

AGENDA
LOVELAND CITY COUNCIL MEETING
TUESDAY, NOVEMBER 3, 2015
CITY COUNCIL CHAMBERS
500 EAST THIRD STREET
LOVELAND, COLORADO

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“La Ciudad de Loveland está comprometida a proporcionar igualdad de oportunidades para los servicios, programas y actividades y no discriminar en base a discapacidad, raza, edad, color, origen nacional, religión, orientación sexual o género. Para más información sobre la no discriminación o para asistencia en traducción, favor contacte al Coordinador Título VI de la Ciudad al TitleSix@cityofloveland.org o al 970-962-2372. La Ciudad realizará las acomodaciones razonables para los ciudadanos de acuerdo con la Ley de Discapacidades para americanos (ADA). Para más información sobre ADA o acomodaciones, favor contacte al Coordinador de ADA de la Ciudad en bettie.greenberg@cityofloveland.org o al 970-962-3319”.

5:30 P.M. DINNER
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 CLERK (presenter: Terry Andrews)**
APPROVAL OF MEETING MINUTES
A Motion to Approve the City Council Meeting Minutes for the October 13, 2015 Study Session and October 20, 2015 Regular Meeting.

1. This is an administrative action to approve the City Council meeting minutes for the October 13, 2015 Study Session.
 2. This is an administrative action to approve the City Council meeting minutes for the October 20, 2015 Regular Meeting.
2. **CITY MANAGER** (presenter: Bill Cahill)
APPOINTMENTS TO THE HUMAN SERVICES COMMISSION
 1. A motion to appoint Rebecca Thorp to the Human Services Commission for a partial term effective until June 30, 2017.
 2. A motion to appoint Carolyn Benson and Krystal Rowland as alternate members on the Human Services Commission, each for a term effective until June 30, 2016. These are administrative actions recommending the appointment of a member and alternates to the Human Services Commission.
3. **DEVELOPMENT SERVICES** (presenter: Alan Krcmarik)
SUSPENDING INCREASES TO CEF'S FOR 2016
A Motion To Approve On Second Reading Ordinance #5974 Suspending Annual Increases In Capital Expansion Fees, Excepting The Street Capital Expansion Fee, Pursuant To Loveland Municipal Code Section 16.38.110 For 2016
This is an administrative action. Using master plans prepared by City departments, BBC Research & Consulting and city staff completed a study demonstrating the results of using a "plans-based" approach to set capital expansion fees. Based on Council discussion at the September 22, 2015 study session the proposed Ordinance suspends the annual inflationary increase provided for in the City Code section 16.38.100. The suspension of the annual inflationary increase does not apply to the streets capital expansion fee; this fee is already determined on a plans-based approach. Cost of materials for street construction and repair have been rising. The Colorado Department of Transportation inflation adjustment is 8.66%. On October 20, 2015, City Council unanimously approved this ordinance on first reading.
4. **ECONOMIC DEVELOPMENT** (presenters: Marcie Erion & Chris Conrardy)
EWI COLORADO PROJECT
A Motion To Approve On Second Reading Ordinance #5975 Enacting A Supplemental Budget And Appropriation To The 2015 City Of Loveland Budget For Phase II Pilot Operation For Program And Facility Design Of The EWI Project
This is an administrative action. The City of Loveland is being asked to invest in the development, construction and initial operation of EWI Colorado which will be located at the Rocky Mountain Center for Innovation and Technology. The ordinance is funded with available Economic Development Department Incentive funds and City Council Special Project funds that reduce the flexibility to fund other projects. Currently the balance in the Economic Development Incentive Fund is \$1,055,221. If approved, the new balance would be \$555,221 after the initial \$500K payment. Additional distributions will be paid as performance measures defined in the contract are met. On October 20, 2015, City Council unanimously approved this ordinance on first reading.
5. **DEVELOPMENT SERVICES** (presenters: Kerri Burchett & Steve Adams)
LOVELAND FOOTHILLS SOLAR SUBSTATION
A Motion To Approve On Second Reading Ordinance #5976 Amending Section 18.04.040 Of The Loveland Municipal Code, The Same Relating To Zoning Regulations For Certain Property Located In A Portion Of Tract "C", Vanguard-Famleco Section Addition, City Of Loveland, Larimer County, Colorado
This is a quasi-judicial action to rezone 52.6 acres of City property from a residentially

zoned PUD to DR –Developing Resource. The property is located between West 22nd Street and West 29th Street, just west of Mehaffey Park. The property is currently zoned Meadowbrook Ridge PUD and is designated for single family and townhome uses. The City’s Power Division recently purchased the property and is requesting the rezoning to construct a new substation and solar facility. This project would replace the Idylwilde Hydroelectric Facility that was significantly damaged during the 2013 flood. On September 28, 2015, the Planning Commission recommended approval of the rezoning request by a vote of 5-3. On October 20, 2015, City Council unanimously approved this ordinance on first reading.

6. DEVELOPMENT SERVICES (presenters: Alan Krcmarik)
PUBLIC COMMENT

SPECIAL ASSESSMENT REFUNDING BONDS

A Motion To Approve On First Reading An Ordinance Authorizing The Issuance Of Special Assessment Refunding Bonds In The Maximum Aggregate Principal Amount Of \$5,480,000 Of The City Of Loveland, Colorado, For Special Improvement District No. 1; Prescribing The Form Of The Bonds And Providing For The Payment Of The Bonds And The Interest Thereon.

This is an administrative action. Through the adoption of the Ordinance, the City will reduce the interest rate on the remaining Special Improvement District No. 1 bonds. The lower interest rate will mean lower assessment payments from property owners. The savings over the remaining life of the bonds 2029 will be approximately \$700,000. The savings would allow the special assessment being paid by property owners in the Special Improvement District No. 1 to be lowered by about 10 percent for the remaining term of the bonds that mature in 2029.

7. MUNICIPAL COURT (presenter: Geri Joneson)
PUBLIC COMMENT

EXPUNGEMENT OF JUVENILE RECORDS

A Motion To Approve On First Reading An Ordinance Amending the Loveland Municipal Code at Section 1.12.020 to Authorize Expungement of Juvenile Records and Establish Expungement Procedures

This is a legislative action. This is a proposed Ordinance that will grant the Municipal Court the authority to expunge arrest and criminal records for Loveland Municipal Court juvenile offenders who successfully complete a diversion program, deferred prosecution or deferred sentence.

8. CULTURAL SERVICES (presenter: Susan Ison)
PUBLIC COMMENT

MUSEUM EXHIBIT, FEES AND BENCH

A Motion To Approve On First Reading An Ordinance Enacting A Supplemental Budget And Appropriation To The 2015 City Of Loveland Budget For The Christo & Jeanne-Claude Exhibit, Architectural Fees For A Museum Conceptual Design, A Memorial Bench For The Main Gallery And A Colorado Creative Industries Grant For 2016 Art Exhibits

This an administrative action. The following donations were recently received to support activities in the Cultural Services Department:

- \$10,000 from the Erion Foundation for the Christo and Jeanne-Claude Exhibit.
- \$15,000 from the Erion Foundation to secure the services of Olson Kundig Architects, Seattle, Washington, to provide conceptual design support for a future Museum expansion.
- \$10,000 grant from Colorado Creative Industries for art exhibits in 2016.
- \$2,580 from the estate of Stephen Beale for a memorial bench in the gallery.

These activities would not be possible without the support of the donors.

9. **CULTURAL SERVICES** (presenter: Susan Ison)
MUSEUM STORAGE BUILDING PURCHASE
A Motion To Adopt Resolution #R-75-2015 Of The Loveland City Council Approving The Contract For Purchase Of A Commercial Building Located At 710 14th Street SW, Loveland, CO For Museum Storage Space And Authorizing The City Manager To Execute The Contract
 This is an administrative action seeking approval of a motion approving and authorizing the purchase of a commercial building located at 710 14th Street SW. The City's adopted 2016 Capital Plan includes the Museum Storage project to be paid wholly from Cultural Services CEFs. In addition, the annual facilities Operations and Maintenance cost of \$58,000 is included in the approved 2016 Budget. The listed asking price was \$2,250,000. Staff have negotiated and executed a conditional contract for \$2,105,000, well under the planned purchase budget of \$2,400,000. Please note that a subsequent property appraisal did not support the conditional contract price. Planned closing date is January 8, 2016, after the beginning of the new fiscal year.
10. **FORT COLLINS-LOVELAND MUNICIPAL AIRPORT** (presenter: Jason Licon)
AIRPORT COMMISSION'S BYLAWS
A Motion To Adopt Resolution #R-76-2015 Approving The Bylaws Of The Northern Colorado Regional Airport Commission
 This is an administrative action to adopt the bylaws governing the responsibilities and duties of the Northern Colorado Regional Airport Commission.
11. **WATER AND POWER** (presenter: Melissa Morin)
WASTEWATER MAIN EXTENSION
A Motion To Adopt Resolution #R-77-2015 Authorizing The Provision Of Waste Water Service Outside Of The Loveland City Limits Pursuant To Loveland Municipal Code Sections 13.08.075 And 13.08.080
 This is an administrative action approving a wastewater main extension and service for the Laurelwood Planned Land Division which is a five (5) lot residential subdivision located outside of the city limits in the vicinity of North St. Louis Ave and Sablewood Drive. On October 21, 2015 the Loveland Utilities Commission unanimously recommended that City Council approve a Resolution to extend a sanitary sewer line and provide sanitary sewer service to the five lots in Laurelwood Planned Land Division which is situated in Larimer County.
12. **MUNICIPAL COURT** (presenter: Geri Joneson)
MUNICIPAL COURT 2015 THIRD QUARTER REPORT
 This is an information only item. 2015 Third Quarter Reports for Municipal Court activity.
13. **FINANCE** (presenter: Brent Worthington)
SEPTEMBER 2015 FINANCIAL REPORT
 This is an information only item. The Snapshot Report includes the City's preliminary revenue and expenditures including detailed reports on tax revenue and health claims year to date, ending September 30, 2015.
14. **CITY MANAGER** (presenter: Alan Krmarik)
INVESTMENT REPORT FOR SEPTEMBER 2015
 This is an information only item. The budget projection for investment earnings for 2015 is \$1,759,080. On the portfolio's 2015 beginning balance this equates to an annual interest rate of 0.84%. Based on the monthly statement, the estimated annualized yield on the securities held by USBank was steady at 1.1%. For September, earnings of

\$204,105 were posted to City funds and the year to date total is \$1,360,782. U.S. short-term Treasury interest rates fell sharply in September; the portfolio had an unrealized gain of \$385,204 in September compared to an unrealized loss of \$148,348 in August. The end of September portfolio market value is estimated to be \$218.2 million. The total amount of the portfolio is higher compared to the beginning of the year, but is still not back to the peak amount reached before the 2013 flood when the portfolio carried an estimated market value of \$226.3 million.

**15. CITY CLERK (presenter: Terry Andrews)
CALL FOR A SPECIAL MEETING**

A Motion calling for a Special Meeting on November 10, 2015 at 6:30 prior to the regularly scheduled Study Session of City Council.

This is an administrative action. To set a Special Meeting to consider the November 3, 2015 Regular Meeting minutes and to swear in newly elected councilors. This meeting would be immediately followed by the Study Session.

**16. HUMAN RESOURCES (presenter: Julia Holland)
DDA PARTICIPATION IN CIRSA**

A Motion To Adopt Resolution #R-78-2015 Consenting To Participation Of The Loveland Downtown Development Authority In The Colorado Intergovernmental Risk Sharing Agency

The City desires to consent to the Loveland Downtown Development Authority's participation in the Colorado Intergovernmental Risk Sharing Agency ("CIRSA").

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

**17. WATER AND POWER (presenter: Steve Adams)
FEMA ALTERNATE SOLAR PROJECT BID AWARD**

A Motion To Adopt Resolution #R-79-2015 Authorizing A Notice Of Award For The Photovoltaic Facility Design And Construction And Authorizing The City Manager To Execute The Contract

This is an administrative action. Approval of this item will allow the Photovoltaic Facility for the Federal Emergency Management Authority (FEMA) Alternate Project to be awarded to Namaste Solar of Boulder, Colorado for work to begin following the final rezoning approval by Council and the special review appeal period for the Foothills site

and completing by December 31, 2016. On July 7, 2015, City Council approved a supplemental appropriation on second reading to appropriate money for this project. Loveland Water and Power (LWP) will seek maximum reimbursement from FEMA for expenses as this project progresses. October 21, 2015, the Loveland Utilities Commission recommended that City Council approved the resolution, contingent on receiving scope change approval for the project location from the State and FEMA. Funding for this project was appropriated by City Council on July 7, 2015.

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

MINUTES
LOVELAND CITY COUNCIL STUDY SESSION
TUESDAY, OCTOBER 13, 2015
CITY COUNCIL CHAMBERS
500 EAST THIRD STREET
LOVELAND, COLORADO

STUDY SESSION 6:30 P.M.

Councilors present: Council members Gutierrez, Trenary, Fogle, and Shaffer. City Manager, Bill Cahill was also present. Councilors Clark, Farley Taylor, McKean, and Krenning were absent.

1. PUBLIC WORKS AND LOVELAND FIRE RESCUE AUTHORITY RAILROAD ISSUES

Leah Browder, Public Works Director; Jeff Bailey, City Engineer; Mark Miller, Fire Chief; and Tim Smith, Battalion Chief; presented this informational presentation to support City Council discussion regarding train issues including train horn noise, Quiet Zones, materials hauling and safety. Staff provided an overview of federal requirements, options, citizen input, and cost estimates to reduce and/or eliminate train horn noise impacts for each of the 33 railroad crossings in Loveland. The staff also provided information about the efforts of other Colorado cities to establish Quiet Zones. Council directed staff to research cost for a consultant to update the 2009 Quiet Zone Study.

The Loveland Fire Rescue Authority (LFRA) provided an overview of railway hazardous materials hauling and LFRA response preparedness. Loveland Fire Rescue Authority staff will provide more data regarding motor vehicle accidents with trains in a future report to Council. Council thanked Staff for their presentation.

2. HUMAN RESOURCES HEALTHSTAT CLINIC UPDATE

Julia Holland, Human Resources Director, presented this information only item to update Council on the City's Employee Clinic. Ms. Holland presented the objectives of the clinic, the return on investment, the cost/savings analysis, and the employee satisfaction and wellness impact. Council thanked Staff for their presentation.

ADJOURNMENT

Mayor Gutierrez adjourned the October 13, 2015 Study Session at 8:54 p.m.

Respectfully Submitted,

Teresa G. Andrews, City Clerk

Cecil A. Gutierrez, Mayor

MINUTES
LOVELAND CITY COUNCIL MEETING
LOVELAND URBAN RENEWAL AUTHORITY BOARD OF COMMISSIONERS
LOVELAND GID BOARD OF DIRECTORS
LOVELAND SID BOARD OF DIRECTORS
TUESDAY, OCTOBER 20, 2015
CITY COUNCIL CHAMBERS
500 EAST THIRD STREET
LOVELAND, COLORADO

CALL TO ORDER: Mayor Gutierrez called the meeting to order at 6:30 p.m.

PLEDGE OF ALLEGIANCE

ROLL CALL: Councilors Gutierrez, Farley, Trenary, Fogle, Krenning responded. Councilors Clark and Taylor were absent. Councilor Shaffer arrived at 6:46 p.m.

Under Council prerogative, Councilor Shaffer made the following statement after being recognized by the Mayor: "I Joan Shaffer apologize to Stacy Lynne for my comments at the July 21, 2015 City Council meeting. I misspoke that Ms. Lynne slandered Chief Luke Hecker."

Presentation of the Veterans' Day National Recognition Letter to the City of Loveland from the Associated Veterans (Ed Aiken) to Mayor Gutierrez. Mr. Aiken identified some of the events being held on Veterans Day.

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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 CLERK** (presenter: Terry Andrews)
APPROVAL OF MEETING MINUTES
A Motion to Approve the City Council Meeting Minutes for the September 22, 2015 Study Session and October 6, 2015 Regular Meeting was approved.
1. This is an administrative action to approve the City Council meeting minutes for the September 22, 2015 Study Session.
 2. This is an administrative action to approve the City Council meeting minutes for the October 6, 2015 Regular Meeting.

2. **DEVELOPMENT SERVICES** (presenter: Nikki Garshelis)
YOUTH REPRESENTATIVE FOR HISTORIC PRESERVATION COMMISSION
A Motion To Approve On Second Reading Ordinance #5962 Amending Section 2.60.130 Of The Loveland Municipal Code Pertaining To The Historic Preservation Commission was approved.
 This item is a legislative action to consider approval on second reading an ordinance amending Section 2.60.130 of the Loveland Municipal Code. The Historic Preservation Commission unanimously recommends that the City Council amend the code to provide for a designated slot for a high school student representative. On October 6, 2015, City Council unanimously approved this ordinance on first reading.
3. **DEVELOPMENT SERVICES** (presenter: Brian Burson)
GREAT WESTERN 3RD SUBDIVISION REZONING
A Motion To Approve On Second Reading Ordinance #5963 Amending Section 18.04.040 Of The Loveland Municipal Code, The Same Relating To Zoning Regulations For A Portion Of Lot 1, Block 1 Of Great Western Third Subdivision, City Of Loveland, Larimer County, Colorado was approved.
 This is a quasi-judicial action. This application is to rezone a portion of Lot 1, Block 1, Great Western 3rd Subdivision. The site consists of 5.8 acres and is located along the north side of East 11th Street, between Gorom Avenue and Redwood Drive. This is directly behind JAX/Gold's Gym and west of Home Depot. The lot currently has both Industrial and Business zoning, apparently caused by previous replats that were not accompanied by the appropriate rezoning actions. The rezoning will rectify this situation, assigning I-Developing Industrial zoning to all of Lot 1. The unified zoning designation is the first step in preparing the site for pending development of a mixed-use development of uses allowed in the I zone. The existing zoning and land uses in the area are both industrial and business. The requested zoning action will result in a compatible zoning pattern and allow for appropriate development of the site. The Planning Commission recommended approval of the requested zoning action as part of their Consent Agenda on August 24, 2015. On October 6, 2015, City Council unanimously approved this ordinance on first reading.
4. **LOVELAND FIRE RESCUE AUTHORITY** (presenter: Mark Miller)
CODE AMENDMENT TO FIRE RESCUE SERVICES
A Motion To Approve On Second Reading Ordinance #5964 Amending The City Code To Reflect That The Fire Rescue Department Services Are Provided By An Independent Governmental Entity Created By Intergovernmental Agreement Between The City And The Loveland Rural Fire Protection District And Adding The Loveland Fire Rescue Authority As An Entity Permitted To Enter Into Cooperative Agreements With The City was approved.
 This is a legislative action for the revision of section 2.44.040 and 2.44.050 of the municipal code clarifying that fire rescue services are allowed to be provided by a third party entity and that the Fire Chief duties are no longer directed by the City, instead they are directed by the Loveland Fire Rescue Authority Board (a five member board comprised of two City of Loveland City Council members, the City Manager, and two Loveland Rural Fire Protection District Board members). On October 6, 2015, City Council unanimously approved this ordinance on first reading.
5. **FINANCE** (presenter: Brent Worthington)
PUBLIC HEARING
2016 CITY OF LOVELAND BUDGET
1. A Motion To Approve Resolution #R-66-2015 On Second Reading Adopting The 2016 Schedule Of Rates, Charges, And Fees For Services Provided By The City Of

Loveland, Other Than Services Provided By The Water And Power Department And The Storm Water Enterprise, And Superseding All Prior Resolutions Establishing Such Rates, Charges And Fees was approved.

2. A Motion To Approve Resolution #R-67-2015 On Second Reading Adopting The 2016 Schedule Of Rates, Charges, And Fees For Services Provided By The Storm Water Enterprise Of The City Of Loveland, Colorado And Superseding All Prior Resolutions Establishing Such Rates, Charges And Fees was approved.

