

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

**6:30 P.M.                   REGULAR MEETING - City Council Chambers**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL: Fogle, Gutierrez, Shaffer, Taylor, Clark, Farley, Mckean, Trenary and Krenning responded.**

*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. Mayor Gutierrez asked if anyone would like to remove an item from the consent agenda. Council Shaffer moved to approve the consent agenda. Councilor Fogle asked for item 3 to be moved to the regular agenda. The motion seconded by Mayor Pro Tem Clark carried with all councilors present voting in favor thereof.*

**CONSENT AGENDA**

**Mayor Gutierrez asked if anyone in the audience, Council or Staff wished to remove any of the items or public hearings listed on the Consent Agenda. Councilor Fogle asked to move Item #3 to the Regular Agenda. Councilor Shaffer moved to approve the Consent Agenda with the exception of Item #3. Councilor Clark seconded the motion which carried with all councilors present voting in favor thereof.**

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 was approved.**
  2.     **A motion to reappoint Justin Erion to the Community Marketing Commission for a term effective until June 30, 2017 was approved.**
  3.     **A motion to appoint Christine Forster to the Community Marketing Commission for a partial term effective until June 30, 2016 was approved.**
  4.     **A motion to appoint Adrian Somerset to the Cultural Services Board for a**

partial term effective until December 31, 2015 was approved.

5. A motion to appoint Paula Sutton to the Historic Preservation Commission for a term effective until June 30, 2017 was approved.

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

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

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

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

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 on Second Reading Ordinance #5868 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 was approved.**

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)

This item was moved to the Regular agenda.

**CITY COUNCIL ADJOURNED AND CONVENED 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 Resolution #R-42-2014 of the Loveland Urban Renewal Authority Awarding Façade Matching Grant Program Grants for 2014 and Authorizing Façade Matching Grant Agreements was approved.**

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 4<sup>th</sup> 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.

**THE BOARD OF COMMISSIONERS FOR THE LOVELAND URBAN RENEWAL AUTHORITY  
ADJOURNED AND RECONVENED AS CITY COUNCIL**

**5. DEVELOPMENT SERVICES (presenter: Bethany Clark)  
HISTORIC LANDMARK DESIGNATION FOR THE SCOTT HOUSE**

**A Public Hearing was held and 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 was approved.**

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 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 was approved.**

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)  
SUPPLEMENTAL APPROPRIATION FOR LEGAL COSTS ASSOCIATED WITH NEW DOWNTOWN ORGANIZATION**

**A Public Hearing was held and 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 was approved.**

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)  
SUPPLEMENTAL APPROPRIATION FOR MOREY/MARIANA RIVERWORK AND VIESTENZ-SMITH MOUNTAIN PARK**

**A Public Hearing was held and 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 was approved.**

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)  
SUPPLEMENTAL APPROPRIATION AND FEE WAIVER AGREEMENT FOR THARP  
CABINET CORPORATION**

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

**2. A Public Hearing was held and 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 was approved.**

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.*

Mim Neal, 733 W. 5<sup>th</sup> Street, Chair of the Martin Luther King Jr. Committee, encouraged the City to embrace MLK's vision of a beloved community.

Nancy Kain, 4025 Don Fox Circle, committee member also spoke in support of the City's involvement in this celebration. Staff will follow up.

**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**

3. **ECONOMIC DEVELOPMENT** (presenter: Betsey Hale)  
**SUPPLEMENTAL APPROPRIATION FOR LODGING TAX RESERVES**

Economic Development Director, Betsey Hale, introduced this item to Council. 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.

**Councilor Shaffer moved to approve and Order Published on Second Reading Ordinance #5869 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. The motion was seconded by Councilor Farley, which carried with all councilors present voting in favor thereof.**

10. **WATER AND POWER** (presenters: Chris Matkins and Jim Lees)  
**SUPPLEMENTAL APPROPRIATION FOR WATER TREATMENT PLANT EXPANSION AND WATERLINE REPAIRS**

Water Utilities Manager, Chris Matkins and Utility Accounting Manager, Jim Lees introduced this item to Council. 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. Mayor Gutierrez opened the public hearing at 8:17 p.m. Hearing no public comment, the public hearing was closed at 8:17 p.m. **Councilor Shaffer moved to Approve Resolution #R-45-2014 Concerning Funding for the Water Enterprise to Improve the Water Treatment Plant. The motion was seconded by Councilor Clark. Councilor Krenning moved to amend the resolution by increasing the 2,300,000 to \$3,000,000. The motion seconded by Councilor Farley, carried with eight Councilors voting in favor and Mayor Pro Tem Clark voting against. The original motion as amended, carried with eight Councilors voting in favor the Mayor Pro Tem Clark voting against.**

