40,000
Total Appropriations		170,000

Section 2. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full. This Ordinance shall be in full force and effect upon final adoption, as provided in City Charter Section 11-5(d).

ADOPTED this 15th day of July, 2014.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Assistant City Attorney



CITY OF LOVELAND
 DEVELOPMENT SERVICES DEPARTMENT
 Civic Center • 500 East 3rd Street • Loveland, Colorado 80537
 (970) 962-2346 • FAX (970) 962-2945 • TDD (970) 962-2620

AGENDA ITEM: 4
MEETING DATE: 7/15/2014
TO: City Council
FROM: Greg George, Development Services
PRESENTER: Bethany Clark, Development Services

TITLE:

A Resolution of the Loveland Urban Renewal Authority Awarding Façade Matching Grant Program Grants for 2014 and Authorizing Façade Matching Grant Agreements

RECOMMENDED CITY COUNCIL ACTION:

Adopt the resolution as presented.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

SUMMARY:

This is an administrative action. The Façade Matching Grant program provides a dollar for dollar matching grant of up to \$12,500 for property or business owners who undertake façade improvements in the core of the Downtown Loveland Urban Renewal Area. One application was received for the 2014 grant round and was scored by a committee of three Loveland Downtown Team members and one Historic Preservation Commission member. The review committee felt the project to be well-qualified and recommends the grant be awarded.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

City Council appropriated general seed funds for the LURA Façade program in November of 2007 and appropriated additional TIF funds in December of 2011. In 2013, only one matching grant was awarded resulting in a fund balance of \$36,310. The TIF funds generated in 2013 in the amount of \$23,680 resulted in a total Façade Improvement Program budget of \$59,990.

BACKGROUND:

The City received a complete application from Patrick and Cindy Sokoll on May 20, 2014, for the Façade Matching Grant Program 2014 grant round, which closed on May 29th. The application is for 239 East 4th Street, which will house Stone Forest Real Estate Services, LLC. Three volunteers from the Loveland Downtown Team and one volunteer from the Historic Preservation Commission reviewed the application and scored it using the application prioritization criteria approved by the LURA Board. Staff and the reviewers found the proposed project was well-suited to the purpose of the Façade Improvement Program and will be a significant improvement to the building façade.

The total project is estimated to cost \$39,000, with a \$12,500 grant the applicant's costs would equate to a match of 2.12:1, well over the 1:1 match requirement. The work involved in the project includes removing the existing awning and replacing it with a painted steel awning, refinishing the existing stucco finish and adding additional stucco detailing in the form of a cornice and raised paneling, renovating the storefront with an aluminum front with a frameless entry door and frosted window details, installing brick veneer columns, and adding signage.

Council is being asked to approve the resolution and authorize the City Manager to enter into an agreement with the applicant to complete the façade improvements. The agreement stipulates that the applicant must commence work within six months from the date the agreement is signed and must complete the work within one year.

REVIEWED BY CITY MANAGER:

LIST OF ATTACHMENTS:

1. Resolution
2. Façade Grant Application

RESOLUTION #R-42-2014**A RESOLUTION OF THE LOVELAND URBAN RENEWAL AUTHORITY AWARDING FAÇADE MATCHING GRANT PROGRAM GRANTS FOR 2014 AND AUTHORIZING FAÇADE MATCHING GRANT AGREEMENTS**

WHEREAS, on September 15, 2009, the City Council, acting as Board of Commissioners (“Board”) of the Loveland Urban Renewal Authority (“LURA”), approved Resolution #R-89-2009 creating the Façade Matching Grant Program; and

WHEREAS, the Façade Matching Grant Program is available to applicants who own property or businesses located on property that lies within the boundaries of the Downtown Urban Renewal Plan Area (“Plan Area”) and Historic Downtown Loveland; and

WHEREAS, in accordance with the Colorado Urban Renewal Act, C.R.S. § 31-25-102, *et seq.* (“Act”), LURA has a substantial interest in the development, redevelopment, and renovation of property within the Plan Area; and

WHEREAS, the Façade Matching Grant Program provides matching funds, on a dollar-for-dollar basis, up to a maximum grant of \$12,500, in reimbursement for eligible costs of improving, refurbishing, and/or reconstructing building facades within the Plan Area, pursuant to a competitive grant process; and

WHEREAS, applications for the Façade Matching Grant Program have been received and evaluated; and

WHEREAS, LURA desires to award Façade Matching Grants in the amounts (“Grants”) to the recipients (“Grant Recipients”) for the façade improvement projects (“Projects”) to the properties (“Properties”) identified on Exhibit A, attached hereto and incorporated herein by reference, and authorize the City Manager to enter into a façade matching grant agreement with each Grant Recipient in the form attached hereto as Exhibit B and incorporated herein by reference (“Façade Matching Grant Agreement”); and

WHEREAS, each of the Façade Matching Grant Agreements will provide partial funding for the Projects that include improvements of a public nature at least equal in value to the Grants provided by LURA, eliminate blight and prevent the development or spread of blight in the Plan Area, and further the redevelopment of the Properties in a manner benefitting the public interest and consistent with the Urban Renewal Plan adopted by LURA for the Plan Area and, therefore, the Grants are in the best interests of the public, the City, and LURA.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, ACTING AS THE BOARD OF COMMISSIONERS OF THE LOVELAND URBAN RENEWAL AUTHORITY:

Section 1. That the Board of Commissioners hereby finds that the Projects: (a) include improvements of a public nature at least equal in value to the Grant provided by LURA under the Façade Matching Grant Agreements for each Property; (b) eliminate blight and prevent the development or spread of blight in the Plan Area; and (c) further the redevelopment of the Properties in a manner benefitting the public interest and consistent with the Urban Renewal Plan adopted by LURA for the Plan Area.

Section 2. That the Board of Commissioners hereby approves the Grants to the Grant Recipients in the Grant Amounts and for the Projects identified on Exhibit A.

Section 3. That the Board of Commissioners hereby approves the form of the Grant Agreement attached hereto as Exhibit B and delegates to the City Manager, on behalf of LURA, the authority to administer the terms and conditions of the Grant Agreement, including, without limitation, the power to grant extensions of Commencement Dates and Completion Dates as set forth therein.

Section 4. That the Board of Commissioners hereby authorizes the City Manager, on behalf of LURA, to enter into the Grant Agreements with the Grant Recipients for the Grant Amounts. The City Manager, in consultation with the City Attorney, may amend the Grant Agreements in form or substance as deemed necessary to effectuate the purposes of this Resolution or to protect the interests of the City and LURA.

Section 5. That each Grant Recipient shall have thirty calendar days from the effective date of this Resolution in which to sign the Grant Agreement. If a Grant Recipient fails to sign the Grant Agreement on or before said date, the approval granted in Section 2 above as to that Grant Recipient shall automatically be rescinded; provided, however, that the City Manager may, prior to said date, extend the date for signature upon written request of the Grant Recipient for good cause shown.

Section 6. That this Resolution shall take effect as of the date of its adoption.

ADOPTED this 15th day of July, 2014.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Assistant City Attorney

Exhibit A

Grant Recipient	Project Cost	Grant Amount	Project Description	Property Address
Patrick J. Sokoll and Cindy A. Sokoll	\$39,000	\$12,500	The current dilapidated and unimpressive façade will be redone. The awning will be removed. New large and energy efficient glazing will replace the existing store front. The original “Capital on pillars” concept will be re-emphasized with brick veneer columns and three dimensional stucco details added. The remaining existing stucco surface will be redone with some additional architectural detail. The colors will be in earth tones in the tan family. A steel faux awning will be added for interest and additional texture. The awning feature will be painted a complimentary color for contrast and interest. The signage will be a placard style with period lighting above. The existing floor finish will be updated to compliment the new design.	239 E 4 th Street

Exhibit B

FAÇADE MATCHING GRANT AGREEMENT

THIS FAÇADE MATCHING GRANT AGREEMENT (“Agreement”) is made this ____ day of _____, 2014, by and between the **LOVELAND URBAN RENEWAL AUTHORITY (“LURA”)** and **PATRICK J. SOKOLL AND CINDY A. SOKOLL** (together, **“Recipient”**).

RECITALS

WHEREAS, on September 15, 2009, the Loveland City Council, acting as Board of Commissioners of LURA (**“Board”**), approved Resolution #R-89-2009 creating the Façade Matching Grant Program; and

WHEREAS, Recipient is the owner of the building located at 239 East 4th Street, Loveland, Colorado 80537 (**“Building”**) on the real property more particularly described as follows: **the East 20 Feet of Lot 22, Block 13, Loveland Original Town Plat, City of Loveland, County of Larimer, State of Colorado (“Property”)**; and

WHEREAS, the Building and the Property on which it is located is within the boundaries of LURA’s Downtown Urban Renewal Plan Area (**“Plan Area”**); and

WHEREAS, in accordance with the legislative purposes of urban renewal authorities as set forth in the Colorado Urban Renewal Act, C.R.S. § 31-25-102 *et seq.* (**“Act”**), LURA has a substantial interest in the development, redevelopment, and renovation of property within the Plan Area; and

WHEREAS, Recipient has filed an application under the Façade Matching Grant Program (**“Application”**) for a dollar-for-dollar matching grant not to exceed \$12,500 to be used for eligible costs of improving the façade of the Building in the manner and scope more specifically described on **Exhibit A**, attached thereto and incorporated herein by reference (**“Facade Improvements”**); and

WHEREAS, LURA approved Resolution #R-__-2014 awarding Façade Matching Grant Program grants, including a grant in the amount of \$12,500 to Recipient for completion of the Facade Improvements (**“Grant”**) in accordance with the terms and conditions set forth in this Agreement; and

WHEREAS, LURA has determined that the Facade Improvements include improvements of a public nature at least equal in value to the Grant provided by LURA under this Agreement, eliminate blight and prevent the development or spread of blight in the Plan Area, and further the redevelopment of the Property in a manner benefitting the public interest and consistent with the Urban Renewal Plan adopted by LURA for the Plan Area and, therefore, the Grant is in the best interests of the public, the City, and LURA.

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual covenants and promises contained herein, the parties agree as follows:

1. Recipient agrees to undertake and complete the Facade Improvements in accordance with the terms of this Agreement.

2. Recipient shall commence construction of the Facade Improvements on or before that date which is six (6) months after the date of this Agreement (“**Commencement Date**”), and shall complete the Facade Improvements on or before that date which is one (1) year after the date of this Agreement (“**Completion Date**”). Recipient shall be deemed to have commenced construction of the Facade Improvements on the date a building permit for the Facade Improvements is issued, or if no building permit is required for the Facade Improvements, on the date Recipient’s contractor physically commences construction of the Façade Improvements. The Facade Improvements shall be deemed to be complete as of the date on which the City, in its reasonable discretion, determines that the Facade Improvements are substantially complete.

3. If Recipient is unable to commence the Facade Improvements on or before the Commencement Date or complete the Facade Improvements on or before the Completion Date, Recipient may request an extension by written notice to LURA given on or before the Commencement Date or the Completion Date, as applicable, which notice shall set forth the reasons for the request. The City Manager may, on behalf of the LURA, extend the Commencement and/or Completion Date, as applicable, by written notice to Recipient, if the City Manager determines, in the exercise of reasonable discretion, that Recipient has shown good cause for the requested extension and adequate progress is being made.

4. If Recipient does not commence the Facade Improvements on or before the Commencement Date or complete the Facade Improvements on or before the Completion Date (as such dates may be extended in accordance with this Agreement), LURA shall have no further obligation to pay the Grant amount to Recipient and this Agreement shall terminate.

5. Upon completion of the Facade Improvements, Recipient shall submit the following documentation to LURA: (a) a written request for payment of the Grant, including Recipient’s representation that the Facade Improvements have been substantially completed in accordance with the terms and conditions set forth in this Agreement (“**Payment Request**”); and (b) paid invoices from the contractors completing the Facade Improvements in a total amount equal to at least twice the Grant amount (“**Payment Documentation**”).

6. From time-to-time during construction of the Façade Improvements and within ten (10) business days after receipt of the Payment Request, LURA shall have the right to inspect the Facade Improvements to determine compliance with the terms and conditions of this Agreement.

7. If Recipient has completed the Facade Improvements in compliance with the terms and conditions of this Agreement, LURA shall pay the Grant amount to the Recipient within forty-five (45) days after receipt of the Payment Request and Payment Documentation.

8. The provisions of this Agreement and the burdens and benefits therein shall be covenants running with the Property for a period of ten (10) years, commencing upon execution of this Agreement, and shall inure to the benefit of, and be binding upon, all future owners of the Property in accordance with the following:

a. Upon payment of the Grant to the Recipient, LURA shall record, at its cost, a copy of this Agreement in the real property records of the Clerk and Recorder of Larimer County, Colorado.

b. The Façade Improvements shall be maintained in good condition and repair and without modification, except as may be approved by the City in writing for the ten (10) year term of this Agreement.

c. LURA shall have no maintenance obligation whatsoever for the Façade Improvements or the Property and shall not be liable in any manner for any costs associated with the Façade Improvements or the Property except as expressly provided in this Agreement.

d. Upon expiration of the ten (10) year period, this Agreement shall terminate and no longer affect title to the Property.

9. All financial obligations of LURA arising under this Agreement that are payable after the current fiscal year are contingent upon funds for that purpose being annually appropriated, budgeted, and otherwise made available by the Board, in its discretion, as applicable.

10. It is expressly acknowledged and agreed by the parties hereto that the City is a third-party beneficiary to this Agreement and shall be entitled to enforce any and all provisions of this Agreement in the same manner as LURA. In the event that the legal existence of LURA terminates for any reason during the term of this Agreement, it is expressly acknowledged and agreed by the parties hereto that the City is designated LURA’s successor entity, and all rights and obligations of LURA set forth herein shall thereupon become the rights and obligations of the City.

11. All notices which may be given to parties hereunder shall be in writing and shall be sent to the parties by first class mail at the addresses specified below:

LURA: City Manager
City of Loveland
500 East Third Street, Suite 330
Loveland, CO 80537

With a copy to: City Attorney
City of Loveland
500 East Third Street, Suite 330
Loveland, CO 80537

Recipient: Patrick J. Sokoll and Cindy A. Sokoll
1327 East 19th Street
Loveland, CO 80538

or to any change of address given in writing by one party to the others.

12. Should any party default in any of the covenants or obligations in this Agreement, the defaulting party shall pay the non-defaulting party’s reasonable expenses in enforcing this Agreement, including reasonable attorneys’ fees.

13. This Agreement shall be governed by and enforced in accordance with the laws of the State of Colorado. In addition, the parties hereto acknowledge that there are legal constraints imposed upon LURA and the City by the constitutions, statutes, and rules and regulations of the State of Colorado and of the United States, and imposed upon the City by its Charter and Code, and that, subject to such constraints, the parties intend to carry out the terms and conditions of this Agreement. Notwithstanding any other provisions of this Agreement to the contrary, in no event shall the parties hereto exercise any power or take any action which shall be prohibited by applicable law. Whenever possible, each provision of this Agreement shall be interpreted in such a manner so as to be effective and valid under applicable law. Venue for any judicial proceeding concerning this Agreement shall be in the District Court for Larimer County, Colorado.

IN WITNESS WHEREOF, the parties have signed this Agreement to be effective as of the date set forth above.

LOVELAND URBAN RENEWAL AUTHORITY

By: _____
William D. Cahill, City Manager

ATTEST:

Secretary

APPROVED AS TO FORM:

Assistant City Attorney

RECIPIENT:

Patrick J. Sokoll

Cindy A. Sokoll

STATE OF COLORADO)
) ss
COUNTY OF LARIMER)

The foregoing instrument was acknowledged before me this ____ day of _____, 2014, by Patrick J. Sokoll and Cindy A. Sokoll.

Witness my hand and official seal.

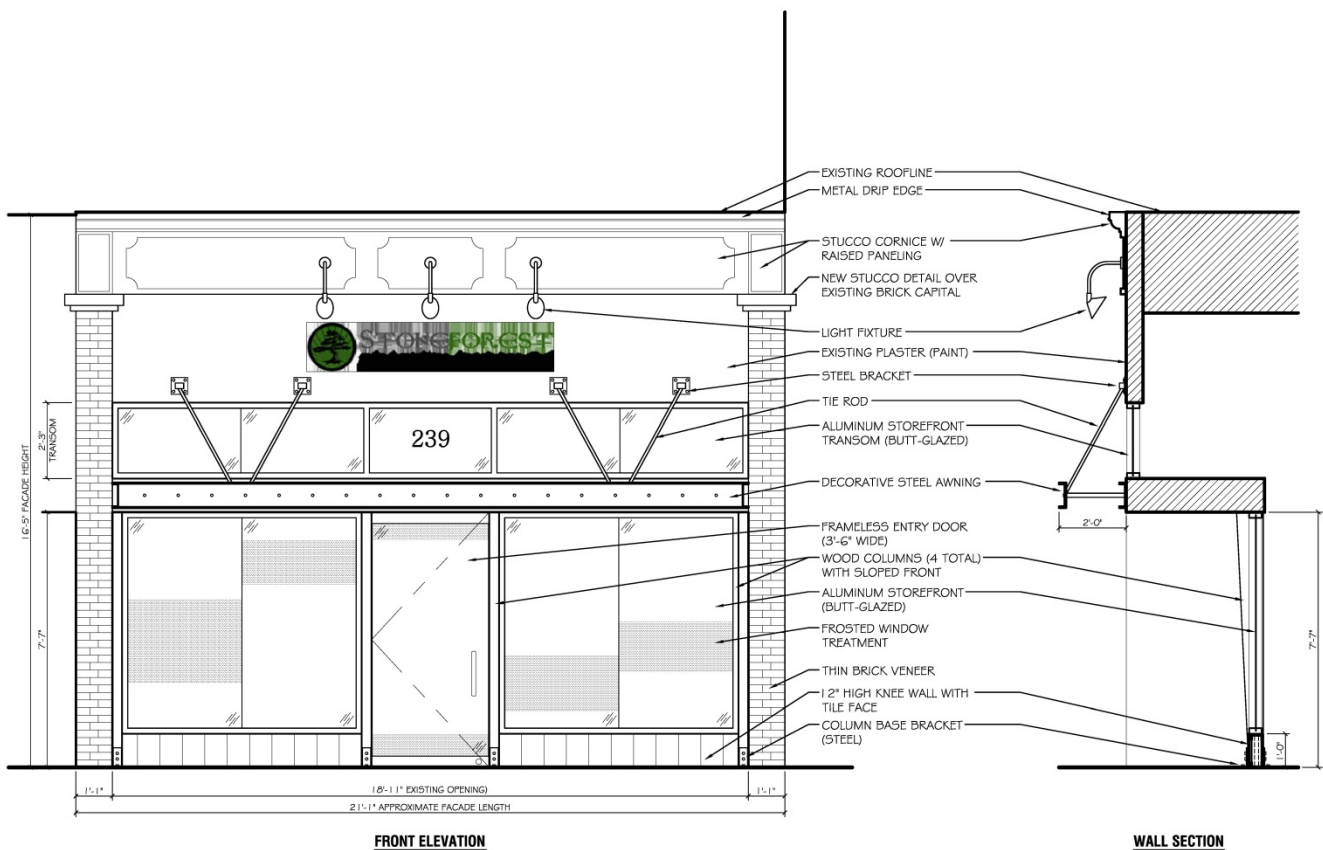
My commission expires: _____

Notary Public

Exhibit A

Project Description:

The current dilapidated and unimpressive façade will be redone. The awning will be removed. New large and energy efficient glazing will replace the existing storefront. The original “Capital on pillars” concept will be re-emphasized with brick veneer columns and three dimensional stucco details added. The remaining existing stucco surface will be redone with some additional architectural detail. The colors will be in earth tones in the tan family. A steel faux awning will be added for interest and additional texture. The awning feature will be painted a complimentary color for contrast and interest. The signage will be a placard style with period lighting above. The existing floor finish will be updated to compliment the new design.



MAY 20 2014

FAÇADE IMPROVEMENT PROGRAM GRANT APPLICATION

Applicant: Patrick J & Cynthia A Sokoll

Business: TBD

Property Owner: Patrick J & Cynthia Sokoll

Address: 239 E 4th Street, Loveland

Phone: (970) 685-8030

NARRATIVE: Describe the scope of improvements including materials used and color: (For a more complete response, applicants are encouraged to complete the narrative on a separate page)

The current dilapidated and unimpressive facade will be redone. The awning will be removed. New large and energy efficient glazing will replace the existing store front. The original "Capital on pillars" concept will be re-emphasized with brick veneer columns and and three dimensional stucco details added. The remaining existing stucco surface will be redone with some additional architectural detail. The colors will be in earth tones in the tan family. A steel faux awning will be added for interest and additional texture. The awning feature will be painted a complimentary color for contrast and interest.

The signage will be a placard style with period lighting above.

The existing floor finish will be updated to compliment the new design.

Please include the following with the application:

- Proof of taxes paid for property or existing business
- Two professional contractor estimates for the cost of the proposed improvements
- Digital photos of the existing building facade and a professional design sketch or rendering
- Written approval of the building owner if renting

Applying For: Matching Grant Program

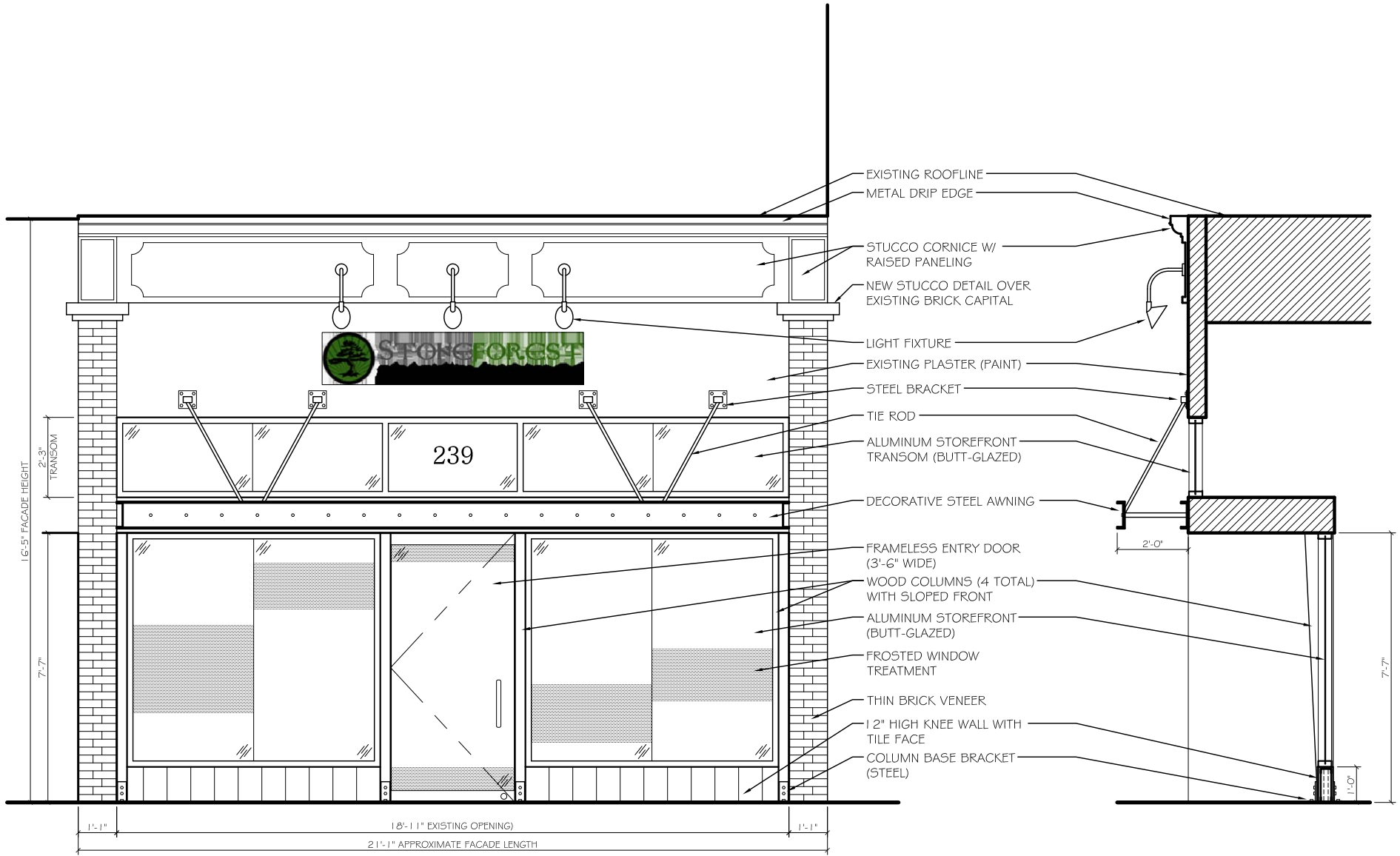
Total Construction Cost: _____ (for 10% Incentive Program, if applicable)

Façade Improvement Cost: \$39,000.00

Total Project Cost: \$39,000.00

X .10 or X.5

Grant Request: \$12,500.00



FRONT ELEVATION

WALL SECTION



239 E 4th St

NEW! Street View - Aug 2012

Scotty O'Brian's

Cabin



Fourth Street, 1955.

Top photo: Fourth Street in the late 1940s.

MARKING TIME

Yes-siree-sir, I've been around a long time, watchin' Loveland grow, since 1910. That makes me about seventy years old, the way I figure it. Should have retired long ago, I guess. I'm the old clock standing on Fourth Street in Loveland.

The Brannan brothers, W. L. and Bonnie, put me here. Their original business in Loveland opened on March 24, 1900, as Brannan Brothers Jewelry, but that store was located on the north side of Fourth Street. Then in 1910 they moved to this site, where I am now.

Brannan's was *the* jewelry store in Northern Colorado in those days. All the society ladies bought their cut glass, silver, china, jewelry, and watches at Brannan's. The name was even spelled out in blue and white tile in the cement at the entrance to the store. Inside, there

was a small balcony, expensive carpet on the floor, and several display cases in oak frames that would cost a pretty penny today.

I was a handsome fellow in those days, mounted on a fluted pillar topped with leaves in classic Greek style. Sometimes I was painted silver; sometimes dark green. Today I wear a dull black coat. I was made by Brown Street Clock Co. of Monessen, Pennsylvania. Models like me were originally driven by weights that had to be cranked up regularly to wind the works. Today I am a "slave" clock connected to a wall clock inside Rydquist Fine Jewelry; this sends a signal to an inner coil that regulates my Western Union time. You won't find many clocks like me around these days; legal sign codes prohibit them.

For years the old flagpole that used to stand at Fourth and Lincoln kept me company. In the spring when grade schools held their annual track meet, the winning school's colors were hoisted to the top of that pole. Lincoln School's colors were orange and black; Washington's, green and white; Garfield's, red and white; I've seen each school's colors at the top at one time or another. Our first stoplight was hung on that pole in the center of the street, too. In 1937 the pole was taken down when the highway was widened, and the stoplights were placed on the corners.

SB Waterhouse, Inc.