3. A Motion To Approve Resolution #R-68-2015 On Second Reading Adopting The 2016 Schedule Of Rates, Charges, And Fees For Services Provided By The Water And Power Department Of The City Of Loveland And Superseding All Prior Resolutions Establishing Such Rates Charges, And Fees was approved.

4. A Motion To Approve On Second Reading Ordinance #5965 Adopting The 2015 Mill Levy For The General Fund Of The City Of Loveland, Colorado was approved.

5. A Motion To Approve On Second Reading Ordinance #5966 Adopting The 2016 Budget For The City Of Loveland, Colorado was approved.

6. A Motion To Approve On Second Reading Ordinance #5967 Making An Appropriation For The Fiscal Year Beginning January 1, 2016 And Ending December 31, 2016 For The City Of Loveland, Colorado was approved.

7. A Motion To Approve On Second Reading Ordinance #5968 Enacting A Supplemental Budget And Appropriation To The 2016 Budget For Capital And Operational Funding For Transportation Projects was approved.

These are administrative actions to adopt the fee resolutions and ordinances, except for the mill levy ordinance, to approve the 2016 Budget on Second Reading. The adoption of the 2015 mill levy is a legislative action. Included are all the Fee Resolutions and Ordinances necessary to adopt and implement the 2016 Budget. On October 6, 2015, City Council unanimously approved the above resolutions and ordinances on first reading.

- 6. FINANCE (presenter: Brent Worthington)
2016 SCHEDULE OF RATES, CHARGES & FEES AND 2016 AIRPORT BUDGET
A Motion To Approve On Second Reading Ordinance #5969 Adopting The 2016 Budget For The Fort Collins-Loveland Municipal Airport was approved.**

This is an administrative action. The City of Loveland provides staff support to the Airport through the Intergovernmental agreement with the City of Ft. Collins. As a part of this function the City Council approves the Airport budget, which includes the City's share of the Airport Budget. On October 6, 2015, City Council unanimously approved this ordinance on first reading.

CITY COUNCIL ADJOURNED AND CONVENED AS THE BOARD OF DIRECTORS OF THE LOVELAND SPECIAL IMPROVEMENT DISTRICT #1 (SID)

- 7. FINANCE (presenter: Brent Worthington)
2016 BUDGET FOR THE LOVELAND SPECIAL IMPROVEMENT DISTRICT #1 (SID)
A Motion To Approve On Second Reading Ordinance #5970 Adopting The 2016 Budget For The Loveland Special Improvement District #1 was approved.**

This is an administrative action. The City serves as the sponsoring agency for the Special Improvement District (SID) and the ex officio Board of Directors. The SID #1 was established to allow for the collection of assessments from property owners in the District to back bonded debt used to construct infrastructure improvements in the district. The City does not have any legal obligation towards this debt. By State law, all special districts with a connection to the City must adopt a budget. The City of Loveland serves as staff for the District. The 2016 requested budget is \$1,060,650. On October 6, 2015, the Board of Directors of the Loveland Special Improvement District #1 unanimously approved this ordinance on first reading.

**BOARD OF DIRECTORS OF THE LOVELAND SPECIAL IMPROVEMENT DISTRICT #1 (SID)
ADJOURNED AND CONVENEED AS THE BOARD OF COMMISSIONERS FOR THE
LOVELAND URBAN RENEWAL AUTHORITY (LURA)**

**8. FINANCE (presenter: Brent Worthington)
2016 BUDGET FOR THE LOVELAND URBAN RENEWAL AUTHORITY (LURA)**

A Motion To Approve On Second Reading Ordinance #5971 Adopting The 2016 Budget For The Loveland Urban Renewal Authority was approved.

This is an administrative action. City Council serves as the Board of Commissioners for the Loveland Urban Renewal Authority. By State budget law, the Board must approve an annual budget for the Authority. The City of Loveland serves as staff for the District. The Authority is funded by tax increment revenues from property and sales taxes.

The adoption of this budget is necessary for the downtown area due to the timing of the Downtown Development Authority (DDA) election. If the DDA mill levy increase is approved in the November election, LURA will be abolished and the budget will be amended to reverse this appropriation. On October 6, 2015, The Board of Commissioners for the Loveland Urban Renewal Authority unanimously approved this ordinance on first reading.

**THE BOARD OF COMMISSIONERS FOR THE LOVELAND URBAN RENEWAL AUTHORITY
(LURA) ADJOURNED AND CONVENEED AS THE BOARD OF DIRECTORS FOR THE
LOVELAND GENERAL IMPROVEMENT DISTRICT #1 (GID)**

**9. FINANCE (presenter: Brent Worthington)
2016 BUDGET FOR THE LOVELAND GENERAL IMPROVEMENT DISTRICT #1 (GID)**

1. A Motion To Approve On Second Reading Ordinance #5972 Adopting The 2015 Mill Levy For The Loveland General Improvement District #1 was approved.

2. A Motion To Approve On Second Reading Ordinance #5973 Adopting The 2016 Budget For The Loveland General Improvement District #1 was approved.

The ordinance adopting the budget is an administrative action. The ordinance adopting the mill levy is a legislative action. City Council serves as the ex-officio Board of Directors for the District. The Board must approve a budget and set the mill levy for the District. The City of Loveland serves as staff for the District. On October 6, 2015, The Board of Directors for the Loveland General Improvement District #1 unanimously approved these ordinances on first reading.

**THE BOARD OF DIRECTORS FOR THE LOVELAND GENERAL IMPROVEMENT DISTRICT
#1 (GID) ADJOURNED AND RECONVENEED AS CITY COUNCIL**

**10. DEVELOPMENT SERVICES (presenter: Alan Krcmarik)
PUBLIC COMMENT**

SUSPENDING INCREASES TO CEF'S FOR 2016

A Motion To Approve On First Reading An Ordinance Suspending Annual Increases In Capital Expansion Fees, Excepting The Street Capital Expansion Fee, Pursuant To Loveland Municipal Code Section 16.38.110 For 2016 was approved.

This is an administrative item. Using master plans prepared by City departments, BBC Research & Consulting and city staff completed a study demonstrating the results of using a "plans-based" approach to set capital expansion fees. Based on Council discussion at the September 22, 2015 study session the proposed Ordinance suspends the annual inflationary increase provided for in the City Code section 16.38.100. The suspension of the annual inflationary increase does not apply to the streets capital expansion fee; this fee is already determined on a plans-based approach. Cost of materials for street construction and repair have been rising. The Colorado Department of Transportation inflation adjustment is 8.66%.

**11. ECONOMIC DEVELOPMENT (presenters: Marcie Erion & Chris Conrardy)
PUBLIC COMMENT
EWI COLORADO PROJECT**

- 1. A Motion To Adopt Resolution #R-73-2015 Approving An Agreement Between The City Of Loveland And Edison Welding Institute, Inc. d/b/a EWI was approved.**
- 2. A Motion To Approve On First Reading An Ordinance Enacting A Supplemental Budget And Appropriation To The 2015 City Of Loveland Budget For Phase II Pilot Operation For Program And Facility Design Of The EWI Project was approved.**

These are administrative actions. At a study session on September 22nd, City Council asked staff to bring back a resolution and ordinance for consideration. The City of Loveland is being asked to invest in the development, construction and initial operation of EWI Colorado which will be located at the Rocky Mountain Center for Innovation and Technology. The total investment requested is \$2MM and would be paid out on the following timeline with all payments made by the end of 2017: \$500K 2015 Economic Development Incentive Fund; \$500K 2016 Economic Development Incentive Fund; \$500K 2016 City Council Special Projects Fund; \$500K 2017 City Council Special Projects Fund. The ordinance is funded with available Economic Development Department Incentive funds and City Council Special Project funds that reduce the flexibility to fund other projects. Currently the balance in the Economic Development Incentive Fund is \$1,055,221. If approved, the new balance would be \$555,221 after the initial \$500K payment. Additional distributions will be paid as performance measures defined in the contract are met.

**12. CITY MANAGER (presenter: Rod Wensing)
IGA BETWEEN CITY AND TSD FOR CABLE BROADCAST ACCESS**

A Motion To Adopt Resolution #R-74-2015 Approving And Authorizing The Execution Of An Agreement Between The City Of Loveland And The Thompson School District Number R2-J For Identification Of Designated Access Provider And Allocation Of Access Funds was approved.

This is an administrative action seeking approval of a motion to approve an intergovernmental agreement (IGA) with Thompson School District to begin the implementation of a 5-year cable broadcast equipment replacement plan for the District, for a total not to exceed \$342,000 over a five year period. The attached IGA has been unanimously approved by the Thompson School District Board of Education on September 16, 2015 and TSD staff will also be in attendance at the meeting to answer any related questions.

**13. HUMAN RESOURCES (presenter: Julia Holland)
SPECIAL MEETING MUNICIPAL JUDGE'S SIX MONTH EVALUATION**

A Motion Setting A Special Meeting Of City Council On October 27, 2015 In The City Manager's Conference Room To Conduct An Executive Session For The Purposes Of The Presiding Municipal Judge's Six Month Evaluation. Council Waives The Requirement Of Notice Of The Meeting Delivery To Their Homes was approved.

This is an administrative action to set a special meeting and to conduct an executive session for the purposes of the Presiding Municipal Judge's six month evaluation.

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.

Daryle Klassen, 3687 Vista Drive, expressed disappointment regarding the County building move

out of downtown Loveland as well as other city concerns.

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

14. DEVELOPMENT SERVICES

PUBLIC HEARING

LOVELAND FOOTHILLS SOLAR SUBSTATION

Kerri Burchett, Principal Planner and Steve Adams, Water and Power Director presented this quasi-judicial action to rezone 52.6 acres of City property from a residentially zoned PUD to DR –Developing Resource. The property is located between West 22nd Street and West 29th Street, just west of Mehaffey Park. The property is currently zoned Meadowbrook Ridge PUD and is designated for single family and townhome uses. The City's Power Division recently purchased the property and is requesting the rezoning to construct a new substation and solar facility. This project would replace the Idylwilde Hydroelectric Facility that was significantly damaged during the 2013 flood. On September 28, 2015, the Planning Commission recommended approval of the rezoning request by a vote of 5-3. Mayor Gutierrez opened the public hearing at 6:56 p.m. A letter from Frederick J. Burmont, 3584 Parlin St, requested Council postpone consideration of the ordinance; Tony Benjamin, 3072 Hudson Drive, spoke in opposition of the ordinance; Don Hilmes, 3322 Sedgwick Cir, spoke in opposition; Linda Aron 1804 Nucla, expressed concern regarding the visual impact of the substation; Larry Roos, Loveland Utilities Commission member spoke in support of the ordinance; Leighton Bearden, 2181 Vancorum, spoke in support. Mayor Gutierrez closed the public hearing at 8:00 a.m.

Councilor Shaffer moved to Approve On First Reading An Ordinance Amending Section 18.04.040 Of The Loveland Municipal Code, The Same Relating To Zoning Regulations For Certain Property Located In A Portion Of Tract "C", Vanguard-Famleco Section Addition, City Of Loveland, Larimer County, Colorado. The motion seconded by Councilor Farley, carried with all councilors present voting in favor thereof.

15. HUMAN RESOURCES

EXECUTIVE SESSION

Councilor Shaffer moved that City Council go into executive session to discuss personnel matters related to the Municipal Judge's six month performance evaluation as authorized by the following sections of the Colorado Revised Statutes and the City of Loveland Charter: Personnel matters to include a discussion of the Municipal Judge's six month performance evaluation as authorized by C.R.S. § 24-6-402(4)(f) and Charter Section 4-4 (c)(5). The motion seconded by Councilor Farley carried with six Councilors voting in favor and Councilor McKean voting no, because he would be unable to attend the actual evaluation.

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.

Fogle Downtown Development Authority and the Loveland Downtown Partnership groups will be hosting an open house to 6:00 p.m. Wednesday afternoon at Home State Bank and again at Cactus Grille 7:30 a.m. Thursday.

CITY MANAGER REPORT

None

CITY ATTORNEY REPORT

Yellico Updated Council on the Oil and Gas Rulemaking and local impacts. Ms. Yellico will be draft an opinion from the City and run it by council prior to the deadline to submit to the Rulemaking committee.

ADJOURN

Hearing no more business to go before Council, Mayor Gutierrez adjourned the October 20, 2015 regular meeting at 9:26 p.m.

Respectfully Submitted,

Teresa G. Andrews, City Clerk

Cecil A. Gutierrez, Mayor



CITY OF LOVELAND
CITY MANAGER'S OFFICE

Civic Center • 500 East Third • Loveland, Colorado 80537
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AGENDA ITEM: 2
MEETING DATE: 11/3/2015
TO: City Council
FROM: City Manager
PRESENTER: Bill Cahill

TITLE:

Appointments to Human Services Commission

RECOMMENDED CITY COUNCIL ACTION:

A motion to appoint Rebecca Thorp to the Human Services Commission for a partial term effective until June 30, 2017

A motion to appoint Carolyn Benson and Krystal Rowland as alternate members on the Human Services Commission, each for a term effective until June 30, 2016

OPTIONS:

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

SUMMARY:

This is an administrative item recommending the appointment of members to the Human Services Commission.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

BACKGROUND:

April Lewis resigned from the Human Services Commission in September. Three applicants were interviewed. The committee recommends the appointment of Rebecca Thorp for a partial term effective until June 30, 2017. Carolyn Benson and Krystal Rowland are recommended for appointment as alternate members on the commission, each for a term effective until June 30, 2016.

REVIEWED BY CITY MANAGER:

William D. Cahill

LIST OF ATTACHMENTS:

None



CITY OF LOVELAND
 DEVELOPMENT SERVICES DEPARTMENT
 Civic Center • 500 East 3rd Street • Loveland, Colorado 80537
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AGENDA ITEM: 3
MEETING DATE: 11/3/2015
TO: City Council
FROM: Alan Krcmarik, Development Services
PRESENTER: Alan Krcmarik, Executive Fiscal Advisor

TITLE:

Ordinance Suspending Annual Increases In Capital Expansion Fees, Excepting The Street Capital Expansion Fee, Pursuant To Loveland Municipal Code Section 16.38.110 For 2016

RECOMMENDED CITY COUNCIL ACTION:

Adopt the ordinance on second reading.

OPTIONS:

1. Adopt the action as recommended.
2. Deny the action. If the Ordinance is not adopted, the City Code provides for an annual adjustment using the Denver Construction Cost Index.
3. Adopt a modified action.
4. Refer back to staff for further development and consideration. At the September 22, 2015 study session, Council members suggested that staff continue to explore alternative levels for the capital expansion fees. Staff intends to provide a progress report to Council during the first quarter of 2016.

SUMMARY:

This is an administrative item. Using master plans prepared by City departments, BBC Research & Consulting and city staff completed a study demonstrating the results of using a “plans-based” approach to set capital expansion fees. Based on Council discussion at the September 22, 2015 study session the proposed Ordinance suspends the annual inflationary increase provided for in the City Code section 16.38.100. The suspension of the annual inflationary increase does not apply to the streets capital expansion fee; this fee is already determined on a plans-based approach. Cost of materials for street construction and repair have been rising. The Colorado Department of Transportation inflation adjustment is 8.66%. On October 20, 2015, City Council unanimously approved this ordinance on first reading.

BUDGET IMPACT:

- Positive The inflationary increase for the Streets capital expansion fee will help the Public Works Department maintain sufficient funding to meet future street project costs.
- Negative The suspension of fee increases for the other nine capital expansion fees will decrease the amount of funding that otherwise would be available to meet the cost of projects related to the growing community.
- Neutral or negligible

BACKGROUND:

The City of Loveland has utilized impact fees, more specifically Capital Expansion Fees, as a method to fund capital improvements since 1984. The fees were based on a cost of services study and the equity buy-in approach to setting fees was adopted. The CEFs are updated every few years and after the last major review in 2012, Council requested more study of an alternative method to determine the fees, the Plans Based approach. Based on master plans prepared for the departments, projections of growth for the next 25 years, and updated capital improvement plans, calculations for CEFs have been made. The plans-based fees were presented to Council at the September 22, 2015, study session.

After lengthy discussion, it was determined that Council was not yet ready to move to the plans-based approach to setting Capital expansion fees. The City Code provides for an annual adjustment based on the September Engineering News Record Construction Cost Index for the Denver region. The inflationary adjustment from the current fees would be 0.48%. This level of adjustment is far below what has been observed in Northern Colorado. Again, based on comments from the Council, it was determined that the annual inflationary adjustment should not be made.

Staff has prepared the attached ordinance which provides for a suspension the annual fee increased. If this ordinance is adopted the capital expansion fees for Police, Fire-Rescue, General Government, Library, Cultural Services-Museum, Parks, Recreation, Trails, and Open Lands will remain at the levels they have been in 2015. Exhibit A. Schedule of Capital Expansion Fees is attached to the Ordinance.

REVIEWED BY CITY MANAGER:

LIST OF ATTACHMENTS:

Ordinance with Exhibit A

Exhibit A. Schedule of Capital Expansion Fees

Annual Inflationary Adjustment Suspended

	<u>2015 Fee</u>	<u>2016 Fee</u>
Residential Single Family		
Per unit of housing		
Fire-Rescue	\$ 895.00	\$ 895.00
Law Enforcement	881.00	881.00
General Government	1,092.00	1,092.00
Library	728.00	728.00
Cultural Services/Museum	607.00	607.00
Parks	3,556.00	3,556.00
Recreation	1,584.00	1,584.00
Trails	531.00	531.00
Open Lands	<u>891.00</u>	<u>891.00</u>
Total	\$ 10,765.00	\$ 10,765.00
Residential Multi-family		
Per unit of housing		
Fire-Rescue	\$ 622.00	\$ 622.00
Law Enforcement	613.00	613.00
General Government	759.00	759.00
Library	506.00	506.00
Cultural Services/Museum	422.00	422.00
Parks	2,471.00	2,471.00
Recreation	1,101.00	1,101.00
Trails	369.00	369.00
Open Lands	<u>619.00</u>	<u>619.00</u>
Total	\$ 7,482.00	\$ 7,482.00
Commercial		
Per square foot		
Fire-Rescue	\$ 0.30	\$ 0.30
Law Enforcement	0.39	0.39
General Government	<u>0.42</u>	<u>0.42</u>
Total	\$ 1.11	\$ 1.11
Industrial		
Per square foot		
Fire-Rescue	\$ 0.03	\$ 0.03
Law Enforcement	0.05	0.05
General Government	<u>0.06</u>	<u>0.06</u>
Total	\$ 0.14	\$ 0.14
Oil & Gas Facility		
Per square foot "disturbed area"		
Fire-Rescue	\$ 0.06	\$ 0.06
Law Enforcement	0.05	0.05
General Government	<u>0.06</u>	<u>0.06</u>
Total	\$ 0.17	\$ 0.17

FIRST READING October 20, 2015

SECOND READING November 3, 2015

ORDINANCE NO. 5974

AN ORDINANCE SUSPENDING ANNUAL INCREASES IN CAPITAL EXPANSION FEES FOR 2016, EXCEPTING THE STREET CAPITAL EXPANSION FEE, PURSUANT TO LOVELAND MUNICIPAL CODE SECTION 16.38.110

WHEREAS, pursuant to City Code Section 16.38.020, certain capital expansion fees (“CEFs”) are imposed on development within the City to provide a source of funding for new and expanded capital facilities associated with growth; and

WHEREAS, CEFs are adjusted annually effective January 1 of each year on the basis of the percentage change in specified indices pursuant to City Code Section 16.38.110; and

WHEREAS, the CEFs effective for 2015 (the “2015 CEFs”) and CEFs as adjusted pursuant to City Code Section 16.38.110 to be effective January 1, 2016 (the “2016 CEFs”) are set forth on **Exhibit A** attached hereto and incorporated herein by this reference; and

WHEREAS, City Council desires, with the exception of the streets capital expansion fee, to suspend the annual adjustment of the CEFs that would otherwise occur on January 1, 2016 pursuant to City Code Section 16.38.110, to leave the CEFs in effect at the level of the 2015 CEFs, without adjustment for 2016.