**Councilor Shaffer moved 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 Water Treatment Plant Expansion Project and Repair of Water Lines Damaged in the 2013 Flood. Councilor Krenning moved to amend the ordinance by increasing Revenue line 300-45-2900-33019 to \$12,900,000 and total revenue to \$17,900,000 and Appropriation for construction 300-46-318-49360-W1300D to \$6,559,000 and total appropriation \$8,299,600. The motion seconded by Councilor Farley, carried with eight Councilors voting in favor and Councilor Clark voting against. The original motion as amended, carried with eight Councilors voting in favor the Councilor Clark voting against. Council recommended applying the level of Reserve requirements for the Fund (Water) and a projected length of time.**

11. DEVELOPMENT SERVICES (presenter: Alison Hade)  
INLAND GROUP AFFORDABLE HOUSING DESIGNATION AND FEE WAIVERS

Community Partnership Manager, Alison Hade introduced this item to Council. Pam Crory, Chair of the Affordable Housing Commission and Keith James, from Inland Group residing in Green Acres, WA was also present. 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. Mayor Gutierrez asked for public comment at 10:01 p.m. **Councilor Shaffer moved to Adopt 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. The motion was seconded by Councilor Farley which carried with eight councilors voting in favor and Councilor McKean voting against.**

**Councilor Shaffer moved to approve a motion to Adopt 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. The motion was seconded by Councilor Farley, which carried with eight councilors voting in favor and Councilor McKean voting against.**

12. ECONOMIC DEVELOPMENT (presenter: Mike Scholl)  
SUPPLEMENTAL APPROPRIATION FOR 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 dollars. 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. Mayor Gutierrez asked for public comment. **Councilor Shaffer moved that the City Council go into executive session as authorized by the Colorado Open Meetings Law in C.R.S. §24-6-402(4)(a), (4)(b) and (4)(e) and by City Charter 4-4(c)(1), (c)(2) and (c)(3). This executive session will concern the City's acquisition of real property in Downtown Loveland for the South Catalyst Project and is authorized by the following sections of the Colorado Open Meetings Law and the City Charter: The purchase of real property as authorized by C.R.S. §24-6-402(4)(a) and by City Charter 4-4(c)(2) since, in the judgment of Council,**

premature disclosure of information might give any person an unfair competitive or bargaining advantage; and Since the purchase of such real property is a matter that is subject to negotiations, to receive reports concerning negotiations, to develop the City's negotiation positions and strategies, and to instruct the City's negotiators concerning those positions and strategies as authorized by C.R.S. §24-6-402(4)(e) and Charter Section 4-4(c)(1); and As needed, to receive legal advice from the City Attorney's Office as authorized in C.R.S. § and Charter section 4-4(c)(3) at 11:13 p.m. The motion, seconded by Mayor Pro-tem Clark, carried with six councilors present voting in favor, and Councilors Farley, Krenning and Taylor voting against. Council reconvened at 12:36 a.m. on July 16, 2014. Mayor Gutierrez asked for public comment at 12:36 a.m. Hearing no public comment, the public hearing was closed. Councilor Shaffer moved 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. The motion seconded by Councilor Farley carried with all councilors voting in favor thereof. The direction of Council was to receive periodic reports about this project.

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

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. Mayor Gutierrez asked for public comment at 1:11 a.m. With no further public comment the public hearing was closed at 1:11 a.m. **Councilor Shaffer moved 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.** The motion was seconded by Mayor Pro Tem Clark, which failed with four voting in favor and Councilors Shaffer, Trenary, Mayor Gutierrez, Farley, and Taylor voting against.

Council did not consider two additional ordinances nor the resolution.

**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.*

Farley:

Announced that MoBetta Gumbo is open again.

McKean:

Announced Meeting for the Open Lands Advisory Board, Council consensus was to direct Councilor McKean to support Option 1 with regard to the County Open Lands Tax Issue going before the voters in November. Mayor Gutierrez suggested having another joint meeting with Open Lands Commission after the November election.

Shaffer: Attended the Metropolitan Planning Organization meeting which included discussion regarding the distribution of Transportation funding.

Gutierrez: Attended special meeting of the Platte River Power Authority. Invited Steve Adams, Water & Power Director to speak briefly on the additional purchase of wind power and additional transfer on Western Area Power Authority (WAPA) power grid.

**CITY MANAGER REPORT**

None

**CITY ATTORNEY REPORT**

None


**ADJOURNMENT**

Having no further business to come before Council, the July 15, 2014, Regular Meeting was adjourned at 1:50 a.m. on July 16, 2014.

Respectfully Submitted,

  
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Teresa G. Andrews, City Clerk



  
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Cecil A. Gutierrez, Mayor