PO Box 7232
 Loveland, CO 80537

Estimate

Date	Estimate #
5/7/2014	100129

Name / Address
Pat Sokall 239 E. 4th St Loveland, CO 80537

Project
239 Sokall storefront

Description	Total
<p>The proposed project cost to complete the facade renovation as depicted by the design drawing is:</p> <p>This quote does not include permit fees or taxes. The scope of work is as defined by the drawings alone. It is a budgetary estimate only and is not a bid for work.</p>	39,000.00

Phone #	Fax #	E-mail
970-308-3247		sbwaterhouse@aol.com

Total	\$39,000.00
--------------	--------------------

Signature _____

THUNDERPUP CONSTRUCTION, INC.

Schedule of Values

PROJECT NAME: 239 E. 4th Street Façade

ESTIMATE DATE: 5/12/2014

Job Item	Notes	Amount
Division 1- General Conditions		\$17,369.69
Division 2- Sitework		\$3,325.00
Division 3- Concrete		\$0.00
Division 4- Masonry		\$10,976.00
Division 5- Metals		\$1,220.00
Division 6- Woods/Plastic		\$2,495.00
Division 7- Therm/Moisture Protect		\$990.00
Division 8- Doors/Windows		\$5,826.80
Division 9- Finishes		\$0.00
Division 10- Specialties		\$0.00
Division 11- Equipment		\$0.00
Division 12- Furnishings		\$0.00
Division 13- Special Construction		\$0.00
Division 14- Conveying Systems		\$0.00
Division 15- Mechanical		\$0.00
Division 16- Electrical		\$0.00
Profit		\$2,954
Overhead		\$2,954
Taxes		\$1,816
Permit Fees (incl. in division 1)		\$980
TOTAL PROJECT COST		\$49,927

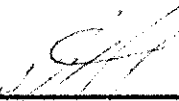
BUYER: PATRICK J. SOKOLL AND CINDY A. SOKOLL


Property Address: 239 E. 4TH STREET, LOVELAND, CO 80537

BUYER'S CLOSING STATEMENT		
DATE OF CLOSING 02/27/14	CHARGES	CREDITS
	SALES PRICE	385,000.00
	EARNEST MONEY	4,000.00
	2014 PROPERTY TAXES 1/01/14 TO 2/27/14	386.46
	SELLER PAID CLOSING COSTS	2,500.00
	RENT 2/27/14 TO 3/01/14	93.78
	REAL ESTATE CLOSING FEE	75.00
	LOAN CLOSING FEE	150.00
	LENDER'S TITLE PREMIUM	125.00
	ENDORSEMENT 100	130.00
	EXPRESS MAIL	20.00
	TAX INFORMATION SERVICES	25.00
	RECORD DEED	15.50
	STATE STAMPS DEED	38.50
	RECORD MORTGAGE	55.50
	PRINCIPAL AMOUNT OF NEW LOAN	285,000.00
	INTEREST FROM 2/27/14 TO 3/01/14 @ \$ /DAY	
	LOAN ORIGATION FEE TO FIRSTBANK	2,850.00
	APPRAISAL FEE TO VALBRIDGE PROPERTY ADVISORS	3,400.00
	LOAN DISBURSEMENT FEE	25.00
	TAX SERVICE TO	
	FLOOD CERTIFICATION TO LPS NATIONAL FLOOD	7.00
	HAZARD INSURANCE FOR ONE YEAR	1,723.00
	ILC TO LANDSTAR SURVEYING	185.00
	TOTAL OF DEBITS/CREDITS	393,824.50
	AMOUNT DUE FROM BUYER	\$101,844.26
		291,980.24

I have carefully reviewed the settlement statement and agree it is a true and accurate statement of all receipts and disbursements made on my account, or by me in this transaction. I further certify that I have received a copy of the settlement statement. We approve and accept the items, computations and prorations embodied in this closing statement as being correct and satisfactory. The closing agent is directed and authorized to make distribution and payments in accordance therewith, and it is agreed that the closing agent assumes no liability for the accuracy or validation of items or charges not imposed by the closing agent or the failure to include on said statement items or charges not disclosed to the closing agent at settlement, including but not limited to charges for water, license, gas, electricity, garbage taxes, telephone, or personal property. Any further future adjustments (if any) are to be made between the buyer(s) and seller(s) only.

ALL FUNDS DUE MUST BE PAID VIA WIRE OR CASHIER'S CHECK MADE PAYABLE TO THE ESCROW AGENT



 PATRICK J. SOKOLL


 CINDY A. SOKOLL



 STONEFOREST REAL ESTATE SERVICES



of Taxes Due

OFFICE OF THE TREASURY
LARIMER COUNTY COLORADO

SCHEDULE NUMBER: 0445550
PARCEL NUMBER: 9513332022
TAX DISTRICT: 2221

TAX YEAR: 2013
OWNER: LYNCH MICHAEL S/ALEX M
LOCATION: 239 E 4TH ST

Distribution of Tax Amounts			STATUS	
Lewy	Liability	Tax	Amount due is valid on issuance date only.	
0.00000	LOVELAND URA	0.00	Actual Val \$	179,800.00
0.14200	LARIMER CO PEST CTRL DST	4.50	Assessed Val \$	31,710.00
1.00000	N COLO WATER CONS DIST	31.71	Total Mill Levy	77.99600
1.76600	THOMPSON VALLEY HLTH SVC DST	56.00		
32.43700	THOMPSON R2-J GEN FUND	1,028.58	Levied Tax \$	2,473.25
7.97900	THOMPSON R2-J BOND PYMT	253.01	Non-Levied Tax \$	0.00
9.56400	LOVELAND	303.27	Assessment \$	0.00
22.42400	LARIMER COUNTY	711.07	Total Tax Amount \$	2,473.25
2.68400	LOVELAND GEN IMP DIST #1	85.11		
			Fees \$	0.00
			Current Tax Liability:	2,473.25

DESCRIPTION OF PROPERTY

20 FT OF LOT 22, BLK 13, LOV

Same

I, the undersigned, do hereby certify that the entire amount of real estate/personal property taxes due upon the parcels of property described herein, and all sales of the same for unpaid taxes shown by the records in my office, from which the same may still be redeemed, with the amount required for redemption, are as noted herein:

Issue Date: 02/21/2014
Myrna J. Rodenberger, Treasurer

BY:



Information regarding special taxing districts may be on file with the County Commissioners, Clerk and Recorder or Assessor.



CITY OF LOVELAND
 DEVELOPMENT SERVICES DEPARTMENT
 Civic Center • 500 East 3rd Street • Loveland, Colorado 80537
 (970) 962-2346 • FAX (970) 962-2945 • TDD (970) 962-2620

AGENDA ITEM: 5
MEETING DATE: 7/15/2014
TO: City Council
FROM: Greg George, Development Services
PRESENTER: Bethany Clark, Community & Strategic Planning

TITLE:

An Ordinance on First Reading Designating as a Historic Landmark the Scott House Located at 719 East 5th Street in Loveland, Colorado

RECOMMENDED CITY COUNCIL ACTION:

Conduct a public hearing and approve the ordinance on first reading as presented.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

SUMMARY:

This is a legislative action. The owner of a Craftsman-style home on East 5th Street is requesting Loveland Historic Landmark designation to recognize the building's architecture and cultural significance in Loveland. The Historic Preservation Commission acknowledges the building's significance and recommends that City Council designate the building to the Loveland Historic Register.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

BACKGROUND:

On June 16, 2014 a Public Hearing was held by the Historic Preservation Commission for the purposes of considering the nomination application. It is the Historic Preservation Commission's charge to review nomination applications for conformance with the established criteria for designation and with the purposes of the historic preservation ordinance. The Commission

determined that the nominated property had both the significance and the integrity to be designated as a Loveland Historic Landmark, as detailed in the attached staff report, and voted unanimously to recommend approval of the designation to City Council. Draft minutes from the June 16th meeting, attached, include the Commission's motion. It is anticipated that the minutes will be adopted at the July 21st meeting.

According to the Historic Building Inventory prepared by Cultural Resource Historians, the Scott House is architecturally significant for its early Craftsman style architectural characteristics, and for the fine craftsmanship shown in its brick masonry construction. The property is also historically significant for its association with Loveland's residential development dating from the year of its construction, and for its association with its original owner Delano F. Scott, a prominent member of the Loveland community.

To be considered eligible for designation as a historic landmark on the Loveland Historic Register, a property must be at least fifty (50) years old and must meet (1) of the criteria under the three categories of architectural, social/cultural, or geographic/environmental significance as identified in Loveland Municipal Code 15.56.100. The Scott House meets the age requirement and at least one criterion in each of the three categories of significance. Specific criteria for the nomination are contained in the staff report.

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

1. Ordinance
2. June 16, 2014 Historic Preservation Commission Staff Report
3. June 16, 2014 Historic Preservation Commission Minutes

FIRST READING July 15, 2014

SECOND READING _____

ORDINANCE NO. _____

AN ORDINANCE DESIGNATING AS A HISTORIC LANDMARK THE SCOTT HOUSE LOCATED AT 719 EAST 5TH STREET IN LOVELAND, COLORADO

WHEREAS, Chapter 15.56 of the Loveland Municipal Code provides that the City Council may designate as a historic landmark an individual structure, site, or other feature or an integrated group of structures and features on a single lot or site having a special historical or architectural value; and

WHEREAS, Code Section 15.56.100 further provides that landmarks must be at least fifty years old and meet one or more of the criteria for architectural, social/cultural, or geographic/environmental significance; and

WHEREAS, the owner of that real property legally described as **Lots 17 and 18 in Block 2, in Gifford-Goss Addition to the City of Loveland, Colorado, County of Larimer, State of Colorado** (the "Property"), located at 719 East 5th Street, Loveland, Colorado, filed an application for designation of a structure located on the Property (the "Scott House") as a historic landmark under Code Chapter 15.56; and

WHEREAS, upon designation of the Scott House as a historic landmark, the Property shall be subject to the provisions of Chapter 15.56 of the Code, as it may be amended from time-to-time by action of the City Council, which currently include, among other provisions, requirements for maintenance, requirements for prior approval of alteration, relocation, or demolition, and remedies for violation, which are binding upon the owner and subsequent purchasers of the Property; and

WHEREAS, on June 16, 2014, the Historic Preservation Commission ("Commission") held a duly-noticed public hearing ("Commission Hearing") at which it evaluated the application for designation of the Scott House as a historic landmark, considered the criteria for designation required in Code Section 15.56.100, and received and duly considered any public comments and testimony; and

WHEREAS, at the conclusion of the Commission Hearing, the Commission recommended to the City Council approval of the designation of the Scott House as a historic landmark; and

WHEREAS, as required by Code Section 15.56.030.D, the Commission has forwarded its written recommendation to the City Council that the Scott House be designated as a historic landmark; and

WHEREAS, on July 15, 2014, the City Council held a duly-noticed public hearing on the designation application at which it reviewed the application for conformance with the criteria for designation in and with the purposes of Code Chapter 15.56 and considered the written views of owners of affected property, if any.

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

Section 1. That the preceding recitals contained in this Ordinance are hereby adopted and incorporated by reference as findings of fact of the City Council.

Section 2. That the City Council finds that the Scott House, located at 719 East 5th Street in Loveland, Colorado, satisfies the age requirement and meets the following significant criteria for designation as a landmark to the Loveland Historic Register:

- a. Architectural:
 - 1. Exemplifies specific elements of an architectural style or period.
 - 2. Demonstrates superior craftsmanship or high artistic value.
 - 3. Represents a built environment of a group of people in an era of history.
- b. Social/Cultural:
 - 1. Exemplifies the cultural, political, economic, or social heritage of the community.
- c. Geographic/Environmental:
 - 1. Enhances sense of identity of the community.

Section 3. That the Scott House is hereby designated as a historic landmark to the Loveland Historic Register.

Section 4. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full. This Ordinance shall be in full force and effect ten days after its final publication, as provided in City Charter Section 4-8(b).

Section 5. That the City Clerk is hereby directed to record the Ordinance with the Larimer County Clerk and Recorder after its effective date in accordance with state statutes.

ADOPTED this _____ day of August, 2014.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

Sharon L. Oltus
Assistant City Attorney



COMMUNITY & STRATEGIC PLANNING

Civic Center • 500 East Third Street • Loveland, Colorado 80537
 (970) 962-2577 FAX (970) 962-2945 • TDD (970) 962-2620
www.cityofloveland.org

Loveland Historic Preservation Commission Staff Report

From: Bethany Clark, Community and Strategic Planning
 Meeting Date: June 16, 2014
 Re: Application for Historic Landmark Property Designation, 719 East 5th Street

SITE DATA

Address: 719 East 5th Street
 Loveland, CO 80537

Request: Application for Historic Landmark Property Designation

Historic Name: Scott House

Architectural Style: Late 19th and Early 20th Century American Movements/Craftsman

Current Building Sq. Ft.: 2,020 square feet
 (Source: Larimer Co. Assessor Property Information)

Construction

Date: 1909 (Source: Cultural Resource Historians, *Architectural Inventory Form* 5LR.5661)

Legal Description: Lots 17 and 18 in Block 2, in Gifford-Goss Addition to the City of Loveland, Colorado, County of Larimer, State of Colorado

Owner(s): Rex A Berg and Sheila A Berg

Applicant(s): Rex A Berg and Sheila A Berg

Attachments: A. Location Map
 B. Nomination Application submitted by Applicant

I. APPLICATION

On April 30, 2014 staff met with the owners of the property, Rex and Sheila Berg, and discussed the obligations and benefits of historic landmark designation, as well as the process for applying for landmark designation. On May 6, 2014 staff received a nomination application for landmark designation of the property at 719 East 5th Street. The owners and applicant of 719 East 5th Street are familiar with the requirements for designation and the responsibilities as a Loveland Historic Landmark.

Staff mailed a notification letter announcing the date of a public hearing to the property owner of 719 East 5th Street, as required by ordinance. The Community and Strategic Planning Division also published notice of the public hearing for consideration of designation as a landmark property in the *Loveland Reporter-Herald*.

Larimer County Assessor records identify the property by the following address: 719 East 5th Street, Loveland, Colorado.

II. SUMMARY

Excerpts from the 2009 Colorado Cultural Resource Survey, Office of Archaeology & Historic Preservation

History:

Built in 1909, the residence at 719 East 5th Street was home to the Delano F. and Alice Scott family until 1923. Delano Fulton Scott was the son of Fulton N. B. Scott, a successful Larimer County businessman and politician. Fulton N.B. Scott arrived in Fort Collins in 1873 from Pennsylvania where he was born in 1841. He was a blacksmith as well as a farmer and, in partnership with A.A. Ferguson, Scott established a hardware store in Loveland. Ferguson-Scott Hardware sold farm machinery and implements. F.N.B. Scott was elected Larimer County Commissioner, served as a member of the Fort Collins City Council, and was director of the First National Bank of Fort Collins as well as the National Bank of Loveland. F.N.B. Scott was married twice. His first wife was Miss Emma Flemming. His second wife was Ella (Mrs. R. T. Lown), daughter of Judge and Mrs. W.B. Osborn of Loveland. Delano Fulton Scott was born, in June, 1879 to F.N.B and Ella.

Delano Scott was raised in Loveland and assisted his father in the hardware and banking businesses. In 1901 he was attending college in Fort Collins. Delano was then employed as bookkeeper for the Bank of Loveland and in 1907 he was promoted to assistant cashier.

In 1909, Delano Fulton Scott married Miss Alice Fisher Eldred, a Loveland schoolteacher. The wedding took place at the home of the bride's parents in Los Angeles and upon their return, they resided in the newly constructed residence at 719 East 5th Street.

In 1923 the Scotts sold the property to Bertha Jacob Craig. Bertha's husband was Dr. James W. Craig, a Loveland general practitioner who was born and raised in Pennsylvania. Dr. Craig and Bertha Jacobs lived in the home along with Craig's two children, Marion M. and Robert P., from his deceased first wife.

The Craig family lived in the residence until 1937 when they sold the property to its next owner, Sarah Boyd Creswell. Sarah, the widow of Hugh Creswell, owned the property until April of 1944; however, during the late 1930s she leased the property to Frank W. and Tressie Hart. Frank Hart was the owner of a furniture store located on Fourth Street.

In 1944, this property was purchased by Dr. Max Lentner and his wife Mary. Dr. Lentner had been a veterinarian in Nebraska before leaving his practice of thirty-four years, and moved to Loveland

to be close to family. In Loveland, Dr. Lentner worked as an inspector with the Loveland Meat Packing Company.

In 1970, Dr. and Mrs. Lentner sold the property to Loren and Caroline Messenger. Loren Messenger was born in Nebraska in 1919. Loren joined the Army Air Corp in 1941 and married Caroline Buckingham in 1946. In 1963 the Messenger family moved to Loveland where Loren established a chinchilla raising business, while Carolyn was employed at Duff's, a ladies clothing store on E. Fourth Street. After selling his chinchilla business, Loren raised hydroponic tomatoes in greenhouses he built below Derby Hill, then was employed as a maintenance mechanic at CSU for 17 years until his retirement in 1985.

In December 1996, the Messengers sold the property to its current owners, Rex and Sheila Berg. Mr. and Mrs. Berg have owned and lived in the home from that time to the present.

Architectural Description:

Excerpts from the 2009 Colorado Cultural Resource Survey, Office of Archaeology & Historic Preservation

The 719 E. 5th Street residence is considered late 19th and early 20th Century American Movements/Craftsman architectural style. It is composed of the following elements:

- A main 2½-story front gabled section
- A historic single-story hipped-roof extension to the north (rear) elevation
- A non-historic (2004) single-story, wood frame, gabled rear patio addition to the east end of the north elevation which measures 10 feet by 13 feet.
- An unpainted coursed sandstone foundation; the foundation wall above grade is penetrated by 3-light hopper windows with painted brown wood frames and surrounds.
- Walls made of brown bricks laid in running bond, and a moderately-pitched front gable roof covered with buff red color asphalt composition shingles.
- Painted light brown rafter ends and decoratively sculptured brackets exposed beneath the eaves and in the façade's upper gable end on the south elevation.
- A brown brick fireplace chimney located on the east elevation, and a metal-clad brick or stone chimney located at the north end of the roof ridge.
- A stained dark brown solid wood door, with six small upper sash lights covered by a brown metal storm door, entering the west end of the asymmetrical façade from a full-width Craftsman style front porch.
- Four carpeted wood steps with flanking sandstone knee walls leading to the porch with a carpeted wood floor, wood frame knee walls, tapered wood pedestals, square wood piers with decorative brackets, a bead board ceiling, and a shed roof.
- A large single-light fixed-pane window overlooking the front porch to the east of the entry door.
- A stained brown 18-light glass-in-wood-frame door, covered by a white metal storm door, entering the hipped roof extension near the north end of the west (side) elevation from a 4-step concrete stoop.
- A stained brown wood-paneled door, covered by a beige metal storm door, entering the house at ground level also on the west elevation.
- Windows of predominantly painted brown wood frames and sandstone lugsills. Two 1/1 double-hung sash windows penetrating the façade's second story wall, and a small 15-light window penetrating the façade's upper gable end. Windows on the side and rear elevations include 10/1 and 24/1 double-hung sashes.

III. PHOTOGRAPHS



Figure 1: Southeast Corner



Figure 2: Southwest Corner



Figure 3: Garage South (Front) Elevation



Figure 4: North (Rear) Elevation

IV. FINDINGS AND ANALYSIS

Determination of Significance and Integrity

It is the Historic Preservation Commission's charge to review nomination applications for conformance with the established criteria for designation and with the purposes of the historic preservation ordinance. The Commission must determine if a nominated property has both the significance and the integrity to be designated as a Loveland Historic Landmark.

Significance

Significance should be used as the starting point in determining eligibility for placement on a historic register. Significance has two distinct attributes – the “area of significance” which answers the question of context, or **what** is significant about a resource, and its “period of significance” which answers the question of **when** a resource was significant.

This house is architecturally significant for its early Craftsman style architectural characteristics, and for the fine craftsmanship shown in its brick masonry construction. Representative Craftsman style elements include the widely-overhanging eaves with exposed rafters and decorative brackets, and the nearly full-width Craftsman style front porch with tapered wood pedestals and decorative brackets. The property is historically significant for its association with Loveland's residential development, dating from 1909, the year of its construction. The house is also historically significant for its association with its original owner Delano F. Scott, a banker and businessman and a prominent member of the Loveland community. Due to a modest loss of integrity, this property may not qualify for individual listing in the National Register of Historic Places; however it does qualify for local landmark designation by the City of Loveland, and it may be considered an excellent candidate for the State Register of Historic Properties.

Integrity

Integrity refers to the ability of a structure to convey its original design or some later period of significance through the intactness of its historic form, original or historic use of materials, setting and site. Integrity has seven (7) particular aspects: location, setting, feeling, design, materials, workmanship, and association with some attribute of historic significance.

A historic building, for example, that retains its original or historically significant setting with little or no visible modifications that diminish the ability to relate its historic association demonstrates greater integrity than a building that has lost many of physical historical elements. A building with high physical integrity retains the following original or historically significant elements: massing; architectural detail; surface treatment; and windows and doors.

According to the 2009 Loveland Historic Survey prepared by Cultural Resource Historians, this property displays an overall high level of integrity relative to the seven aspects of integrity as identified by the National Park Service and Colorado Historical Society - location, setting, design, materials, workmanship, feeling and association. A 2004 rear patio addition is the only notable exterior alteration to the historic dwelling. The property's integrity of setting was diminished when the historic garage was moved next door to 715 5th Street in the 1970s. This property's extant garage was constructed in the 1970s, and thus would be regarded as a non-contributing resource.

Eligibility

To be considered eligible for designation as a historic landmark on the Loveland Historic Register, a property must be at least fifty (50) years old and must meet one (1) or more of the criteria for architectural, social cultural, or geographic/environmental significance as identified in Loveland Municipal Code 15.56.090. The Scott House satisfies the age requirement and meets the following criteria for designation as a Loveland Historic Register Landmark:

- a.) Architectural
 - 1. Exemplifies specific elements of an architectural style or period.
 - 2. Demonstrates superior craftsmanship or high artistic value.
 - 3. Represents an innovation in construction, materials, or design
- b.) Social/Cultural
 - 1. Exemplifies the cultural, political, economic or social heritage of the community.
- c.) Geographic/Environmental
 - 1. Enhances sense of identity of the community.

Given available information for the property at 719 East 5th Street, staff has determined that the Scott House exhibits both adequate *integrity* and *significance* to support its eligibility for designation as a Loveland historic landmark. This determination is based on the Colorado Historical Society's recommended framework for determining landmark eligibility.

V. STAFF RECOMMENDATION

Subject to additional evidence presented at the public hearing, City staff recommends the following motion:

Move to make the findings listed in Section IV of the Historic Preservation Commission staff report dated June 16, 2014 stating that the Scott House meets the criteria for designation.

Options

Section 15.56.030.D (4) provides the following options for commission action on an application for nomination:

- 1. Recommend approval
- 2. Recommend approval with modifications
- 3. Recommend disapproval

Attachment A



Location Map - 719 E 5th Street



1 **City of Loveland**
 2 **Historic Preservation Commission**
 3 **Meeting Summary**
 4 **June 16, 2014**

5
 6 A meeting of the Loveland Historic Preservation Commission was held Monday, June 16, 2014 at 6:00 P.M. in the
 7 City Council Chambers in the Civic Center at 500 East Third Street, Loveland, CO. Historic Preservation
 8 Commissioners in attendance were: Janelle Armentrout, David Berglund, Jim Cox, Stacey Kersley, Jon-Mark
 9 Patterson and Mike Perry. John Fogle, City Councilor, Bethany Clark of Community & Strategic Planning and
 10 Nikki Garshelis of Development Services were also present.

11
 12 **Guests:** Nick Wharton, Capstone Project Intern, Thomas Hawkinson, Chief Building Official and Ned Sparks,
 13 Operations Division Fire Chief, and Rex and Sheila Berg, Historic Landmark applicants.

14
 15 **CALL TO ORDER**

16 *Commission Chair Berglund called the meeting to order at 6:00 p.m.*

17
 18 **APPROVAL OF THE AGENDA**

19 *Commissioner Cox made a motion to approve the agenda; the motion was seconded by Commissioner Perry and*
 20 *it passed unanimously.*

21
 22 **APPROVAL OF THE MINUTES**

23 *Commissioner Cox made the motion to approve the minutes from the May meeting, the motion was seconded by*
 24 *Commissioner Kersley and it passed unanimously.*

25
 26 **CITIZEN REPORTS** None

27
 28 **CITY COUNCIL UPDATE**

29 Councilor Fogle reported that the City Council did not approve the landmark designation of the Sinclair Gas
 30 station. The reason was a timing issue, he said. It was inappropriate to approve the designation while decisions
 31 about the catalyst project were not finalized, he explained. Larimer County Commissioner, Tom Donnelly, does
 32 not want to build around the gas station, Fogle said. There was a discussion with commissioners who agreed
 33 they prefer moving the building over demolishing it. They suggested some suitable locations to move the
 34 building. Commissioner Kersley said it was good example of art deco architecture in Loveland. Commission
 35 Chair Berglund asked Councilor Fogle to keep the HPC in the loop so they can provide assistance, if it is needed.

36
 37 **STAFF UPDATE**

38 The staff report was provided in written form and there was no discussion or questions regarding items other
 39 than the Sinclair Gas station property.

40
 41 **CONSIDERATION OF NEW BUSINESS**

42
 43 **Public Hearing for Landmark Designation 719 East 5th Street**

44 *Commission Chair Berglund opened the Public Hearing at 6:15p.m.*

45
 46 Bethany Clark presented information on the application for historic landmark property designation for the Scott
 47 House, a 1909 property, located at 719 East 5th Street in Loveland. The application was submitted by the
 48 property owners, Rex and Sheila Berg, who have owned the property since 1996. Clark provided historical and
 49 architectural information as well as the findings and analysis report on the house, garage and addition. The

50 house is architecturally significant for its early Craftsman style architectural characteristics and for the fine
 51 craftsmanship shown in its brick masonry construction and displayed an overall high level of integrity, she said.
 52 Commissioners discussed that the garage is a non-contributing structure and the rear addition on the patio was
 53 built in 2004. Commissioner Cox said it was clear that the rear addition is not historic and that was good
 54 because it is distinguishable from the older structure.

55
 56 Mr. Berg, owner of the property, addressed the Commission and explained that the house deserved to be
 57 designated as it was a great example of the craftsmanship of the era. He reported that the condition of the
 58 structure is good and that it is a true brick house and not brick veneer.

59 Clark said the staff recommends the following motion: Move to make the findings listed in Section IV of the
 60 Historic Preservation Commission staff report dated June 16, 2014 stating that the Scott House meets the
 61 criteria for designation.