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

Section 1. The Street Capital Expansion Fees for 2016 shall be set according to City Code Section 16.38.110.A which provides for an adjustment equal to the most current preceding eight quarters average annual percentage change in the construction costs as determined by the Colorado Department of Transportation Construction Cost Index.

Section 2. That the Council finds that suspension of adjustment of all other CEFs, with the exception of the streets CEF, for 2016 will help to make development in Loveland more competitive with communities in the surrounding area and provide incentives for real property development within the City, thereby providing jobs in Loveland and increasing tax revenues.

Section 3. That notwithstanding the provisions of City Code Section 16.38.110 to the contrary, the annual adjustment of CEFs, with the exception of the streets CEF, that would otherwise occur on January 1, 2016 pursuant to City Code Section 16.38.110.A shall be suspended

for calendar year 2016, leaving the 2015 CEF levels, with the exception of the streets CEF, in effect, without adjustment, for 2016.

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).

ADOPTED this 3rd day of November, 2015.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



City Attorney



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: 4
MEETING DATE: 11/3/2015
TO: City Council
FROM: Marcie Erion, Economic Development
PRESENTER: Marcie Erion, Economic Development

TITLE:

An Ordinance Enacting A Supplemental Budget And Appropriation To The 2015 City Of Loveland Budget For Phase II Pilot Operation For Program And Facility Design Of The EWI Project

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.

SUMMARY:

This is an administrative action. At the October 20th meeting, City Council unanimously approved the resolution supporting the agreement with EWI and the 1st reading appropriation ordinance. The City of Loveland is being asked to invest in the development, construction and initial operation of EWI Colorado which will be located at the Rocky Mountain Center for Innovation and Technology. The total investment requested is \$2MM and would be paid out on the following timeline with all payments made by the end of 2017:

\$500K 2015 Economic Development Incentive Fund
 \$500K 2016 Economic Development Incentive Fund
 \$500K 2016 City Council Special Projects Fund
 \$500K 2017 City Council Special Projects Fund

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

The ordinance is funded with available Economic Development Department Incentive funds and City Council Special Project funds that reduce the flexibility to fund other projects. Currently the balance in the Economic Development Incentive Fund is \$1,055,221. If approved, the new balance would be \$555,221 after the initial \$500K payment. Additional distributions will be paid as performance measures defined in the contract are met.

BACKGROUND:

The City of Loveland staff and partners across the state have been working with EWI for the past three to explore the feasibility and sustainability of an EWI Colorado facility. After thorough due diligence, research, and completion of a statewide manufacturing assessment, EWI feels confident that they can sustain a physical presence in the region and their intent is to establish EWI Colorado at the Rocky Mountain Center for Innovation and Technology. They are a 501 ©3 nonprofit and thus need help capitalizing the initial operations.

The City of Loveland is being asked to provide \$2MM for the execution of the business plan and the construction of an EWI Colorado operation at RMCIT. The overall project budget is \$6MM and the gap funding is filled through The Four Front initiative and the Office of Economic Development and International Trade. Staff is seeking approval of the ordinance for a supplemental budget and appropriation for the initial \$500K payment after receiving approval of the resolution at the October 20th City Council meeting.

Support for this incentive is consistent with all four goals of the City Economic Development Strategic Plan

Goal #1- Make Loveland the Heart of Innovation and Creativity in Colorado

Goal #2- Make Loveland a Destination which attracts businesses, visitors and consumers

Goal #3- Make the Right Investment easy to come, stay and grow

Goal #4- Make the Right Connections

REVIEWED BY CITY MANAGER:

LIST OF ATTACHMENTS:

1. Ordinance

2. Complete first reading packet can be accessed

at: <http://www.cityofloveland.org/Modules/ShowDocument.aspx?documentID=27091>

FIRST READING October 20, 2015

SECOND READING November 3, 2015

ORDINANCE NO. 5975

AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2015 CITY OF LOVELAND BUDGET FOR PHASE II PILOT OPERATION FOR PROGRAM AND FACILITY DESIGN OF THE EWI PROJECT.

WHEREAS, the City has reserved funds not anticipated or appropriated at the time of the adoption of the 2015 City budget for Phase II Pilot Operation for program and facility design of the EWI project; and

WHEREAS, the City Council desires to authorize the expenditure of these funds by enacting a supplemental budget and appropriation to the 2015 City budget for Phase II Pilot Operation for program and facility design OF the EWI project, 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 \$500,000 from fund balance in the Economic Incentives Fund are available for appropriation. Revenues in the total amount of \$500,000 are hereby appropriated for Phase II Pilot Operation for program and facility design of the EWI project. The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:

Supplemental Budget			
Economic Incentives Fund 106			
Revenues			
Fund Balance			500,000
Total Revenue			500,000
Appropriations			
106-18-180-1500-43155	EDEWI	Economic Incentives	500,000
Total Appropriations			500,000

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 _____, 2015.

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: 5
MEETING DATE: 11/3/2015
TO: City Council
FROM: Greg George, Development Services
PRESENTER: Kerri Burchett, Principal Planner and Steve Adams, Director of Water and Power

TITLE:

An Ordinance Amending Section 18.04.040 Of The Loveland Municipal Code, The Same Relating To Zoning Regulations For Certain Property Located In A Portion Of Tract "C", Vanguard-Famleco Section Addition, City Of Loveland, Larimer County, Colorado

RECOMMENDED CITY COUNCIL ACTION:

Approve the ordinance on second reading.

OPTIONS:

1. Adopt the action as recommended.
2. Deny the action. The property would remain zoned Meadowbrook Ridge PUD and the above ground substation and solar facility would not be a permitted use.
3. Adopt a modified action.
4. Refer back to staff for further development and consideration. This would delay the special review process for the substation and solar facility and could jeopardize meeting the necessary completion date for the project, which is a condition for securing FEMA funding.

SUMMARY:

This is a quasi-judicial action to rezone 52.6 acres of City property from a residentially zoned PUD to DR –Developing Resource. The property is located between West 22nd Street and West 29th Street, just west of Mehaffey Park. The property is currently zoned Meadowbrook Ridge PUD and is designated for single family and townhome uses. The City's Power Division recently purchased the property and is requesting the rezoning to construct a new substation and solar facility. This project would replace the Idylwilde hydroelectric facility that was significantly damaged during the 2013 flood. On September 28, 2015, the Planning Commission recommended approval of the rezoning request by a vote of 5-3. City Council adopted the ordinance on first reading on October 20, 2015.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

The Power Division purchased the 52.6 acres on April 28, 2015 for \$833,000. Funding for the purchase was from the Power Division's 2015 budget. United Civil Design Group, LLC has been contracted with to provide assistance on the site development planning process. That contract is

for \$67,760 and is being paid by the Power Division. The FEMA Project Worksheet for the alternate project totals \$9,068,018. On July 7, 2015, City Council approved a supplemental appropriation on second reading to appropriate money from the power reserve funds to the project accounts, creating a budget for these projects. The City can expect to receive 87.5% or \$7,934,516 in project reimbursements for the planned substation and solar facility on this site. The remaining \$1,133,502 will come from other available power utility funds.

BACKGROUND:

During the flood of the Big Thompson River in September of 2013, the City sustained significant damage to the Idylwilde hydroelectric facility located in the Big Thompson Canyon. In May of 2014, the City was awarded a FEMA grant of \$9,068,018 for damage sustained to the Idylwilde Dam and the penstock. The City accepted the grant and elected to participate in the FEMA Alternate Project Program. The Power Division, with concurrence from the Loveland Utilities Commission, determined that a good use of the FEMA grant would be to produce renewable energy from a source less prone to natural disasters. Solar was identified as a good option since it would produce more energy than the Idylwilde facility, could be built in more locations than a new hydroelectric facility, and would help the City reach the Colorado Renewable Energy Standards.

The Water and Power Department purchased the 52.6 acres in Meadowbrook Ridge in April of 2015. The property was selected as a desired location for the development of a new substation and solar facility as part of the FEMA Alternate Project Program. The substation and solar facility uses require a rezoning of the property and subsequent approval of a special review application. The special review is currently under review by City staff. The procedures will include a neighborhood meeting and provide an opportunity for public input.

Public outreach for this project has included a neighborhood meeting, which was attended by 99 citizens, and the establishment of a project website that contains information on frequently asked questions, reports and timelines. Additional outreach efforts are underway with meetings being scheduled with the Meadowbrook Ridge, Quail Run and Hunter's Run home owners associations. A neighborhood meeting will also be held as part of the special review process. The initial decision made by the Current Planning Manager on the special review may be appealed to the Planning Commission and, ultimately, to City Council.

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

1. Ordinance
2. Complete first reading packet can be accessed at:
<http://www.cityofloveland.org/Modules/ShowDocument.aspx?documentID=27091>

FIRST READING: October 20, 2015

SECOND READING: November 3, 2015

ORDINANCE NO. 5976

AN ORDINANCE AMENDING SECTION 18.04.040 OF THE LOVELAND MUNICIPAL CODE, THE SAME RELATING TO ZONING REGULATIONS FOR CERTAIN PROPERTY LOCATED IN A PORTION OF TRACT "C", VANGUARD-FAMLECO SECOND ADDITION, CITY OF LOVELAND, LARIMER COUNTY, COLORADO

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

Section 1. That Section 18.04.040 of the Loveland Municipal Code and the map referred to therein, said map being part of said Municipal Code and showing the boundaries of the district specified, shall be and the same is hereby amended in the following particulars, to wit:

A parcel of land being a portion of Tract C, Vanguard-Famleco Second Addition to the City of Loveland as recorded May 5, 1982 at Book 2166 Page 658 as Reception No. 456846 of the Records of Larimer County, situate in the Northwest Quarter (NW1/4) of Section Nine (9), Township Five North (T.5N.), Range Sixty-nine West (R.69W.) of the Sixth Principal Meridian (6th P.M.), City of Loveland, County of Larimer, State of Colorado (the "Property"), being more particularly described as follows:

COMMENCING at the Center Quarter Corner of said Section 9 and assuming the East line of the NW1/4 of said Section 9, as monumented by a #6 rebar with a 2.5" Aluminum Cap stamped LS 34174 on the South end and a #6 rebar with a 2.5" Aluminum Cap stamped LS 38479 on the North end, as bearing North 00°10'56" West a distance of 2619.00 feet with all other bearings contained herein being relative thereto;

The lineal dimensions as contained herein are based upon the "U.S. Survey Foot."

THENCE North 00°10'56" West along said East line of the NW1/4 a distance of 30.00 feet to the Northeast corner of the Vanguard-Famleco Twelfth Subdivision recorded October 17, 2003 as Reception No. 2003-0132285 of the records of Larimer County and to the **POINT OF BEGINNING**;

THENCE along the North line of said Vanguard-Famleco Twelfth Subdivision the following Thirteen (13) courses and distances:

THENCE South $89^{\circ}13'46''$ West a distance of 98.23 feet to a Point of Curvature (PC);

THENCE along the arc of a curve concave to the Northeast a distance of 18.85 feet, said curve has a Radius of 12.00 feet, a Delta of $90^{\circ}00'00''$, and is subtended by a Chord bearing North $45^{\circ}46'14''$ West a distance of 16.97 feet;

THENCE South $89^{\circ}13'46''$ West a distance of 66.00 feet to a non-tangent PC;

THENCE along the arc of a curve concave to the Northwest a distance of 18.85 feet, said curve has a Radius of 12.00 feet, a Delta of $90^{\circ}00'00''$, and is subtended by a Chord bearing South $44^{\circ}13'46''$ West a distance of 16.97 feet;

THENCE South $89^{\circ}13'46''$ West a distance of 188.00 feet to a PC;

THENCE along the arc of a curve concave to the Northeast a distance of 18.85 feet, said curve has a Radius of 12.00 feet, a Delta of $90^{\circ}00'00''$, and is subtended by a Chord bearing North $45^{\circ}46'14''$ West a distance of 16.97 feet;

THENCE South $89^{\circ}13'46''$ West a distance of 50.00 feet to a non-tangent PC;

THENCE along the arc of a curve concave to the Northwest a distance of 18.85 feet, said curve has a Radius of 12.00 feet, a Delta of $90^{\circ}00'00''$, and is subtended by a Chord bearing South $44^{\circ}13'46''$ West a distance of 16.97 feet;

THENCE South $89^{\circ}13'46''$ West a distance of 68.13 feet to a PC;

THENCE along the arc of a curve concave to the Northeast a distance of 299.25 feet, said curve has a Radius of 245.00 feet, a Delta of $69^{\circ}58'54''$, and is subtended by a Chord bearing North $55^{\circ}46'47''$ West a distance of 280.99 feet;

THENCE North $20^{\circ}47'20''$ West a distance of 601.12 feet;

THENCE North $69^{\circ}12'40''$ East a distance of 10.00 feet to a non-tangent PC;

THENCE along the arc of a curve concave to the Southwest a distance of 393.03 feet, said curve has a Radius of 315.00 feet, a Delta of $71^{\circ}29'16''$, and is subtended by a Chord bearing North $56^{\circ}31'58''$ West a distance of 368.02 feet;

THENCE departing said North line North $22^{\circ}02'05''$ West a distance of 83.31 feet;

THENCE North $57^{\circ}29'45''$ West a distance of 44.91 feet to the West line of the East Half of the Northwest Quarter (E1/2NW1/4) of said Section 9;

THENCE North $00^{\circ}01'39''$ West along the West line of the E1/2NW1/4 of said Section 9 a distance of 1541.33 feet to the Northwest corner of said E1/2NW1/4;

THENCE North $88^{\circ}50'29''$ East along the North line of said E1/2NW1/4 of said Section 9 a distance of 238.17 feet to the Northwest corner of Tract B, Vanguard-Famleco Second Addition to the City of Loveland;

THENCE along the West, South and East lines of said Tract B and Tract D, Vanguard-Famleco Second Addition to the City of Loveland the following Five (5) courses and distances:

THENCE South $01^{\circ}09'51''$ East a distance of 620.05 feet;

THENCE North $88^{\circ}50'43''$ East a distance of 309.86 feet;

THENCE North $01^{\circ}10'01''$ West a distance of 290.13 feet;

THENCE North $88^{\circ}49'04''$ East a distance of 299.84 feet;

THENCE North $01^{\circ}09'51''$ West a distance of 329.82 feet to the North line of said Section 9;

THENCE North 88°50'29" East along said North line a distance of 111.43 feet to the Northwest corner of the Amended Plat of Parcels 1 and 2, Mehaffey Park First Addition; Tract B, Vanguard-Famleco First Addition and a Portion of Tract C, Vanguard-Famleco Second Addition recorded August 22, 2013 as Reception No. 2013-0064633 of the records of Larimer County;

THENCE along the West line of said Amended Plat the following Seven (7) courses and distances:

THENCE South 27°00'31" West a distance of 35.50 feet to a PC;

THENCE along the arc of a curve concave to the Southeast a distance of 118.99 feet, said curve has a Radius of 242.00 feet, a Delta of 28°10'23", and is subtended by a Chord bearing South 12°55'20" West a distance of 117.80 feet;

THENCE South 01°09'51" East a distance of 572.61 feet to a PC;

THENCE along the arc of a curve concave to the Northeast a distance of 179.66 feet, said curve has a Radius of 242.00 feet, a Delta of 42°32'06", and is subtended by a Chord bearing South 22°25'54" East a distance of 175.56 feet;

THENCE South 43°41'58" East a distance of 449.08 feet to a PC;

THENCE along the arc of a curve concave to the Southwest a distance of 33.41 feet, said curve has a Radius of 308.00 feet, a Delta of 06°12'55", and is subtended by a Chord bearing South 40°35'30" East a distance of 33.39 feet to the East line of said NW1/4;

THENCE South 00°10'56" East along said East line a distance of 1350.37 feet to the **POINT OF BEGINNING**,

which is now included within the boundaries designated "**MEADOWBROOK RIDGE PLANNED UNIT DEVELOPMENT (# P – 67)**" shall be removed therefrom and included within the boundaries of the district designated as follows:

"DR – DEVELOPING RESOURCE DISTRICT"

The Property contains 52.60 acres (2,291,230 sq. ft.) more or less, and is subject to any rights-of-way or other easements of record or as now existing.

Section 2. That the **MEADOWBROOK RIDGE GENERAL DEVELOPMENT PLAN – SECOND AMENDMENT**, which Amendment modifies the Meadowbrook Ridge General Development Plan to reflect the removal of the Property (also designated as Parcel D, F and G therein) from the Plan and is on file in the Building Division and incorporated herein by this reference, is hereby approved.

Section 3. That the Property shall be subject to all applicable zoning regulations for the City of Loveland.

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 this Ordinance with the Larimer County Clerk and Recorder after its effective date in accordance with State Statutes.

Signed this ____ day of November, 2015.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Assistant City Attorney

AN ORDINANCE AMENDING SECTION 18.04.040 OF THE LOVELAND MUNICIPAL CODE, THE SAME RELATING TO ZONING REGULATIONS FOR CERTAIN PROPERTY LOCATED IN A PORTION OF TRACT "C", VANGUARD-FAMLECO SECOND ADDITION, CITY OF LOVELAND, LARIMER COUNTY, COLORADO



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: 6
MEETING DATE: 11/3/2015
TO: City Council
FROM: Alan Krcmarik, Development Services
PRESENTER: Alan Krcmarik, Executive Fiscal Advisor

TITLE:

An Ordinance Authorizing The Issuance Of Special Assessment Refunding Bonds In The Maximum Aggregate Principal Amount Of \$5,480,000 Of The City Of Loveland, Colorado, For Special Improvement District No. 1; Prescribing The Form Of The Bonds And Providing For The Payment Of The Bonds And The Interest Thereon

RECOMMENDED CITY COUNCIL ACTION:

Conduct a public hearing and adopt the Ordinance on first Reading.

OPTIONS:

1. Adopt the action as recommended. Staff recommends adoption of the Ordinance.
2. Deny the action. If the ordinance is not adopted, the interest rates on the outstanding bonds will remain as they exist today; no savings will be realized and assessments on property owners will remain the same.
3. Adopt a modified action. No modified action are suggested.
4. Refer back to staff for further development and consideration. Interest rates have again dipped to very low levels. If the ordinance is delayed, interest rates could rise thereby reducing the interest savings.

SUMMARY:

This is an administrative action. Through the adoption of the Ordinance, the City will reduce the interest rate on the remaining Special Improvement District No. 1 bonds. The lower interest rate will mean lower assessment payments from property owners. The savings over the remaining life of the bonds 2029 will be approximately \$700,000. The savings would allow the special assessment being paid by property owners in the Special Improvement District No. 1 to be lowered by about 10 percent for the remaining term of the bonds that mature in 2029.

BUDGET IMPACT:

Positive

The future budgets for the Special Improvement District No. 1 will be lower. The lower interest costs on the bonds will translate to lower interest costs being paid by the property owners.

Negative

Neutral or negligible

The City does not expect to benefit financially from this transaction.

BACKGROUND:

This Ordinance authorizes the issuance of refunding bonds for Special Improvement District No. 1. The City of Loveland, through the adoption of Ordinance No. 4518 on March 21, 2000, issued \$13,280,000 of special assessment bonds for the Special Improvement No. 1 Project. In 2007 through Ordinance 5204, The City issued refunding bonds to lower the interest rates and to correspondingly lower special assessments paid by landowners in the special assessment district. The proceeds of the original bonds funded improvements in the project area, including grading, streets, curbs, gutters, sidewalks, storm drainage facilities, and other improvements necessary to develop the site.

When issued in 2000, the original bonds carried interest rates of 7.50%. When refinanced in 2007, the rate was lowered to 5.625%. In today's market, the investment banking firm of George K. Baum & Company projects interest rates in the 4.25% range. Baum projects that the interest payment savings on the refunded bonds over the remaining life to be approximately \$700,000. Savings on the bond payments would allow the City to reduce the corresponding special assessments on the properties within the district.