62 *Commission Chair Berglund closed the Public Hearing at 6:31p.m.*

63 *Commissioner Kersley made the motion to approve the findings listed in Section IV of the Historic Preservation*
 64 *Commission staff report dated June 16, 2014 stating that the Scott House meets the criteria for designation and*
 65 *recommend designation to City Council. Commissioner Patterson seconded the motion and it passed*
 66 *unanimously.*

67 **Historic Preservation Action Plan**

68 Nick Wharton reviewed the Strategic Action Plan he created based on survey results and his historic
 69 preservation experience. Questions and comments from the HPC included:

- 70 • Near term meant soon but Nick said he didn't want to give staff deadlines.
- 71 • Councilor Fogle suggested the plan could be for any city. Nick said it is nonspecific because the
 72 HPC can customize to Loveland. He added that his professor instructed him to not add details.
- 73 • Commissioner Patterson said it was up to the Commission to decide order of importance. Other
 74 HPC members agreed it is important for them to prioritize.
- 75 • Commissioner Kersley asked if it coincides with their five year plan.

76 Wharton agreed to meet with the HPC in a working session to add specific steps and actions. He will create
 77 another plan and send it on prior to the meeting. He will also send the actual comments from the survey as he
 78 used this as a guide to create the plan.

79
 80 The Commissioners thanked Nick for his work and said they look forward to working again soon with him.

81

82 **Downtown Building Inventory**

83 Thomas Hawkinson, Chief Building Official, and Ned Sparks, Operations Division Fire Chief, reported on the
 84 building inventory program they have started in downtown Loveland. Hawkinson gave an overview of their
 85 review of some of the aging buildings on 4th Street. They have been categorizing them according to safety, he
 86 said. Some of the buildings were looked at because of complaints, he explained. Some of the buildings they
 87 have limited access to because of property rights, he added. The Lovelander Hotel is also being reviewed. Chief
 88 Sparks said he would like to see a program similar to the façade program to assist owners with safety and
 89 maintenance problems.

90

91 There was a discussion about the possible purchase and restoration/renovation of the Arcadia Hotel. The HPC
 92 had been taken on a tour to understand the structural issues. Chief Sparks said that was a safety issue and
 93 everything is still in the conceptual stage. Foundation issues would have to be addressed, he said.

94

95 Commission Chair Berglund asked if they can get information on buildings in the proposed historic district. Chief
 96 Sparks said yes but there is a limit due to property rights.

97

98 Councilor Fogle asked how the process could be changed to avoid what happened with the Lincoln Hotel. There
99 was a discussion about the process.

100 Commissioner Patterson said he had concerns about old buildings having a disadvantage over greenfield
101 development. Historic preservation shouldn't be an obstacle, he added. Chief Sparks said the process is not
102 black or white and safety is the priority. Commissioner Kersley said that the codes allow for a number of ways to
103 complete the job as long as safety isn't compromised.

104
105 Hawkinson and Sparks agreed to provide information as requested and said they were available if any of the
106 commissioners had questions.

107

108 **Historic Preservation Month Recap**

- 109 • Commissioner Perry reported he had to cancel the first walking tour due to bad weather but
110 rescheduled it for another date and 25 people participated.
- 111 • Commissioner Kersley reported that the first workshop was not well attended so the second one was
112 cancelled. Next year it might be more beneficial to have the workshops at the Tour de Pants Event, she
113 said. Bethany Clark added that people seem to like hands on workshops the best.
- 114 • Commissioner Armentrout suggested getting a table and attending local festivals to promote the
115 program.
- 116 • Councilor Fogle said that Loveland needs a downtown festival in May to attract business. He also
117 suggested framing historic pictures of buildings and presenting them to the building owner. Another
118 idea would be to print historic photos of Loveland and put them in utility bills.

119

120 **Next Meeting's Agenda/Action Items**

- 121 • Youth Involvement

122

123 **Commissioner Comments**

- 124 • Commissioner Kersley suggested meeting about Youth Involvement. Nikki Garshelis will try to set up
125 meetings with Michelle Pearson, the YAC chair or staff liaison and a high school representative to discuss
126 ideas of getting youth involved. Kersley gave an overview of the recent meeting with Jenni Dobson,
127 Museum Education Curator, about partnering on a historic preservation trunk for use in schools and
128 presentations to groups as well as other ideas.
- 129 • There was a discussion about having a high school student on the Commission. Bethany Clark will get
130 information from the legal department to see if this is feasible.
- 131 • Commissioner Armentrout announced that it was her last meeting. Everyone thanked her and wished
132 her well.

133

134

135 **Meeting adjourned at 7:59p.m.**



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PARKS & RECREATION DEPARTMENT
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 (970) 962-2303 • FAX (970) 962-2903 • TDD (970) 962-2620

AGENDA ITEM: 6
MEETING DATE: 7/15/2014
TO: City Council
FROM: Keven Aggers, Parks and Recreation Department
PRESENTER: Keven Aggers, Interim Director Parks and Recreation Department

TITLE:

A Resolution Adopting the 2014 Parks and Recreation Master Plan of the City of Loveland and Amending the 2005 Comprehensive Plan by Addition of the 2014 Parks and Recreation Master Plan as a Functional (Component) Plan Element

RECOMMENDED CITY COUNCIL ACTION:

Adopt the resolution.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

SUMMARY:

This is a legislative action to adopt the 2014 Parks and Recreation Master Plan and to amend the 2005 Comprehensive Master Plan by addition of the 2014 Parks and Recreation Master Plan as a functional (component) plan element.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

BACKGROUND:

The Parks and Recreation Department embarked on an update of its 13 year-old Master Plan to coordinate with an update of other City Master Plans including the City's Comprehensive Plan and the Capital Expansion Fee program discussion and review. The process has included an inventory and inspection of existing conditions; a community based outreach/needs analysis based on surveys, questionnaires, group discussions, and assessment of service levels; and

recommendations for systems and service improvements including potential schedules and funding sources for implementation.

SUMMARY:

The 2014 Parks and Recreation Master Plan reflects a process and long-range plan that addresses community needs for parks, public grounds, golf courses, recreation facilities, programs, open lands, and trails within the City's Growth Management Area through build-out (about 50 years) with an initial implementation plan based on a 10-year forecast. As the City studies CEF's and other tax supported services, like the County Open Space tax issue, flexibility is built into the plan to address financial changes and challenges. This effort represents the Department's first integrated plan creating a strong unified approach for the Parks and Recreation Department to prioritize resources and address community leisure time pursuits in a holistic and comprehensive manner.

The plan is intended as a guide to the growth and development of park lands, open lands, and recreation facilities and services to meet the needs and desires of the Loveland community. There are clear, consolidated policies and procedures that lead to goals for acquisition, development, and enhancement of current and future programs and facilities.

Revisions and additions to the plan address concerns raised by City Council at the May 13, 2014 Study Session. An inventory of hard and soft surface trails has been added and Mehaffey Park has been included as a completed project. The plan also includes recommendations for additional work on sustainability, HOA trail access/open space, and coordination with other City plans. The Golf Advisory Board, the Open Lands Commission, the Loveland Planning Commission, and the Parks and Recreation Commission recommend adoption; and the City Council approved the plan at the July 1, 2014 regular meeting.

The current version of the 2014 Parks and Recreation Master Plan is available on the City's website at:

<http://www.cityofloveland.org/modules/showdocument.aspx?documentid=19612>, or in hard copy at the City Clerk's Office and the Loveland Public Library.

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

1. Resolution

RESOLUTION #R-43-2014**A RESOLUTION ADOPTING THE 2014 PARKS AND RECREATION MASTER PLAN OF THE CITY OF LOVELAND AND AMENDING THE 2005 COMPREHENSIVE MASTER PLAN BY ADDITION OF THE 2014 PARKS AND RECREATION MASTER PLAN AS A FUNCTIONAL (COMPONENT) PLAN ELEMENT**

WHEREAS, on March 6, 2007 by Resolution #R-21-2007, the City Council adopted the “2005 Comprehensive Master Plan”; and

WHEREAS, pursuant to Section 6 of the 2005 Comprehensive Master Plan, the City Council may amend the 2005 Comprehensive Master Plan by amendment of a functional (component) plan element previously adopted as part of the 2005 Comprehensive Master Plan after a duly-noticed public hearing is held, and recommendations are made, to the City Council by the Planning Commission; and

WHEREAS, on October 16, 2001 by Resolution #R-100-2001, the City Council adopted the “Parks and Recreation Master Plan,” which is a functional (component) plan element of the 2005 Comprehensive Master Plan; and

WHEREAS, the City’s Parks and Recreation Department has prepared an update to the Parks and Recreation Master Plan, known as the “2014 Parks and Recreation Master Plan”; and

WHEREAS, on April 9, 2014, the Open Lands Commission reviewed and provided input regarding the 2014 Parks and Recreation Master Plan; and

WHEREAS, on April 10, 2014, the Parks and Recreation Commission adopted a motion recommending that the City Council adopt the 2014 Parks and Recreation Master Plan; and

WHEREAS, on April 23, 2014, the Golf Advisory Board reviewed and provided input regarding the 2014 Parks and Recreation Master Plan; and

WHEREAS, on June 9, 2014, the Planning Commission adopted a motion recommending that the City Council amend the 2005 Comprehensive Master Plan by addition of the 2014 Parks and Recreation Master Plan as a functional (component) plan element, and making certain findings in support of that recommendation as required by Section 6.0 of the 2005 Comprehensive Master Plan; and

WHEREAS, the City Council desires to adopt the 2014 Parks and Recreation Master Plan and amend the 2005 Comprehensive Master Plan by addition of the 2014 Parks and Recreation Master Plan as a functional (component) plan element as in the best interest of the citizens of the City of Loveland.

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

Section 1. That the 2014 Parks and Recreation Master Plan, a copy of which is on file with the Loveland City Clerk, is hereby adopted and shall be used by the City to provide a framework to the growth, management, and development of parks, open lands, public grounds, golf courses, recreation facilities, trails, and programs. The 2014 Parks and Recreation Master Plan shall supersede and replace the Parks and Recreation Master Plan adopted in 2001.

Section 2. That the City Council hereby adopts and incorporates by reference the findings set forth in the motion adopted by the Planning Commission on June 9, 2014.

Section 3. That the 2005 Comprehensive Master Plan is hereby amended by the addition of the 2014 Parks and Recreation Master Plan as a functional (component) plan element.

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

ADOPTED this 15th day of July, 2014.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

Shawn L. Oltus
Assistant City Attorney



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AGENDA ITEM: 7
MEETING DATE: 7/15/2014
TO: City Council
FROM: Betsy Hale, Economic Development Department
PRESENTERS: Betsy Hale, Economic Development Director and
 Downtown Working Group Representatives

TITLE:

An Ordinance on First Reading Enacting a Supplemental Budget and Appropriation to the 2014 City of Loveland Budget for Legal Costs to Assist in the Formation of a New Downtown Organization

RECOMMENDED CITY COUNCIL ACTION:

Conduct a public hearing and approve the ordinance on first reading.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

SUMMARY:

This is an administrative action requesting a supplemental budget and appropriation of \$50,000 for the purpose of hiring legal counsel to assist with the formation of a downtown leadership organization.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

The ordinance is funded by fund balance in the General Fund that reduces the flexibility to fund other projects.

BACKGROUND:

On January 25, 2014, the Loveland City Council directed staff to begin the effort of developing a robust and durable organizational structure to lead downtown development, promotion, and

advocacy. The intent of this direction is to ensure that the private sector is leading the efforts to redevelop downtown and create an economically vibrant and active heart of the community.

Since May, 2014 a working group of citizen leaders and downtown stakeholders have been meeting to develop the organization's strategic plan, structure and budget. On August 12, 2014, City Council will hold a study session with this group to discuss the next steps. The purpose of this funding is to assist the group with legal costs associated with formation expenses and due process questions.

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

1. Ordinance
2. Membership List of the Downtown Working Group

FIRST READING July 15, 2014
SECOND READING _____

ORDINANCE NO. _____

AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2014 CITY OF LOVELAND BUDGET FOR LEGAL COSTS TO ASSIST IN THE FORMATION OF A NEW DOWNTOWN ORGANIZATION

WHEREAS, the City has reserved funds not anticipated or appropriated at the time of the adoption of the City budget for 2014; and

WHEREAS, the City Council desires to authorize the expenditure of these funds by enacting a supplemental budget and appropriation to the City budget for 2014, as authorized by Section 11-6(a) of the Loveland City Charter.

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

Section 1. That reserves in the amount of \$50,000 from fund balance in the General Fund 100 are available for appropriation. Revenues in the total amount of \$50,000 are hereby appropriated for legal costs to assist in the formation of a new downtown organization. The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:

**Supplemental Budget
General Fund 100**

Revenues		
Fund Balance		50,000
Total Revenue		50,000
Appropriations		
100-18-180-1500-43450	Professional Services	50,000
Total Appropriations		50,000

Section 2. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full. This Ordinance shall be in full force and effect upon final adoption, as provided in City Charter Section 11-5(d).

ADOPTED this ____ day of _____, 2014.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Assistant City Attorney

Downtown Working Group

- 1st and 3rd Mondays, starting May 5, 2014
- 8:00 am City Council Chambers

Community Members	Staff
Barry Floyd	Alan Krcmarik
Bryan Jones	Annette Gilbert
Carla Schlosser	Betsey Hale
Clay Caldwell	Brent Worthington
Dan Johnson	Judy Schmidt
Debbie Davis	Karl Barton
Doug Rutledge	Mike Scholl
Gene Pielin	Rod Wensing
Harry Devereaux	
Heather Lelchhook	
Jim Cox	
John Metcalf	
Justin Erion	
Mike Lynch	
Mindy McCloughan	
Nicole Yost	
Tim Reeser	
Troy Peterson	



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AGENDA ITEM: 8
MEETING DATE: 7/15/2014
TO: City Council
FROM: Keven Aggers, Interim Parks and Recreation Director
PRESENTER: Janet Meisel-Burns, Senior Park Planner

TITLE:

An Ordinance on First Reading Enacting a Supplemental Budget and Appropriation to the 2014 City of Loveland Budget for Engineering Work to Develop River Modeling Along the River Reaches of the Morey Wildlife Reserve/Mariana Butte Golf Course, River's Edge Natural Area and Viestenz-Smith Mountain Park

RECOMMENDED CITY COUNCIL ACTION:

Conduct a public hearing and approve the ordinance on first reading.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

SUMMARY:

This is an administrative action. The ordinance on first reading appropriates funding for engineering costs to determine the scope for 4 park and recreation projects that require hydraulic modeling and river scour analysis prior to the full restoration of the sites. The total appropriation is \$500,000. Depending on the final determination from FEMA, some of these costs may be eligible for reimbursement and other grant opportunities that may arise. In particular the costs for Mariana Butte Golf Course's share will likely not be reimbursed but the Viestenz Smith Mountain Park costs may be covered under the reimbursement from FEMA if the project is selected for the Alternative Pilot Program.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

Supplemental funding requested for the engineering studies is from the Open Space funds, \$162,500 (Fund 202), and \$250,000 from the General Fund (Fund 100) for the studies required for Viestenz Smith Mountain Park and \$87,500 is from the Golf Enterprise Fund for engineering

studies required for Marianna Butte Golf Course. The ordinance is funded with unreserved fund balance reducing the flexibility to fund other projects.

BACKGROUND:

Morey Wildlife Reserve was severely damaged by the September 2013 Flood and the 10.5 Acre pond was completely silted in with sand and sediment. Marianna Butte Golf Course needs additional bank stabilization on the 16th fairway and river modeling is required prior to the reconstruction of the bridge along Dry Creek. Viestenz Smith Mountain Park was devastated by the Flood and no restoration improvements can be constructed until further study and analysis is completed. River's Edge Natural Area parking lot and infrastructure was damaged by the Flood and a full scour analysis must be completed to ensure that proper mitigation measures are included in the restoration of this site.

River modeling, "no rise" certifications and scour analysis reports are required for all of these sites to determine what additional mitigation measures are required for the placement of infrastructure, bridges and structures prior to the full renovation of all of these sites. The supplemental funding request will ensure that these projects continue to move forward and that the analysis and studies can be completed during the redesign and engineering for permanent improvements.

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

1. Ordinance

FIRST READING July 15, 2014

SECOND READING _____

ORDINANCE NO. _____

AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2014 CITY OF LOVELAND BUDGET FOR ENGINEERING WORK TO DEVELOP RIVER MODELING ALONG THE RIVER REACHES OF THE MOREY WILDLIFE RESERVE/MARIANA BUTTE GOLF COURSE, RIVER’S EDGE NATURAL AREA AND VIESTENZ-SMITH MOUNTAIN PARK

WHEREAS, the City has received reserved funds not anticipated or appropriated at the time of the adoption of the City budget for 2014; and

WHEREAS, the City Council desires to authorize the expenditure of these funds by enacting a supplemental budget and appropriation to the City budget for 2014, as authorized by Section 11-6(a) of the Loveland City Charter.

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

Section 1. That reserves in the amount of \$250,000 from unreserved fund balance in the General Fund 100, \$162,500 from unreserved fund balance in the Open Space fund 202, and \$87,500 from unreserved fund balance in the Golf Enterprise Fund are available for appropriation. Such reserves in the total amount of \$500,000 are hereby appropriated and transferred to the Capital Project Fund 120 for engineering work to develop river modeling along the river reaches of the Morey Wildlife Reserve/Mariana Butte Golf Course, the River’s Edge Natural Area and the Viestenz-Smith Mountain Park. The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:

**Supplemental Budget
General Fund 100**

Revenues		
Fund Balance		250,000
Total Revenue		250,000
Appropriations		
100-91-999-0000-47120	Transfer to Capital Projects Fund	250,000
Total Appropriations		250,000

**Supplemental Budget
Capital Projects Fund Fund 120**

Revenues		
120-00-000-0000-37100	Transfer from General Fund	250,000
120-00-000-0000-37202	Transfer from Open Space Fund	162,500
120-00-000-0000-37375	Transfer from Golf Enterprise Fund	87,500
Total Revenue		500,000
Appropriations		
120-23-280-0000-49352	Engineering	500,000
Total Appropriations		500,000

**Supplemental Budget
Open Space Fund 202**

Revenues		
Fund Balance		162,500
Total Revenue		162,500
Appropriations		
202-51-590-0000-47120	Transfer to Capital Projects Fund	162,500
Total Appropriations		162,500

**Supplemental Budget
Golf Enterprise Fund 375**

Revenues		
Fund Balance		87,500
Total Revenue		87,500
Appropriations		
375-51-510-0000-47120	Transfer to Capital Projects Fund	87,500
Total Appropriations		87,500

Section 2. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full. This Ordinance shall be in full force and effect upon final adoption, as provided in City Charter Section 11-5(d).

ADOPTED this ____ day of August, 2014.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Assistant City Attorney



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AGENDA ITEM: 9
MEETING DATE: 7/15/2014
TO: City Council
FROM: Marcie Erion, Business Development Specialist
PRESENTER: Don Fraley, Tharp Cabinet Corporation

TITLE:

1. A Resolution Approving an Incentive and Fee and Tax Waiver Agreement with Fraley Holdings Company LLC (Tharp Cabinet Corporation)
2. An Ordinance on First Reading Enacting a Supplemental Budget and Appropriation to the 2014 City of Loveland Budget to Provide Incentives to Tharp Cabinet Corporation for the Expansion of their Current Facility

RECOMMENDED CITY COUNCIL ACTION:

1. Adopt the resolution.
2. Conduct a public hearing and approve the ordinance on first reading.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

SUMMARY:

The City of Loveland is being asked to waive up to but not to exceed \$100,000 of fees and taxes based on final fee calculations provided at time of building permit issuance. The funds to backfill the Capital Expansion Fees and System Impact Fees will come out of the Economic Development Incentive Fund contingent upon City Council approval. Based on the current fee estimate, the fee waivers amount to \$40,000 with the backfill of Capital Expansion Fees and System Impact Fees in the amount of \$60,000. These figures may change based on final building plan submittal.

At the study session, June 24th, City Council indicated they would support the incentive and gave direction for Economic Development to bring the request for an official vote at a City Council meeting.

BUDGET IMPACT:

- Positive
- Negative
- Neutral or negligible

The project reduces the Economic Incentive Fund balance. The current balance is \$1,216,690.

BACKGROUND:

Tharp Cabinet Corporation is requesting fee and tax waivers, up to but not to exceed \$100,000, associated with their fifth expansion within the City of Loveland. Founded 42 years ago, Tharp Cabinet Corporation, under the current ownership of Don and Kayleen Fraley, has grown to be the largest volume custom cabinet manufacturer in Colorado and Wyoming. Since 2008, they have invested over \$2.4 million in capital equipment and facility expansions and renovations. With an increase in sales in the double digits the last several years, they anticipate a growth in full time employees from 129 to over 150 and in revenues from \$12.2 to 18.6 million over the next five years. (The job numbers have been adjusted since the study session cover sheet was submitted as Tharp has already added jobs since the letter of request was sent to the City Manager in early May.) The proposed expansion is projected to cost \$1.5 million bringing the total investment to nearly \$4 million. The construction materials and capital expenditures will be made primarily in Colorado with an anticipated \$5 million in operating expenses in direct support of local companies and vendors.

The incentive request is less than 3% of Tharp Cabinet Corporation’s total investment in the business and the community. The Economic Impact Analysis run by Chief Financial Advisor, Alan Krcmarik, yielded a net return of the investment of \$130,000, through property, use and sales taxes within five years.

Support for this incentive is consistent with the City of Loveland Economic Development Strategic Plan:

- Goal #3- “Make the Right Investment Easy to Come, Stay and Grow.”
- Action- “Continue the use of the City of Loveland Incentive Policy.”
- Action- “Develop a Business Retention Plan.”

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

1. Resolution (Exhibit A Agreement)

2. Ordinance
3. Project Checklist
4. Letter of Request from Tharp Cabinet Corporation
5. Tharp Cabinet Corporation Executive Summary
6. Economic Impact Analysis

RESOLUTION #R-44-2014**A RESOLUTION APPROVING THE FRALEY HOLDING COMPANY LLC AGREEMENT FOR FEE WAIVER AND CONSTRUCTION MATERIALS USE TAX WAIVER**

WHEREAS, Fraley Holding Company, LLC, is a Colorado limited liability company that owns certain real property and commercial improvements located at 1246 and 1140 N. Denver Avenue, Loveland, Colorado (the “Property”), which house the manufacturing and operations of Tharp Cabinet Corporation, a related entity (“Tharp Cabinet”); and

WHEREAS, Fraley plans to construct a new 15,500 square foot finished goods warehouse building on the Property at an estimated cost of approximately \$1.5M (the “Project”) for use by Tharp Cabinet; and

WHEREAS, the Project will support continued growth by Tharp Cabinet, which anticipates growth in full time employees from 129 to more than 150 and revenues from \$12.2M to \$18.6M over the next five years; and

WHEREAS, before pursuing the Project, Fraley asked the City to assist with the development of the Project by waiving building permit and capital expansion fees and the City’s construction materials use tax in connection with the Project, up to a cumulative total of not more than \$100,000.00; and

WHEREAS, waiver of building permit fees and capital expansion and system impact fees (collectively, “CEFs”) is authorized under City Code Section 16.38.070, upon a finding that such waiver is in the best interests of the public and serves a public purpose by encouraging activities that provide significant social, economic, or cultural benefits; and

WHEREAS, Section 16.38.070 further provides that, whenever any capital related CEF is waived, the City Council shall direct that the waived CEF be paid by the general fund or another appropriate fund; and

WHEREAS, City Code Section 3.16.590 provides that the City Council may grant, by resolution, a use tax credit upon a finding that such a credit will serve a public purpose, including but not limited to providing the public with significant social and economic benefits; and

WHEREAS, the Fraley Holding Company LLC Agreement for Fee Waiver and Construction Materials Use Tax Waiver attached hereto as Exhibit A and incorporated herein by reference (the “Agreement”) provides for the requested assistance; and

WHEREAS, the City Council believes that the terms of the Agreement providing assistance in the form of a waiver of permit fees and CEFs and a construction materials use tax credit to assist Fraley with Project are in the best interests of the City and serve the public purposes of producing significant social and economic benefits to the citizens of Loveland,

primarily in the form of economic development and increased assessed values for property tax purposes and sales tax revenues to 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 the assistance granted to Fraley in the Incentive Agreement in the form of a waiver of permit fees and CEFs and a construction materials use tax credit are in the best interests of the public and the City and will serve the public purposes of providing significant social and economic benefits to the citizens of Loveland, primarily in the form of jobs, economic development, and increased tax revenues.

Section 2. 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 3. That the Agreement is hereby approved subject to final approval of an Ordinance appropriating the funds required under the Agreement, and the City Manager and the City Clerk are hereby authorized and directed to execute the Agreement on behalf of the City after such an ordinance is approved by Council and becomes effective.

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


ADOPTED this 15th day of July, 2014.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Deputy City Attorney

**FRALEY HOLDING COMPANY LLC AGREEMENT FOR FEE WAIVER, AND
CONSTRUCTION MATERIALS USE TAX WAIVER**

This **AGREEMENT** is made and entered into this ___ day of ___, 2014, by and between the **CITY OF LOVELAND, COLORADO**, a home rule municipality (the “City”), and **FRALEY HOLDING COMPANY, LLC**, a Colorado limited liability company (“Fraley”).

WHEREAS, Fraley owns certain real property and commercial improvements located at 1246 and 1140 N. Denver Avenue, Loveland, Colorado (the “Property”), which house the manufacturing and operations of Tharp Cabinet Corporation, a related entity (“Tharp Cabinet”); and

WHEREAS, Fraley plans to construct a new 15,500 square foot finished goods warehouse building on the Property at an estimated cost of approximately \$1.5M (the “Project”) for use by Tharp Cabinet; and

WHEREAS, the Project will support continued growth by Tharp Cabinet, which anticipates growth in full time employees from 129 to more than 150 and revenues from \$12.2M to \$18.6M over the next five years; and

WHEREAS, before pursuing the development project, Fraley asked the City to assist with the development of the Project by waiving building permit and capital expansion fees and the City’s construction materials use tax in connection with the Project, up to a cumulative total of not more than \$100,000.00; and

WHEREAS, waiver of building permit fees and capital expansion and system impact fees (“CEFs”) is authorized under City Code Section 16.38.070, upon a finding that such waiver is in the best interests of the public and serve a public purpose by encouraging activities that provide significant social, economic, or cultural benefits; and

WHEREAS, Section 16.38.070 provides further than, whenever any capital related CEF is waived, the City Council shall direct that the waived CEF be paid by the general fund or another appropriate fund; and

WHEREAS, City Code Section 3.16.590 provides that the City Council may grant, by resolution, a use tax credit upon a finding that such a credit will serve a public purpose, including but not limited to providing the public with significant social and economic benefits; and

WHEREAS, by the adoption of Resolution #R-___-2014 (the “Resolution”), the City Council has made a finding that the terms of the this Agreement providing assistance in the form of a waiver of permit fees and CEFs and a construction materials use tax credit to assist Fraley with Project are in the best interests of the City and serve the public purposes of producing significant social and economic benefits to the citizens of Loveland, primarily in the form of economic development and increased assessed values for property tax purposes and sales tax revenues to the City; and

WHEREAS, by the adoption of the Resolution, the City Council has approved this Agreement to provide Fraley with the requested assistance on the terms and conditions provided herein.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Building Permit, CEF and Materials Use Tax Waiver

On the express condition that Fraley obtains a building permit for the Project on or before December 31, 2014, Fraley shall receive a waiver of the following fees and taxes for the Project, as authorized by City Code Sections 3.16.590 and 16.38.070, up to a cumulative total amount not to exceed One Hundred Thousand Dollars (\$100,000.00) (the "Waiver Amount"):

- a. Fees due on application for a building permit;
- b. City construction materials use taxes for the Project due on application for a building permit; and
- c. CEFs due on application for a letter of completion or certificate of occupancy.