When the City issued the original bonds, the property was undeveloped agricultural land and the project was considered speculative. The City required a pledge agreement from the developer to provide additional security from default on the special assessments that provided for the repayment of the bonds. Due to the extensive development in the district resulting in a valuation to debt ratio of about 20 to 1, it was appropriate to release the pledge agreement in the refunding bonds in 2007. No pledge will be required for the 2015 refunding bonds.

REVIEWED BY CITY MANAGER:

LIST OF ATTACHMENTS:

1. Bond Ordinance
2. Paying Agent Agreement
3. Map of the District

FIRST READING: November 3, 2015

SECOND READING: _____

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF SPECIAL ASSESSMENT REFUNDING BONDS IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$5,480,000 OF THE CITY OF LOVELAND, COLORADO, FOR SPECIAL IMPROVEMENT DISTRICT NO. 1; PRESCRIBING THE FORM OF THE BONDS AND PROVIDING FOR THE PAYMENT OF THE BONDS AND THE INTEREST THEREON

WHEREAS, pursuant to Ordinance No. 4503 adopted and approved on January 4, 2000, the City Council (the “City Council”) of the City of Loveland, Colorado (the “City”) created Special Improvement District No. 1 (the “District”) for the purpose of constructing and acquiring certain public improvements within the District, as set forth in such Ordinance No. 4503 (the “Improvements”); and

WHEREAS, the City Council adopted and approved Ordinance No. 4519, on March 21, 2000, as amended by Ordinance No. 5245, on September 18, 2007 (collectively, the “Assessment Ordinance”) which levies assessments (the “Assessments”) against the property in the District benefited by the Improvements; and

WHEREAS, for the purpose of constructing and acquiring the Improvements, the City has previously issued its City of Loveland, Colorado, Special Assessment Bonds (Special Improvement District No. 1), Series 2000 (the “2000 Bonds”);

WHEREAS, the Series 2000 Bonds were refunded in whole by the issuance of the City of Loveland, Colorado, Special Assessment Bonds (Special Improvement District No. 1, Series 2007 (the “Refunded Bonds”) in the original aggregate principal amount of \$9,960,000, of which \$5,080,000 is currently outstanding; and

WHEREAS, the Refunded Bonds are subject to optional redemption, in whole but not in part, from any legally available funds of the City, on July 1, 2015, and on any date thereafter, at the option of the City, at a redemption price equal to the principal amount thereof plus accrued interest thereon to the redemption date, without premium; and

WHEREAS, pursuant to the City’s home rule (the “Charter”), and Section 31-25-534.5, Colorado Revised Statutes (“C.R.S.”), the City is authorized to issue bonds to refund the outstanding Refunded Bonds in accordance with the provisions of article 56 of title 11, C.R.S. (the “Refunding Act”); and

WHEREAS, pursuant to Sections 11-56-104(1)(b), (1)(c) and 1(d) of the Refunding Act, the City may issue refunding bonds for the purposes of (a) reducing the net effective interest rate of such bonds, or (b) reducing total interest payable over the life of the bonds, by issuing bonds at a lower net interest cost or having a lower net effective interest rate, or

(c) reducing the total principal and interest payable on such obligations or the principal and interest payable thereon in any particular year or years, or effecting other economies; and

WHEREAS, the City Council has determined and hereby determines that it is advantageous to the City and in the best interests of the City and its inhabitants and the owners of property in the District to issue the City's Special Assessment Refunding Bonds (Special Assessment District No. 1), Series 2015 (the "Bonds") to refund, pay and discharge all of the outstanding Refunded Bonds (the "Refunding Project"), which Bonds shall be sold pursuant to the terms, conditions and parameters hereinafter set forth; and

WHEREAS, the City Council has found and determined and hereby finds and determines that, provided that the Bonds are sold within the parameters and restrictions hereinafter set forth, the interest rate on the Bonds will be lower than the interest rate on the Refunded Bonds and the issuance of the Bonds and the refunding of the Refunded Bonds will effect other economies; and

WHEREAS, the City Council hereby finds and determines that the issuance of the Bonds to effect the Refunding Project will not materially or adversely impair the obligations of the City with respect to any outstanding bond secured by the Assessments; and

WHEREAS, the City Council hereby finds and determines that the issuance of the Bonds to effect the Refunding Project will not cause the principal balance of any Assessment to increase to an amount such that the aggregate amount that is assessed against any one particular tract of land exceeds the maximum benefit to the tract that is estimated to result from the Improvements that are financed by the Assessment and refunding of the Refunded Bonds; and

WHEREAS, the City Council hereby determines that the provisions and limitations of Section 31-25-534.5 and of the Refunding Act pertaining to the issuance of refunding bonds have been met and that the Refunding Project serves a valid and governmental purpose and is advantageous, necessary, expedient and in the best interests of the City and its taxpayers; and

WHEREAS, the Bonds shall be payable out of moneys collected from the Assessments made for the Improvements in the District and other amounts pledged herein, and shall not be considered or held to be general obligations of the City; and

WHEREAS, the City anticipates that the Bonds will be privately placed and not publicly offered; and

WHEREAS, there is on file with the City Clerk of the City the proposed form of Registrar and Paying Agent Agreement between the City and UMB Bank, n.a., as paying agent (the "Paying Agent Agreement"); and

WHEREAS, Section 11-57-204 of the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, Colorado Revised Statutes (the "Supplemental Act"), provides that a public entity, including the City, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act.

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

ARTICLE I.
DEFINITIONS

SECTION 1.01 Short Title; Definitions. This Ordinance shall be known as, and may be cited by, the short title “Bond Ordinance.” Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and of any Supplemental Ordinance and of any certificate, opinion, request or other document herein or therein mentioned have the meanings herein specified:

“Act” means Part 5 of Article 25 of Title 31, Colorado Revised Statutes, as amended from time to time.

“Administrative Expense Account” means the Administrative Expense Account of the Assessment Fund created in Section 3.02 hereof.

“Assessment” or “Assessments” means the aggregate special assessment or individual portions thereof, as the case may be, levied by the City constituting a valid lien and charge upon benefited lots, tracts and parcels of land within the District.

“Assessment Fund” means that special fund created or continued in Section 3.02 hereof.

“Assessment Installments” means the installments of principal and interest of the Assessments to be paid by the owners of the benefited lots, tracts and parcels of land within the District.

“Assessment Ordinance” means, collectively, Ordinance No. 4519, adopted by the City Council on March 21, 2000, as amended by Ordinance No. 5245, adopted by the City Council on September 18, 2007, and any ordinance amending such ordinances.

“Authorized Denominations” means denominations of (i) not less than \$500,000 each, in integral multiples of not less than \$1,000, provided that in the event a Bond is partially redeemed and the unredeemed portion is less than \$500,000, such unredeemed portion of such Bond may be issued in the largest possible denomination of less than \$500,000, in integral multiples of not less than \$1,000, or (ii) such other authorized denominations as otherwise set forth in the Sale Certificate.

“Bond Fund” means that special fund created in Section 3.02 hereof.

“Bond Purchase Agreement” means a contract for the purchase of the Bonds between the City and the Initial Purchaser.

“Bond Register” means the register maintained by the Registrar with respect to the Bonds.

“Bonds” means the City of Loveland, Colorado, Special Assessment Refunding Bonds (Special Improvement District No. 1), Series 2015 issued hereunder.

“Business Day” means a day which is not (i) a Saturday, Sunday or legal holiday on which banking institutions in the State of Colorado, the State of New York, or the state in which the principal office of the Paying Agent is located are authorized by law to close, (ii) a day on which the New York Stock Exchange is closed, or (iii) a day on which the Federal Reserve is closed.

“Charter” means the home rule charter of the City, as from time to time amended.

“City” means the City of Loveland, Colorado.

“City Clerk” means the City Clerk of the City.

“City Council” means the City Council of the City.

“City Manager” means the City Manager of the City.

“Costs of Issuance Fund” means that special fund created in Section 3.02 hereof.

“District” means the City of Loveland, Special Improvement District No. 1.

“Federal Securities” means bills, certificates of indebtedness, notes, or bonds which are direct obligations of, or the principal and interest of which obligations are unconditionally guaranteed by, the United States of America.

“Finance Director” means the Finance Director of the City.

“Initial Purchaser” means the initial purchaser of the Bonds, as set forth in the Sale Certificate.

“Interest Account” means that special account created in the Bond Fund in Section 3.02 hereof.

“Interest Payment Date” means January 1 and July 1 of each year, beginning on the date set forth in the Sale Certificate.

“Mayor” means the Mayor of the City.

“Opinion of Counsel” means a written opinion of Butler Snow LLP or such other counsel of recognized national standing in the field of law relating to municipal bonds, appointed by the City.

“Outstanding” when used with reference to the Bonds or portions thereof as of any particular date, means all of the Bonds or portions thereof theretofore and thereupon being authenticated and delivered:

(a) Except any Bond or portion thereof canceled by the City or by the Registrar or otherwise on the City's behalf at or before such date;

(b) Except any Bond or portion thereof which has been paid or deemed to have been paid pursuant to the provisions hereof;

(c) Except any Bond or portion thereof in lieu of or in substitution for which another Bond shall have been authenticated and delivered by the City pursuant hereto.

“Owner” or “Registered Owner” means any person or entity who shall be the registered owner of any Outstanding Bond.

“Paying Agent” means UMB Bank, n.a., Denver, Colorado, being the City's agent for the payment of the Bonds and interest thereon, or successors and assigns appointed in accordance with the Paying Agent Agreement.

“Paying Agent Agreement” means the Registrar and Paying Agent Agreement between the City and UMB Bank, n.a., as registrar and paying agent, or its successors.

“Principal Account” means that special account created in the Bond Fund in Section 3.02 hereof.

“Principal Corporate Trust Office” means the corporate trust office of the Paying Agent or the Registrar, as the case may be, located in Denver, Colorado, or such other office or offices as the Paying Agent or Registrar shall designate from time to time.

“Rebate Fund” means that special fund created in Section 3.02 hereof.

“Record Date” means the close of business on the fifteenth day (whether or not a Business Day) of the calendar month next preceding an Interest Payment Date.

“Refunded Bonds” means all of the outstanding City of Loveland, Colorado, Special Assessment Bonds (Special Improvement District No. 1), Series 2007.

“Refunding Act” means Article 56 of Title 11, Colorado Revised Statutes.

“Refunding Project” means, collectively, the refunding of the Refunded Bonds, the funding of the Reserve Fund and the payment of the costs of issuing the Bonds.

“Registrar” means UMB Bank, n.a., Denver, Colorado, being the City's agent for the registration, transfer and exchange of Bonds, or successors and assigns appointed in accordance with the Paying Agent Agreement.

“Reserve Fund” means the Reserve Fund established pursuant to Section 3.02 hereof.

“Reserve Requirement” means, as of any date of calculation, an amount equal to the lesser of: (a) 10% of the outstanding aggregate principal amount of the Bonds; (b) 125% of the

average annual debt service requirements of the Bonds; (c) 100% of the maximum annual debt service requirements on the Bonds, or (d) such other amount as specified in the Sale Certificate.

“Sale Certificate” means a certificate, executed by either the City Manager or the Finance Director, dated on or before the date of delivery of the Bonds, setting forth the determinations that may be delegated to such officials pursuant to the Supplemental Act.

“Special Record Date” means a special date fixed by the Registrar to determine the names and addresses of Owners for the purpose of paying interest on a special interest payment date for the payment of defaulted interest.

“Supplemental Act” means Part 2 of Article 57 of Title 11, Colorado Revised Statutes.

“Supplemental Ordinance” means any Ordinance then in full force and effect which has been duly adopted by the City Council which amends this Ordinance; but only if and to the extent that such Supplemental Ordinance is specifically authorized hereunder.

“Tax Certificate” means the Tax Compliance Certificate delivered by the City at the time of the issuance and delivery of the Bonds, as the same may be amended or supplemented in accordance with its terms.

“Tax Code” means the Internal Revenue Code of 1986, as amended.

“Trust Estate” means (i) all Assessments, (ii) all moneys and securities from time to time held by the City in the Assessment Fund, the Bond Fund, the Reserve Fund and the Costs of Issuance Fund, and (iii) any and all other real or personal property of every name and nature hereafter by delivery or in writing specially pledged as additional security for the Bonds.

SECTION 1.02 Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, this Ordinance shall be deemed to be and shall constitute a contract between the City and the Owners from time to time of all Bonds authorized, executed, issued and delivered hereunder and then Outstanding to secure the full and final payment of the interest on and principal of all Bonds that may from time to time be authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions contained herein. All agreements and covenants set forth herein to be performed by or on behalf of the City shall be for the equal and proportionate benefit, protection and security of all Owners of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number or date thereof or the time of authorization, sale, execution, issuance or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II.
ISSUANCE AND TERMS OF BONDS

SECTION 2.01 Ratification of Actions; Supplemental Act; Delegation. All actions, proceedings, matters and things heretofore taken, had and done by the City and the officers thereof (not inconsistent with the provisions of this Bond Ordinance) directed toward effecting the Refunding Project, are ratified, approved and confirmed. The City has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and hereby finds and determines that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that the City is now duly authorized, pursuant to each and every requirement of law, to issue the Bonds in the form and manner provided herein and that the Bonds shall be entitled to the benefit, protection and security of the provisions hereof.

Section 11-57-204 of the Supplemental Act provides that a public entity, including the City, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act to such issuance. The City Council hereby elects to apply all of the Supplemental Act to the Bonds. The Bonds are issued under the authority of the Supplemental Act and shall so recite. Pursuant to Section 11-57-210 of the Supplemental Act, such recital shall be conclusive evidence of the validity and regularity of the issuance of the Bonds after their delivery for value. The Bonds are also issued under the authority of the Refunding Act and shall so recite. Section 11-56-107 of the Refunding Act provides that such recital conclusively imparts full compliance with all of the provisions and limitations of the Refunding Act, and all refunding bonds issued containing such recital shall be incontestable for any cause whatsoever after their delivery for value.

Pursuant to Section 11-57-205 of the Supplemental Act, the City Council hereby delegates to each of the City Manager or the Finance Director the authority to independently sign a contract for the purchase of the Bonds or to accept a binding bid for the Bonds and to execute any agreement or agreements in connection therewith, and the City Council hereby further delegates to each of the City Manager or the Finance Director the authority to independently make any determination delegable pursuant to Section 11-57-205(1)(a-i) of the Supplemental Act, in relation to the Bonds, and to execute the Sale Certificate setting forth such determinations, subject to the parameters and restrictions contained in Section 2.02 hereof.

The Bonds shall constitute the special, limited obligations of the City payable solely from the Trust Estate and the full faith and credit of the City is not pledged to the payment thereof.

SECTION 2.02 Terms of the Bonds. For the purpose of defraying a portion of the cost of the Refunding Project, the City shall issue its special assessment bonds designated as the “City of Loveland, Colorado, Special Assessment Refunding Bonds (Special Improvement District No. 1), Series 2015” in the maximum aggregate principal amount of \$5,480,000, which Bonds shall be dated as of the date of their delivery to the Initial Purchaser and shall be in the form of fully registered Bonds. The Bonds shall bear interest at the rates per annum designated in the Sale Certificate from the most recent interest payment date for which interest has been paid or duly provided for, or if no interest has been paid, from the date of the Bonds, to their maturity or prior

redemption, payable at the times and in the amounts set forth in the Sale Certificate. The Bonds shall mature, bear interest from their dated date to maturity or prior redemption, be subject to redemption prior to maturity, be issued in Authorized Denominations, and be sold to the Initial Purchaser, all as provided in the Sale Certificate; provided that:

- (a) the aggregate principal amount of the Bonds shall not exceed \$5,480,000;
- (b) the interest rate on the Bonds is lower than the interest rate on the Refunded Bonds;
- (c) the maximum annual repayment cost of the Bonds based on the estimated redemption schedule shall not exceed \$675,000;
- (d) the Bonds shall mature no later than July 1, 2029; and
- (e) the purchase price of the Bonds shall not be less than 98.5%.

Interest shall be payable on the Bonds from the most recent Interest Payment Date or, in the case of the first Interest Payment Date, from the date of delivery of the Bonds to the Initial Purchaser. Payment of interest on the Bonds shall be made to the Registered Owner thereof by check mailed by the Paying Agent on or before each Interest Payment Date (or, if such Interest Payment Date is not a Business Day, on or before the next succeeding Business Day), to the Registered Owner thereof as shown on the Bond Register at the close of business on the Record Date, at the address of the Owner as it last appears on the Bond Register at the close of business on such day, but any such interest not so timely paid shall cease to be payable to the Owner thereof as of the close of business on the Record Date and shall be payable to the Owner thereof as of the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date shall be fixed whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to such Owner not less than ten days prior thereto by first-class postage prepaid mail, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on the Bonds by such alternative means as may be mutually agreed to in writing by the Owner of the Bonds and the Paying Agent. If the Bonds are not paid upon their presentation and surrender at or after their maturity or prior redemption and moneys are not available therefor, interest shall continue at its stated rate per annum until the principal thereof is paid in full. Interest on the Bonds shall be calculated based on a 360-day year, consisting of twelve 30-day months.

Except as hereinafter provided, the principal of the Bonds shall be payable to the Registered Owner thereof as shown on the Bond Register upon presentation and surrender at the Principal Corporate Trust Office of the Paying Agent. Notwithstanding the foregoing, in the event that the Bonds are issued as a single term Bond with mandatory sinking fund redemption, the Owner of such Bond shall not be required to surrender the Bond to the Paying Agent to receive payment in connection with a mandatory sinking fund redemption, but shall only be required to surrender the Bond for payment upon optional redemption, final maturity or transfer of the Bond. In such case, payment of principal on the Bond shall be made by check mailed to the Owner or by electronic transfer, or by such other means as shall be agreed to in writing by the Owner of the

Bond and the Paying Agent. All such payments of interest and principal shall be made in lawful money of the United States of America.

SECTION 2.03 Redemption of Bonds. The Bonds shall be subject to optional and mandatory redemption or prepayment in accordance with the provisions of the Sale Certificate.

SECTION 2.04 Notice of Redemption.

(a) Unless waived in writing by the Owner of a Bond to be redeemed, notice of redemption shall be given by the Registrar in the name of the City by mailing such notice at least fifteen days and not more than sixty days prior to the redemption date, by first-class mail, postage prepaid, to the Owners of the Bonds to be redeemed at their addresses as shown on the registration records. Notwithstanding the foregoing, the Registrar may provide notice of redemption by such alternative means as may be mutually agreed to between the Owner of the Bonds and the Registrar. Failure to give such notice to the Owner of any Bond, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bonds. All such notices of redemption shall be dated and shall state: (i) the redemption date, (ii) the redemption price, (iii) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed, (iv) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and (v) the place where such Bonds are to be surrendered for payment of the redemption price. Except as provided in subsection (c) below, after such notice has been given in the manner provided herein, the Bond or Bonds called for redemption shall become due and payable on the designated redemption date, and (except as otherwise set forth in Section 2.03 hereof) upon presentation and surrender thereof the Paying Agent shall pay the Bond or Bonds called for redemption. Installments of interest due on the redemption date shall be payable as provided in this Ordinance for the payment of interest. A certificate by the Registrar that a notice of redemption has been given as herein set forth shall be conclusive and receipt by the Owner of a notice of redemption shall not be a condition precedent to the redemption of that Bond.

(b) All Bonds redeemed pursuant to the provisions of this Section shall be canceled and destroyed by the Paying Agent and shall not be reissued.

(c) Notwithstanding the provisions of this Section, any notice of optional redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds, or portions thereof, so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the Owners of the Bonds called for redemption in the same manner as the original redemption notice was mailed.