If Fraley fails to obtain a building permit for the Project on or before the date set forth above, then the City's obligation to provide the Waiver Amount to Fraley for the Project shall expire and the City shall have no obligation to waive any fees, construction materials use tax, or CEFs due with respect to the Project. Notwithstanding the foregoing, the City Manager may, in his discretion and for good cause shown, extend the deadline set forth above by which Fraley must obtain a building permit for the Project, provided that any request for such extension shall be submitted by Fraley in writing and signed by the City Manager.

The fees and construction materials taxes waived pursuant to this paragraph 1 shall be limited to City fees and taxes and shall not include any amounts for use taxes or fees payable to Larimer County or any other taxing jurisdiction in connection with the Project.

The Waiver Amount shall be applied first to fees due on application for a building permit, second to City construction materials use taxes due on application for a building permit, and last to CEFs. Fraley acknowledges and agrees that the actual fees, CEFs, and material use taxes that will be due for the Project have not been finally determined and have been estimated on the basis of information provided to the City by Fraley. All fees, construction materials use tax and CEFs due with respect to the Project in excess of the Waiver Amount shall be paid by Fraley.

2. City Backfill of CEFs

Any portion of the Waiver Amount applied to CEFs shall be paid by the City's general fund or other appropriate fund.

3. Multi-Year Fiscal Obligation

If the City's obligation to waive CEFs as provided in Section 1 above extends beyond December 31, 2014, it may be considered a multi-year fiscal obligation under Article X, Section 20 of the Colorado Constitution and the City's Charter Section 11-6. All a multi-year fiscal obligations are subject to annual appropriation by the Loveland City Council. The City shall have no obligation for any portion of the Waiver Amount attributable to the waiver of CEVs as provided in Section 1 above if such portion of the Waiver Amount is being sought or is to be paid on or after December 31, 2014 unless the necessary appropriation has been made by the City Council to authorize payment of that portion by the general fund or other appropriate fund. However, the City agrees that the Economic Development Director shall include in the proposed annual budget and appropriation ordinances for 2015 and subsequent years, when needed, for the City Council's consideration the necessary appropriation to support the provision of any such portion of the Waiver Amount.

4. Applicable Law and Venue

This Agreement shall be governed by and enforced in accordance with the laws of the State of Colorado. In addition, the hereto acknowledge that there are legal constraints imposed upon the City by the constitutions, statutes, and rules and regulations of the State of Colorado and of the United States, and imposed upon the City by its Charter and Code, and that, subject to such constraints, the parties intend to carry out the terms and conditions of this Agreement. Notwithstanding any other provisions of this Agreement to the contrary, in no event shall any of the parties hereto exercise any power or take any action which shall be prohibited by applicable law. Whenever possible, each provision of this Agreement shall be interpreted in such a manner so as to be effective and valid under applicable law. Venue for any judicial proceeding concerning this Agreement shall be in the District Court for Larimer County, Colorado.

5. Time is of the Essence

Time shall be of the essence for the performance of all obligations under this Agreement.

6. Assignment

Fraley shall not assign or transfer any or all of its interests, rights, or obligations under this Agreement without the prior written consent of the City Council. Any such assignment or transfer without the City Council's prior written consent shall be deemed null and void and of no effect.

7. Construction

This Agreement shall be construed according to its fair meaning and as if it was prepared by both of the parties hereto and shall be deemed to be and contain the entire Agreement between the parties hereto. There shall be deemed to be no other terms, conditions, promises, understandings, statements, or representations expressed or implied, concerning this Agreement, unless set forth in writing and signed by the City and Fraley.

8. Headings

Section headings used in this Agreement are used for convenience of reference only and shall in no way define, control, or affect the meaning or interpretation of any provision of this Agreement.

9. Notices

Any written notice given under this Agreement and all other correspondence between the parties shall be directed to the following and shall be deemed received when hand-delivered or three (3) days after being sent by certified mail, return receipt requested, to the following addresses:

If to the City: Bill Cahill
 City Manager
 City of Loveland
 500 East Third Street, Suite 330
 Loveland, CO 80537

With Copy to: City Attorney
 City of Loveland
 500 East Third Street, Suite 330
 Loveland, CO 80537

If to Fraley: Fraley Holding Company LLC
 7841 Vantage View Place
 Fort Collins, Colorado 80525

Either party hereto may at any time designate a different address or person receiving notice by so informing the other parties in writing.

11. Binding Effect

This Agreement shall be binding upon and, except as otherwise provided in this Agreement, shall inure to the benefit of the successors and assigns of the respective parties hereto.

12. No Waiver

In the event the City waives any breach of this Agreement, no such waiver shall be held or construed to be a waiver of any subsequent breach hereof.

13. Severability

If any provision of this Agreement, or the application of such provision to any person, entity, or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to persons, entities, or circumstances other than those in which it was held invalid, shall not be affected.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

FRALEY HOLDING COMPANY, LLC
a Colorado limited liability company

By: 

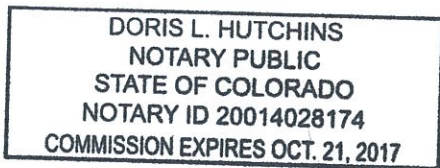
STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

The foregoing instrument was acknowledged before me this 9th day of July, 2014, by Don Fraley as manager of Fraley Holding Company, LLC, a Colorado limited liability corporation.

Witness my hand and official seal. My commission expires: 10-21-17


Notary Public

(S E A L)



CITY OF LOVELAND, COLORADO

By: _____
William D. Cahill, City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

Deputy City Attorney

STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

The foregoing instrument was acknowledged before me this ____ day of ____, 2014, by William D. Cahill as City Manager of the City of Loveland, Colorado, and by Teresa Andrews as City Clerk of the City of Loveland, Colorado.

Witness my hand and official seal. My commission expires: _____.

Notary Public

(SEAL)

FIRST READING July 15, 2014

SECOND READING _____

ORDINANCE NO. _____

AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2014 CITY OF LOVELAND BUDGET FOR INCENTIVES TO THARP CABINET CORPORATION FOR THE EXPANSION OF ITS CURRENT FACILITY

WHEREAS, the City has reserved funds not anticipated or appropriated at the time of the adoption of the City budget for 2014; and

WHEREAS, the City Council desires to authorize the expenditure of these funds by enacting a supplemental budget and appropriation to the City budget for 2014, as authorized by Section 11-6(a) of the Loveland City Charter.

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

Section 1. That reserves in the amount of \$56,570 from Unreserved Fund Balance in the Economic Incentive Fund 106 are available for appropriation. Such reserves in the total amount of \$56,570 are hereby appropriated and transferred to other funds for the amount of impact fees waived in the incentive agreement. The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:

**Supplemental Budget
Economic Incentive Fund 106**

Revenues		
Fund Balance		56,570
Total Revenue		
		56,570
Appropriations		
106-18-180-1500-47264	Transfer to Fire Capital Expansion Fee Fund	450
106-18-180-1500-47265	Transfer to Police Capital Expansion Fee Fund	750
106-18-180-1500-47268	Transfer to General Govt. Capital Expansion Fee Fund	900
106-18-180-1500-47269	Transfer to Streets Capital Expansion Fee Fund	12,720
106-18-180-1500-47300	Transfer to Water Enterprise Fund	430
106-18-180-1500-47301	Transfer to Water SIF Fund	18,390
106-18-180-1500-47302	Transfer to Raw Water Enterprise Fund	1,700
106-18-180-1500-47316	Transfer to Wasterwater SIF Fund	18,850
106-18-180-1500-47345	Transfer to Storm Water Enterprise Fund	2,380
Total Appropriations		
		56,570

**Supplemental Budget
Fire Capital Expansion Fee Fund 264**

Revenues		
264-00-000-0000-37106	Transfer from Economic Incentive Fund	450
Total Revenue		
		450

**Supplemental Budget
Police Capital Expansion Fee Fund 265**

Revenues		
265-00-000-0000-37106	Transfer from Economic Incentive Fund	750
Total Revenue		
		750

**Supplemental Budget
General Government Capital Expansion Fee Fund 268**

Revenues		
268-00-000-0000-37106	Transfer from Economic Incentive Fund	900
Total Revenue		
		900

**Supplemental Budget
Streets Capital Expansion Fee Fund 269**

Revenues		
269-00-000-0000-37106	Transfer from Economic Incentive Fund	12,720
Total Revenue		12,720

**Supplemental Budget
Water Enterprise Fund 300**

Revenues		
300-00-000-0000-37106	Transfer from Economic Incentive Fund	430
Total Revenue		430

**Supplemental Budget
Water System Impact Fee Fund 301**

Revenues		
301-00-000-0000-37106	Transfer from Economic Incentive Fund	18,390
Total Revenue		18,390

**Supplemental Budget
Raw Water Enterprise Fund 302**

Revenues		
302-00-000-0000-37106	Transfer from Economic Incentive Fund	1,700
Total Revenue		1,700

**Supplemental Budget
Wastewater System Impact Fee Fund Fund 316**

Revenues		
316-00-000-0000-37106	Transfer from Economic Incentive Fund	18,850
Total Revenue		18,850

**Supplemental Budget
Storm Water System Impact Fee Fund Fund 345**

Revenues		
345-00-000-0000-37106	Transfer from Economic Incentive Fund	2,380
Total Revenue		2,380

Section 2. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full. This Ordinance shall be in full force and effect upon final adoption, as provided in City Charter Section 11-5(d).

ADOPTED this ____ day of August, 2014.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Assistant City Attorney

City of Loveland Economic Development Policy Project Checklist			June 13-2014
Tharp Cabinet Corporation		Incentive Type:	Fee Waivers
Requirement	Meets (y/n)	Date	Details
Met with the Economic Development Manager	Y	May 8, 2014	
Letter of Intent/Request Received	Y	May 29, 2014	
Economic Impact Analysis Data Submitted	Y	May 8, 2014	
Impact Analysis shows Positive Net New Revenue	Y	May 15, 2014	
Pays 80% of Employee Health Ins. Premium	Y	May 8, 2014	
Offers Group Health Ins. Coverage to Dependents	Y	May 8, 2014	
Performance Agreement	n/a		
Minimum investment of \$500,000	Y	May 8, 2014	\$1.5 million
Net New Jobs to Loveland	Y	May 8, 2104	50
Project Budget Submitted	Y	May 8, 2014	\$1.5 million
Study Session		June 24, 2014	
Council Meeting and Approval		August 5, 2014	
Average Annual Wages Company wide	Meets (y/n)		Details
110% of Larimer County Ave Annual Wage	Y	June 16, 2014	Based on the newly released State QCEW data for 2013
120% of Larimer County Ave Annual Wage	n/a		\$48, 167
130% of Larimer County Ave Annual Wage	n/a		
140% of Larimer County Ave Annual Wage	n/a		
150% or > Larimer County Ave Annual Wage	n/a		
Encouraged but not required	Meets (y/n)		Details
Located in an Enterprise Zone	Y		1140 N. Denver Avenue
Located in Downtown Loveland			
Reuse of an existing vacant facility			
Clean Energy Company			
Health Care			
Aerospace/Aviation			
Bio-Science			
Arts/Sculpture Related			
Rocky Mountain Innovation Intiative Client			
Proposed Incentive		Not to exceed \$100,000	



Tharp Cabinet Corporation

Mr. Bill Cahill
Loveland City Manager
500 East Third Street
Loveland, Co. 80537

May 28, 2014

Dear Bill,

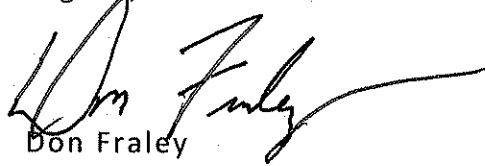
Founded 42 years ago, Tharp Cabinet Corporation has grown to be the largest volume custom cabinet manufacturer in Colorado and Wyoming. The company produces custom kitchen and bath cabinets, built-ins, wall beds, entertainment centers, closets and garage storage systems. From our state-of-the-art manufacturing plant and factory showroom, located in Loveland, CO the company serves builders, regional homebuilders, urban and resort condominium developers, various commercial clients and retail customers throughout Colorado and Wyoming using a factory direct distribution model.

Since 2008, my wife and I (Kayleen and Don Fraley- Tharp owners) have invested over \$2.4 million in new manufacturing systems, equipment, engineering and scheduling software, and expanded, reconfigured and remodeled segments of the facility to improve production flow and efficiency throughout the plant. The final investment in the five year expansion plan will be made mid 2014 for a 15,500 sq ft, \$1.5M finished inventory warehouse.

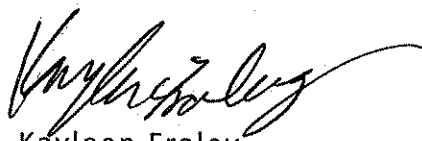
Fraley Holding Company LLC is requesting that the City of Loveland wave/reimburse up to \$100,000 in city fees, waiting on final figures, in support of the company's 42 year relationship with the City of Loveland, and its continued market share and tax base growth. This expansion will allow the company to increase its employee base from 96 to 145 full time employees and revenues from \$12.2M to 20M over the next five years (2014-2019). Attached find the executive summary which documents the investments made and our projections moving forward.

Thank you for your consideration of our request for reimbursement and support of Tharp's efforts to increase manufacturing capacities, revenues, employees, and tax base.

Regards,



Don Fraley
President
Tharp Cabinet Corp.



Kayleen Fraley
Chief Financial Officer
Tharp Cabinet Corp.



Tharp Cabinet Corporation

- Executive Summary -

City of Loveland

Loveland, Co.

May 12, 2014

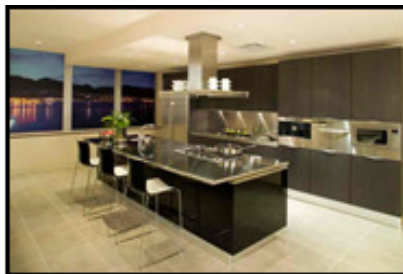
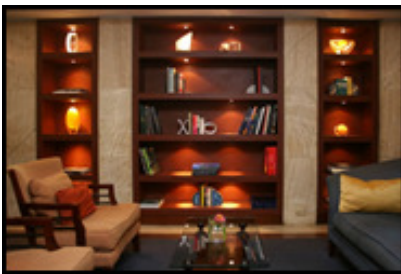
Objective:

Since 2008, the Company's owners have invested over \$2.4 million (see below) in new manufacturing systems and equipment, engineering and scheduling software, and reconfiguring and remodeling segments of the facility to improve production flow and efficiency throughout the plant. The final investment in the five year expansion plan will be made mid 2014 for a 15,500 sq ft, \$1.5M finished inventory warehouse.

Fralely Holding Company LLC is requesting that the City of Loveland wave/reimburse the \$100,000 in city fees in support of the companies 42 year relationship with the city of Loveland, and its continued market share and tax base growth. This expansions will allow the company to increase its employee base from 96 to 135 full time employees and revenues from 12.2M to 18.6M over the next five years (2014-2019). The following is an overview of the company, recent investments, and detail budgets for the new addition.

Company Overview:

Founded 42 years ago, Tharp Cabinet Corporation has grown to be the largest volume custom cabinet manufacture in Colorado and Wyoming. The company produces custom kitchen and bath cabinets, built-ins, wall beds, entertainment centers, closets and garage storage systems; all of which can be ordered in 12 hardwoods, 28 door styles, and 21 finishes.



Given the Company's advanced manufacturing technologies and vertically integrated production facility, it is able to produce built-to-order/built-to-fit custom framed cabinets in 22 days (approximately half the time of other full custom manufacturers) at mass volume production levels and prices at or below stock cabinetry. As part of its one-stop customer solution, the Company also offers a cabinet re-facing and refinishing program as well as delivery, installation, and cabinet repair services.

From its state-of-the-art manufacturing plant and factory showroom, located in Loveland, Co. the Company serves builders (regional homebuilders, urban and resort condominium developers, and various commercial clients) and retail customers (residential remodeling contractors and private homeowners) throughout Colorado and Wyoming using a factory direct distribution model.

**Support of Loveland Community:**

Tharp currently employ 116 full-time employees, and are adding to our roster weekly. Of our full-time employees, 47 show their full-time residence in Loveland, or 40.5% and we have averaged 14 additional employees per pay period from a local, Loveland-based staffing company, Resource, MFG over the past 17

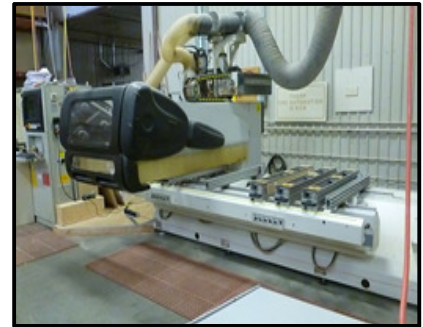
months. Our relationship with this staffing agency dates back to April 2010, with count of temporary employees as high as 22 in the past.

Our sales tax collections for the City of Loveland were nearly \$14,000 in 2013, up to \$22,000 in 2012 and nearly \$12,000 in 2011. Year-to-date, we are projecting an annual tax collection base of \$11,500.

Five Year Investment Plan Reviewed:

In 2008 following the major building sector down turn, Tharp Cabinet Corp. committed to a five year, \$3.6M investment plan. Since late 2008 over \$2.2M has been invested to the Loveland, Colorado facility. The following is a recap of the fiscal facility and equipment investments made to date:

- **Milling Department:** In 2008, Tharp spent \$815,000 purchasing equipment and making improvements to 9,000 square feet of existing storage space that was converted into a rough milling department. Today the Company mills all of its own hardwoods in-house vs. purchasing completed products from off-site, non-Loveland suppliers.
- **European Frameless Cabinets:** In 2009, Tharp streamlined its operations by consolidating its two automated panel saws and edge banding equipment, while simultaneously reorganizing raw material in the expanded panel processing department. Tharp also purchased two CNC machining centers, which allowed the Company to produce European frameless cabinetry in-house for the first time. This new capacity was key to allow Tharp to enter this new market segment.
- **Air Makeup System:** A new 30,000 CFM, 1M BTU heated air make up system was installed in 2009 to accommodate for the expansion of the finish department. The heated air makeup system insures that a positive and heated air pressure can be maintained to minimize dust and improve finishes.
- **Drawer Department:** Tharp made another significant 2009 investment in an in-house drawer department capable of manufacturing wood dovetail drawer boxes. Prior to this investments these products were purchased out of state.
- **Centralized Bag House / Environmental Initiatives:** In an effort to better service the expanded panel processing department and properly position it for a future door department, in 2010, Tharp installed a 50 HP, pulse jet central bag house and connected the new system, via duct work, to four of the plant departments
- **Engineering Office:** In order to handle the expanded number of production engineers and to streamline the movement of information, the company built a new engineering / manufacturing management office in 2011
- **Doors Department:** in 2011 Tharp leased a 6,000 square foot building to house a new door manufacturing facility, which became operational in Nov. 2011. Prior to this investment in the Loveland facility, Tharp purchased \$1.6M a year in cabinet doors purchased and shipped in from California. Today, Tharp manufactures 4,000 doors per month. .
- **Finishing Department:** Tharp's finishing department stains, seals, and adds top coat to approximately 1,300 cabinet components per month, In 2013, Tharp invested in a flat-line finish technology system that utilizes four automated computer controlled spray guns and motorized in and out feed conveyors to spray sander sealer, primers, paints, and pre-catalyzed lacquer top coat. We paid nearly \$4000 in use tax to the City on this piece of equipment alone.



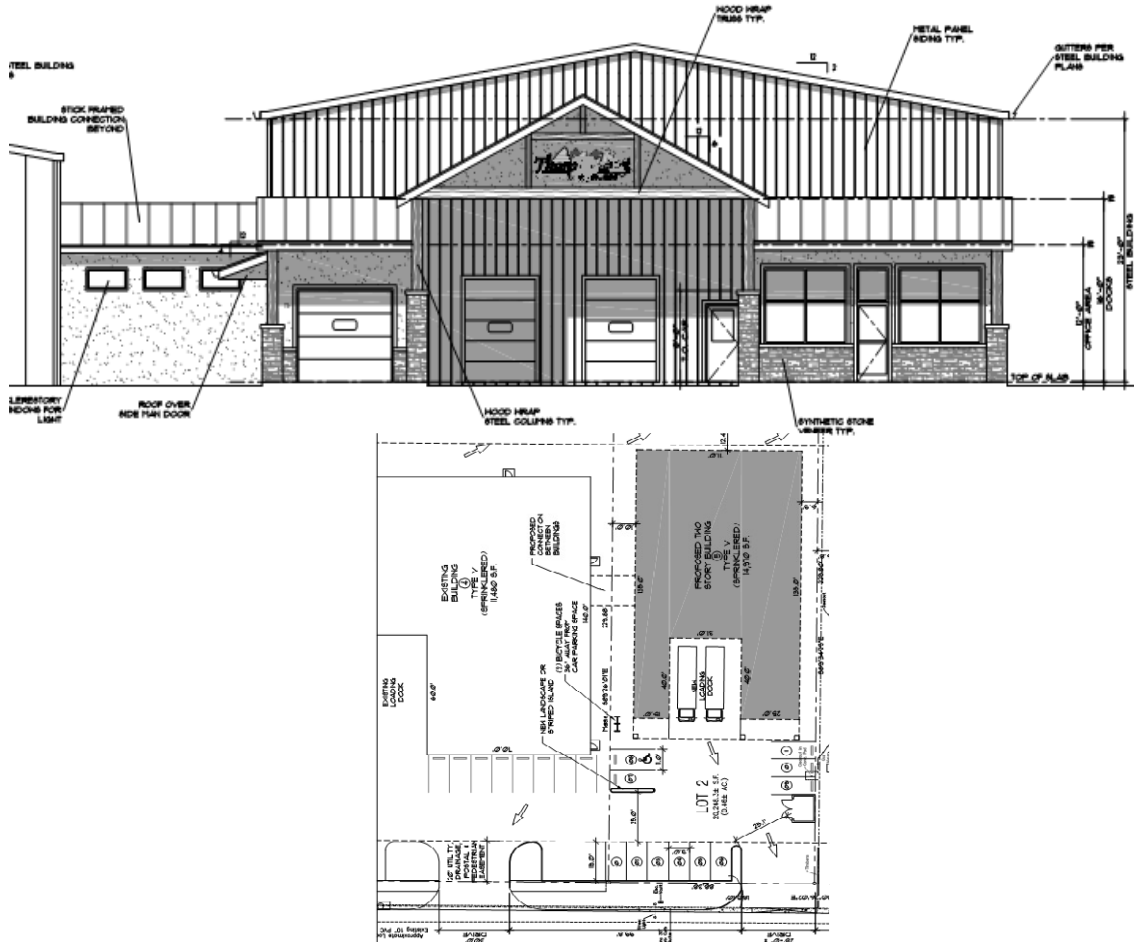
Investment	Year	Cost
Milling Department - added in-house	2008	\$815,000
Finishing Department - added air make up system	2009	\$49,000
Panel Department - added CNC point-to-point technology & frameless cabinet production	2009	\$198,000
Dovetail Drawer Department - added in-house	2009	\$64,500
Whole Plant - added central bag house / environmental improvements	2010	\$161,000
Engineering / Project Management - upgrade	2011	\$89,000
Door Department - added in-house	2011	\$496,000
Finishing Department - added automated flat line finish technology	2013	\$299,000
Total Investments		\$2,171,500

Finished Goods Warehouse project:

Tharp has secured a lease agreement to build a 15,500 square foot finished goods facility to be connected to the existing plant. This expansion to be completed in 2014 will triple the size of the completed inventory staging area which is used for consolidation of finished goods prior to delivery. When completed the expansion will allow the company to produce 295 custom cabinets per day (10-13 complete cabinet projects), or over 76,000 cabinets per year

Fraley Holding Company, LLC owns the property and has had several CRT meetings with the City of Loveland and fire department to address all set back, zoning, access, and fire rating issues. Below find the building elevation, site plan overview, and detail on the \$1.53M investment. This final investment will finish out Tharp's five year \$3.6M investment plan as outline with the city back in 2008 and detailed here-in.

The company is requesting that the City of Loveland wave/reimburse the \$100k in city and building fees for this project. Tharp Cabinet corporation is committed to increase employment from 96 employees (2013) to 135 employees by 2019 and sales revenues from \$12.2M to \$18.6M during this time period. As a point of reference, this \$100k city allowance represents less than 2.8% of Tharp's total investment.



Tharp Finished Warehouse Expansion - Budget

	DESCRIPTION OF WORK	P.S.F.	% COST	TOTAL
	BUILDING F.S.F.	15,500		
10000	CIVIL, DESIGN, STRUCTUAL ENGINEERING			\$27,500
10000	BANK LOAN, Estimates, ORGANIZATION			\$12,850
10000	CITY OF LOVELAND PERMITS AND FEES			\$100,000
10000	LAND / BUILDING SITE			\$145,750
10000	BUILDING / SITE PREP / CIVIL			\$37,500
	DESCRIPTION OF WORK	P.S.F.	% COST	TOTAL
10000	GENERAL CONDITIONS - Interior Design, Site Labor, Clean up, Eng.	\$5.77	7.44%	\$89,415
20000	EXISTING CONDITIONS/SITWORK	\$2.02	2.60%	\$31,250
30000	CONCRETE	\$7.29	9.40%	\$112,985
40000	ASPHALT PAVING	\$2.36	3.05%	\$36,650
50000	MASONRY	\$0.57	0.73%	\$8,760
60000	METALS: Structural beams, chimney cap, railing	\$1.33	1.71%	\$20,575
70000	CARPENTRY - FRAMING AND FINISH WORK	\$2.89	3.72%	\$44,750
80000	THERMAL & MOISTURE PROTECTION	\$0.42	0.54%	\$6,500
90000	Metal Building / Erection	\$26.64	34.34%	\$412,915
100000	OPENINGS	\$2.57	3.31%	\$39,850
140000	FINISHES	\$2.35	3.04%	\$36,500
150000	SPECIALTIES	\$0.31	0.39%	\$4,735
160000	CONVEYING / Elevator EQUIPMENT	\$3.65	4.70%	\$56,500
170000	MECHANICAL	\$5.51	7.11%	\$85,452
180000	ELECTRICAL SYSTEMS	\$5.96	7.68%	\$92,406
190000	ALLOWANCES	\$1.58	2.04%	\$24,500
200000	CONTRACTORS OVERHEAD & PROFIT	\$2.73	3.52%	\$42,350
210000	SUBTOTAL DIRECT JOB COST	\$76.36	98.42%	\$1,183,593
LIABILITY AND BUILDERS RISK INSURANCE			0.80%	\$6,500
CONTRACTORS CONTINGENCY			1.00%	\$12,500
PROJECTED CONSTRUCTION BUDGET		\$77.59	100.00%	\$1,202,593
Estimated Building Cost (material, delivery, erection)		\$ per sf	total sf	
		\$77.59	15,500	
TOTAL PROJECT COST:		\$98.46	sq. ft.	\$1,526,193

D. Fraley: May 12, 2014

EIA For Tharp Expansion

II.

	2014	2015	2016	2017	2018	2019	2020	Assumptions
Property Tax		4,165	12,620	12,746	12,874	13,002	13,132	\$50 per s.f. 91,000 s.f. \$4,550,000 0.29 assessment rate
		\$55,407 for 2015 to 2019						\$1,319,500 Assessed Value
		\$68,539 for 2016 to 2020						\$1,319.50 per mil 9.564 City mil levy \$12,619.70

Use Tax on Construction materials

\$29,250

III. Furniture

Sales or Use Tax on furniture

\$1,275 over five years

Sales Tax Computer Equipment

\$270 over five years

Sales Tax Manufacturing Equipment

\$3,435 over five years

IV.

	2014	2015	2016	2017	2018	2019
Employment	12,896	13,347	13,815	14,298	14,798	
	11	8	7	7	3	
Taxable wages	141,856	106,779	96,702	100,086	44,395	
Sales tax	4,256	3,203	2,901	3,003	1,332	
Loveland Capture at 30%	1,277	961	870	901	400	
Cumulative capture	1,277	2,238	3,108	4,009	\$4,408	

Materials at Loveland location

	2014	2015	2016	2017	2018	2019
	3,600,000	3,960,000	4,356,000	4,574,000	4,800,000	
Buy 20% in Loveland	720,000	792,000	871,200	914,800	960,000	
Apply 3% use tax ???	21,600	23,760	26,136	27,444	28,800	
Cumulative	21,600	45,360	71,496	98,940	127,740	
How much subject to sales or use tax or exempt	4,320	9,072	14,299	19,788	\$25,548	

Total of
Highlighted
above

\$129,290

Visitor Information

	2014	2015	2016	2017	2018	2019
Total visitors	620	620	620	620	620	
Daytrippers spending	22,382	22,718	23,058	23,404	23,755	
Overnighters spending	31	31	31	31	31	
Sales tax	4,278	4,342	4,407	4,473	4,541	
Lodging Tax	2,945	2,989	3,034	3,080	3,126	
Sales & Lodging Tax	217	220	223	227	230	
Cumulative	217	437	660	886	\$1,116	



CITY OF LOVELAND
WATER & POWER DEPARTMENT
 200 North Wilson • Loveland, Colorado 80537
 (970) 962-3000 • FAX (970) 962-3400 • TDD (970) 962-2620

AGENDA ITEM: 10
MEETING DATE: 7/15/2014
TO: City Council
FROM: Chris Matkins, Water Utilities Manager
 Jim Lees, Utility Accounting Manager
 Roger Berg, Senior Civil Engineer
 Alan Krcmarik, Executive Fiscal Advisor
 Steve Adams, Water and Power Director
PRESENTERS: Chris Matkins, Water Utilities Manager
 Jim Lees, Utility Accounting Manager

TITLE:

1. A Resolution Concerning Funding for the Water Enterprise to Improve the Water Treatment Plant
2. Public Hearing and First Reading of an Ordinance enacting a supplemental budget and appropriation to the 2014 City of Loveland Budget for the Water Treatment Plant Expansion Project and Repair of Water Lines Damaged in the 2013 Flood

RECOMMENDED CITY COUNCIL ACTION:

Adopt the resolution and ordinance.

OPTIONS:

1. Adopt Option 1 as recommended
2. Adopt Option 2
3. Adopt Option 3
4. Deny the action
5. Adopt a modified action (specify in the motion)
6. Refer back to staff for further development and consideration
7. Adopt a motion continuing the item to a future Council meeting

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

Part of this supplemental appropriation is simply to move expenditures forward from 2015 and 2016 into 2014 in order to award the construction and services during construction contracts for the water treatment plant (WTP) expansion project, but another part is to address an increase in the cost of this project, which reduces the flexibility to fund other projects.

SUMMARY:

This is an administrative action. Because of construction bids coming in higher than expected for the WTP expansion project and because of uncertainty regarding when the Water Utility will be reimbursed by FEMA and the State for costs associated with the Flood of 2013, there is a need to appropriate more funding in order to award the contracts for construction and services during construction for the WTP expansion project. Staff is proposing to add to the \$9.865 million fund balance included in the 2014 budget by appropriating additional revenue from three sources: a) the available balance on the previously authorized \$10 million loan from Wells Fargo (approximately \$9.9 million); b) an internal loan from the Raw Water Utility in the amount of \$13 million; and c) a new external borrowing sufficient to provide net loan proceeds that range from zero to \$2.3 million.

BACKGROUND:**Water Treatment Plant Expansion Project**

To increase water treatment production capacity from 30 million gallons per day (MGD) to 38 MGD, Water Utility staff has managed the design and bid of an expansion project. This project will also provide a significant increase in reliability for key treatment processes including chemical dosing and storage, sedimentation, filtration, and solids handling. During design, the City secured the services of an independent contractor to perform continuous constructability review on the design. It is estimated that the City saved several hundred thousand dollars during this review process. It is anticipated that Council will be awarding the construction contract for expansion of the WTP at its regular meeting on August 5, 2014. In order to be in compliance with the City Charter and Code, there must be adequate fund balance available in the Water Utility Fund (both the Unrestricted Fund and the System Impact Fee (SIF) Fund) to cover the full amount of the contract. In the 2014 budget, a total of \$9.165 million had been budgeted for the construction portion of the WTP expansion project and \$700,000 has been budgeted for services during construction. The construction bids for the project were opened on June 12, 2014, and the bids came in at \$4.655 million higher than the most recent engineer estimate. This is due largely to market forces and resulting increases in construction costs in the region. Staff believes the most significant drivers include:

1. General construction activities in Colorado have increased significantly, which pressures the general construction labor market. This includes increased home building, post-2013 Flood recovery construction, and oil and gas construction. These activities have resulted in demands for construction labor that appear to be putting pressure on available resources, and driving costs higher.
2. Materials used in construction, including concrete, have increased significantly in cost.
3. Contractors are busy, and becoming more selective in the bidding on work. Despite prequalifying six firms, the City received bids from only two firms (Hydro Construction and Moltz Construction) on this large project.

This project was bid as a lump sum, with a bid alternate. The bid alternate (“Soda Ash System”) features an improvement to the post-treatment chemical dosing system that doesn’t affect the scope of the project. However, it offers a higher degree of chlorine residual reliability. This was incorporated into the design, under the assumption that favorable bids would allow this work to be added within the original budget. Because the bids exceed the original budget, the Soda Ash alternate is not recommended by staff and does not appear in any of the three options discussed below.

To further mitigate the impact of the higher-than-expected project bids (and attempt to reduce the project cost to approach the budget), staff has worked with the design engineer (CH2MHill) and the apparent low bidder (Moltz Construction) to develop three options for Council’s consideration. Each option offers a reduction in the project cost, with a corresponding reduction in the project scope. Option 1 (recommended) offers a modest reduction in cost, but preserves the integrity and scope of the project. Options 2 and 3 further reduce the cost, but greatly reduce the integrity and scope of the project. While Options 2 and 3 upgrade most unit processes to 38 MGD, overall WTP is limited to 30 MGD until 2021, when revenues will allow for completion of the solids handling improvements. These improvements will enable the overall WTP capacity to reach 38 MGD.

It is worth noting that the series of rate increases adopted by Council as a part of the Water Utility Financing Program in March, 2013 is projected to generate sufficient revenue to fund all three of these options.

Option 1: Award base bid, reject Soda Ash alternate, incorporate sensible value engineering deducts, but maintain goal of 38 MGD capacity. Expected construction costs would be as follows:

Total Bid Amount	\$ 24,374,213
Delete Soda Ash Alternate	(\$ 660,213)
Value Engineering Deducts	(\$ 400,000) preliminary estimate
<u>Subtotal</u>	<u>\$ 23,314,000</u>
<u>Contingency</u>	<u>\$ 500,000</u>
Total Construction Cost	\$ 23,814,000

With a total construction budget of \$23.814 million, a supplemental budget appropriation of \$14.649 million (\$23.814 million less \$9.165 million) will be needed to cover the full construction contract. With this option, the Unrestricted Fund Balance for the Water Utility is projected to fall short of the target of 15% of operating expenses by \$2.3 million in 2017. A potential way to address that shortfall would be to increase the loan amount from Wells Fargo from \$10 million to \$12.3 million.

The Pros for Option 1 (additional external loan of \$2.3 million) are:

- 1) Achieves goal of increasing plant capacity from 30 to 38 MGD

- 2) Allows City to meet future peak demands without imposing watering restrictions
- 3) Maintains quality and intent of the original design

The Cons for Option 1 are:

- 1) Rejecting the Soda Ash alternate will require that we continue to invest money into the existing 32-year-old system to keep it in service. The existing system is near the end of its useful life.
- 2) Installing a new Soda Ash system will be required at some point in the future and it will likely cost more than the current bid price (\$660,213). Water-related construction costs are expected to increase by 5 or 6% per year, while the current cost of borrowing is approximately 3%.
- 3) Highest interest payments of the three options.

Option 2: Award reduced base bid scope by deleting sand filter drying beds and polymer building (solids handling facilities), reject Soda Ash alternate, and incorporate all reasonable value engineering deducts. This option will maintain the goal of 38 MGD of water production capacity, but will leave the solids handling facility as-is, which will not allow a full re-rating of the WTP to 38 MGD (overall rating will remain at 30 MGD until funding is available to construct the solids handling facility). Expected construction costs would be as follows:

Total Bid Amount	\$ 24,374,213
Delete Soda Ash Alternate	(\$ 660,213)
Delete Sand Filter/Polymer Bldg.	(\$ 1,000,000)
<u>Value Engineering Deducts</u>	<u>(\$ 500,000) preliminary estimate</u>
Subtotal	\$ 22,214,000
<u>Contingency</u>	<u>\$ 500,000</u>
Total Construction Cost	\$ 22,714,000

With a total construction budget of \$22.714 million, a supplemental budget appropriation of \$13.549 million (\$22.714 million less \$9.165 million) will be needed to cover the full construction contract. With this option, the Unrestricted Fund balance for the Water Utility is projected to fall short of the target of 15% of operating expenses by \$1.2 million in 2017. A potential way to address that shortfall would be to increase the loan amount from Wells Fargo from \$10 million to \$11.2 million.

The Pros for Option 2 (additional external loan of \$1.2 million) are:

- 1) Reduces interest payments from Option 1.
- 2) Includes major facilities needed to achieve water production capacity of 38 MGD (but overall WTP rating will remain at 30 MGD).

The Cons for Option 2 are:

- 1) Does not achieve the goal of increasing overall WTP capacity to 38 MGD due to deletion of sand filter drying beds and polymer building.
- 2) WTP staff will continue to struggle with solids handling or have to find alternative ways of dealing with solids.
- 3) Reduces the quality of certain items to save cost (hollow metal doors instead of fiber reinforced plastic (FRP), recycled asphalt surface instead of hot mix pavement, etc.).
- 4) Delaying items to a future date will likely result in a higher cost for those items (Soda Ash system, sand drying beds, polymer building).
- 5) Does not allow the City to meet future peak demands without imposing watering restrictions, until the solids handling facilities are constructed.

Option 3: Award reduced base bid scope by deleting the sand filter drying beds and polymer building, reduce the size of the West Chemical Building (redesign), reject Soda Ash alternate, and incorporate all reasonable value engineering deducts. This option could result in water production capacity of 38 MGD, but will leave the solids handling facility as is, which will effectively keep the overall WTP rating at 30 MGD. Expected construction related costs would be as follows:

Total Bid Amount	\$ 24,374,213
Delete Soda Ash Alternate	(\$ 660,213)
Delete Sand Filter/Polymer Bldg.	(\$ 1,000,000)
Reduce Chemical Building	(\$ 1,700,000) target reduction
<u>Value Engineering Deducts</u>	<u>(\$ 500,000) preliminary estimate</u>
Subtotal	\$ 20,514,000
<u>Contingency</u>	<u>\$ 500,000</u>
Total Construction Cost	\$ 21,014,000

With a total construction budget of \$21.014 million, a supplemental budget appropriation of \$11.849 million (\$21.014 million less \$9.165 million) will be needed to cover the full construction contract. With this option, the Unrestricted Fund Balance for the Water Utility is projected to stay above the target of 15% of operating expenses through 2017. Therefore, there would be no need to increase the loan amount from Wells Fargo from \$10 million.

The Pros for Option 3 (no additional loan necessary) are:

- 1) No additional borrowing required (lowest interest payments).
- 2) Might be able to increase water production capacity to 38 MGD (but overall plant rating will remain at 30 MGD).

The Cons for Option 3 are:

- 1) Does not achieve the goal of increasing overall plant capacity to 38 MGD due to deletion of sand filter drying beds and polymer building.
- 2) WTP staff will continue to struggle with solids handling or have to find alternative ways of dealing with solids.
- 3) Reduces quality of certain items to save cost (hollow metal doors instead of fiber reinforced plastic, recycled asphalt surface instead of hot mix pavement, etc.).
- 4) Delaying items to a future date will likely result in a higher cost for those items.
- 5) Reducing the chemical building size will require a significant redesign effort (which will cost at least \$50,000), and could require the City to rebid the project. This could significantly delay the project and possibly drive the price up even more due to the very competitive bidding climate.
- 6) Does not allow the City to meet future peak demands without imposing watering restrictions, until the solids handling facilities are constructed.

External Loan Financing Options

In March of 2013, City Council approved a financing plan for the Water Utility that included a series of rate increases over a 10-year period, a \$6 million internal loan from the Power Utility and a \$10 million external loan, which has since been secured from Wells Fargo. The two major projects that were to be funded from this financing plan were \$6 million of water line replacements or rehabilitation and the expansion of the WTP, which, at that time, was projected to cost \$21 million. It was anticipated that the existing Water Utility fund balance plus rate increase revenue plus the \$6 million and \$10 million loans would provide sufficient revenue to complete the projects.

A fair question to pose is: since March of 2013, what has transpired that has generated the need for an additional \$13 million internal loan from Raw Water and up to an additional \$2.3 million from an external loan? The answer is two-fold: the WTP expansion project is now carrying a total project cost of \$26.8 million for Option 1 (\$23.8 million for construction, \$1.7 million for design and \$1.3 million for services during construction), for a difference of \$5.8 million. The 2013 Flood expenses are projected to be \$9-\$10 million for the Water Utility this year with no reimbursements from FEMA and the state expected until 2015. This combined \$14.8-\$15.8 million hit to fund balance is what is creating the need for the \$13 million and \$2.3 million loans. Both of these loans are designed to be available immediately to allow for contract award and then to function like lines of credit where they would only be drawn upon when needed based upon actual cash flow needs. The existing rate track will support the \$15.3 million of borrowing that is proposed here. Looking at this another way, if the bids had come in more in line with the \$21 million estimate and if the 2013 Flood had not occurred, it is possible that no additional borrowing would be necessary at this time.

In July of 2013, the City and the Water Enterprise secured \$10 million of external financing through an agreement with Wells Fargo Bank. Wells Fargo was selected through an extensive competitive process that took several weeks. The terms of the financing were very favorable to the City and the Water Enterprise. The interest rate was set at 3.19% over a 20-year term. Other banks were unable to reach the desired 20-year term. The City negotiated a unique structure for the financing. The \$10 million of proceeds is structured to work like a line of credit. When the proceeds of the financing are needed they can be drawn up. Until they are drawn, no interest will be due to Wells Fargo. The Water Utility engineering staff plans to draw the external financing money at the final stages of the construction of the WTP expansion project. This line of credit and delayed draw strategy is projected to save interest costs of two years, or approximately \$630,000.

Staff members have been in contact with Wells Fargo, which has indicated that it would be willing to provide additional funding for the project on similar “line of credit” terms. Wells Fargo indicated that the documents for the external financing should be in the same format as the transaction completed in 2013, which should lead to a quick turnaround for legal review and perhaps some issuance cost savings. While interest rates are not final, the early indications are that the additional money from Wells Fargo would carry a lower interest rate than the 2013 transaction. For purposes of illustration, the interest rate for Options 1 and 2 has been estimated at 3.0%. This rate is subject to changes in the bond markets.

Option 1: An additional \$2.3 million from Wells Fargo Bank through a line of credit loan

Amount of funds needed for the Expansion Project:	\$2,300,000
Issuance Costs:	53,250
Total Amount of External Financing:	\$2,353,250
Annual Payment:	\$171,105
Total Interest Cost over 20-year payment period:	\$726,585

Based on a review of the Water Utility 10-year financial plan and projected rate increases approved by Council, there is sufficient projected revenue each year to meet the repayment requirements of the \$2,353,250 million external financing.

Option 2: An additional \$1.2 million from Wells Fargo Bank through a line of credit loan

Amount of funds needed for the Expansion Project:	\$1,200,000
Issuance Costs:	50,500
Total Amount of External Financing:	\$1,250,500
Annual Payment:	\$90,925
Total Interest Cost over 20-year payment period:	\$386,100

Similar to the findings for Option 1 and based on a review of the Water Utility 10-year financial plan and projected rate increases approved by Council, there is sufficient projected

revenue each year to meet the repayment requirements of the \$1,250,500 external financing.

Staff recommends using Wells Fargo for the source of external financing proceeds for three reasons:

1. The line of credit structure provides considerable flexibility to the project manager and Water Utility financial staff to use the proceeds of the external loan to minimize interest costs of the financing. This structure was not offered by other banks.
2. The time to market and access to external proceeds is efficient as the legal documents for the 2013 \$10 million loan can be adapted for the supplementary loan funding.
3. Wells Fargo construction management staff will be exercising some project monitoring as the project progresses; having an additional external source (another bank) would likely entail additional monitoring and increase administrative cost.

In conjunction with the supplemental budget appropriation for construction, for services during construction, there is \$700,000 budgeted in 2014 and another \$700,000 was projected to be spent in 2015. The anticipated contract amount is for \$1.3 million, therefore, a supplemental budget appropriation of \$600,000 of 2015 expenditures to be moved forward to 2014 is requested to cover the award of the full services during construction contract.

Recently Discovered Flood Damage

In addition to the supplemental budget appropriation for the WTP expansion project, staff is requesting a supplemental budget appropriation of \$1.5 million to repair some water lines that were damaged in the 2013 Flood, which damage was recently discovered. Several months after the 2013 Flood (after the river levels receded), the Water Utility exposed the existing 20" and 36" water transmission lines adjacent to the river in several locations west of Glade Road to determine if they were damaged by the Flood and to see if they still had adequate cover over the top of the pipes. Staff determined that two 20" and two 36" river crossings were left with a minimal amount of cover (6" to 18"). This is well below the current design standard of 5' and leaves our transmission lines susceptible to future high flow events and channel scouring. Also, it appears that excessive flows during the Flood eroded all of the cover off of the 36" steel pipe in one location and allowed sand and rocks to "sandblast" the exterior of the pipe which removed the protective coating. Without a coating, this pipe will quickly rust, develop leaks, and eventually fail. The proposed project includes installing new pipe at all four locations in a concrete encasement, with at least 5' of cover to protect it from future flood events. The total estimated project cost is \$1.5 million. While this work is eligible for typical FEMA reimbursement, the Utility must provide funding for the project upfront, until such time that the FEMA payments are delivered to the City.

FEMA Reimbursement Delay

The fund balance in the Water Utility is also being challenged by the fact that \$4.8 million has been spent on projects related to Flood recovery. However, to this point, no reimbursements from FEMA or the state have been received. It is projected that these expenses will be \$9-\$10 million by the end of 2014, with no reimbursements expected this year. The Water Utility is or will be eligible to receive approximately \$8 million of reimbursements.

Raw Water Loan Repayment

It is critical that the \$13 million loan from the Raw Water Utility be paid back by 2017, because that is the year where construction on the Chimney Hollow Reservoir is scheduled to be awarded and begin. The \$13 million will be needed in the Raw Water fund balance in order to commit a projected \$22.0 million for Loveland's share of the total construction cost. The \$13 million loan is projected to be paid back to the Raw Water Utility from the following three sources:

- 1) \$8 million from FEMA and the state for 2013 Flood reimbursements
- 2) \$2.3 million from the additional external loan, which is needed to show as committed in 2014 to award the contract, but projected to actually be drawn in 2017. This loan will be paid back over 20 years out of revenues generated by rates
- 3) \$2.7 million from Water SIF revenues and fund balance in excess of expenditures through 2017

The combined impact of the WTP expansion project cost increase, the hole created by the delay in Flood of 2013 reimbursements and the recently discovered flood damage is proposed to be addressed from a funding standpoint with three solutions:

- 1) A supplemental budget appropriation for revenue from the Water Utility loan proceeds from Wells Fargo in the amount of \$9.9 million. The total loan amount is \$10 million, and \$100,000 of the loan was drawn in 2013.
- 2) A supplemental budget appropriation for revenue from a short-term loan from the Raw Water Utility to the Water Unrestricted Fund of \$5 million and to the Water SIF Fund of \$8 million, for a total loan of \$13 million. This loan will be paid back in 2017, when the Raw Water Utility will need the funds to pay for the construction portion of the Chimney Hollow Reservoir. The loan will also be structured so that funds will only be drawn from the Raw Water Utility if they are needed.
- 3) A supplemental budget appropriation for revenue from an additional loan (line of credit) from Wells Fargo for \$2.3 million (Option 1) or \$1.2 million (Option 2). Option 3 does not require any additional borrowing.

On the expense side, the necessary actions would be:

- 1) A supplemental budget appropriation for the WTP expansion project construction of \$5,859,600 or \$5,419,600 or \$4,739,600 in Water Unrestricted capital expenditures and \$8,789,400 or \$8,129,400 or \$7,109,400 in Water SIF capital expenditures, depending on whether option 1, 2 or 3, respectively, is selected
- 2) A supplemental budget appropriation for the WTP expansion project services during construction of \$240,000 in Water Unrestricted capital expenditures and \$360,000 in Water SIF capital expenditures
- 3) A supplemental budget appropriation for repairs of the recently discovered 2013 Flood damage of \$1.5 million in Water Unrestricted capital expenditures.

Staff recommends Option 1, despite the additional loan money necessary to award. While Options 2 and 3 will increase the WTP's reliability and increase the capacity of key treatment processes, these options will not immediately increase the overall regulatory rated capacity of the WTP. Subsequent construction projects would be required for both Options 2 and 3 to fully gain rated treatment capacity. For the additional \$2.3 million of borrowing required by Option 1, the WTP's rated overall capacity would increase from 30 MGD to 38 MGD by 2016.

Attached for Council's consideration are an ordinance that provides the supplemental appropriations of both revenue and expense associated with the Water Treatment Plant expansion project and the recently discovered 2013 Flood damage and a resolution that authorizes both the Raw Water and additional external loan. The PowerPoint presentation that Staff will be presenting at the meeting is also attached.

REVIEWED BY CITY MANAGER:

William D. Cahill

LIST OF ATTACHMENTS:

- 1) Resolution
- 2) Ordinance
- 3) PowerPoint Presentation

RESOLUTION #R-45-2014**A RESOLUTION CONCERNING FUNDING FOR THE WATER ENTERPRISE TO IMPROVE THE WATER TREATMENT PLANT**

WHEREAS, on March 5, 2013 by Resolution #R-16-2013, the City Council approved a plan to secure adequate funding from a combination of sources for the City's Water Utility to make infrastructure improvements, including improvements to the City's water treatment plant and a comprehensive water line replacement program (the "Water Utility Financing Plan"); and

WHEREAS, on June 12, 2014, the Water Utility received competitive bids to construct the water treatment plant portion of the Water Utility Financing Plan, and those bids were higher than projected and in excess of amounts appropriated by Council in the Water Enterprise fund; and

WHEREAS, the City Charter at Section 11-6(b) and the City Code at Section 3.04.060 prohibit the City from entering into a contract to expend money in excess of amounts appropriated by Council; and

WHEREAS, following the September 2013 Flood, the Water Utility incurred significant, unanticipated expenses and found it necessary to use reserve funds previously available for the water treatment plant construction project; and

WHEREAS, the Water Utility anticipates reimbursement of said expenses by the Federal Emergency Management Agency, but the delay in reimbursement has resulted in the need for additional funds from other sources; and

WHEREAS, Council desires to secure adequate funding, through internal and external borrowing, for the Water Utility to enter into the contract to construct the water treatment plant; and

WHEREAS, the City's Raw Water Enterprise has adequate reserve funds that are not needed for any near-term raw water projects and are available to fund a loan to the Water Enterprise; and

WHEREAS, Council desires to authorize an interfund loan from the Raw Water Enterprise to the Water Enterprise; and

WHEREAS, the City Charter at Section 13-3(b) provides that loans from one utility account to another shall be allowed with Council's approval, but shall require the affirmative vote of a majority of the entire Council; and

WHEREAS, Council desires to direct the City Manager to secure additional funds needed to fund the water treatment plant construction contract through external borrowing as more specifically described below.

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

Section 1. That Council hereby authorizes and approves the Raw Water Enterprise loaning to the Water Enterprise in 2014 Thirteen Million Dollars (\$13,000,000) to be repaid by the Water Enterprise to the Raw Water Enterprise in three annual principal and interest payments with the interest to be determined and accrue at the variable rate and in the manner required by Loveland Municipal Charter Section 13-3(b).

Section 2. That Council hereby directs the City Manager to secure for the City Council's future consideration and approval as the Board of the City's Water Enterprise a twenty-year amortized loan from an external source (or sources) to the Water Enterprise, on the most advantageous terms available as determined by the City Manager, in consultation with the City Attorney and the City's Executive Fiscal Advisor, in the principal amount necessary to pay all financing costs and establish any required reserves to achieve net loan proceeds of Two Million Three Hundred Thousand Dollars (\$2,300,000).

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

ADOPTED this 15th day of July, 2014.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Assistant City Attorney

FIRST READING July 15, 2014

SECOND READING _____

ORDINANCE NO. _____

AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2014 CITY OF LOVELAND BUDGET FOR THE WATER TREATMENT PLANT EXPANSION PROJECT AND REPAIR OF WATER LINES DAMAGED IN THE 2013 FLOOD

WHEREAS, the City has received and/or reserved funds not anticipated or appropriated at the time of the adoption of the City budget for 2014; and

WHEREAS, the City Council desires to authorize the expenditure of these funds by enacting a supplemental budget and appropriation to the City budget for 2014, as authorized by Section 11-6(a) of the Loveland City Charter.