SECTION 2.05 Execution of Bonds. The Bonds shall be signed and executed in the name of the City with the manual or facsimile signature of the Mayor, countersigned with the manual or facsimile signature of the City Manager, and attested with the manual or facsimile of the signature of the City Clerk. The seal of the City or a facsimile thereof shall be affixed to each Bond. The Bonds bearing the signatures of the officers in office at the time

of the signing thereof shall be the valid and binding obligations of the City (subject to the requirement of authentication by the Registrar as hereinafter provided), notwithstanding that before the delivery thereof and payment therefor any or all of the persons whose signatures appear thereon shall have ceased to fill their respective offices. Any officer herein authorized or permitted to sign any Bond at the time of its execution and of the execution of a signature certificate may adopt as and for his or her own facsimile signature, the facsimile signature of his or her predecessor in office in the event that such facsimile signature appears upon the Bond. No Bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form hereinafter provided, has been duly executed by the manual signature of the Registrar (or a duly authorized officer thereof), and such certificate of authentication of the Registrar upon any Bond shall be the only competent evidence that such Bond has been duly issued and delivered.

SECTION 2.06 Lost, Stolen, Destroyed or Mutilated Bonds. If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence or information relating thereto, appropriate indemnification, and such reimbursement for expenses as it may reasonably require, register and deliver to the Owner thereof a replacement for such Bond bearing a number not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Registrar shall direct the Paying Agent to pay such Bond in lieu of replacement.

SECTION 2.07 Registration, Transfer and Exchange. The City shall cause to be kept at the Principal Corporate Trust Office of the Registrar a Bond Register in which, subject to such reasonable regulations as it may prescribe, the City shall provide for the registration and transfer of the Bonds. Initially, each Bond shall be registered in the name of the Initial Purchaser, and shall not be registered in the name of a securities depository. A Bond shall be fully transferable by the Owner thereof in person or by such Owner's duly authorized attorney on the registration records kept at the office of the Registrar upon presentation of the Bond together with a duly executed written instrument of transfer satisfactory to the Registrar. Upon the surrender for transfer of any Bond at the Principal Corporate Trust Office of the Registrar, duly endorsed for transfer or accompanied by an assignment (in form satisfactory to the Registrar) duly executed by the Owner or such Owner's attorney duly authorized in writing, the Registrar shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the Principal Corporate Trust Office of the Registrar for an equal aggregate principal amount of Bonds. The Registrar may require the owner or transferee to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange, and may charge a sum sufficient to pay the cost of preparing and authenticating a new Bond. No such charges shall be levied in the case of an exchange resulting from the redemption of a portion of a Bond. The Registrar shall not be required to transfer or exchange (i) any Bond during the period beginning on and including the 15th day before the date of the mailing by the Registrar of a notice of redemption of Bonds and ending at the close of business on the date such notice is mailed, or (ii) any Bond after the mailing of notice calling such Bond or any portion thereof for redemption, except the unredeemed portion of any Bond redeemed in part as herein provided. Whenever any Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for replacement as provided herein, such Bond shall be promptly canceled and destroyed by the Paying Agent or Registrar, as the case may be, and a certificate of such destruction shall be

prepared by the Paying Agent or Registrar. The person in whose name a Bond shall be registered on the registration records kept by the Registrar shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City, the Paying Agent nor the Registrar shall be affected by any notice to the contrary. Payment of principal of and interest on any Bond shall be made only to or upon the written order of the Owner thereof or such Owner's legal representative (except as provided above for the payment of interest to the Owner as of the Record Date or a Special Record Date). All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

SECTION 2.08 Uniform Commercial Code. The Owner or Owners of the Bonds shall possess all rights enjoyed by the owners of investment securities under the provisions of the Uniform Commercial Code – Investment Securities.

SECTION 2.09 Form of Bonds; Recitals. Subject to the provisions of this Ordinance, the Bonds shall be in substantially the form set forth in Appendix A attached hereto and by this reference incorporated herein, with such omissions, insertions, endorsements and variations as may be required by the circumstances, be required or permitted by this Ordinance or the Sale Certificate, or necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto. Pursuant to Section 11-56- 107(6) of the Refunding Act, the Bonds shall contain a recital that they are issued under the authority of the Refunding Act. Pursuant to Section 11-57-210 of the Supplemental Act, the Bonds shall contain a recital that they are issued pursuant to the Supplemental Act.

ARTICLE III.

DELIVERY OF BONDS; CREATION OF FUNDS AND ACCOUNTS

SECTION 3.01 Delivery of Bonds; Application of Proceeds. When the Bonds have been duly executed and authenticated, they shall be delivered to the Initial Purchaser upon receipt of the agreed purchase price. The proceeds realized by the City from the sale of the Bonds and amounts currently held in funds relating to the Refunded Bonds shall be applied as follows:

First, there shall be remitted to the paying agent for the Refunded Bonds an amount sufficient to refund, pay and cancel the Refunded Bonds on the redemption date set forth in the Sale Certificate.

Second, there shall be credited to the Reserve Fund the Reserve Fund Requirement.

Third, there shall be credited to the Bond Fund the amounts, if any, set forth in the Sale Certificate.

Fourth, there shall be credited to the Administrative Expense Account the amounts, if any, set forth in the Sale Certificate.

Fifth, the balance of the proceeds of the Bonds and other available funds shall be deposited in the Costs of Issuance Fund and applied to the payment of the costs of issuance of the Bonds.

SECTION 3.02 Creation of Funds and Accounts. The following funds and accounts are hereby created or continued and shall be held as special funds by the City:

(a) The “City of Loveland, Colorado, Special Assessment Fund (Special District No. 1)” (the “Assessment Fund”) and the Administrative Expense Account therein.

(b) The “City of Loveland, Colorado, Special Assessment Refunding Bonds (Special Improvement District No. 1), Series 2015, Bond Fund” (the “Bond Fund”) including the Interest Account and Principal Account therein.

(c) The “City of Loveland, Colorado, Special Assessment Refunding Bonds (Special Improvement District No. 1), Series 2015, Reserve Fund” (the “Reserve Fund”).

(d) The “City of Loveland, Colorado, Special Assessment Refunding Bonds (Special Improvement District No. 1), Series 2015, Costs of Issuance Fund” (the “Costs of Issuance Fund”).

(e) The “City of Loveland, Colorado, Special Assessment Refunding Bonds (Special Improvement District No. 1), Series 2015, Rebate Fund (the “Rebate Fund”).

Moneys and investments in each of the funds and accounts shall be used only and exclusively as provided herein. The “Rebate Fund” shall not be part of the Trust Estate for purposes of this Ordinance.

SECTION 3.03 Assessment Fund. The Finance Director is authorized, empowered and directed, and it shall be his or her duty, to receive, collect and enforce the payment of all Assessments made and levied for the Improvements, and all installments thereof and all interest and penalties thereon, as provided by law and as prescribed by the Assessment Ordinance, and to pay and disburse said payments, the installments thereof and the interest and penalties thereon, to the person or persons entitled thereto pursuant to the provisions of this Ordinance and the Act. All moneys received from the Assessments, including principal and interest and all penalties thereon, and all other amounts specified by this Ordinance shall be deposited in the Assessment Fund and shall be held therein until disbursed as provided in this Article III.

Amounts on deposit in the Assessment Fund shall be applied by the City in the following priority:

(a) First, there shall be transferred to the Administrative Expense Account of the Assessment Fund an amount sufficient to pay the estimated costs, fees and expenses of the City of collecting and enforcing the payment of the Assessments in the current fiscal year and to pay the annual costs, fees and expenses of the Paying Agent and Registrar coming due in the current fiscal year, plus an amount sufficient to pay any unreimbursed costs, fees and expenses of the City and the Paying Agent and Registrar related thereto from any prior fiscal year. The Administrative Expense Fund shall also be used as additional security for the Bonds to pay any interest on the Bonds when due if monies on deposit in the Interest Account of the Bond Fund, including any amounts transferred thereto from the Reserve Fund in accordance with Section 3.05 hereof and from the Principal Account in accordance with Section 3.04(c) hereof, are insufficient to pay such interest when due. In the event of any such deficiency in the Interest Account of the Bond Fund,

amounts on deposit in the Administrative Expense Fund shall be transferred to the Interest Account of the Bond Fund in the amount of such insufficiency. Monies on deposit in the Administrative Expense Fund may also be used to make the last debt service payments required on the Bonds.

(b) Second, there shall be transferred to the Interest Account of the Bond Fund the amounts required by Section 3.04(b) hereof at the times required therein.

(c) Third, there shall be transferred to the Reserve Fund the amounts required by Section 3.05 hereof at the times required therein.

(d) Fourth, there shall be transferred to the Rebate Fund the amounts required by Section 3.07 hereof.

(e) Fifth, there shall be transferred to the Principal Account of the Bond Fund the amounts required by Section 3.04(c) hereof at the times required therein.

SECTION 3.04 Bond Fund.

(a) All moneys deposited in the Bond Fund shall be used for the purpose of paying or prepaying the principal of and the interest on the Bonds as they become due and payable, and for no other purposes whatsoever, except as hereinafter provided, and the Bond Fund is hereby pledged as security for such purposes.

(b) There shall be deposited into the Interest Account of the Bond Fund (i) on or before twenty Business Days preceding July 1 of each year, commencing in 2016, an amount equal to the interest on the unpaid principal of the Outstanding Bonds due the next two Interest Payment Dates, taking into account monies already on deposit in the Interest Account on the date of such deposit, or (ii) on or before twenty Business Days preceding January 1 of each year, commencing in 2017, an amount equal to the interest on the unpaid principal of the Outstanding Bonds due the next succeeding Interest Payment Date, taking into account monies already on deposit in the Interest Account on the date of such deposit. Monies on deposit in the Interest Account of the Bond Fund shall be used to pay interest on the Bonds. Interest earned on the moneys deposited into the Interest Account shall remain in the Interest Account, except as provided in Section 3.07 hereof.

(c) After all the payments required by Sections 3.03(a), (b), (c) and (d) have been made, any monies remaining in the Assessment Fund shall be deposited in the Principal Account. Monies on deposit in the Principal Account shall be used to pay the principal of the Bonds in accordance with the maturity schedule and redemption provisions set forth in the Sale Certificate. In addition, monies on deposit in the Principal Account shall be used to pay any interest on the Bonds when due if monies on deposit in the Interest Account of the Bond Fund, including any amounts transferred thereto from the Reserve Fund in accordance with Section 3.05 hereof, are insufficient to pay such interest when due. In the event of any such deficiency in the Interest Account of the Bond Fund, amounts on deposit in the Principal Account shall be transferred to the Interest Account of the Bond Fund in the amount of such insufficiency. Interest

earned on the monies deposited to the Principal Account shall be transferred to the Interest Account, except as provided in Section 3.07 hereof.

SECTION 3.05 Reserve Fund.

(a) Whenever there is a deficiency in the Interest Account of the Bond Fund to pay the interest on the Bonds when due, the deficiency shall be paid from amounts in the Reserve Fund. The City hereby pledges the Reserve Fund for such purpose. The Reserve Fund shall be a continuing reserve to secure the payment of the Bonds by meeting possible deficiencies in the payment of the interest on the Bonds resulting from the failure to deposit into the Interest Account sufficient funds to pay the interest on the Bonds as the same become due. In the event of any such deficiency in the Interest Account of the Bond Fund to pay the interest due on the Bonds, amounts on deposit in the Reserve Fund shall be transferred to the Interest Account of the Bond Fund in the amount of such insufficiency. Moneys in the Reserve Fund shall also be used to make the last debt service payments required on the Bonds as hereinafter set forth.

(b) Except when used for the purposes authorized by Section 3.05(a) above, the Reserve Fund shall be maintained in the amount of the Reserve Requirement until such time as such amount, when combined with other monies available therefor in the Bond Fund and the Administrative Expense Account, will be sufficient to pay the principal of and interest on all Outstanding Bonds, at which time such monies shall be applied to pay the Outstanding Bonds in accordance with the maturity schedule and redemption provisions set forth in the Sale Certificate. In accordance with Section 3.02 hereof, Assessments collected by the City and deposited in the Assessment Fund shall be deposited in the Reserve Fund to the extent the amount on deposit in the Reserve Fund is less than the Reserve Requirement.

(c) Interest earned on monies on deposit in the Reserve Fund shall be maintained in the Reserve Fund until such time as the amount on deposit in the Reserve Fund is equal to the Reserve Requirement. All amounts in the Reserve Fund in excess of the Reserve Requirement derived from interest earned on amounts in the Reserve Fund or otherwise shall be transferred first to the Interest Account and second to the Principal Account.

(d) If because of any delinquent Assessment an amount is withdrawn from the Reserve Fund to pay the interest on the Bonds, and that Assessment is later paid in whole or in part (or amounts are received at a foreclosure sale or otherwise as a result of enforcing the payment of such delinquent Assessment), to the extent available from that payment of the delinquent Assessment (including penalty and interest but after payment of costs of collection), an amount equal to the amount necessary to restore the Reserve Fund to the Reserve Requirement, shall be paid to the Reserve Fund from the payment of the delinquent Assessment.

SECTION 3.06 Costs of Issuance Fund. There shall be deposited into the Costs of Issuance Fund from the proceeds of the Bonds and other available revenues the amount required by Section 3.01 hereof. Moneys in the Costs of Issuance Fund shall be used by the City to pay the costs of issuance of the Bonds. Interest earned on monies on deposit in the Costs of Issuance Fund shall be retained in the Costs of Issuance Fund. Any balance remaining in the Costs of Issuance Fund after all costs of issuance have been paid shall be transferred to the Interest Account.

SECTION 3.07 Rebate Fund. In accordance with Section 3.02 hereof, there shall be deposited into the Rebate Fund amounts transferred from the Assessment Fund as required to comply with Section 148(f) of the Tax Code and the Tax Certificate. In addition, notwithstanding any other provision of this Ordinance, any investment income or other gain on moneys in any of the funds or accounts created hereunder may be transferred to the Rebate Fund to enable the City to satisfy the requirements of Section 148(f) of the Tax Code. Moneys in the Rebate Fund shall be paid to the United States in the amounts and at the times required by the Tax Code. Any excess moneys contained in the Rebate Fund shall be transferred to the Interest Account of the Bond Fund. Moneys on deposit in the Rebate Fund shall not be part of the Trust Estate and shall not secure the payment of the Bonds.

SECTION 3.08 Exercise of Option. The City Council has elected and does hereby declare its intent to exercise on the behalf and in the name of the City its option to redeem the Refunded Bonds in whole on the earliest practicable redemption date after the adoption of this Ordinance, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium. The redemption date of the Refunded Bonds shall be determined by the City Manager or the Finance Director. The City hereby irrevocably authorizes and directs the Registrar, as registrar for such Refunded Bonds, to give notice of refunding, defeasance and redemption of the Refunded Bonds to the registered owners of the Refunded Bonds in accordance with the provisions of the ordinance and the Trust Indenture authorizing the issuance of the Refunded Bonds.

SECTION 3.09 Investment of Moneys. Amounts in the Assessment Fund, the Bond Fund, the Reserve Fund, the Costs of Issuance Fund and the Rebate Fund may be invested by the City in securities that are permitted investments for City funds under the laws of the State of Colorado.

ARTICLE IV.

PLEDGE OF TRUST ESTATE; ENFORCEMENT OF ASSESSMENTS

SECTION 4.01 Pledge of Trust Estate. The Trust Estate is hereby irrevocably pledged to and shall be used for the punctual payment of the principal of and interest on the Bonds, and for payment of the continuing costs, fees and expenses of collecting and enforcing the payment of the Assessments and payment of the costs, fees and expenses of the Paying Agent and Registrar, and the Trust Estate shall not be used for any other purpose while any of the Bonds remain outstanding. The pledge of the Assessment Installments shall constitute a valid lien on the Assessment Installments for the foregoing purposes in accordance with the terms hereof.

Nothing in this Ordinance prohibits the City Council from amending the Assessment Ordinance and the assessment roll to reduce the principal amount of the Assessments to not less than the original aggregate principal amount of the Bonds and to reduce the interest rate on the Assessments to not less than the highest interest rate on the Bonds plus 35 basis points.

SECTION 4.02 Enforcement of Assessments. Upon a default in the due and punctual payment of any Assessment Installment due hereunder and under the Assessment Ordinance, the Finance Director promptly (but in no event later than 30 days after the installment

due date, or as otherwise provided in the Assessment Ordinance) shall mark the Assessment Installment delinquent on the assessment roll for the District and shall notify the owner of such delinquent property, if known, in writing of such delinquency, by first class mail, postage prepaid, addressed to such owner's last-known address. The collection of the Assessments shall be enforced by the Finance Director and other officers of the City as provided in Title 31, Article 25, Part 5, C.R.S., and the assessment roll and certified copy of the Assessment Ordinance shall be prima facie evidence of the regularity of the proceeding. The City Council shall direct the Finance Director to give notice of the sale of the property subject to the lien of the delinquent Assessment Installment, or all of the Assessment with respect to such property if the City Council has exercised its option to cause the whole amount of the unpaid Assessment with respect to such property to become due and payable (subject to the provisions of Section 4.03 hereof), and shall sell such property as provided in and pursuant to the Act. In the event that the owner of such property does not prior to the day of sale pay the amount of all delinquent Assessment Installments, with accrued interest thereon and penalties and costs of collection, and such property is not sold to a third party purchaser at such sale, the property may be stricken off to the City and held in trust for the benefit of the District pursuant to the Act.

Upon the sale of real property which is the subject of such delinquent Assessment Installment, or upon the owner of such property paying prior to the day of sale the amount of all delinquent Assessment Installments and accrued interest and penalties thereon, the City shall deposit such moneys received in the Assessment Fund.

SECTION 4.03 Action by Owners. Upon a default in the due and punctual payment of an Assessment Installment and if sale proceedings are not promptly filed and diligently prosecuted by the City, then any Owner may file and prosecute a foreclosure action in the name of the City, and proceed against the City to protect and enforce the rights of the Owners under the Act or hereunder by suit, action or special proceedings in equity or at law, either for the appointment of a receiver or for the specific performance of any provisions contained in the Act or herein or in an award of execution of any power granted for the enforcement of any proper legal or equitable remedy as such Owner may deem most effectual to protect and enforce the rights aforesaid.

All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners then outstanding. The failure of the Owners so to foreclose upon the property that is the subject of such delinquent Assessment Installment, or so to proceed against the City, or both, shall not relieve the City or any of its officers, agents or employees of its duty so to take the actions set forth in Section 4.02.

ARTICLE V. COVENANTS

SECTION 5.01 General. The City hereby further irrevocably covenants and agrees with each and every Owner that so long as any of the Bonds remain Outstanding, the City will impose and collect the Assessments within the District in the manner provided by law, and take such action as may be determined appropriate by the City to collect any Assessments that are in default.

SECTION 5.02 Books and Records. The City covenants for the benefit of the Owners that so long as any of the Bonds remain outstanding, the City shall keep or cause to be kept true and accurate books of records and accounts showing full and true entries covering the collection and disposition of the Assessment Installments, as well as any delinquencies in the collection thereof, covering deposits in and disbursements from the funds and accounts created under this Ordinance and covering the payment of the principal of and interest on the Bonds. The City shall permit an inspection and examination of all records and accounts at all reasonable times by any property owner in the District.

SECTION 5.03 Tax Covenants. The City covenants for the benefit of the Owners of the Bonds that it shall not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the City or any facilities financed or refinanced with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income, or (c) would cause the interest on the Bonds to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present State law. In furtherance of this covenant, the City agrees to comply with the procedures set forth in the Tax Compliance Certificate. The foregoing covenants shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the City in fulfilling the above covenants under the Tax Code have been met.

The City hereby determines that neither the City nor any entity subordinate thereto reasonably anticipates issuing in the aggregate more than \$10,000,000 face amount of tax-exempt bonds or any other similar obligations during calendar year 2015. For the purpose of Section 265(b)(3)(B) of the Tax Code, the City hereby designates the Bonds as qualified tax-exempt obligations.

Notwithstanding any provision of this Section 5.03, if the City shall obtain an Opinion of Counsel that any specified action required under this Section 5.03 is no longer required or that some further or different action is required to maintain the tax-exempt status of interest on the Bonds, the City may conclusively rely on such opinion in complying with the requirements of this Section, and the covenants hereunder shall be deemed to be modified to that extent.