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

Section 1. That \$13,000,000 in the Raw Water Enterprise Fund 302 is available for appropriation in accordance with Resolution #R-_____-2014 and hereby appropriated from the undesignated fund balance as an intrafund loan in the amount of \$5,000,000 to the Water Enterprise Fund 300 and \$8,000,000 to the Water System Impact Fee Enterprise Fund 301 (“Intrafund Loan”).

Section 2. That revenues and/or reserves in the amount of \$17,200,000 comprised of loan proceeds and \$5,000,000 of the Intrafund Loan in the Water Enterprise Fund 300 and \$9,149,400 comprised of the fund balance and \$8,000,000 of the Intrafund Loan in the Water System Impact Fee Enterprise Fund 301 are available for appropriation. Such revenue and reserves in the total amount of \$16,749,000 are hereby appropriated for the water treatment plant expansion project and repair of water lines damaged in the 2013 Flood as follows: \$7,599,600 from the Water Enterprise Fund 300; and \$9,149,400 from the Water System Impact Fee Enterprise Fund 301.

The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:

Water Enterprise Fund 300

Revenues

300-45-301-2900-33019	Loan proceeds	12,200,000
300-00-000-0000-37302	Transfer from Raw Water	5,000,000

Total Revenue 17,200,000

Appropriations

300-46-318-2902-49360-W1300D	Construction	5,859,600
300-46-318-2902-49352-W1300D	Engineering	240,000
300-46-310-2903-49360	Construction	1,500,000

Total Appropriations 7,599,600

**Supplemental Budget
Water SIF Enterprise Fund 301**

Revenues

Fund Balance		1,149,400
300-00-000-0000-37302	Transfer from Raw Water	8,000,000

Total Revenue 9,149,400

Appropriations

301-46-318-2902-49360-W1300D	Construction	8,789,400
301-46-318-2902-49352-W1300D	Engineering	360,000

Total Appropriations 9,149,400

**Supplemental Budget
Raw Water Enterprise Fund 302**

Revenues

Fund Balance		13,000,000
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Total Revenue 13,000,000

Appropriations

302-45-301-0000-47300	Transfer to Water Enterprise Fund	5,000,000
302-45-301-0000-47301	Transfer to Water SIF Fund	8,000,000

Total Appropriations 13,000,000

Section 3. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full. This Ordinance shall be in full force and effect upon final adoption, as provided in City Charter Section 11-5(d).

ADOPTED this ____ day of August, 2014.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Assistant City Attorney

Water Treatment Plant Expansion Funding Options

Chris Matkins, Water Utilities Manager

Jim Lees, Utility Accounting Manager

City Council Meeting • July 15, 2014

Requested Council Action



1. Water Treatment Plant Bid Results

- Capacity: 30 MGD to 38 MGD
- Reliability of critical processes



2. 2013 Flood

- Additional river crossings: 36" and 20"



3. Staff Recommendation

- Financing
- Schedule
- Internal and external sources of funds

Water Treatment Plant Expansion Map



Loveland Water Treatment Plant
PHASE II – Expansion Project to 38 MGD

**PHASE II New & Modified
Facilities in RED**
(Not to Scale)

4 MG Finished
Water Storage
Tank

Bid Results on Water Treatment Plant Expansion

Contractor	Base Bid	Soda Ash Alternate	Total Bid
Moltz Construction	\$23,714,000	\$660,213	\$24,374,213
Hydro Construction	\$26,800,000	\$672,000	\$27,472,000
2014 Engineer Estimate	\$18,792,000	\$927,000	\$19,719,000
Bid Difference	\$4,922,000	(\$266,787)	\$4,655,213

Driving Factors for Bid Difference:

- Material cost increases
- Labor shortages
- Colorado construction activity surge
- Scarce bidders

WTP Expansion Options

Option	1	2	3
Bid Total	\$24,374,213	\$24,374,213	\$24,374,213
- Soda Ash Bid Alternate	(\$660,213)	(\$660,213)	(\$660,213)
- Value Engineering	(\$400,000)	(\$500,000)	(\$500,000)
- Sand Filter/Polymer Bldg		(\$1,000,000)	(\$1,000,000)
- Reduce Chemical Bldg			(\$1,700,000)
Subtotal	\$23,314,000	\$22,214,000	\$20,514,000
+ <i>Contingency</i>	+ \$500,000	+ \$500,000	+ \$500,000
Total Construction Cost	\$23,814,000	\$22,714,000	\$21,014,000

Option Comparison

Option	1	2	3
Total Construction Cost	\$23,814,000	\$22,714,000	\$21,014,000
Overall Plant Rating	38 MGD	30 MGD*	30 MGD*
Additional External Borrowing	\$2.3 M	\$1.2 M	none

*Rerating to 38 MGD anticipated on 2021

+ Advantages

- Disadvantages

Option 1: 38 MGD (Staff recommendation)

- + Achieves capacity goal
- + Achieves reliability goal
- + Supports future growth
- + Current low interest rates
- + Construction inflation exceeds current borrowing rates
- + Lowest cost (time value of money)
- + Eliminates chlorine gas

- Highest interest payments

Option 2: 30 MGD* (Staff does not recommend)

- + Reduced interest payments
- + Includes major facilities needed to increase overall plant capacity and reliability
- + Eliminates chlorine gas

- Does not achieve capacity goal
- Partially achieves reliability goal
- Does not support future growth
- Reduced quality to save costs
- Delayed projects likely to cost more

Option 3: 30 MGD* (Staff does not recommend)

- + No additional borrowing required
- + Lowest interest payments

- Does not achieve capacity or reliability goals
- Does not support future growth
- Reduced quality to save costs
- Chem Building redesign & possible rebid
- May have to stay with chlorine gas system
- Highest cost (time value of money)

*Rerating to 38 MGD anticipated in 2021

Additional River Crossings: 36" and 20"



Appropriations

Revenue Appropriation

1. Wells Fargo loan: \$9.9 M
2. Raw Water loan: \$13 M
(line of credit)
3. Additional external loan:
(line of credit)
 - Option 1: \$2.3 M
 - Option 2: \$1.2 M
 - Option 3: None

Capital Expenditure Supplemental Appropriation

1. Waterline replacements (flood): \$1.5 M
2. Construction Services: \$600 K
3. WTP Expansion Construction:
 - Option 1: \$14.6 M
 - Option 2: \$13.5 M
 - Option 3: \$11.8 M

Additional loans: Due to WTP Expansion bids and FEMA/State Flood reimbursement delays

How Funding Needs Have Changed

March 2013, Council Approved:

- Series of rate increases
- \$6 M Power loan
- \$10 M external loan

Purpose:

- \$21 M WTP Expansion
- \$6 M Waterlines

Now:

- Additional \$13 M Raw Water loan
- Additional \$2.3 M external loan

Purpose:

- \$26.8 M WTP Expansion
- \$9-\$10 M of 2013 Flood expenses (2015 reimbursements)

How the \$13 M Loan from Raw Water will be Repaid by 2017

Fund Source	Amount
2013 FEMA/State	\$8 M
2017 External Loan (20 year payback)	\$2.3 M
Unspent SIF Revenues/Fund Balance	\$2.7 M
Total	\$13 M

Staff Recommendation

Option 1

- Increase WTP capacity to 38 MGD by 2016
- Does not delay key improvements
- Increases reliability of key treatment processes

Funding

Revenue Appropriation

1. Wells Fargo loan: \$9.9 M
2. Raw Water loan (line of credit) : \$13 M
3. Additional external loan (line of credit): \$2.3 M

Capital Expenditure Supplemental Appropriation

1. Waterline replacements (flood): \$1.5 M
2. Construction Services: \$600 K
3. WTP Expansion Construction Option 1: \$14.6 M (\$23.814 M - \$9.9 M)

Summary

1. Water Treatment Plant Bid Results
2. New 2013 Flood Projects: 30" & 20" River Crossings
3. Staff Recommendation
4. Questions
5. Council Action



CITY OF LOVELAND
 DEVELOPMENT SERVICES DEPARTMENT
 Civic Center • 500 East 3rd Street • Loveland, Colorado 80537
 (970) 962-2346 • FAX (970) 962-2945 • TDD (970) 962-2620

AGENDA ITEM: 11
MEETING DATE: 7/15/2014
TO: City Council
FROM: Greg George, Development Services
PRESENTER: Alison Hade, Community Partnership Office

TITLE:

1. A Resolution Approving an Affordable Housing Designation and Associated Reduction in Development Fees for a Project Known as Traditions at Loveland Senior Apartments to be Constructed on Fox Pointe First Subdivision within the City of Loveland; and
2. A Resolution Granting an Exemption from Certain Capital Expansion Fees and Other Development Fees for a Qualified Affordable Housing Development Known as Traditions at Loveland Senior Apartments.

RECOMMENDED CITY COUNCIL ACTION:

1. Adopt the resolution as presented as recommended by the Affordable Housing Commission.
2. Adopt the resolution as presented as recommended by the Affordable Housing Commission.

OPTIONS:

1. Take the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

SUMMARY:

The first Resolution is an administrative action to designate low-income senior housing (55+) in the Fox Pointe Subdivision as an affordable housing development. The second Resolution is also an administrative action. For this action, the Inland Group is requesting a waiver of capital expansion and building permit fees totaling \$947,153. None of the waived fees would require back filling from another funding source.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

If approved, the resolutions will lock fees at the 2014 rate and waive fees otherwise applicable to this development, resulting in lost fee revenue.. However, no backfilling of waived fees is required.

City staff and the Affordable Housing Commission are recommending that City Council adopt the two resolutions to allow the Inland Group to develop an affordable housing project that would provide 165 units of affordable senior housing. The total fee waiver would be \$947,153, or 62.8% of all building permit and capital expansion fees. City Code allows a waiver of up to 70% of fees for an affordable housing project. No waived fees would require back filling from another funding source. The applicant will pay the remaining fees totaling \$1,896,825.

Granting of the fee waiver would have a negative effect on future fund balances for capital expansion and building permit fees.

BACKGROUND:

The proposed affordable senior housing project, to be known as Traditions at Loveland Senior Apartments, would be located along the west side of N. Lincoln Avenue, just north of E. 33rd Street. All units will be restricted for families and individuals 55 and older and with incomes at 60% or less of the Area Median Income. The cost of the project is expected to be \$24,401,605.

Please see the City staff memo for more information about the need for affordable senior housing in Loveland and dollar amounts specific to the requested fee waiver.

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

1. Resolution approving an affordable housing designation for the Traditions at Loveland Senior Apartments
2. Exhibit A to the Resolution
3. Resolution granting an exemption from certain capital expansion and building permit fee for the Traditions at Loveland Apartments
3. Staff memo with exhibits A-C
4. Inland Group presentation slides

RESOLUTION #R-47-2014

A RESOLUTION APPROVING AN AFFORDABLE HOUSING DESIGNATION AND ASSOCIATED REDUCTION IN DEVELOPMENT FEES FOR A PROJECT KNOWN AS TRADITIONS AT LOVELAND SENIOR APARTMENTS TO BE CONSTRUCTED ON FOX POINTE FIRST SUBDIVISION WITHIN THE CITY OF LOVELAND

WHEREAS, Inland Group has a contract to purchase that real property legally described as **Fox Point Subdivision, City of Loveland, County of Larimer, State of Colorado** (the “Property”); and

WHEREAS, Inland Group intends to build on the Property a multifamily development known as Traditions at Loveland Senior Apartments (the “Project”) to consist of 165 rental units, 100% of which will be leased to senior (age 55 and older) households with incomes at or below 60% of the area median income; and

WHEREAS, on April 28, 2014, Inland Group filed with the City’s Community Partnership Office an application for designation of the Project as an affordable housing development, a copy of which is attached hereto as Exhibit A and incorporated herein by reference (the “Application”); and

WHEREAS, City Code Section 16.43.035 requires that all applications for designation of a housing development as affordable shall be submitted to the City’s Affordable Housing Commission for review and recommendation to City Council, and Council shall review such applications and make the final determination to approve, approve with conditions, or deny such applications by resolution; and

WHEREAS, on June 12, 2014, the Affordable Housing Commission considered the Application and unanimously voted to recommend that Council approve Inland Group’s request to designate the Project as an affordable housing development; and

WHEREAS, Council has reviewed Inland Group’s Application and the Affordable Housing Commission’s recommendation and desires to designate the Project as an affordable housing development.

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

Section 1. That the Project, to consist of 165 rental units, 100% of which shall be leased to households with incomes at or below 60% of the area median income, is hereby designated as an affordable housing development under Code Section 16.43.035 and shall be eligible for the associated reduction in development fees to the extent set forth in Code Section 16.38.085 and the calculation of development fees at the lower of the rate in effect as of the date of this Resolution, as adjusted, or the date on which fees are paid.

Section 2. That the reduction in and calculation of development fees set forth in Section 1 hereof shall be conditioned upon the City, through its City Manager, and Inland Group entering into a development agreement, which shall provide that Inland Group shall construct the Project to consist of 165 rental units, 100% of which shall be leased to households with incomes at or below 60% of the area median income, as well as such other conditions as the City Manager deems necessary.

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

ADOPTED this 15th day of July, 2014.

Cecil A. Gutierrez, Mayor

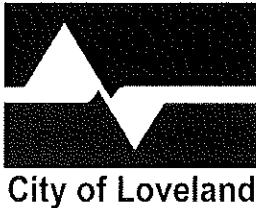
ATTEST:

City Clerk

APPROVED AS TO FORM:



Assistant City Attorney



COMMUNITY PARTNERSHIP OFFICE
 Civic Center • 500 East Third Street • Loveland, Colorado 80537
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**CITY OF LOVELAND
 APPLICATION FOR QUALIFICATION
 AFFORDABLE HOUSING DESIGNATION**

The City of Loveland has established a program for the development and construction of housing affordable to low and moderate income citizens in Loveland. Qualified developments are eligible for all incentives outline in the Loveland Municipal Code. To be considered, proposals must meet the criteria described in the Loveland Municipal Code.

Applicant Name: Inland Group

Contact Person: Keith James

Email Address: Keithj@inlandconstruction.com **Phone:** 509 321-3218

Address: 1620 N. Mamer Road, Bldg. B, Spokane Valley, WA 99216

1. Description of Proposed Development (include site map with application):

The proposed development is a 154-unit affordable apartment community for seniors to be constructed on 12.7 landscaped acres, including one three-story building comprised of one- and two-bedroom units with full kitchens, bathrooms and laundries. Rezone approval is in place for 153-165 age-restricted apartment units, with final unit count to be determined via market study and final assessment of demand. Interior common amenity space includes a theater, lounge, Internet café, library and game room. Outdoor amenity space includes walking paths, bbq area, raised planters, and landscaped open space. See attached vicinity map and colored site plan.

2. What percent of the land area in the proposed development is dedicated to residential units?

The entire 12.7-acre land area is included in the site plan for development of the affordable senior apartments.

3. What percent of the residential units will be affordable as defined in the City of Loveland Municipal Code?

One hundred percent (100%) of the units will be affordable at 60% of the Area Median Income adjusted for household size.

4. At a minimum, how many units will fall into each category?

For Sale Units		Rental Units	
% Area Median Income	# of units	% Area Median Income	# of units
Below 40% of A.M.I.		Below 30% of A.M.I.	
40% - 50% of A.M.I.		30% - 40% of A.M.I.	
50% - 60% of A.M.I.		40% - 50% of A.M.I.	
60% - 70% of A.M.I.		50% - 60% of A.M.I.	153 to 165
70% - 80% of A.M.I.		Market Rate units	0
Market Rate units			
Total # of for-sale units		Total # of rental units	153 to 165

Applicant:

The Applicant acknowledges that if the proposal is qualified as an affordable housing project, the Applicant's project will receive fast-track development review processing, early calculation of capital expansion fees, and will be considered for development standards modifications, and the Applicant, or Builder if appropriate, must apply separately for possible fee waivers and the use tax credit for each housing unit eligible as an affordable unit. The Applicant must comply with any and all conditions, regulations or ordinances required by the City of Loveland appropriate for land use and development, including those regarding affordable housing. By executing this Application, the Applicant agrees to all terms listed in application and agrees to repay any credit issued by the City in the event the applicant fails to achieve and maintain compliance with the requirements of the City of Loveland regarding affordable housing development proposals.

Applicant's Signature: Ketha James Date: 4/28/14

The foregoing instrument was acknowledged before me this 28th day of APRIL, 2014.

WITNESS my hand and official seal.

Notary Public Larry R. Chernak



My Commission Expires 5-1-17 A L)

Date Issued _____	Signed: _____
Community Partnership Administrator	

RESOLUTION #R-48-2014**A RESOLUTION GRANTING AN EXEMPTION FROM CERTAIN CAPITAL EXPANSION FEES AND OTHER DEVELOPMENT FEES FOR A QUALIFIED AFFORDABLE HOUSING DEVELOPMENT KNOWN AS TRADITIONS AT LOVELAND SENIOR APARTMENTS**

WHEREAS, Inland Group has a contract to purchase that real property legally described as **Fox Point Subdivision, City of Loveland, County of Larimer, State of Colorado** (the “Property”), on which it plans to build a multifamily development known as Traditions at Loveland Senior Apartments (the “Project”) to consist of 165 rental units, 100% of which shall be leased to senior (age 55 and over) households with incomes at or below 60% of the area median income; and

WHEREAS, Loveland Municipal Code Section 16.38.080 provides that the City Council may by resolution grant an exemption from all or part of the capital expansion fees or any other fees imposed by the City upon new development, whether for capital or other purposes, upon a finding, set forth in a development agreement, that the project for which the fees would otherwise be imposed is a qualified affordable housing development; and

WHEREAS, pursuant to Code Section 16.38.080, Inland Group has requested an exemption from part of the fees that would otherwise be imposed on the Project on the basis that the Project is a qualified affordable housing development; and

WHEREAS, Council finds that the Project is a qualified affordable housing development and desires to exempt it, pursuant to Code Section 16.38.080, from part of the fees that would otherwise be imposed.

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

Section 1. That capital expansion fees due and payable for construction of the Project are hereby waived for the purpose described above in a total amount not to exceed \$859,327.20.

Section 2. That development fees, including, without limitation, all building permit fees, plan review fees, and any and all other fees due and payable for construction of the Project between permit application and final certificate of occupancy (but not including capital expansion fees or enterprise fees) are hereby waived for the purpose described above in a total amount not to exceed \$87,825.80.

Section 3. That as provided in Code Section 16.38.080, when a capital-related fee is waived pursuant to Section 16.38.080, there shall be no reimbursement to the capital expansion fund by the general fund or any other fund, unless the capital-related fee is a utility fee or charge, in which case the affected utility fund shall be reimbursed by the general fund.

Section 4. That no utility fees or charges are being waived by this Resolution, and, therefore, no reimbursement by the City’s general fund is required.

Section 5. That the waiver of the fees described in Sections 1 and 2 hereof shall be conditioned upon the City, through its City Manager, and Inland Group entering into a development agreement, which shall provide for the waiver of said fees in exchange for the construction of the Project, which shall be comprised of 165 rental units, 100% of which shall be leased to households with incomes at or below 60% of the area median income, as well as such other conditions as the City Manager shall deem necessary.

Section 6. That this Resolution shall take effect as of the date of its adoption.

ADOPTED this 15th day of July, 2014.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Assistant City Attorney



COMMUNITY PARTNERSHIP OFFICE

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MEMORANDUM

TO: City Council

FROM: Alison Hade, Community Partnership Office

DATE: July 15, 2014

RE: Affordable Housing Designation and Fee Waiver for Inland Group for the Traditions at Loveland Senior Apartments project

I. EXHIBITS

- A. Sources and Uses to Breakeven
- B. Market Feasibility Analysis
- C. Fee Estimate Worksheet

II. PROJECT DESCRIPTION

The Inland Group would like to build 165 units of affordable housing for seniors ages 55 or above living at or below 60% of the area median income. The project would be located north of the Orchards Shopping Center, between North Lincoln Avenue and North Garfield Avenue (Highway 287).

III. FINDINGS

The Affordable Housing Commission met with the Inland Group on June 12th to discuss the project and the outcome of a Market Study that was completed as part of their tax credit application. The result of the conversation was a unanimous vote to recommend that City Council designate the project as an affordable housing development. The Inland Group is now asking City Council for that designation, which will allow the company to lock in fees as of the date of the designation and request a waiver of certain fees.

Location Map



The Market Study lists five comparable housing projects in Loveland and Fort Collins. These projects are considered comparable because they are tax credit housing rather than subsidized housing and they house seniors at or below the 60% of AMI level. Pages 41 and 42 of the study list the relevant comparables and show that each was 100% occupied when the study was conducted (attached as Exhibit B). Managers of some of these properties say that the waitlists for a 60% unit is nine to eighteen months. With a vacancy rate of 2.4% in Loveland (3rd quarter 2013) affordable housing is still difficult to obtain.

A report from the Connecting Seniors to Our Community event that was held on May 2, 2013 in Loveland, indicates that Colorado is in the top 10 of the fastest growing states in the country, and Larimer and Weld counties are seeing the highest number of seniors relocating from other states. The State Demography Office believes that Larimer County will see an increase in residents 65 and older of greater than 150% over the next 20 years, or an increase from 35,000 in 2010 to 90,000 by the year 2040.

The Inland Group will apply for 4% tax credits if they are able to secure the known funding gap through a reduction of Building Permit and Capital Expansion fees. The cost of the project is \$24,401,605. The amount available through tax credits and a mortgage is \$23,454,373. Inland Group is requesting that to fill the gap in funding City Council waive 62.8% of the Building Permit and Capital Expansion Fees (CEFs) for all 165-units of affordable multi-family senior housing.

IV. AFFORDABLE HOUSING IN LOVELAND

Historically, affordable multi-family housing has been provided primarily by the Loveland Housing Authority. Other than recent fee relief for the 224 multi-family units that will be built and operated by Pedcor, the only other multi-family fee waiver requests during the last five years were for the Loveland Housing Authority Green House project in September 2013, with a request of \$566,342. Prior to the Green House project, fee waivers were granted to the Mirasol project close to 10 years ago.

A report produced in 2010 by the National Research Center out of Boulder, Colorado entitled Community Assessment Survey for Older Adults, Larimer County Report for Loveland, Colorado addressed the needs of Loveland's older residents as a planning tool for stakeholders and elected officials. Participants were mailed surveys and asked to rate Loveland as a place to live and a place to retire. While many of the respondents indicated that they are likely to remain in Loveland throughout retirement (76%), 64% rated affordable quality housing as only fair (41%) or poor (23%).

V. FEE EXEMPTION

The Loveland Municipal Code permits City Council to grant an exemption of capital expansion fees or any other fees imposed on a qualified affordable housing development. The Inland Group is requesting a fee reduction of capital expansion and permit fees in accordance with City Code to assist with a funding gap in the project financing that is identified in a Sources and Uses to Breakeven analysis prepared by the applicant.

City staff is recommending that City Council approve a fee exemption in the amount of **\$947,153**. A **62.8% reduction of capital expansion and building permit fees total the gap amount and would not result in the need to back-fill any utility fees. The developer would pay \$1,896,825 in fees.**

The table in Section 18.38.080 of the Loveland Municiple Code allows a 70% waiver of capital expansion fees and any other fees imposed by the City, including utility fees, by City Council for affordable housing projects that provide 40% of the dwelling units to households making 60% of the AMI. The Traditions at Loveland project will provide 100% of its 165 dwelling units to seniors making 60% or less of the AMI.

VI. RELEVANT MUNICIPAL CODE PROVISIONS

Section 16.43.035 of the Loveland Municipal Code outlines the process of obtaining an affordable housing designation. This section states that:

All applications for designation of a housing development as affordable shall be submitted to the affordable housing commission for review and recommendation to the city council. The city council shall review such applications and make the final determination to approve, approve with conditions, or deny such applications by resolution. (Ord. 5619 § 3, 2011)

Section 16.38.080 contains the following provisions allowing City Council to grant exemptions from the payment of development fees for qualified affordable housing projects.

- A. *The city council may by resolution grant an exemption from all or part of the capital expansion fees or any other fees imposed by the city upon new development, whether for capital or other purposes, upon a finding, set forth in a development agreement, that the project for which the fees would otherwise be imposed is a qualified affordable housing development. When a capital-related fee is waived pursuant to this section, there shall be no reimbursement to the capital expansion fund by the general fund or any other fund, unless the capital-related fee is a utility fee or charge in which case the affected utility fund shall be reimbursed by the general fund.*
- B. *Exemptions granted pursuant to this section shall be done in accordance with the following tables:*
 - 1. *If granted for rental housing, the exemption shall be as follows:*

<i>Percentage of area median income to be served</i>	<i>Minimum percentage of units in development set aside as affordable housing</i>	<i>Percentage of fees waived for affordable housing only</i>
<i>30%</i>	<i>10%</i>	<i>100%</i>
<i>40%</i>	<i>15%</i>	<i>90%</i>
<i>50%</i>	<i>20%</i>	<i>80%</i>
<i>60%</i>	<i>40%</i>	<i>70%</i>

Inland Group Sources and Uses of Funds

Traditions at Loveland

Sources and Uses Comparison

Sources	As Proposed	Without Affordable Housing Reduction	Difference
Mortgage and Tax Credit Equity	\$23,454,373	\$23,454,373	\$0
Uses			
Land (includes water rights)	\$1,680,000	\$1,680,000	\$0
Buildings	\$16,598,913	\$16,598,913	\$0
Bond, Loan & Closing Fees	\$1,120,210	\$1,120,210	\$0
Construction and Lease-Up Period Interest	\$1,025,441	\$1,025,441	\$0
Architectural, Engineering & Bonding	\$745,500	\$745,500	\$0
City of Loveland Permit & Impact Fees	\$1,896,825	\$2,843,978	\$947,153
Funded Operating Reserve	\$387,563	\$387,563	\$0
Total Uses of Funds	\$23,454,452	\$24,401,605	\$947,153

Integra Realty Resources

Denver

Market Study of

Proposed Traditions at Loveland Senior Apartments

Multifamily Property

3500 N. Lincoln Avenue

Loveland, Larimer County, Colorado 80538

Prepared For:

Inland Group

Effective Date of the Report:

May 20, 2014

IRR - Denver

File Number: 2014-741



Market Study Synopsis

Project Name: Traditions at Loveland Senior Apartments

Project Description: The subject property is a proposed 165-unit senior apartment complex. The improvements will consist of one, three-story apartment building. The entire project is located on approximately 12.73 acres of land in the city of Loveland. The property will have a combination of one and two-bedroom units, with an average size of 682 square feet. The property is situated along the west side of N. Lincoln Ave., just north of E. 33rd St., in the northern area of the city of Loveland.

Upon completion, Traditions at Loveland Senior Apartments will be a 100% affordable housing project with 165 units under the restrictions of the Low Income Housing Tax Credit (LIHTC) program. The unit breakdown includes 83 one-bedroom units and 82 two-bedroom units. All of the units will income restricted at the 60% of Area Median Income (AMI) level.

Utilizing the owner’s proposed unit mix and breakdown of the units which will be in the 60% program, we have developed the chart below which indicates the minimum annual income necessary to rent each unit type (at the maximum tax credit rent allowed) as well as the maximum annual income allowed in the 60% of AMI program. The third chart illustrates the owner/developer’s rent estimate for the LIHTC units (net of utilities).

Maximum Rents and Income Served

	1 BR	2 BR
60% AMI		
Maximum Rent Allowed	\$827	\$993
1 person - Min. Income	\$24,810	
1 person - Max. Income	\$30,900	
2 person - Min. Income	\$24,810	\$29,790
2 person - Max. Income	\$35,280	\$35,280

Unit Number, Mix, Size and Type

	60% AMI	Total Units	% of Total	Size (sf)	Type
1 BR / 1 BA	83	83	50.3%	565	Flat
2 BR / 1 BA	75	75	45.5%	777	Flat
2 BR / 2 BA	7	7	4.2%	1051	Flat
Total	165	165			
% of Total	100.0%	100.0%			



Developer's Estimated Rent- Rent Comparison

Subject	60% AMI
1 BR / 1 BA	\$769
2 BR / 1 BA	\$922
2 BR / 2 BA	\$922
Average	\$845
Comparables	60% AMI
1 BR / 1 BA	\$685-\$874
2 BR / 1 BA	\$810
2 BR / 2 BA	\$666-\$935
Average	\$794

Comparability Analysis

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
	Mirasol Senior Ph. I & II	Reflections Senior	Windtrail Park	Woodbridge Senior	Legacy Senior
Rents	+	-	-	-	-
Unit Size	=	-	-	-	+
Unit Mix	=	=	-	=	=
Quality	=	=	=	=	=
Amenities	-	-	-	-	-
Location	=	+	=	-	+

(+) means the comparable is superior to the subject
 (-) means the comparable is inferior to the subject
 (=) means the comparable is similar to the subject

Demand and Capture Rates

	60% AMI
Income Qualifying Households in Market Area	343
In migration of Households	206
Total Qualifying Households	548
Existing Units	26
Capture Rate - Existing	4.7%
Under Construction Units	0
Total Existing, U/C, & Planned Units	191
Capture Rate - Required	34.9%



Overview of Market Conditions

Fort Collins-Loveland Apartment Market Analysis

The Colorado Division of Housing funds a multi-family vacancy and rental survey for the state of Colorado. The survey includes all multi-family rentals of two units upward, and encompasses 12 market areas statewide. According to the most recent survey conducted for 3rd Quarter 2013, 5,593 rental units were included in the survey for Fort Collins/Loveland. The Fort Collins/Loveland vacancy factor for 3rd Quarter 2013 is 2.8%. Presented below are the historical vacancy rates for Fort Collins/Loveland by market area. The subject is located in the Loveland market sector, which is highlighted on the following charts.

Historical Vacancy Rates by Market Area							
Market Area	4 th Qtr 2007	4 th Qtr 2008	4 th Qtr 2009	4 th Qtr 2010	4 th Qtr 2011	4 th Qtr 2012	3 rd Qtr 2013
Fort Collins	4.4%	4.1%	5.8%	4.2%	3.0%	2.5%	2.9%
Northwest	7.7%	3.4%	6.6%	3.5%	1.2%	0.9%	0.5%
Northeast	3.4%	4.3%	4.7%	6.1%	2.2%	0.6%	0.0%
Southeast	3.1%	4.1%	4.4%	4.1%	3.1%	3.4%	3.1%
Southwest	3.2%	4.8%	7.3%	4.6%	4.7%	3.5%	4.3%
Loveland	5.6%	6.1%	6.6%	3.6%	5.3%	1.9%	2.4%
Fort Collins/Loveland MSA	4.6%	4.3%	6.3%	4.1%	3.4%	2.4%	2.8%

As indicated on the above chart, the overall Fort Collins – Loveland MSA has a vacancy rate of 2.8% for 3rd Quarter 2013. This is an increase from the overall vacancy rate of 2.4% in 4th Quarter 2012. The Southwest market sector has the highest vacancy at 4.3%. The subject's Loveland submarket has one of the lower vacancy rates, at 2.4%.

Vacancy Rate by Size of Building – Fort Collins – Loveland CO							
Number of Units	4 th Qtr 2007	4 th Qtr 2008	4 th Qtr 2009	4 th Qtr 2010	4 th Qtr 2011	4 th Qtr 2012	3 rd Qtr 2013
2 to 8	1.3%	1.5%	1.5%	2.1%	3.9%	4.7%	2.9%
9 to 50	3.4%	3.8%	3.9%	3.1%	3.0%	0.6%	2.6%
51 to 99	2.6%	3.3%	5.5%	7.4%	1.8%	0.9%	1.9%
100 to 199	2.9%	4.2%	5.0%	2.4%	3.7%	1.0%	3.1%
199 to 349	5.1%	4.3%	6.2%	5.2%	3.8%	3.8%	3.2%
350 Up	11.2%	7.3%	15.4%	0.3%	0.0%	0.6%	0.0%

Presented on the above chart are the vacancy rates by size of building. As of the 3rd Quarter 2013, medium sized developments (51-99 units) have lower vacancy rates, while very large and very small properties have higher vacancy rates.



Comparability Analysis

The subject property will operate under the Low Income Housing Tax Credit Program with all 165 units falling under the 60% of AMI program.

Tax Credit Units

This section has been provided to identify the number of all tax credit senior housing units in the market area of the subject property. This inventory includes projects that have been completed, are under construction or have been approved by the Colorado Housing and Finance Authority.

To determine the number of projects within the market area, the annual tax credit status reports were evaluated for each year since 1987 as published by CHFA. Including only senior-oriented properties, and excluding family-oriented and Section 8 properties, there are four existing LIHTC senior-oriented properties in the market area and no properties currently under construction. In addition, there are only two proposed LIHTC senior-oriented properties in the market area, including the subject. The majority of the existing senior LIHTC units in the market area are in the 40% and 50% of median income programs. This information is as follows:

Primary Market Area Senior LIHTC Unit Inventory

Project	Location	YOC/Rehab.	Units	30%	40%	50%	60%
Mirasol Senior Apartments Phase II	1051 Finch St., Loveland	2013	60	3	15	30	12
Mirasol Senior Apartments	1145 Finch Pl., Loveland	2007	49	3	10	22	14
Reflections Senior Apartments	321 E. Troutman Pkwy., Fort Collins	2000	72	0	50	22	0
Residence at Oakridge (ALF)*	4750 Wheaton Dr., Fort Collins	2002	44	0	0	0	22
Total Existing			181	6	75	74	26
NONE			0	0	0	0	0
Under Construction			0	0	0	0	0
Traditions at Loveland Senior Apts.	3500 N. Lincoln Ave., Loveland	2014-2014	165	0	0	0	165
Oakridge Senior Apartments	E/S McMurry Ave., S/O Oakridge Dr., Fort Collins	2014-2015	88	9	16	63	0
Proposed			253	9	16	63	165
Total U/C & Proposed			253	9	16	63	165
Total Potential Inventory			434	15	91	137	191

Prepared by Integra Realty Resources - Denver (5/14)

* This is an Assisted Living Facility and is not competitive with the subject. Thus, it is excluded from the above totals.

Excluding the one noted assisted living facility; this data indicates that there are a total of 181 existing affordable senior-oriented units, no units under construction, and 253 proposed affordable units within the subject market area including the subject property. The existing units include six units in the 30% of AMI program, 75 units in the 40% of AMI program, 74 units in the 50% of AMI program, and 26 units in the 60% of AMI program. Of the 253 proposed units, nine units are in the 30% of AMI program, 16 units are in the 40% of AMI program, 63 units are in the 50% of AMI program, and 165 units (the subject) are in the 60% of AMI program.



Rent Comparables

In the primary market area, there are four existing senior LIHTC properties. We note, however, that LIHTC properties that are not senior-oriented have been excluded from this study. We have included full data on six senior LIHTC properties. Only three of the six properties are located within the primary market area. It is noted that we have combined Phase I and II of Mirasol Senior Apartments; thus, there are five rent comparables.

For this analysis, we have selected several apartment complexes from throughout the metropolitan Fort Collins-Loveland area which include Mirasol Senior Apartments Phase I and II, Reflections Senior Apartments, Windtrail Park Apartments, Woodbridge Senior Apartments, and Legacy Senior Residences. All of these projects are senior LIHTC projects located within 13 miles of the subject. It is noted that Windtrail Park Apartments has only ten units designated for seniors. The non-senior units are excluded from the analysis. Of the five senior developments, two offer units in the 30% of median income LIHTC programs, four offer units in the 40% of median income program, four offer units in the 50% of median income program, and only three offer units in the 60% of median income program. Four of the five comparables contain 1-bedroom 1-bath units, two of the five comparables contain 2-bedroom 1-bath units, while three of the five comparables contain 2-bedroom 2-bath units. We note that Windtrail Park contains 2-bedroom 1.75-bath units; however, for the purposes of this report, we have included these units with the 2-bedroom 2-bath units. Following are individual sheets illustrating particular aspects of the surveyed properties followed by a map showing their locations.

Rental 1, Mirasol Senior Apartments Phase I & II, is located south of the subject, south of E. 1st St. and east of S. Lincoln Ave. in the southern are of the city of Loveland. This property contains 100% LIHTC units. Phase I of the property was developed in 2007, while Phase II was developed in 2013. The entire property includes six units in the 30% of median income program, 25 units in the 40% of median income program, 52 units in the 50% of median income program, and 26 units in the 60% of median income program. Currently, the property is 100% occupied and contains one and two-bedroom units. After considering utility allowances, units at the property are attaining rent levels equal to the maximum net rent allowed in the 30%, 40%, and 50% programs. The 1-bedroom units in the 60% program are attaining rent levels equal to the maximum net rent allowed, while the 2-bedroom units in the 60% program are attaining rent levels below the maximum net rent.

Rental 2, Reflections Senior Apartments, is located north of the subject, north of E. Harmony Rd. and east of S. College Ave. in the southern area of the city of Fort Collins. This property contains 100% LIHTC units. The property was developed in 2000 and includes 50 units in the 40% of median income program and 22 units in the 50% of median income program. Currently, the property is 100% occupied and contains one and two-bedroom units. After considering utility allowances, units at the property are attaining rent levels slightly below the maximum net rent allowed in the 40% and 50% programs.



Rental 3, Windtrail Park Apartments, is located north of the subject, north of W. Drake Rd. and east of S. Shields St. in the central area of the city of Fort Collins. This property contains 100% LIHTC units; however, only ten of the units are designated for seniors. The property was constructed in 2001 and includes five units in the 30% of median income program, 25 units in the 40% of median income program, 16 units in the 50% of median income program, and four units in the 60% of median income program. The ten senior units are comprised of the 2-bedroom 1.75-bath units in the 40%, 50%, and 60% programs. Currently, **the property is 100% occupied** and contains two and three-bedroom unit types. After considering utility allowances, the senior units at the property are attaining rent levels below the maximum net rent allowed in the 40%, 50%, and 60% programs.

Rental 4, Woodbridge Senior Apartments, is located north of the subject, along the north side of W. Elizabeth St., just west of S. Shields St., in the central area of the city of Fort Collins. This property contains 100% LIHTC units. The property was developed in 2002 and includes 50 units in the 40% of median income program. Currently, **the property is 100% occupied** and contains one and two-bedroom units. After considering utility allowances, units at the property are attaining rent levels equal to the maximum net rent allowed in the 40% of AMI program.

Rental 5, Legacy Senior Residences, is located north of the subject, north of Jefferson St. and east of S. College Ave. in the northern area of the city of Fort Collins. This property contains 100% LIHTC units. The property was developed in 2013 and includes 15 units in the 30% of median income program, 31 units in the 50% of median income program, and 26 units in the 60% of median income program. Currently, **the property is 100% occupied** and contains one and two-bedroom units. After considering utility allowances, units at the property are attaining rent levels slightly below the maximum net rent allowed in the 30%, 50%, and 60% programs.



55+ POPULATION BY AGE IN MARKET AREA								
	2010	%	2014	%	2016	%	2019	%
Total Population	176,243		188,382		194,404		203,801	
Age 55 - 64	22,366	12.7%	25,589	13.6%	26,441	13.6%	27,772	13.6%
Age 65 - 74	11,939	6.8%	15,412	8.2%	17,379	8.9%	20,811	10.2%
Age 75 - 84	6,628	3.8%	7,379	3.9%	7,771	4.0%	9,258	4.5%
Age 85 and over	2,992	1.7%	3,355	1.8%	3,434	1.8%	3,557	1.7%
Age 55 and over	43,925	24.9%	51,735	27.5%	55,025	28.3%	61,398	30.1%
Age 62 and over	28,269	16.0%	33,823	18.0%	36,516	18.8%	41,958	20.6%

2014 The Nielsen Company

Over the next five years, household growth in the market area is projected to increase at a slightly higher rate than the projected increase in population. As of 2014, the estimated 75,617 households in the market area are projected to increase to 78,246 households in 2016 and 82,361 households in 2019.

MARKET AREA HOUSEHOLD ESTIMATES		
Year	Households	Average Annual Increase
2019 Projection	82,361	1.72%
2016 Estimate	78,246	1.72%
2014 Estimate	75,617	1.93%
2010 Census	70,037	2.77%
2000 Census	53,278	N/A

Source: 2014 The Nielsen Company

Average Household Size

	United States	Colorado	Market Area
Average household size:			
Total	2.59	2.49	2.49
Owner occupied	2.67	2.57	2.56
Renter occupied	2.42	2.31	2.27

U.S. Census Bureau Census 2010

Average household sizes in the market area are similar to slightly lower than those for the State of Colorado and the nation as a whole. Renter occupied households within the market area average 2.27 people versus owner-occupied households at 2.56 people.



Housing Characteristics in Market Area

As of the 2010 Census, there are a total of 67,802 total occupied housing units in the market area. The following chart illustrates the number of renter and owner occupied housing units in the market area compared to the United States and the State of Colorado.

	United States	% of Total	Colorado	% of Total	Market Area	% of Total
Total:	114,235,996		1,918,959		67,802	
Owner occupied	76,089,650	66.6%	1,296,670	67.6%	49,756	73.4%
Renter occupied	38,146,346	33.4%	622,289	32.4%	18,046	26.6%

U.S. Census Bureau Census 2010

The table above indicates that of the 67,802 occupied housing units in the subject area, 26.6% are renter occupied. This is below that indicated within the State of Colorado at 32.4%.

Age of Renter Occupied Householder	Market Area	% of total
Renter occupied:	18,046	
Householder 15-24 years	3,595	19.9%
Householder 25-34 years	4,824	26.7%
Householder 35-44 years	3,491	19.3%
Householder 45-54 years	2,398	13.3%
Householder 55-64 years	1,470	8.1%
Householder 65-74 years	746	4.1%
Householder 75-84 years	759	4.2%
Householder 85 and over	763	4.2%
Householder 55 and over	3,738	20.7%
Householder 62 and over	2,709	15.0%

*U.S. Census Bureau
Census 2010*

As the table above indicates, of the renter occupied households within the market area, 15.0% are occupied by persons age 62 and over. An additional 1,029 renter households are eligible from the 55+ category but not utilized in capture rate analysis.



Recommendations and Conclusions

The proposed subject property represents a 100% affordable development in the northern area of the city of Loveland. All of the units will be operated under the 60% of AMI program. Project amenities are superior to other new projects in the area.

As designed, the property will contain 165 units situated in one, three-story apartment building. The proposed mix calls for 50.3% one-bedroom units and 49.7% two-bedroom units. Analysis of the 2010 Census data indicates that there is a high proportion of one person and two person households in the primary market area suggesting more need for one and two bedroom units. The subject is located in an area of metropolitan Fort Collins-Loveland that is growing at an average annual rate of close to 1.72%. As such, the area is likely to attract a greater number of renter households which would require more one and two-bedroom units. Thus, we consider the unit mix for the subject property reasonable given the property's location and the influx of new households into the neighborhood.

The primary marketing area is characterized by above average household income levels and slightly below average household sizes. While the income levels are not conducive to affordable apartment units, the average household size is a positive for affordable apartment units. The proposed rental structure from the sponsor indicates rates will be similar to other new LIHTC apartments in and near the primary market area. Given the physical characteristics of the property and its location, we consider the sponsor's proposed rental structure to be market oriented.

Within the marketing area, expectations are for increased population and household numbers, with the growth most likely to continue at rates slightly above the metropolitan area. Many of the new developments within the marketing area have focused on serving market rate renters. From analysis of existing affordable projects, the marketing area demonstrates a short supply of low priced, newer affordable senior rental units. The subject property should provide needed affordable senior housing in the subject neighborhood. Demographic analysis clearly indicates a sufficient amount of income eligible renter households to occupy the subject property. Thus, it is unlikely that the development of this complex would adversely affect the existing rental inventory in the area.

In the Demand Analysis, we concluded that there are 343 income qualified senior renter households in the market area. With an estimated in-migration of 60%, the total number of income qualified renter households in the market area increases to 548. At present, there are only 26 existing affordable senior units in the 60% of AMI program, with an additional 165 units proposed in the area which consist of the subject's 165 LIHTC units. Thus, the total existing, under construction, and planned units amounts to 191 units. This equates to an existing capture rate of 4.7% and a required capture rate upon completion of the additional projects of 34.9%. The existing capture rate is at the lower end of the reasonable range for capture rates, while the required capture rate is at the upper end. We believe this penetration or capture rate is achievable since the market area will draw residents from outside of the primary/secondary market area, other non-senior headed households with a senior occupant, and some owner-occupied households, in addition to the existing income qualified renter households.



The property as proposed should be successful. It is also important to note that utilizing renter households age 55+ equates to a significantly lower capture rate of 25.3%. Rental market rates in the area as well as in the region as a whole are stable, and all indications are such that residential growth in the primary market area should continue into the foreseeable future.



Fee Estimate Calculator - Inland Group/Traditions at Loveland

Type	Apartments	Small Garages **	Pool
Fees:			
Bldg PC	37,275.88	5,196.64	736.94
Bldg Permit Fee	57,347.50	7,994.80	1,133.75
Mechanical Permit Fee	7,499.45		-
Electrical Permit Fee	7,499.45		363.25
Plumbing Permit Fee	10,269.80		363.25
City Use Tax	227,619.98	12,081.36	1,875.00
County Open Space Tax	18,968.33	1,006.80	156.25
County Jail Tax	15,174.67	805.44	125.00
County Fairgrounds Tax	11,381.00	604.08	93.75
Construction Water 3.00in Tap	336.00		
Water Meter Fee .00in	45.00		
School Fee	156,090.00		
PIF Elec 150 Amp & Less	209,550.00		
Raw Water Dev Res MF	20,295.00		
SIF Water Res Detached SF/MF	341,550.00		
SIF Stormwater Res - High	47,066.70		
SIF Sewer Res Detached SF/MF	267,300.00		
CEF Res Fire Protection	102,465.00		
CEF Res General Government	125,070.00		
CEF Res Law Enforcement	100,980.00		
CEF Res Library	83,325.00		
CEF Res Museum	69,630.00		
CEF Res Open Lands	101,970.00		
CEF Res Parks	407,220.00		
CEF Res Recreation	181,335.00		
CEF Res Street Detached SF	135,207.60		
CEF Res Trails	60,720.00		
Street Insp Res - SF	4,125.00		
Stormwater Insp Res - SF	4,125.00		
Total	2,811,441.36	27,689.12	4,847.19

Total fees	Potential fee exemption	Developer will pay
43,209.46	27,144.17	16,065.29
66,476.05	41,760.17	24,715.88
7,499.45	4,711.14	2,788.31
7,862.70	4,939.34	2,923.36
10,633.05	6,679.67	3,953.38
241,576.34		241,576.34
20,131.38		20,131.38
16,105.11		16,105.11
12,078.83		12,078.83
336.00		336.00
45.00		45.00
156,090.00		156,090.00
209,550.00		209,550.00
20,295.00		20,295.00
341,550.00		341,550.00
47,066.70		47,066.70
267,300.00		267,300.00
102,465.00	64,368.38	38,096.62
125,070.00	78,568.81	46,501.19
100,980.00	63,435.50	37,544.50
83,325.00	52,344.66	30,980.34
69,630.00	43,741.48	25,888.52
101,970.00	64,057.42	37,912.58
407,220.00	255,815.07	151,404.93
181,335.00	113,914.41	67,420.59
135,207.60	84,937.24	50,270.36
60,720.00	38,144.23	22,575.77
4,125.00	2,591.32	1,533.68
4,125.00		4,125.00
Total	947,153.00	1,896,824.67

Building Permit	Capital Expansion
27,144.16	
41,760.17	
4,711.14	
4,939.34	
6,679.67	
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	64,368.38
-	78,568.81
-	63,435.50
-	52,344.66
-	43,741.48
-	64,057.42
-	255,815.07
-	113,914.41
-	84,937.24
-	38,144.23
2,591.32	
-	-
Total	859,327.20

** There will be 8 garage buildings for 10-cars each.

Color key:

Enterprise Fees	890,267.70	0.00	0.00
Other Fees and Taxes	429,233.98	14,497.68	2,250.00
Capital Expansion Fees	1,367,922.60	0.00	0.00
Development Fees	124,017.08	13,191.44	2,597.19
Total	2,811,441.36	27,689.12	4,847.19

Total
2,843,977.67

Total 947,153.00

TRADITIONS AT LOVELAND

LOVELAND CITY COUNCIL – JULY 15, 2014

AFFORDABLE SENIOR HOUSING



TRADITIONS AT LOVELAND

SENIOR APARTMENTS

- Project Summary
- Project Amenities
- Location Amenities
- Need for Affordable Housing – Market Strength
- Need for Affordable Housing – Financial Feasibility

TRADITIONS AT LOVELAND

PROJECT SUMMARY

Age-restricted (55+) apartment community with 165 units:

- No buy-in fee
- Not assisted living (no commercial kitchen or dining facility)
- Amenity-rich environment that offers security and socialization
- Mix of 83 one-bedroom units and 82 two-bedroom units

Apartment homes offer:

- Rents affordable long-term at 60% of Area Median Income
- Rents include water/sewer, hot water, garbage and cable TV
- Large, livable floor plans, including 2-bedroom units
- Full-size appliances, microwave hood, washer/dryer
- Ample storage space

TRADITIONS AT LOVELAND PROJECT AMENITIES

Indoor amenities include:

- Fitness center
- Internet Café
- Theater Room
- Lounge/living room
- Controlled access building



TRADITIONS AT LOVELAND

PROJECT AMENITIES

Outdoor amenities include:

- Free surface parking or reserved covered or garage parking
- Extensive landscaped grounds
- Outdoor pool
- Outdoor kitchen/BBQ area
- Raised planters for gardening
- Pickleball court and/or bocce ball court
- Gazebo



TRADITIONS AT LOVELAND

LOCATION AMENITIES

- Walkable in-fill neighborhood with access to grocery, banking, pharmacy, restaurant and personal services all within a short distance
- Neighborhood sidewalks connecting to Eagle View Park
- Development of this long-vacant site will help revitalize the neighborhood, complementing the existing residential neighborhood while helping sustain the commercial/retail

TRADITIONS AT LOVELAND

NEED FOR AFFORDABLE SENIOR HOUSING

- Just 5 comparable properties within the market area, currently at 100% occupancy
- 60% of AMI affordability is under-served in the market with large increases in the senior community
- Loveland submarket has an overall vacancy rate of 2.4% with rents having increased nearly 6% annually since Fall 2009
- New construction in the market has been mostly conventional (non age-restricted) apartments
- Will collaborate with the Loveland Housing Authority for referral of qualified prospective residents

TRADITIONS AT LOVELAND

NEED FOR AFFORDABLE HOUSING DESIGNATION

- Financing includes 4% tax credits and bonds
- Sources and uses of funds must balance or the development is financially infeasible
- Proposal exceeds the requirements for qualification
- Long-term affordability assured to the City of Loveland via deed restriction, 100% of units affordable to seniors 55+ at 60% AMI for not less than 20 years

TRADITIONS AT LOVELAND

FINANCIAL FEASIBILITY

Traditions at Loveland			
Sources and Uses Comparison			
Sources	As Proposed	Without Affordable Housing Reduction	Difference
Mortgage and Tax Credit Equity	\$23,454,373	\$23,454,373	\$0
Uses			
Land (includes water rights)	\$1,680,000	\$1,680,000	\$0
Buildings	\$16,598,913	\$16,598,913	\$0
Bond, Loan & Closing Fees	\$1,120,210	\$1,120,210	\$0
Construction and Lease-Up Period Interest	\$1,025,441	\$1,025,441	\$0
Architectural, Engineering & Bonding	\$745,500	\$745,500	\$0
City of Loveland Permit & Impact Fees	\$1,896,825	\$2,843,978	\$947,153
Funded Operating Reserve	\$387,563	\$387,563	\$0
Total Uses of Funds	\$23,454,452	\$24,401,605	\$947,153

Fee Relief of \$947,153 is required to balance sources and uses and to avoid a funding gap.

TRADITIONS AT LOVELAND



TRADITIONS AT LOVELAND



NORTH ELEVATION



EAST ELEVATION

TRADITIONS AT LOVELAND





CITY OF LOVELAND
ECONOMIC DEVELOPMENT OFFICE
 Civic Center • 500 East Third • Loveland, Colorado 80537
 (970) 962-2304 • FAX (970) 962-2900 • TDD (970) 962-2620

AGENDA ITEM: 12
MEETING DATE: 7/15/2014
TO: City Council
FROM: Mike Scholl, Economic Development
PRESENTER: Mike Scholl, Economic Development Manager

TITLE:

An Ordinance on First Reading Enacting a Supplemental Budget and Appropriation to the 2014 City of Loveland Budget for the Purchase of Property for the South Catalyst Project

RECOMMENDED CITY COUNCIL ACTION:

Conduct a public hearing and approve the ordinance on first reading.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

SUMMARY:

This is an administrative action. The Ordinance appropriates \$6.25 million to fund the acquisition of Downtown property in support of the South Catalyst redevelopment project. The proposed project, a partnership with the Michaels Development Company and Larimer County, is expected to result in a vertically dense mixed-use project that would include office, residential and retail. The total investment is expected to generate between \$50 to \$70 million. Both the Michaels Development Company and Larimer County are progressing in their project development.

The project was originally conceived in the 2010 Downtown Vision book as the South Catalyst project. Staff identified the Michaels Development Company as a private sector development partner for the project and Council approved a six month exclusive right to negotiate in February of 2014. The negotiations are moving forward with Michaels and we expect an update to Council by August 5, 2014.

BUDGET IMPACT:

- Positive
 Negative

Neutral or negligible

The ordinance is funded by General Fund Reserves (\$2,250,000) and Council Capital Reserve (\$4,000,000) that reduces the flexibility to fund other projects. The current balance in the General Fund Reserves is \$13,393,673. The new balance, pending approval of this supplemental appropriation request, will be \$11,143,673. The Council Capital Reserve balance is \$4,063,570 and pending approval of this supplemental appropriation request the new balance will be \$63,570.