ARTICLE VI. THE REGISTRAR AND PAYING AGENT

SECTION 6.01 Appointment of Registrar and Paying Agent. UMB Bank, n.a., Denver, Colorado is hereby appointed as Registrar and Paying Agent for the Bonds for the purpose of paying the principal of and interest on the Bonds presented for payment at the Principal Corporate Trust Office, with the rights and obligations provided herein and in the Paying Agent Agreement. It shall not be required that the same institution or person serve as both Registrar and Paying Agent hereunder, but the City shall have the right to have the same institution or person serve as both Registrar and Paying Agent hereunder.

ARTICLE VII.
AMENDMENT OF ORDINANCE

SECTION 7.01 Amendment with Consent of Owners. This Ordinance may be amended or supplemented by Supplemental Ordinance adopted by the City Council, without the receipt by the City of any additional consideration, with the written consent of the Owners of not less than a majority in aggregate principal amount of the Bonds outstanding at the time of the adoption of such Supplemental Ordinance, provided, however, that without the prior written consent of the Owner of each Bond affected by such Supplemental Ordinance, no Supplemental Ordinance shall have the effect of permitting:

- (a) An extension of the maturity of any Bond authorized by this Ordinance; or
- (b) A reduction in the principal amount of any Bond or the rate of interest thereon; or
- (c) The creation of a lien upon or a pledge of property, revenues or funds, ranking prior to the liens or pledges created by this Ordinance; or
- (d) A reduction of the principal amount of Bonds required for consent to such Supplemental Ordinance.

SECTION 7.02 Amendments Without Consent of Owners. The City may, without the consent of or notice to the Owners, adopt any Supplemental Ordinance which shall thereafter form a part hereof, for any one or more of the following purposes, provided that such purpose shall not materially adversely affect the interests of the Owners:

- (a) to add to the agreements and covenants required herein to be performed by the City, other agreements and covenants thereafter to be performed by the City, or to surrender any right or power reserved herein to or conferred herein on the City;
- (b) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder that the City may deem desirable or necessary and not inconsistent herewith or to make any provision necessary or desirable due to a change in law or for any other purpose if such provisions are necessary or desirable and do not materially adversely affect the interests of the Owners;
- (c) to add to the agreements and covenants required herein, such agreements and covenants as may be necessary to qualify the Ordinance under the Trust Indenture Act of 1939;
- (d) to pledge additional revenues, properties or collateral as security for the Bonds;
- (e) to grant or confer upon the Registrar or Paying Agent for the benefit of the Owners any additional rights, remedies, power or authorities that may lawfully be granted to or conferred upon the Owners; or

- (f) for the purpose of providing for the issuance of refunding bonds.

SECTION 7.03 Disqualified Bonds. Bonds owned or held by or for the account of the City shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided in this article, and shall not be entitled to consent to or take any other action provided in this article.

SECTION 7.04 Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken as provided in this Article VII, the City may determine that the Bonds may bear a notation by endorsement in form approved by the City as to such action, and in that case upon demand of the Owner of any Outstanding Bonds and presentation of its Bond for such purpose at the Principal Corporate Trust Office of the Registrar, a suitable notation as to such action shall be made on such Bond. If the City shall so determine, new Bonds so modified as, in the opinion of the City, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Outstanding Bond a new Bond or Bonds shall be exchanged at the Principal Corporate Trust Office of the Registrar without cost to each Owner for its Bond or Bonds then Outstanding upon surrender of such Outstanding Bonds.

SECTION 7.05 Amendment by Mutual Consent. The provisions of this article shall not prevent any Owner from accepting any amendment as to the particular Bonds held by such Owner, provided that due notation thereof is made on such Bonds.

ARTICLE VIII. DEFEASANCE

SECTION 8.01 Discharge of Bonds.

(a) If the City shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the interest thereon and the principal thereof at the times and in the manner stipulated herein and therein, then the Owners of such Bonds shall cease to be entitled to the pledge of and charge and lien upon the Trust Estate as provided herein, and all agreements, covenants and other obligations of the City to the Owners of such Bonds hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Paying Agent shall execute and deliver to the City all such instruments as may be necessary or desirable to evidence such discharge and satisfaction.

(b) Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this section if (1) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the City shall have given to the Paying Agent in form satisfactory to it irrevocable instructions to provide notice of redemption in accordance with Section 2.04 hereof, and (2) there shall have been deposited with the Paying Agent either (A) money in an amount which shall be sufficient or (B) Federal Securities that are not subject to redemption prior to maturity (including any such Federal Securities issued or held in book-entry form on the books of the Treasury of the United States of America) the interest on and principal of which when paid will provide money which, together with the money, if any, deposited with the Paying Agent at the same time, shall be sufficient, as set forth in a written report of an independent certified public

accountant, to pay when due the interest to become due on such Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of such Bonds.

SECTION 8.02 Unclaimed Money. Anything contained herein to the contrary notwithstanding, any money held by the Paying Agent in trust for the payment and discharge of any of the Bonds that remains unclaimed for two (2) years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for redemption prior to maturity, shall be repaid by the Paying Agent to the City as its absolute property free from trust, and the Paying Agent shall thereupon be released and discharged with respect thereto and the Owners shall not look to the Paying Agent for the payment of such Bonds.

ARTICLE IX.
MISCELLANEOUS

SECTION 9.01 Approvals and Authorizations.

(a) The City Council hereby approves the Paying Agent Agreement in substantially the form of such document on file with the City Clerk, with only such changes therein as are not inconsistent herewith. The Mayor is hereby authorized and directed to execute the Paying Agent Agreement. The City Clerk is hereby authorized to attest and to affix the seal of the City to the Paying Agent Agreement. Such document is to be executed in substantially the form hereinabove approved, provided that such document may be completed, corrected or revised as deemed necessary by the parties thereto in order to carry out the purposes of this Ordinance. The execution of any document or instrument by the appropriate officers of the City herein authorized shall be conclusive evidence of the approval by the City of such document or instrument in accordance with the terms hereof.

(b) The City Manager and the Finance Director shall each have the independent authority pursuant to the Supplemental Act to accept the proposal of the Initial Purchaser to purchase the Bonds and to execute a Bond Purchase Agreement and the Sale Certificate in connection therewith, subject to the parameters and restrictions contained in this Ordinance. The execution of a Bond Purchase Agreement by the City Manager or the Finance Director shall be conclusive evidence of the approval by the City of the Bond Purchase Agreement in accordance with the terms hereof.

(c) The Mayor and the City Clerk and all other appropriate officers or employees of the City are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including without limiting the generality of the foregoing, executing, attesting, authenticating and delivering for and on behalf of the City any and all necessary documents, instruments or certificates and performing all other acts that they deem necessary or appropriate.

(d) It shall be the duty of the proper officers of the City to hereafter take all action necessary for the City to comply with the provisions of this Ordinance, the Assessment Ordinance, and the Act, as hereafter amended and supplemented from time to time.

SECTION 9.02 Liability of City Limited. The City shall not be required to advance any money derived from any source other than the Trust Estate as provided herein for the payment of the principal of and interest on the Bonds or for the performance of any agreements or covenants herein contained. The City may, however, advance funds for any such purpose so long as such funds are derived from a source legally available for such purpose.

The Bonds are special, limited obligations of the City and are payable solely from the Trust Estate as provided herein, and the City is not obligated to pay the Bonds except from the Trust Estate. All the Bonds are equally secured by a pledge of and charge and lien upon the Trust Estate, and the Trust Estate constitutes security for the payment of the principal of and interest on the Bonds as provided herein.

SECTION 9.03 Benefits of the Ordinance Limited. Nothing contained herein, expressed or implied, is intended to give to any person other than the City, the Paying Agent, the Registrar, and the Owners any right, remedy or claim under or by reason hereof. Any agreement or covenant required herein to be performed by or on behalf of the City or any member, officer or employee thereof shall be for the sole and exclusive benefit of the Paying Agent, the Registrar and the Owners.

SECTION 9.04 Successor Is Deemed Included In All References To Predecessor. Whenever herein either the City or any member, officer or employee thereof is named or referred to, such reference shall be deemed to include the successor to the powers, duties and functions with respect to the City or such member, officer or employee, and all agreements and covenants required hereby to be performed by or on behalf of the City or any member, officer or employee thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

SECTION 9.05 Execution of Documents by Owners. Any declaration, request or other instrument that is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or his or her attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to make acknowledgments of deeds to be recorded in the state or territory in which he or she purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him or her the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer. The ownership of any Bonds and the amount, maturity, number and date of holding the same may be proved by the registration books relating to the Bonds at the Principal Corporate Trust Office of the Registrar.

Any declaration, request or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond with respect to anything done or suffered to be done by the City in good faith and in accordance therewith.

SECTION 9.06 Acquisition of Bonds by City. All Bonds acquired by the City, whether by purchase or gift or otherwise, shall be surrendered to the Paying Agent for cancellation.

SECTION 9.07 Destruction of Canceled Bonds. Whenever provision is made for the return to the City of any Bonds which have been canceled pursuant to the provisions hereof, the City may direct the Paying Agent to destroy such Bonds and furnish to the City a certificate of such destruction.

SECTION 9.08 Content of Certificates. Every certificate of the City with respect to compliance with any agreement, condition, covenant or provision provided herein may be based, insofar as it relates to legal matters, upon an Opinion of Counsel. Any Opinion of Counsel may be based, insofar as it relates to factual matters or information in the possession of the City, upon a representation by an officer or officers of the City; provided that nothing herein shall be deemed to require the counsel rendering any such opinion to conduct an independent investigation of factual matters contained in any such representation.

SECTION 9.09 Accounts and Funds. Any fund or account required herein or in the Sale Certificate to be established and maintained by the City may be established and maintained in the accounting records of the City either as a fund or an account, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such accounts and funds shall at all times be maintained in accordance with the Tax Certificate and sound government accounting practice and with due regard for the protection of the security of the Bonds and the rights of the Owners.

SECTION 9.10 Article and Section Headings and References. The headings or titles of the several articles and sections hereof appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to “Articles,” “Sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith,” “hereunder” and other words of similar import refer to the Ordinance as a whole and not to any particular article, section, subdivision or clause hereof.

SECTION 9.11 Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the City, the Paying Agent or the Registrar shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof or of the Bonds, and the Owners shall retain all the benefit, protection and security afforded to them under the Act or any other applicable provisions of law. The City hereby declares that it would have executed and delivered this Ordinance and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 9.12 No Recourse Against Officers and Agents. Pursuant to § 11-57-209 of the Supplemental Act, if a member of the City Council, or any officer or agent of the City acts in good faith, no civil recourse shall be available against such City Council member, officer, or agent for payment of the principal or interest on the Bonds. Such recourse shall not be

available either directly or indirectly through the City Council or the City, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bonds specifically waives any such recourse.

SECTION 9.13 Governing Law. This Ordinance shall be governed by and construed in accordance with the laws of the State of Colorado.

SECTION 9.14 Repeal of Inconsistent Provisions. All ordinances, resolutions and orders, or parts thereof, in conflict with the provisions of this Ordinance are hereby repealed to the extent only of such inconsistency. This Section shall not be construed to revive any ordinance, resolution or order, or part thereof, heretofore repealed.

SECTION 9.15 Ordinance Irrepealable. After any of the Bonds are issued, this Ordinance shall constitute an irrevocable contract between the City and the Owner or Owners of the Bonds; and this Ordinance, if any Bonds are in fact issued, shall be and shall remain irrepealable until the Bonds shall be fully paid, canceled and discharged, as herein provided.

SECTION 9.16 Pledge of Revenues. The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Bonds as provided herein shall be governed by § 11-57-208 of the Supplemental Act and this Ordinance. The revenues pledged for the payment of the Bonds, as received by or otherwise credited to the City shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge on the revenues pledged for payment of the Bonds and the obligation to perform the contractual provisions made herein shall have priority over any or all other obligations and liabilities of the City. The lien of such pledge shall be valid, binding, and enforceable as against all persons or entities having claims of any kind in tort, contract, or otherwise against the City irrespective of whether such persons or entities have notice of such liens.

SECTION 9.17 Limitation of Actions. Pursuant to § 11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings of the City in connection with the authorization or issuance of the Bonds, including but not limited to the adoption of this Ordinance, shall be commenced more than thirty days after the authorization of the Bonds.

SECTION 9.18 Severability. If any section, paragraph, clause, or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 9.19 Business Days. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Ordinance, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal date.

SECTION 9.20 Charter Controls. Pursuant to Article XX of the State Constitution and the Charter, all State statutes that might otherwise apply in connection with the provisions of this Ordinance, including but not limited to the issuance of the Bonds, the levying of the Assessments, and the use of the Assessments and the moneys on deposit in the funds and accounts created hereunder, are hereby superseded to the extent of any inconsistencies or conflicts between the provisions of this Ordinance and such statutes. Any such inconsistency or conflict is intended by the City Council and shall be deemed made pursuant to the authority of Article XX of the State Constitution and the Charter.

SECTION 9.21 Effective Date. This Ordinance shall take effect ten days after publication following final adoption, as provided in Charter Section 4-8(b).

ADOPTED this ___ day of _____, 2015.

CITY OF LOVELAND, COLORADO

Mayor

(SEAL)

Attested:

City Clerk

APPROVED AS TO FORM:



City Attorney

I, Teresa G. Andrews, City Clerk of the City of Loveland, Colorado, hereby certify that the above and foregoing Ordinance was introduced at a regular (or special) meeting of the City Council, held on November __, 2015 and was initially published in the Loveland Daily Reporter-Herald, a newspaper published with the City limits in full on November __, 2015 and by title except for parts thereof which were amended after such initial publication which parts were published in full in said newspaper on November __, 2015.

City Clerk

Effective Date: November __, 2015

APPENDIX A

(Form of Bond)

UNITED STATES OF AMERICA
STATE OF COLORADO
CITY OF LOVELAND

NO. R-__

\$_____

SPECIAL ASSESSMENT REFUNDING BOND
(SPECIAL IMPROVEMENT DISTRICT NO. 1)
SERIES 2015

Interest Rate

Maturity Date

Dated as of

___% per annum

REGISTERED OWNER

PRINCIPAL AMOUNT

DOLLARS

The City of Loveland, Colorado (the “City”), for value received, hereby promises to pay, out of funds available for that purpose as hereinafter set forth, to the registered owner specified above or registered assigns the principal amount specified above on the maturity date specified above (unless this Bond shall have been called for prior redemption, in which case on such redemption date) and to pay solely from such available funds interest hereon at the interest rate per annum specified above, said interest being payable on January 1 and July 1 in each year, commencing July 1, 2016. This Bond bears interest (computed on the basis of a 360-day year of twelve 30-day months) payable to the Registered Owner at the Interest Rate specified above from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the date of this Bond.

This Bond is one of an authorized series of Bonds issued pursuant to an Ordinance of the City Council of the City adopted on _____, 2015 (the “Ordinance”). This Bond bears interest, matures, is payable, is subject to redemption and is transferable as provided in the Bond Ordinance and a Sale Certificate executed by either the City Manager or the Finance Director of the City prior to the delivery of the Bonds. To the extent not defined herein, terms used herein are used as defined in the Bond Ordinance.

The Bonds have been authorized and issued pursuant to the Ordinance, the home rule Charter of the City, Part 5 of Article 25 of Title 31, Colorado Revised Statutes, Article 56 of Title 11, Colorado Revised Statutes (the “Refunding Act”), and Part 2 of Article 57 of Title 11, Colorado Revised Statutes (the “Supplemental Act”). Pursuant to Section 11-56-107 of the Refunding Act, this recital that the Bonds are issued under the

authority of the Refunding Act conclusively imparts full compliance with all of the provisions and limitations of the Refunding Act, and all refunding bonds issued containing such recital shall be incontestable for any cause whatsoever after their delivery for value. Pursuant to Section 11-57-210 of the Supplemental Act, this recital that the Bonds are issued pursuant to the Supplemental Act shall be conclusive evidence of the validity and regularity of the issuance of the Bonds after their delivery for value.

Pursuant to the Ordinance, the payment of the principal of and interest on the Bonds shall be made from and as security for such payment there is pledged, a special fund designated as the “City of Loveland, Colorado, Special Assessment Refunding Bonds (Special Improvement District No. 1), Series 2015 Bond Fund” (the “Bond Fund”) containing the receipts upon the collection thereof from the special assessments (the “Assessments”) levied against and secured by a lien upon the property in the District specially benefited by the Improvements, which Bond Fund shall be used for the full and prompt payment of the Bonds and the interest thereon, and shall be used for no other purpose whatsoever except as permitted by the Ordinance. Whenever there is a deficiency in the Bond Fund, the deficiency must be paid out of the special fund designated as the “City of Loveland, Colorado, Special Assessment Refunding Bonds (Special Improvement District No. 1), Series 2015 Reserve Fund” in the priority specified in the Ordinance.

Pursuant to the Ordinance, the Trust Estate has been irrevocably pledged to and shall be used for the punctual payment of the principal of and interest on the Bonds, and for payment of the continuing costs of collecting and enforcing the payment of the Assessments as set forth in the Ordinance, and the Trust Estate shall not be used for any other purpose while any of the Bonds remain outstanding. The pledge of the Assessments shall constitute a first and exclusive lien on the Assessments for the foregoing purposes in accordance with the terms of the Ordinance; provided that pursuant to the Act such lien has priority over all other liens except general tax liens.

The Finance Director shall collect, receive and enforce the payment of all Assessments made and levied for the Improvements, all interest thereon, and all penalties accrued, as provided by law and in the same manner and at the same time or times as prescribed by the Ordinance and the other proceedings of the City relating thereto.

THIS BOND DOES NOT CONSTITUTE A DEBT OR AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR HOME RULE CHARTER LIMITATION OR PROVISION, AND SHALL NOT BE CONSIDERED OR HELD TO BE A GENERAL OBLIGATION OF THE CITY. THE PAYMENT OF THIS BOND AND THE INTEREST HEREON IS NOT SECURED BY AN ENCUMBRANCE, MORTGAGE, OR OTHER PLEDGE OF PROPERTY OF THE SPECIAL ASSESSMENT DISTRICT NO. 1 EXCEPT FOR SUCH SPECIAL ASSESSMENTS AND OTHER MONEYS PLEDGED FOR THE PAYMENT OF THE BONDS, AS SET FORTH ABOVE. NO PROPERTY OF THE DISTRICT, SUBJECT TO SAID EXCEPTION, SHALL BE LIABLE TO BE FORFEITED OR TAKEN IN PAYMENT OF THE BONDS.

It is hereby certified, recited and declared that all acts, conditions and things essential to the validity of this Bond exist, have happened and have been done in due time, form and manner as required by law; that the total issue of the Bonds does not exceed the amount authorized by law nor the total unpaid special assessments levied to cover the cost of the Improvements, that this Bond is issued under the authority of the Act, the Refunding Act and the Supplemental Act and that this Bond is incontestable for any cause whatsoever.

It is hereby further certified, recited and declared that the proceedings with reference to the Improvements, the levying of the assessments to pay the cost and expense of the Improvements and the issuance of the Bonds have been regularly had and taken in compliance with law, and that all prerequisites to the fixing of the assessment lien against the property benefited by the Improvements and of the liability of the owner or owners of such property therefor have been performed.

IN WITNESS WHEREOF, the City of Loveland, Colorado has caused this Bond to be signed and executed in the name of and on behalf of the City with the manual or facsimile signature of the Mayor of the City, to be countersigned with the manual or facsimile signature of the City Manager of the City, and to be countersigned, subscribed, executed and attested with the manual or facsimile signature of the City Clerk, has caused the seal of the City or a facsimile thereof to be affixed hereon, and has caused this Bond to be dated as of the date specified above.

CITY OF LOVELAND, COLORADO

(Manual or Facsimile Signature)
Mayor

(Manual or Facsimile Signature)
City Manager

(MANUAL OR FACSIMILE SEAL)

Attested:

(Manual or Facsimile Signature)
City Clerk

(End of Form of Bonds)

(Form of Registrar's Certificate of Authentication)

Date of Registration: _____, 2015

This is one of the Bonds described in the above mentioned Ordinance and this Bond has been duly registered in the registration records kept by the undersigned as Registrar for the Bonds.