BACKGROUND:

Staff has engaged commercial real estate brokers to assemble property in Downtown Loveland and negotiations have been ongoing. Council has already appropriated \$250,000 for earnest money deposits and due diligence. \$41,000 has been spent on earnest money for the contracted properties and due diligence. Another \$45,000 has been committed for design and additional environmental due diligence.

The City has eight properties under contract with closing scheduled for the first week of December. All of the contracts are contingent on the Council approving an appropriation for the full purchase price. Three additional properties have a tentative agreement. The remaining seven properties are in negotiation.

The amount requested, \$6.25 million, is felt to be adequate to cover the remaining costs, based upon contracted prices as well as estimated prices for those properties not yet under contract. The funding will come from Council Reserve (\$4 million) and General Fund balance (\$2.25 million).

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

1. Ordinance
2. Spreadsheet Current Contracts and Deposits

FIRST READING July 15, 2014

SECOND READING _____

ORDINANCE NO. _____

AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2014 CITY OF LOVELAND BUDGET FOR THE PURCHASE OF PROPERTY FOR THE SOUTH CATALYST PROJECT

WHEREAS, the City has reserved funds not anticipated or appropriated at the time of the adoption of the City budget for 2014; and

WHEREAS, the City Council desires to authorize the expenditure of these funds by enacting a supplemental budget and appropriation to the City budget for 2014, as authorized by Section 11-6(a) of the Loveland City Charter.

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

Section 1. That reserves in the amount of \$4,000,000 from the Council Capital Reserve and \$2,250,000 from Unreserved Fund Balance in the General Fund 100 are available for appropriation. Such reserves and funds in the total amount of \$6,250,000 are hereby appropriated and transferred to the capital Projects Fund 120 for the purchase of property as part of the South Catalyst Project. The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:

Supplemental Budget General Fund 100		
Revenues		
Fund Balance		6,250,000
Total Revenue		6,250,000
Appropriations		
100-18-180-1500-49010	Land	6,250,000
Total Appropriations		6,250,000

Section 2. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full. This Ordinance shall be in full force and effect upon final adoption, as provided in City Charter Section 11-5(d).

ADOPTED this ____ day of August, 2014.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Assistant City Attorney

2nd Street Assemblage

<i>Number</i>	<i>Street</i>	<i>Land Sf</i>	<i>Building Sf</i>	<i>Contract</i>	<i>NOTES</i>
210	N. Cleveland	2,711	1,646	\$199,900	
206	N. Cleveland	8,316	2,255	\$275,000	
130	N. Cleveland	13,069	4,256	\$540,000	Contract includes an additional \$115,00 for business relocation
215	E. 2nd Street	7,276	699	\$200,000	Price has been agreed upon but contract needs to be finalized.
219	E. 2nd Street	7,264	1,036	\$175,000	
227	E. 2nd Street	7,103	746	\$165,000	
220-232	E. 2nd Street	11,687	1,280	\$230,000	
240-242	E. 2nd Street	13,504	2,200	\$250,000	
201	N. Lincoln	14,000	1,836		
123	N. Lincoln	7,160	1,193	\$380,000	Price is tentative, has not been agreed upon. A portion of the sale proceeds would be for business relocation.
Total		92,090	17,147	\$ 2,414,900	

3rd Street Assemblage

<i>Number</i>	<i>Street</i>	<i>Land Sf</i>	<i>Building Sf</i>	<i>Contract</i>	<i>NOTES</i>
320	N. Cleveland	6,140	6,016	\$549,000	Price has been agreed upon but contract needs to be finalized.
310	N. Cleveland	6,350	6,200		
304	N. Cleveland	2,547	1,260		
217	E. 3rd Street	2,453	2,360		
216	E. 3rd Street	17,500	4,982	\$575,000	
Total		34,990	20,818	\$1,124,000	

4th Street Assemblage

<i>Number</i>	<i>Street</i>	<i>Land Sf</i>	<i>Building Sf</i>	<i>Contract</i>	<i>NOTES</i>
213	E. 4th Street	3,783	3,783		
	"	2,028	2,021		
	"	1,376	1,376		
Total		7,187	7,180	\$0	



CITY OF LOVELAND
CITY CLERKS OFFICE

Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2322 • FAX (970) 962-2901 • TDD (970) 962-2620

AGENDA ITEM: 13
MEETING DATE: 7/15/2014
TO: City Council
FROM: Terry Andrews, City Clerk
PRESENTER: Terry Andrews, City Clerk

TITLE:

Charter Amendments Pertaining to the Number of Affirmative Votes for Appointment and Removal of City Attorney, City Manager, Municipal Judges and Calling a Special Election

1. An Ordinance Submitting to a Vote of the Registered Electors of the City of Loveland, Colorado at a Special Municipal Election to be Held on November 4, 2014, the Ballot Question of Whether Subsections 9-1(a) and 9-1(d) of the City of Loveland Charter Pertaining to the Number of Affirmative Votes Required for the Appointment and Removal of the City Attorney Should be Amended
2. An Ordinance Submitting to a Vote of the Registered Electors of the City of Loveland, Colorado at a Special Municipal Election to be Held on November 4, 2014, the Ballot Question of Whether Subsections 8-1(a) and 8-1(e) of the City of Loveland Charter Pertaining to the Number of Affirmative Votes Required for the Appointment and Removal of the City Manager Should be Amended
3. An Ordinance Submitting to a Vote of the Registered Electors of the City of Loveland, Colorado at a Special Municipal Election to be Held on November 4, 2014, the Ballot Question of Whether Subsections 9-2(b) and 9-2(e) of the City of Loveland Charter Pertaining to the Number of Affirmative Votes Required for the Appointment and Removal of the Municipal Judges Should be Amended
4. A Resolution Calling for a Special Municipal Election to be Held on November 4, 2014 for the Purpose of Submitting to the Loveland Registered Electors Three Ballot Questions Asking Whether to Amend the City of Loveland Charter Provisions Pertaining to the Number of Affirmative Votes Required for the Appointment and Removal of the City Attorney, the City Manager, and Municipal Judges and Such Other Ballot Questions as Council May Hereafter Approve, and to Authorize the Loveland City Clerk to Notify the Larimer County Clerk and Recorder of the City of Loveland's Intention to Conduct This Special Election as a Coordinated Election with Larimer County

RECOMMENDED CITY COUNCIL ACTION:

Conduct a public hearing and consider the Ordinances and Resolution and take such action as may be determined by a majority of Council members.

OPTIONS:

1. Adopt one, two or all three of the ordinances.
2. If all three ordinances are approved, adopt the resolution.

3. If Council adopts one or two ordinances, the resolution should be amended and adopted.
 4. Do not adopt the ordinances or the resolution.
-

SUMMARY:

This is a legislative action. City Council on June 3, 2014, asked that Staff draft ordinances for its consideration that would amend the City Charter to reduce the number of votes necessary to appoint or remove the City Manager and City Attorney from a super-majority of six to a simple majority of five. The Municipal Judge(s) is also appointed and removed by Council by a super-majority of six under the current Charter. Charter Amendments must be approved by the citizens of Loveland. If one or more of the ordinances and the resolution are approved the ballot measure would be considered by voters at the November 4, 2014, coordinated election.

BUDGET IMPACT:

- Positive
- Negative
- Neutral or negligible

Funds would be required to conduct this election, which would be the second special City election held in 2014. An approximate cost would be between \$45,000 and \$50,000, if conducted in conjunction with the 2014 coordinated election. If the ballot is two pages, the cost could be between \$65,000 and \$80,000.

BACKGROUND:

The Loveland City Charter provides that the City Manager, City Attorney and Municipal Judge(s) be appointed and removed by a super-majority of at least six of the nine Council Members. City Council has directed Staff to bring forth ordinances that would allow the voters to decide if the City Manager and City Attorney could be hired and removed by a simple majority of at least 5 City Councilors. Since the Municipal Judge(s) is subject to similar provisions, inclusion of the municipal judge language, which arose after the meeting, is presented here for the sake of completeness by including all of the Council's three appointees. As directed by Council, the Ordinances pertaining to the City Manager and Municipal Judge(s) provide that the change applies to any City Manager or Municipal Judge appointed on or after November 4, 2014, so it will not apply to incumbents.

The requirements pertain to appointment and removal are contained in Articles: 8-1 and 9-1 and 9-2 of the Loveland City Charter, approved by Loveland citizens in 1996. Staff conducted an informal survey of Home Rule Communities and their provisions regarding the hiring and removal of City Council employees. At least 30 communities responded, including the neighboring home rule communities. All responders indicated that Council employees were

hired and removed by a simple majority, the only exception being Windsor which has a Charter provision for removal by a super majority of Council.

Colorado law requires Charter Amendments to be approved by the registered voters of the community. According to City Charter Section 6-3, a special election shall be called by resolution, which shall set forth the purpose of the election. The Resolution calls a Special Election for November 4, 2014, to be conducted as a coordinated election and identifies the purpose of the election.

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

1. Ordinances (3)
2. Resolution

FIRST READING: July 15, 2014

SECOND READING: _____

ORDINANCE # _____

AN ORDINANCE SUBMITTING TO A VOTE OF THE REGISTERED ELECTORS OF THE CITY OF LOVELAND, COLORADO AT A SPECIAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 4, 2014, THE BALLOT QUESTION OF WHETHER SUBSECTIONS 9-1(a) AND 9-1(d) OF THE CITY OF LOVELAND CHARTER PERTAINING TO THE NUMBER OF AFFIRMATIVE VOTES REQUIRED FOR THE APPOINTMENT AND REMOVAL OF THE CITY ATTORNEY SHOULD BE AMENDED

WHEREAS, Subsection 9-1(a) of the City of Loveland Charter (“City Charter”) provides that the City Council shall appoint a City Attorney by the affirmative vote of two-thirds (2/3) of the entire Council; and

WHEREAS; Subsection 9-1(d) of the City Charter provides that removal of the City Attorney shall require the affirmative vote of two-thirds (2/3) of the entire Council; and

WHEREAS, the City Council believes that Subsections 9-1(a) and (d) should be amended to provide that the City Attorney shall be appointed and removed by the affirmative vote of a majority of the entire Council, or five (5) votes, rather than by the affirmative vote of two-thirds (2/3) of the entire Council, or six (6) votes; and

WHEREAS, City Charter Section 2-5 provides that the Charter may be amended in the manner provided in the State Constitution and the State statutes, and that proceedings to amend the Charter may be initiated by the adoption of an ordinance of the City Council submitting a proposed amendment to a vote of the registered electors of the City; and

WHEREAS, pursuant to C.R.S. §31-2-210(1)(b), such an ordinance of the City Council shall also adopt a ballot title for the proposed amendment; and

WHEREAS, pursuant to C.R.S. §31-2-210(4), the City Council is required to publish a notice of an election upon the amendment, which notice must contain the full text of the amendment contained in the ordinance, within thirty (30) days of the date of adoption of this ordinance; and

WHEREAS, pursuant to C.R.S. §31-2-210(4), the election on the proposed amendment must be held not less than thirty (30) nor more than one hundred twenty (120) days after publication of such notice; and

WHEREAS, the City Council has determined that the proposed amendment to the City Charter should be presented to the City’s registered electors at a City special election to be held as a coordinated election with Larimer County on November 4, 2014.

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

Section 1. That at a City of Loveland special municipal election to be held on November 4, 2014, between the hours of 7:00 A.M. and 7:00 P.M., and conducted as a coordinated election with the Larimer County Clerk and Recorder, there shall be submitted to a vote of the registered electors of the City the question of whether Subsections 9-1(a) and (d) of the City Charter should be amended to reduce the number of affirmative votes required to appoint and remove the City Attorney from two-thirds (2/3) of the entire Council to a majority of the entire Council, which changes are hereinafter set forth:

SECTION 9-1 – CITY ATTORNEY

(a) The City Council, by the affirmative vote of a majority of the entire Council, shall appoint a City Attorney to serve at the pleasure of the Council.

...

(d) The removal of the City Attorney shall require the affirmative vote of a majority of the entire Council.

...

All other subsections of 9-1 shall remain unchanged.

Section 2. That the following ballot question and title, in addition to any other valid ballot questions and titles that may be submitted, shall be submitted to a vote of the registered electors of the City of Loveland at the City’s special municipal election on November 4, 2014:

Question No. __: APPOINTMENT AND REMOVAL OF CITY ATTORNEY

“SHALL SUBSECTIONS 9-1(a) AND 9-1(d) OF THE CITY OF LOVELAND CHARTER BE AMENDED TO REDUCE THE NUMBER OF AFFIRMATIVE VOTES REQUIRED TO APPOINT AND REMOVE THE CITY ATTORNEY FROM 2/3 OF THE ENTIRE COUNCIL TO A MAJORITY OF THE ENTIRE COUNCIL?”

Yes ___

No ___

OFFICIAL BALLOT FOR THE MUNICIPAL SPECIAL
ELECTION HELD IN THE CITY OF LOVELAND,
COLORADO, ON TUESDAY, NOVEMBER 4, 2014

Section 3. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full.

Section 4. That this Ordinance shall be in full force and effect ten days after its final publication, as provided in City Charter Section 4-8(b).

Section 5. That the City Clerk shall also publish a notice of the election for this ballot issue within thirty (30) days after the adoption of this Ordinance as required by C.R.S. §31-2-210(4).

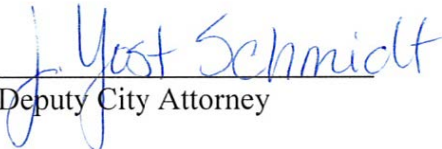
Dated this __ day of August, 2014.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Deputy City Attorney

FIRST READING: July 15, 2014

SECOND READING: _____

ORDINANCE # _____

AN ORDINANCE SUBMITTING TO A VOTE OF THE REGISTERED ELECTORS OF THE CITY OF LOVELAND, COLORADO AT A SPECIAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 4, 2014, THE BALLOT QUESTION OF WHETHER SUBSECTIONS 8-1(a) AND 8-1(e) OF THE CITY OF LOVELAND CHARTER PERTAINING TO THE NUMBER OF AFFIRMATIVE VOTES REQUIRED FOR THE APPOINTMENT AND REMOVAL OF THE CITY MANAGER SHOULD BE AMENDED

WHEREAS, Subsection 8-1(a) of the City of Loveland Charter (“City Charter”) provides that the City Council shall appoint a City Manager by the affirmative vote of two-thirds (2/3) of the entire Council; and

WHEREAS; Subsection 8-1(e) of the City Charter provides that removal of the City Manager shall require the affirmative vote of two-thirds (2/3) of the entire Council; and

WHEREAS, the City Council believes that Subsections 8-1(a) and (e) should be amended to provide that the City Manager shall be appointed and removed by the affirmative vote of a majority of the entire Council, or five (5) votes, rather than by the affirmative vote of two-thirds (2/3) of the entire Council, or six (6) votes; and

WHEREAS, City Charter Section 2-5 provides that the Charter may be amended in the manner provided in the State Constitution and the State statutes, and that proceedings to amend the Charter may be initiated by the adoption of an ordinance of the City Council submitting a proposed amendment to a vote of the registered electors of the City; and

WHEREAS, pursuant to C.R.S. §31-2-210(1)(b), such an ordinance of the City Council shall also adopt a ballot title for the proposed amendment; and

WHEREAS, pursuant to C.R.S. §31-2-210(4), the City Council is required to publish a notice of an election upon the amendment, which notice must contain the full text of the amendment contained in the ordinance, within thirty (30) days of the date of adoption of this ordinance; and

WHEREAS, pursuant to C.R.S. §31-2-210(4), the election on the proposed amendment must be held not less than thirty (30) nor more than one hundred twenty (120) days after publication of such notice; and

WHEREAS, the City Council has determined that the proposed amendment to the City Charter should be presented to the City’s registered electors at a City special election to be held as a coordinated election with Larimer County on November 4, 2014.

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

Section 1. That at a City of Loveland special municipal election to be held on November 4, 2014, between the hours of 7:00 A.M. and 7:00 P.M., and conducted as a coordinated election with the Larimer County Clerk and Recorder, there shall be submitted to a vote of the registered electors of the City the question of whether Subsections 8-1(a) and (e) of the City Charter should be amended to reduce the number of affirmative votes required to appoint and remove the City Manager from two-thirds (2/3) of the entire Council to a majority of the entire Council, which changes are hereinafter set forth:

SECTION 8-1 – CITY MANAGER

(a) The City Council, by the affirmative vote of a majority of the entire Council, shall appoint a City Manager to serve at the pleasure of the Council.

...

(e) The removal of the City Manager shall require the affirmative vote of a majority of the entire Council.

...

All other subsections of 8-1 shall remain unchanged.

The foregoing modification shall apply to appointment and removal of any City Manager who is appointed on or after November 4, 2014.

Section 2. That the following ballot question and title, in addition to any other valid ballot questions and titles that may be submitted, shall be submitted to a vote of the registered electors of the City of Loveland at the City’s special municipal election on November 4, 2014:

Question No. __: APPOINTMENT AND REMOVAL OF CITY MANAGER

“SHALL SUBSECTIONS 8-1(a) AND 8-1(e) OF THE CITY OF LOVELAND CHARTER BE AMENDED TO REDUCE THE NUMBER OF AFFIRMATIVE VOTES REQUIRED TO APPOINT AND REMOVE THE CITY MANAGER FROM 2/3 OF THE ENTIRE COUNCIL TO A MAJORITY OF THE ENTIRE COUNCIL?”

Yes ___

No ___

OFFICIAL BALLOT FOR THE MUNICIPAL SPECIAL
ELECTION HELD IN THE CITY OF LOVELAND,
COLORADO, ON TUESDAY, NOVEMBER 4, 2014

Section 3. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full.

Section 4. That this Ordinance shall be in full force and effect ten days after its final publication, as provided in City Charter Section 4-8(b).

Section 5. That the City Clerk shall also publish a notice of the election for this ballot issue within thirty (30) days after the adoption of this Ordinance as required by C.R.S. §31-2-210(4).

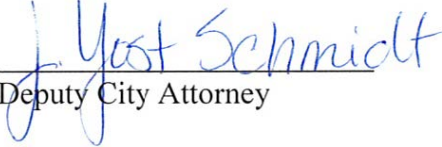
Dated this ___ day of August, 2014.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Deputy City Attorney

FIRST READING: July 15, 2014

SECOND READING: _____

ORDINANCE # _____

AN ORDINANCE SUBMITTING TO A VOTE OF THE REGISTERED ELECTORS OF THE CITY OF LOVELAND, COLORADO AT A SPECIAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 4, 2014, THE BALLOT QUESTION OF WHETHER SUBSECTIONS 9-2(b) AND 9-2(e) OF THE CITY OF LOVELAND CHARTER PERTAINING TO THE NUMBER OF AFFIRMATIVE VOTES REQUIRED FOR THE APPOINTMENT AND REMOVAL OF THE MUNICIPAL JUDGES SHOULD BE AMENDED

WHEREAS, Subsection 9-2(b) of the City of Loveland Charter (“City Charter”) provides that the City Council shall appoint a presiding municipal judge and any deputy municipal judges by the affirmative vote of two-thirds (2/3) of the entire Council; and

WHEREAS; Subsection 9-2(e) of the City Charter provides that removal of the presiding municipal judge and any deputy municipal judges shall require the affirmative vote of two-thirds (2/3) of the entire Council; and

WHEREAS, the City Council believes that Subsections 9-2(b) and (e) should be amended to provide that the municipal judges shall be appointed and removed by the affirmative vote of a majority of the entire Council, or five (5) votes, rather than by the affirmative vote of two-thirds (2/3) of the entire Council, or six (6) votes; and

WHEREAS, City Charter Section 2-5 provides that the Charter may be amended in the manner provided in the State Constitution and the State statutes, and that proceedings to amend the Charter may be initiated by the adoption of an ordinance of the City Council submitting a proposed amendment to a vote of the registered electors of the City; and

WHEREAS, pursuant to C.R.S. §31-2-210(1)(b), such an ordinance of the City Council shall also adopt a ballot title for the proposed amendment; and

WHEREAS, pursuant to C.R.S. §31-2-210(4), the City Council is required to publish a notice of an election upon the amendment, which notice must contain the full text of the amendment contained in the ordinance, within thirty (30) days of the date of adoption of this ordinance; and

WHEREAS, pursuant to C.R.S. §31-2-210(4), the election on the proposed amendment must be held not less than thirty (30) nor more than one hundred twenty (120) days after publication of such notice; and

WHEREAS, the City Council has determined that the proposed amendment to the City Charter should be presented to the City’s registered electors at a City special election to be held as a coordinated election with Larimer County on November 4, 2014.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE

CITY OF LOVELAND, COLORADO:

Section 1. That at a City of Loveland special municipal election to be held on November 4, 2014, between the hours of 7:00 A.M. and 7:00 P.M., and conducted as a coordinated election with the Larimer County Clerk and Recorder, there shall be submitted to a vote of the registered electors of the City the question of whether Subsections 9-2(b) and (e) of the City Charter should be amended to reduce the number of affirmative votes required to appoint and remove the presiding municipal judges from two-thirds (2/3) of the entire Council to a majority of the entire Council, which changes are hereinafter set forth:

SECTION 9-2 – MUNICIPAL COURT; MUNICIPAL JUDGE

(b) The City Council shall appoint, by the affirmative vote of a majority of the entire Council, a presiding municipal judge and such deputy municipal judges as the Council deems necessary. Each municipal judge shall be appointed for a two (2) year term.

...

(e) The removal of any judge during the term of office shall require the affirmative vote of a majority of the entire Council. Any such removal shall only be for cause as specified in the statutes applicable to the removal of municipal judges, and for any other conduct which would constitute a violation of the Colorado Code of Judicial Conduct, as from time to time amended, if committed by a judge subject to such Code.

...

All other subsections of 9-2 shall remain unchanged.

The foregoing modification shall apply to appointment and removal of any municipal judge who is appointed on or after November 4, 2014.

Section 2. That the following ballot question and title, in addition to any other valid ballot questions and titles that may be submitted, shall be submitted to a vote of the registered electors of the City of Loveland at the City’s special municipal election on November 4, 2014:

Question No. __: APPOINTMENT AND REMOVAL OF MUNICIPAL JUDGES

“SHALL SUBSECTIONS 9-2(b) AND 9-2(e) OF THE CITY OF LOVELAND CHARTER BE AMENDED TO REDUCE THE NUMBER OF AFFIRMATIVE VOTES REQUIRED TO APPOINT AND REMOVE THE MUNICIPAL JUDGES FROM 2/3 OF THE ENTIRE COUNCIL TO A MAJORITY OF THE ENTIRE COUNCIL?”

Yes ___

No ___

OFFICIAL BALLOT FOR THE MUNICIPAL SPECIAL ELECTION HELD IN THE CITY OF LOVELAND, COLORADO, ON TUESDAY, NOVEMBER 4, 2014

Section 3. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full.

Section 4. That this Ordinance shall be in full force and effect ten days after its final publication, as provided in City Charter Section 4-8(b).

Section 5. That the City Clerk shall also publish a notice of the election for this ballot issue within thirty (30) days after the adoption of this Ordinance as required by C.R.S. §31-2-210(4).

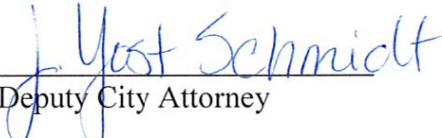
Dated this __ day of August, 2014.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Deputy City Attorney

RESOLUTION #R-46-2014

A RESOLUTION CALLING FOR A SPECIAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 4, 2014 FOR THE PURPOSE OF SUBMITTING TO THE LOVELAND REGISTERED ELECTORS THREE BALLOT QUESTIONS ASKING WHETHER TO AMEND THE CITY OF LOVELAND CHARTER PROVISIONS PERTAINING TO THE NUMBER OF AFFIRMATIVE VOTES REQUIRED FOR THE APPOINTMENT AND REMOVAL OF THE CITY ATTORNEY, THE CITY MANAGER, AND MUNICIPAL JUDGES AND SUCH OTHER BALLOT QUESTIONS AS COUNCIL MAY HEREAFTER APPROVE, AND TO AUTHORIZE THE LOVELAND CITY CLERK TO NOTIFY THE LARIMER COUNTY CLERK AND RECORDER OF THE CITY OF LOVELAND’S INTENTION TO CONDUCT THIS SPECIAL ELECTION AS A COORDINATED ELECTION WITH LARIMER COUNTY

WHEREAS, the Council desires to call a special municipal election to submit to the City’s registered electors three ballot questions, as authorized in Section 2.5 of the City of Loveland Charter (“City Charter”) and C.R.S. §31-2-210, asking the voters whether the City Charter should be amended to reduce the number of affirmative votes required for the appointment and removal of the City Attorney, City Manager, and municipal judges from two-thirds (2/3) of the entire Council, or six (6) votes, to a majority of the entire Council, or five (5) votes; and

WHEREAS, the Council also desires to call this special election for any other ballot questions or issues hereinafter approved by the Council; and

WHEREAS, the City desires to participate in the November 4, 2014 statewide general election and to hold this special election as a coordinated election with the Larimer County Clerk and Recorder; and

WHEREAS, C.R.S. § 1-7-116(5) requires the City to notify the Larimer County Clerk and Recorder at least one hundred days before the upcoming statewide general election of the City’s intention to so participate in the statewide election; and

WHEREAS, this Resolution constitutes the Council’s formal decision to call a special municipal election on November 4, 2014, and to participate in the November 4, 2014 statewide general election as a coordinated election with the Larimer County Clerk and Recorder.

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

Section 1. That as authorized in City Charter Section 6-3, a special election of the City of Loveland, Colorado, is hereby called to be held on November 4, 2014, between the hours of 7 a.m. and 7 p.m. on said day.

Section 2. That the purpose of the special election shall be to submit to the City's registered electors three ballot questions, as authorized in Section 2.5 of the City of Loveland Charter and C.R.S. §31-2-210 C.R.S. § 12-43.3-106, for the voters to determine whether the following Subsections of the City Charter should be amended to reduce the number of affirmative votes required to appoint and remove the City Attorney, City Manager, and municipal judges, respectively, from two-thirds (2/3) of the entire Council to a majority of the entire Council:

- a. Subsections 9-1(a) and 9-1(d) as to the appointment and removal of the City Attorney;
- b. Subsections 8-1(a) and 8-1(e) as to the appointment and removal of the City Manager;
- c. Subsections 9-2(b) and 9-2(e) as to the appointment and removal of municipal judges;

and to consider any other ballot questions and issues hereafter approved by the Council.

Section 3. That the City Clerk is hereby authorized and directed to promptly notify the Larimer County Clerk and Recorder of the City's intention to participate in the November 4, 2014 statewide general election and to participate in that election with the Larimer County Clerk and Recorder as a coordinated election.

Section 4. That this Resolution shall become effective on the date and at the time of its adoption.

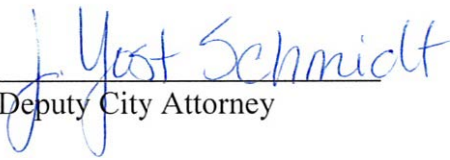
DATED and ADOPTED this _____ day of July, 2014.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:


Deputy City Attorney