UMB BANK, N.A., as Registrar

By: (Manual Signature)
Authorized Officer

(End of Form of Registrar's Certificate of Authentication)

(Form of Assignment Provision)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints to transfer the within Bond on the records kept for the registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatever. The signature must be guaranteed by an eligible guarantor institution as defined in 17 CFR § 240.17 ad-15(a)(2).

Signature Guaranteed by a Member:
of the Medallion Signature Program

Address of Transferee:

Social Security or other
identification number of transferee:

(End of Form of Assignment)

**CITY OF LOVELAND, COLORADO
SPECIAL ASSESSMENT REFUNDING BONDS
(SPECIAL ASSESSMENT DISTRICT NO. 1)
SERIES 2015**

REGISTRAR AND PAYING AGENT AGREEMENT

THIS AGREEMENT, dated as of December __, 2015 (this Agreement”), is by and between the City of Loveland, Colorado (the “City”), a political subdivision of the State of Colorado, and UMB Bank, n.a., in Denver, Colorado (the “Bank”), a national banking association.

WITNESSETH:

WHEREAS, by an Ordinance of the City Council of the City duly adopted on second reading on November 17, 2015 (the “Bond Ordinance”), the City has authorized the issuance of its City of Loveland, Colorado, Special Assessment Refunding Bonds (Special Improvement District No. 1), Series 2015 (the “Bonds”); and

WHEREAS, all capitalized terms used herein and not otherwise defined herein shall have the meanings given to them in the Bond Ordinance; and

WHEREAS, it is mutually desirable to the City and the Bank that the Bank, through its Corporate Trust Department, located in Denver, Colorado, act as Registrar and Paying Agent (as defined in the Bond Ordinance) for the Bonds; and

WHEREAS, it is mutually desirable that this Agreement be entered into between the City and the Bank to provide for certain aspects of such Registrar and Paying Agent services.

NOW, THEREFORE, the City and the Bank, in consideration of the mutual covenants herein contained, agree as follows:

1. The Bank hereby accepts all duties and responsibilities of the Registrar and Paying Agent as provided in the Bond Ordinance and in this Agreement. The Bank shall cause the Bonds to be honored in accordance with their terms, provided that the City causes to be made available to the Bank all funds necessary in order to so honor the Bonds. Nothing in this Agreement shall require the Bank to pay or disburse any funds in excess of the amount then on deposit in the “Principal and Interest Payment Account” provided for in Section 2 of this Agreement. Nothing in this Agreement shall require the City to pay or disburse any funds for

payment of the Bonds or interest thereon except at the times and in the manner provided in the Bond Ordinance. In addition, the Bank hereby accepts the duties and responsibilities pertaining to the authentication, registration, transfer, exchange and replacement of Bonds, and the duties and responsibilities pertaining to calling the Bonds for prior redemption, all as provided in the Bond Ordinance.

2. Not less than (a) one business day prior to each payment date, if funds are delivered by wire transfer, or (b) three business days prior to each payment date if funds are delivered by another method of payment, funds for the payment of the Bonds and interest thereon are to be deposited by the City with the Bank in an account designated "Principal and Interest Payment Account" (the "Payment Account"). The funds so deposited shall be held and applied by the Bank through its Corporate Trust Department solely for the payment of principal of and interest on the Bonds. From such funds, the Bank agrees to pay at the times and in the manner provided in the Bond Ordinance, the principal of and interest on the Bonds. In the event a payment date is not a business day, the Bank shall make the principal and/or interest payment on the following business day with the same effect as if it had been made on the date scheduled for such payment.

If so directed by the City's Finance Director (the "Finance Director") the funds so deposited in the Payment Account shall be invested by the Bank, at the written direction of the Finance Director, in investments that are consistent with the City's investment policies. All such investments in the Payment Account shall be held by or under the control of the Bank. The Bank shall sell and reduce to cash such investments as needed to pay the principal of and interest on the Bonds whether upon maturity or upon prior redemption. Any interest or other gain realized as a result of any investment of moneys in the Payment Account, to the extent not used to pay the principal of or interest on the Bonds, shall promptly be remitted to the City. If the Bank does not receive written instructions from the Finance Director with respect to investing moneys on deposit in the Payment Account, such moneys shall remain uninvested.

3. The Bank agrees that any duly authorized representative of the City shall, until the expiration of two (2) years after final termination of this Agreement, have access to and the right to examine any directly pertinent books, documents, schedules, papers, charts, and records of the Bank, including all cost accounting records, involving matters or transactions in any way, related to this Agreement and the services provided hereunder.

4. The City shall pay to the Bank fees in accordance with its then existing fee schedule. The Bank's current fee schedule is attached to this Agreement as Exhibit A. No new fee schedule shall become effective until 30 days after the Bank has given the City written notice thereof.

5. Unless waived by the Bank, the City agrees to provide the Bank with not less than 20 days notice of any prior optional redemption of the Bonds. The City shall not be required to provide the Bank with notice of mandatory sinking fund redemption.

6. At least 30 but not more than 60 days prior to December __, 2020, December __, 2025 and on the date on which the last Bond is discharged, the Bank shall send written notice to the City stating that the City must: (i) compute the amount of rebatable arbitrage, if any, which is due to the federal government pursuant to Sections 103 and 148(f) of the Internal Revenue Code of 1986, as amended, and (ii) pay such amount no later than sixty days from December __, 2020, December __, 2025, and on the date on which the last Bond is discharged.

7. If requested by the Bank, the City agrees to provide the Bank with a supply of blank Bonds for use in the transfer, exchange and replacement of Bonds.

8. Any moneys held by the Bank for the owners of the Bonds remaining unclaimed for two years after principal and/or interest of the respective Bonds with respect to which such moneys has been set aside has become due and payable shall without further request by the City be paid to the City.

9. This Agreement may be terminated as hereinafter provided. The Paying Agent may resign as Paying Agent at any time upon thirty (30) days written notice to the City. The City may remove the Paying Agent as Paying Agent upon thirty (30) days written notice to the Paying Agent. No resignation or removal of the Paying Agent may take effect until a successor is appointed. If an instrument of acceptance of a successor Paying Agent shall not have been delivered to the Paying Agent within thirty (30) days of the giving of such notice of resignation, the Paying Agent may petition any court of competent jurisdiction for the appointment of a successor Paying Agent. Upon any resignation or removal of the Paying Agent as Paying Agent, the Paying Agent shall deliver to the City or its designee all funds held by the Paying Agent as Paying Agent and the registration records of the Paying Agent, as registrar and transfer agent for the Bonds.

10. Any company or national banking association into which the Paying Agent may be merged or converted or with which it may be consolidated or any company or national banking association resulting from any merger, conversion or consolidation to which it shall be a party or any company or national banking association to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible, shall be the successor to such Paying Agent without execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

11. This Agreement may be assigned by the Bank to any successor Registrar and Paying Agent if in accordance with the provisions of the Bond Ordinance.

12. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

13. In the event of any conflict between the provisions of this Agreement and the provisions of the Bond Ordinance, the provisions of the Bond Ordinance shall be controlling.

IN WITNESS WHEREOF, the Bank and the City have caused this Agreement to be duly executed and delivered as of the day and year first above written.

CITY OF LOVELAND, COLORADO

By _____
Mayor

(SEAL)

Attest:

City Clerk

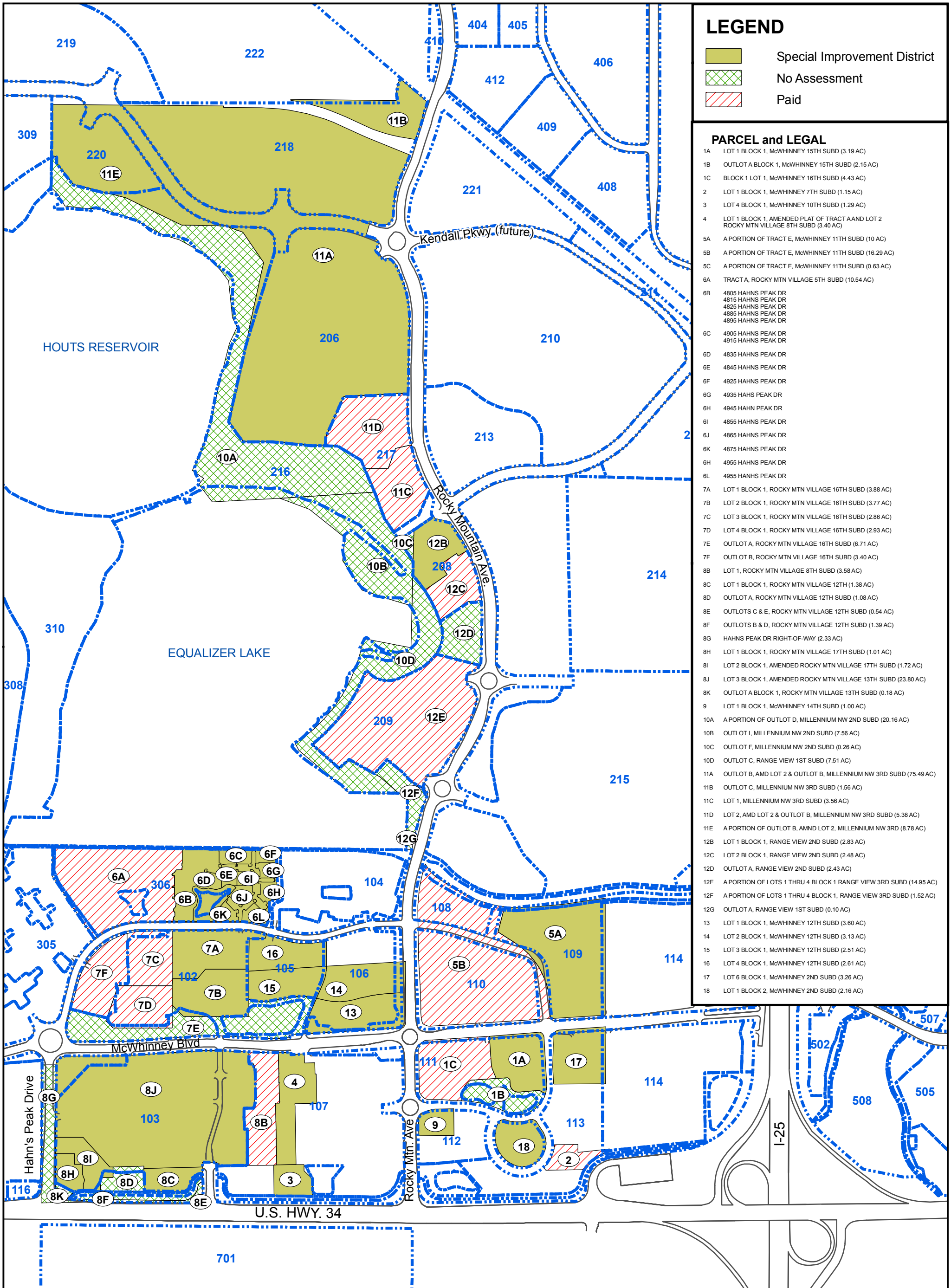
UMB BANK, N.A.
Registrar and Paying Agent

By _____
Title:

EXHIBIT A

(Attach Registrar's Fee Schedule)

MAP OF LOVELAND SPECIAL IMPROVEMENT DISTRICT NO. 1 OCTOBER 2009 (SID Information as of March 2015)



LEGEND

- Special Improvement District
- No Assessment
- Paid

PARCEL and LEGAL

1A	LOT 1 BLOCK 1, McWHINNEY 15TH SUBD (3.19 AC)
1B	OUTLOT A BLOCK 1, McWHINNEY 15TH SUBD (2.15 AC)
1C	BLOCK 1 LOT 1, McWHINNEY 16TH SUBD (4.43 AC)
2	LOT 1 BLOCK 1, McWHINNEY 7TH SUBD (1.15 AC)
3	LOT 4 BLOCK 1, McWHINNEY 10TH SUBD (1.29 AC)
4	LOT 1 BLOCK 1, AMENDED PLAT OF TRACT A AND LOT 2 ROCKY MTN VILLAGE 8TH SUBD (3.40 AC)
5A	A PORTION OF TRACT E, McWHINNEY 11TH SUBD (10 AC)
5B	A PORTION OF TRACT E, McWHINNEY 11TH SUBD (16.29 AC)
5C	A PORTION OF TRACT E, McWHINNEY 11TH SUBD (0.63 AC)
6A	TRACT A, ROCKY MTN VILLAGE 5TH SUBD (10.54 AC)
6B	4805 HAHNS PEAK DR 4815 HAHNS PEAK DR 4825 HAHNS PEAK DR 4885 HAHNS PEAK DR 4895 HAHNS PEAK DR
6C	4905 HAHNS PEAK DR 4915 HAHNS PEAK DR
6D	4835 HAHNS PEAK DR
6E	4845 HAHNS PEAK DR
6F	4925 HAHNS PEAK DR
6G	4935 HAHNS PEAK DR
6H	4945 HAHNS PEAK DR
6I	4855 HAHNS PEAK DR
6J	4865 HAHNS PEAK DR
6K	4875 HAHNS PEAK DR
6H	4955 HAHNS PEAK DR
6L	4955 HAHNS PEAK DR
7A	LOT 1 BLOCK 1, ROCKY MTN VILLAGE 16TH SUBD (3.88 AC)
7B	LOT 2 BLOCK 1, ROCKY MTN VILLAGE 16TH SUBD (3.77 AC)
7C	LOT 3 BLOCK 1, ROCKY MTN VILLAGE 16TH SUBD (2.86 AC)
7D	LOT 4 BLOCK 1, ROCKY MTN VILLAGE 16TH SUBD (2.93 AC)
7E	OUTLOT A, ROCKY MTN VILLAGE 16TH SUBD (6.71 AC)
7F	OUTLOT B, ROCKY MTN VILLAGE 16TH SUBD (3.40 AC)
8B	LOT 1, ROCKY MTN VILLAGE 8TH SUBD (3.58 AC)
8C	LOT 1 BLOCK 1, ROCKY MTN VILLAGE 12TH (1.38 AC)
8D	OUTLOT A, ROCKY MTN VILLAGE 12TH SUBD (1.08 AC)
8E	OUTLOTS C & E, ROCKY MTN VILLAGE 12TH SUBD (0.54 AC)
8F	OUTLOTS B & D, ROCKY MTN VILLAGE 12TH SUBD (1.39 AC)
8G	HAHNS PEAK DR RIGHT-OF-WAY (2.33 AC)
8H	LOT 1 BLOCK 1, ROCKY MTN VILLAGE 17TH SUBD (1.01 AC)
8I	LOT 2 BLOCK 1, AMENDED ROCKY MTN VILLAGE 17TH SUBD (1.72 AC)
8J	LOT 3 BLOCK 1, AMENDED ROCKY MTN VILLAGE 13TH SUBD (23.80 AC)
8K	OUTLOT A BLOCK 1, ROCKY MTN VILLAGE 13TH SUBD (0.18 AC)
9	LOT 1 BLOCK 1, McWHINNEY 14TH SUBD (1.00 AC)
10A	A PORTION OF OUTLOT D, MILLENNIUM NW 2ND SUBD (20.16 AC)
10B	OUTLOT I, MILLENNIUM NW 2ND SUBD (7.56 AC)
10C	OUTLOT F, MILLENNIUM NW 2ND SUBD (0.26 AC)
10D	OUTLOT C, RANGE VIEW 1ST SUBD (7.51 AC)
11A	OUTLOT B, AMD LOT 2 & OUTLOT B, MILLENNIUM NW 3RD SUBD (75.49 AC)
11B	OUTLOT C, MILLENNIUM NW 3RD SUBD (1.56 AC)
11C	LOT 1, MILLENNIUM NW 3RD SUBD (3.56 AC)
11D	LOT 2, AMD LOT 2 & OUTLOT B, MILLENNIUM NW 3RD SUBD (5.38 AC)
11E	A PORTION OF OUTLOT B, AMND LOT 2, MILLENNIUM NW 3RD (8.78 AC)
12B	LOT 1 BLOCK 1, RANGE VIEW 2ND SUBD (2.83 AC)
12C	LOT 2 BLOCK 1, RANGE VIEW 2ND SUBD (2.48 AC)
12D	OUTLOT A, RANGE VIEW 2ND SUBD (2.43 AC)
12E	A PORTION OF LOTS 1 THRU 4 BLOCK 1 RANGE VIEW 3RD SUBD (14.95 AC)
12F	A PORTION OF LOTS 1 THRU 4 BLOCK 1, RANGE VIEW 3RD SUBD (1.52 AC)
12G	OUTLOT A, RANGE VIEW 1ST SUBD (0.10 AC)
13	LOT 1 BLOCK 1, McWHINNEY 12TH SUBD (3.60 AC)
14	LOT 2 BLOCK 1, McWHINNEY 12TH SUBD (3.13 AC)
15	LOT 3 BLOCK 1, McWHINNEY 12TH SUBD (2.51 AC)
16	LOT 4 BLOCK 1, McWHINNEY 12TH SUBD (2.61 AC)
17	LOT 6 BLOCK 1, McWHINNEY 2ND SUBD (3.26 AC)
18	LOT 1 BLOCK 2, McWHINNEY 2ND SUBD (2.16 AC)



CITY OF LOVELAND
MUNICIPAL COURT

810 East 10th Street • Loveland, Colorado 80537
(970) 962-2341 • FAX (970) 962-2938 • TDD (970) 962-2620

AGENDA ITEM: 7
MEETING DATE: 11/3/2015
TO: City Council
FROM: Geri R. Joneson, Municipal Court
PRESENTER: Geri R. Joneson, Municipal Court Judge

TITLE:

An Ordinance Amending the Loveland Municipal Code at Section 1.12.020 to Authorize Expungement of Juvenile Records and Establish Expungement Procedures

RECOMMENDED CITY COUNCIL ACTION:

Conduct a Public Hearing and adopt the Ordinance on First Reading.

OPTIONS:

1. Adopt the action as recommended. Adoption of the Ordinance will provide juvenile offenders the immediate benefit of having their arrest and criminal records expunged upon successful completion of a diversion program, deferred prosecution or deferred sentence.
2. Deny the action. Denial of the Ordinance will require juvenile offenders to petition the District Court for expungement of their Loveland Municipal Court arrest and criminal records.
3. Adopt a modified action.
4. Refer back to staff for further development and consideration.

SUMMARY:

This is an administrative action. This is a proposed Ordinance that will grant the Municipal Court the authority to expunge arrest and criminal records for Loveland Municipal Court juvenile offenders who successfully complete a diversion program, deferred prosecution or deferred sentence.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

BACKGROUND:

The adoption of Loveland Teen Court and the Restorative Justice Program provide juvenile offenders the opportunity to participate in and successfully complete a diversion program, deferred prosecution and/or deferred sentence. One of the benefits of completing an alternative sentence is expungement of the associated arrest and criminal record. This ordinance grants the Municipal Court the authority to expunge the juvenile offender's record immediately upon the offender's successful completion of their sentence as opposed to requiring the offender to file a petition for expungement in the district court.

REVIEWED BY CITY MANAGER:

William D. Casill

LIST OF ATTACHMENTS:

Ordinance

FIRST READING: November 3, 2015

SECOND READING: _____

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE LOVELAND MUNICIPAL CODE AT SECTION 1.12.020 TO AUTHORIZE EXPUNGEMENT OF JUVENILE RECORDS AND ESTABLISH EXPUNGEMENT PROCEDURES

WHEREAS, the City of Loveland, in the County of Larimer and State of Colorado, (the “City”) is a home-rule municipality duly organized and existing under the laws of the State of Colorado and in particular under the provisions of Article XX of the Constitution of the State of Colorado and the City of Loveland Charter (the “Charter”); and

WHEREAS, the Municipal Court has exclusive jurisdiction over matters arising under the Charter and ordinances pursuant to Section 9-2 of the City Charter.; and

WHEREAS, the Colorado Supreme Court has recognized a right to privacy in arrest records due to the harm that an arrest record may cause in *Davidson v. Dill*, 503 P.2d 157 (Colo. 1972); and

WHEREAS, the Loveland Municipal Code limits penalties for juveniles, defined as anyone who has not attained the age of eighteen, to be punished only by issuance of a fine and not imprisonment, Municipal Code, § 1.12.020; and

WHEREAS, the Municipal Court has authority to issue local rules of procedure pursuant to C.R.S. §13-10-112 which has been recognized to include rules and orders regarding the procedural process for minors, *R.E.N. et al v. City of Colorado Springs*, 823 P.2d 1359 (Colo. 1992); and

WHEREAS, it is in the best interests of the community, the juveniles, and the City to have the Municipal Court issue rules of procedure and codify a process for the expungement of juvenile records; and

WHEREAS, City Council is authorizing the expungement of juvenile records by the Municipal Court in Loveland.

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

Section 1. That a new Code Section 1.12.021 is hereby added to Code Chapter 1.12 to read in full as follows:

1.12.021 Expungement of Juvenile Records

The Court, juvenile, parent or guardian, or guardian ad litem may petition the Municipal Court for expungement of a juvenile’s records. Expungement is defined as physically sealing of a record or conspicuously marking on a record to indicate a records has been expunged and is not open to the public.

The Municipal Court may enter an Order of Expungement of all records in the custody of the court or any other agency or official if all of the following findings can be made:

1. The juvenile who is the subject of the hearing has not been convicted of, or adjudicated a juvenile delinquent, for any felony offense or misdemeanor offense involving domestic violence, unlawful sexual behavior, or possession of a weapon since the termination of the court’s jurisdiction or unconditional release from parole supervision.
2. No proceeding concerning any felony, misdemeanor, or delinquency action is pending or being instituted against the juvenile.
3. The rehabilitation of the juvenile has been attained to the satisfaction of the court.
4. The expungement is in the best interest of the petitioner and the community.

The Municipal Court shall establish such further local procedures for the expungement process as may be necessary to include, but not limited to, an advisement of the right to file for expungement of records, notification to all custodians of records, a hearing, and identification of who may have access to the records after expungement enters.

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.

Section 3. That this Ordinance shall be in full force and effect ten (10) days after its final publication as provided in City Charter Section 4-8(b).

ADOPTED this __ day of November, 2015.

CITY OF LOVELAND, COLORADO

(SEAL)

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Assistant City Attorney



CITY OF LOVELAND
 CULTURAL SERVICES /MUSEUM •ART IN PUBLIC PLACES
 503 N. Lincoln Avenue • Loveland, Colorado 80537
 (970) 962-2410 • FAX (970) 962-2910 • TDD (970) 962-2833

AGENDA ITEM: 8
MEETING DATE: 11/3/2015
TO: City Council
FROM: Susan Ison, Cultural Services Department
PRESENTER: Susan Ison, Cultural Services Director

TITLE:

An Ordinance Enacting A Supplemental Budget And Appropriation To The 2015 City Of Loveland Budget For The Christo And Jeanne-Claude Exhibit, Architectural Fees For A Museum Conceptual Design, A Memorial Bench For The Main Gallery And A Colorado Creative Industries Grant For 2016 Art Exhibits.

RECOMMENDED CITY COUNCIL ACTION:

Adopt the action as recommended.

OPTIONS:

1. Adopt the action as recommended.
2. Deny the action.
3. Adopt a modified action.
4. Refer back to staff for further development and consideration.

SUMMARY:

This is an administrative action. The following donations were recently received to support activities in the Cultural Services Department:

- \$10,000 from the Erion Foundation for the Christo and Jeanne-Claude Exhibit.
- \$15,000 from the Erion Foundation to secure the services of Olson Kundig Architects, Seattle, Washington, to provide conceptual design support for a future Museum expansion.
- \$10,000 grant from Colorado Creative Industries for art exhibits in 2016.
- \$2,580 from the estate of Stephen Beale for a memorial bench in the gallery.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

These activities would not be possible without the support of the donors.

BACKGROUND:

These activities would not be possible without support from the Erion Foundation, Colorado Creative Industries and the Stephen Beale Estate. We are grateful to them for providing the resources for us to offer amenities to the citizens of Loveland.

REVIEWED BY CITY MANAGER:

William D. Cavill

LIST OF ATTACHMENTS:

Ordinance

FIRST READING November 3, 2015

SECOND READING _____

ORDINANCE NO. _____

AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2015 CITY OF LOVELAND BUDGET FOR THE CHRISTO & JEANNE-CLAUDE EXHIBIT, ARCHITECTURAL FEES FOR A MUSEUM CONCEPTUAL DESIGN, A MEMORIAL BENCH FOR THE MAIN GALLERY AND A COLORADO CREATIVE INDUSTRIES GRANT FOR 2016 ART EXHIBITS

WHEREAS, the City has received funds not anticipated or appropriated at the time of the adoption of the 2015 City budget for the Christo & Jeanne-Claude exhibit, architectural fees for a museum conceptual design, a memorial bench for the main gallery and a Colorado Creative Industries grant for 2016 art exhibits; and

WHEREAS, the City Council desires to authorize the expenditure of these funds by enacting a supplemental budget and appropriation to the 2015 City budget for the Christo & Jeanne-Claude exhibit, architectural fees for a museum conceptual design, a memorial bench for the main gallery and a Colorado Creative Industries grant for 2016 art exhibits, 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 revenues in the amount of \$27,850 from donations in the General Fund are available for appropriation. That revenues in the amount of \$10,000 from a state grant in the General Fund are available for appropriation. Revenues in the total amount of \$37,850 are hereby appropriated to the 2015 City budget for funding of the Christo & Jeanne-Claude exhibit, architectural fees for a museum conceptual design, a memorial bench for the main gallery and a Colorado Creative Industries grant for 2016 art exhibits. The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:

**Supplemental Budget
General Fund 100**

Revenues

100-52-720-0000-35305	Gifts/Donations	27,850
100-52-720-0000-32100	State Grant	10,000
Total Revenue		37,850

Appropriations

100-52-720-8004-42328	Exhibits	20,000
100-52-720-0000-43450	Professional Services	15,000
100-52-720-0000-42899	Other Supplies	2,580
Total Appropriations		37,580

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 November, 2015.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



City Attorney



CITY OF LOVELAND
 CULTURAL SERVICES /MUSEUM •ART IN PUBLIC PLACES
 503 N. Lincoln Avenue • Loveland, Colorado 80537
 (970) 962-2410 • FAX (970) 962-2910 • TDD (970) 962-2833

AGENDA ITEM: 9
MEETING DATE: 11/3/2015
TO: City Council
FROM: Susan Ison, Cultural Services
PRESENTER: Susan Ison, Cultural Services Director and Jennifer Cousino, Curator of History

TITLE:

A Resolution Of The Loveland City Council Approving The Contract For Purchase Of A Commercial Building Located At 710 14th Street SW, Loveland, CO For Museum Storage Space And Authorizing The City Manager To Execute The Contract

RECOMMENDED CITY COUNCIL ACTION:

Adopt the Resolution as presented.

OPTIONS:

1. Adopt the action as recommended.
2. Deny the action. (If action is denied, consequences will be the loss of a well-suited building, further endangerment to the City's historic collection, and loss of valuable staff time further identifying solutions to the current storage problem)
3. Adopt a modified action. (please specify any changes in the motion)
4. Refer back to staff for further development and consideration. (If referred back to staff for further development, the opportunity to obtain this building may be lost)

SUMMARY:

This is an administrative action seeking approval of a motion approving and authorizing the purchase of a commercial building located at 710 14th Street SW.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

The City's adopted 2016 Capital Plan includes the Museum Storage project to be paid wholly from Cultural Services CEFs. In addition, the annual facilities Operations and Maintenance cost of \$58,000 is included in the approved 2016 Budget. The listed asking price was \$2,250,000. Staff have negotiated and executed a conditional contract for \$2,105,000, well under the planned purchase budget of \$2,400,000. Please note that a subsequent property appraisal did not support the conditional contract price. More details may be found on attachments #3 and #4. Planned closing date is January 8, 2016, after the beginning of the new fiscal year.

BACKGROUND:

Storage of Museum collections requires a space that is both environmentally safe for the objects and secure against potential hazards. The collection outgrew the available storage space a number of years ago. After an initial meeting in March 2014 in which criteria for an off-site

collection storage facility was defined, Public Works and Museum staff have looked at existing commercial buildings on the market to determine whether any met the criteria for secure, climate-controlled storage. Four properties within 8 miles of the current Museum's location were identified as possibilities. After visiting all four, staff identified one which is highly suitable for this project. The building, located at 710 14th Street SW, is 14,400 square feet and meets or exceeds all identified needs and requiring no remodeling.

The old Home State Bank building located at 6th & Lincoln was storing a large portion of the City's 35,000 piece historic collection. When the building was sold for the Gallery Flats project the objects were moved to the former Mr. Neat's building located at 225 East 4th Street. This location is not ideal and is only considered a temporary solution. This new environmentally controlled collection storage space opportunity will provide:

- Space to continue collecting.
- Space to continue an art collection.
- Space to collect large objects such as fire engines, agricultural machinery or a Stanley Steam, all objects that have been offered for the collection.
- Space to acquire and store the newspaper archives from the Reporter-Herald.
- The opportunity to upgrade storage conditions to meet national museum standards.
- Appropriate environmental control, pest control and security.
- Easy access for staff, equipment and objects without hindrances such as small-sized doors, difficult stairs or low ceilings.
- Additional room for public research and access to collections.

Securing an off-site storage facility at this time will also improve the issue of storage space at the Museum and eliminate the need to include in any future expansion.

REVIEWED BY CITY MANAGER:

William A. Cahill

LIST OF ATTACHMENTS:

1. Resolution
2. Contract to Buy and Sell Real Estate
3. Appraisal Executive Summary [click here for the entire document](#)
4. Broker Appraisal Opinion

RESOLUTION #R-75-2015

A RESOLUTION OF THE LOVELAND CITY COUNCIL APPROVING THE CONTRACT FOR PURCHASE OF A COMMERCIAL BUILDING LOCATED AT 710 14TH STREET SW, LOVELAND, CO FOR MUSEUM STORAGE SPACE AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONTRACT

WHEREAS, the City of Loveland Museum (the “Museum”) stores various collections to be used for display at the Museum for the good and enjoyment of the citizens of the City; and

WHEREAS, such collections require storage space that is both environmentally safe for sensitive objects and secure against potential hazards; and

WHEREAS, the Museum’s collections outgrew existing storage space and for several years have been partially stored in other locations; and

WHEREAS, the City has identified a commercial building at 710 14th Street SW with 14,400 square feet (the “Property”) which meets or exceeds all identified needs for the Museum’s storage and will require no remodeling; and

WHEREAS, the City has adopted its 2016 Capital Plan which includes the budgeted and appropriated amount of \$2,400,000 for the purchase of Museum storage space to be paid from the Cultural Service Department’s capital expansion fees (“CEFs”); and

WHEREAS, the City has negotiated a purchase of the Property for \$2,105,000.00 which is set forth on the Contract to Buy and Sell Real Estate, attached hereto as “Exhibit A.” Based on an appraisal obtained by the City regarding the value of the Property, the City believes that the purchase price is fair and reasonable, and that the purchase of the Property is in the best interests 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 City Council hereby approves the Contract to Buy and Sell Real Estate, as set forth on Exhibit A, and proceed with the purchase of the Property for the price of \$2,105,000.

Section 2. That the City Manager, in consultation with the City Attorney, be directed and authorized to execute the Contract and such other documents as necessary close on the purchase of the Property.

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

ADOPTED this ____ day of November, 2015.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk


Assistant City Attorney

Doberstein Lemberg Commercial
1401 Riverside Ave Ste A
Fort Collins, CO 80524
Phone: (970)221-1965

The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission.
(CP40-8-13) (Mandatory 1-14)

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

COUNTERPROPOSAL

Date: June 8, 2015

1. This Counterproposal supersedes and replaces any previous counterproposal. This Counterproposal amends the proposed contract dated June 4, 2015 (Contract), between Alistair MacDonald and Doreen MacDonald (Seller), and City of Loveland, a Municipal Corporation (Buyer), relating to the sale and purchase of the following legally described real estate in the County of Larimer, Colorado:

Lot 1 Block 1 less the west 170 feet Loma Vista Addition to the City of Loveland, more particularly described as Beginning at the North East corner of Lot 1 West 240 ft. along North lot line then South 211 ft. to South lot line then East 240 ft. along South lot line then North along East lot line to the point of beginning.

known as No. 710 14th Street SW Loveland Colorado 80537 (Property).
Street Address City State Zip

2. § 3. DATES AND DEADLINES. No Change

3. § 4. PURCHASE PRICE AND TERMS. [Note: This table may be deleted if inapplicable.]

The Purchase Price set forth below is payable in U.S. Dollars by Buyer as follows:

Item No.	Reference	Item	Amount	Amount
1	§ 4.1	Purchase Price	\$ 2,105,000.00	
2	§ 4.3	Earnest Money		\$ 25,000.00
3	§ 4.5	New Loan		\$ No Change
4	§ 4.6	Assumption Balance		\$ No Change
5	§ 4.7	Private Financing		\$ No Change
6	§ 4.7	Seller Financing		\$ No Change
7	No Change	No Change	No Change	No Change
8	No Change	No Change	No Change	No Change
9	§ 4.4	Cash at Closing		\$ 2,080,000.00
10		TOTAL	\$ 2,105,000.00	\$ 2,105,000.00

4. ATTACHMENTS. The following are a part of this Counterproposal:
No Change

Note: The following disclosure forms are attached but are not a part of this Counterproposal.
No Change

37 5. OTHER CHANGES.

38 13. TRANSFER OF TITLE. Seller will execute a Special Warranty Deed upon closing.

39
40

41 6. ACCEPTANCE DEADLINE. This Counterproposal expires unless accepted in writing by Seller and Buyer as evidenced
42 by their signatures below and the offering party to this document receives notice of such acceptance on or before

43 June 11, 2015 12:00 PM

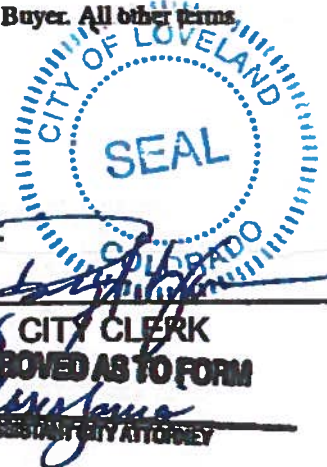
44 Date Time

45

46 If accepted, the Contract, as amended by this Counterproposal, will become a contract between Seller and Buyer. All other terms
47 and conditions of the Contract remain the same.

48

Buyer's Name: *City of Loveland, a Municipal Corporation*



William D. Cahill

6. ATTEST:
Date *8 June 2015*

Buyer's Signature: *William D. Cahill, City Manager*
Address: *500 E. Third Street, Suite 330
Loveland, CO 80537*
Phone No.: *970-962-2306*
Fax No.: *970-962-2900*
Electronic Address: *bill.cahill@cityofloveland.org*

Seller's Name: *Alistair MacDonald and Doreen MacDonald*

Alistair MacDonald

8 June 2015

Seller's Signature: *Alistair MacDonald* Date
Address: *2045 Sitka Ct.
Loveland, CO 80538*
Phone No.: *970-669-6553*
Fax No.: *(970) 669-3090*
Electronic Address: *alistair_macdonald@yahoo.com*

Doreen MacDonald

8 June 2015

Seller's Signature: *Doreen MacDonald* Date
Address: *2045 Sitka Ct.
Loveland, CO 80538*
Phone No.:
Fax No.:
Electronic Address:

49 Note: When this Counterproposal form is used, the Contract is not to be signed by the party initiating this Counterproposal.
50 Brokers must complete and sign the Broker's Acknowledgements and Compensation Disclosure portion of the Contract.

51



The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission. (CBS3-8-13) (Mandatory 1-14)

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

**CONTRACT TO BUY AND SELL REAL ESTATE
(COMMERCIAL)**

- Property with No Residences)**
 Property with Residences-Residential Addendum Attached)

Date: 6/4/2015

AGREEMENT

1. **AGREEMENT.** Buyer, identified in § 2.1, agrees to buy, and Seller, identified in § 2.3, agrees to sell, the Property described below on the terms and conditions set forth in this contract (Contract).

2. **PARTIES AND PROPERTY.**

2.1. **Buyer.** Buyer, *City of Loveland, a Municipal Corporation*, will take title to the Property described below as

- Joint Tenants** **Tenants In Common** **Other *Municipal Corporation*.**

2.2. **Assignability and Inurement.** This Contract **Is** **Is Not** assignable by Buyer without Seller's prior written consent. Except as so restricted, this Contract inures to the benefit of and is binding upon the heirs, personal representatives, successors and assigns of the parties.

2.3. **Seller.** Seller, *Alistair Macdonald and Doreen Macdonald*, is the current owner of the Property described below.

2.4. **Property.** The Property is the following legally described real estate in the County of *Larimer*, Colorado:

LOT 1, BLOCK 1, LESS THE WEST 170 FEET, LOMA VISTA 1ST ADDITION TO THE CITY OF LOVELAND; AS MORE PARTICULARLY DESCRIBED AS Beginning at the North East corner of Lot 1 West 240 ft along North lot line then South 211 ft to South lot line then East 240 ft along South lot line then North along East lot line to the point of beginning.

known as No. *710 14TH Street SW Loveland, CO 80537*,

together with the interests, easements, rights, benefits, improvements and attached fixtures appurtenant thereto, and all interest of Seller in vacated streets and alleys adjacent thereto, except as herein excluded (Property).

2.5. **Inclusions.** The Purchase Price includes the following items (Inclusions):

2.5.1. **Fixtures.** If attached to the Property on the date of this Contract, the following items are included unless excluded under Exclusions (§ 2.6): lighting, heating, plumbing, ventilating and air conditioning fixtures, inside telephone, network and coaxial (cable) wiring and connecting blocks/jacks, floor coverings, intercom systems, sprinkler systems and controls, garage door openers including Any remote controls.

Other Fixtures: Any other fixtures attached to the Property.

If any fixtures are attached to the Property after the date of this Contract, such additional fixtures are also included in the Purchase Price.

2.5.2. **Personal Property.** If on the Property, whether attached or not, on the date of this Contract, the following items are included unless excluded under Exclusions (§ 2.6): storm windows, storm doors, window and porch shades, awnings, blinds, screens, window coverings, curtain rods, drapery rods, heating stoves, storage sheds and all keys. If checked, the following are included: **Water Softeners** **Smoke/Fire Detectors** **Carbon Monoxide Alarms** **Security Systems** **Satellite Systems (including satellite dishes).**

Other Personal Property:

None

The Personal Property to be conveyed at Closing must be conveyed by Seller free and clear of all taxes (except personal property taxes for the year of Closing), liens and encumbrances, except n/a. Conveyance will be by bill of sale or other applicable legal instrument.

2.5.3. Trade Fixtures. With respect to trade fixtures, Seller and Buyer agree as follows:

None

The Trade Fixtures to be conveyed at Closing will be conveyed by Seller free and clear of all taxes (except personal property taxes for the year of Closing), liens and encumbrances, except n/a. Conveyance will be by bill of sale or other applicable legal instrument.

2.5.4. Parking and Storage Facilities. Use Only Ownership of the following parking facilities: those located on the Property, and Use Only Ownership of the following storage facilities: those located within the building on the Property..

2.6. Exclusions. The following items are excluded (Exclusions): Cell tower easement.

2.7. Water Rights, Well Rights, Water and Sewer Taps.

2.7.1. Deeded Water Rights. The following legally described water rights:

n/a

Any deeded water rights will be conveyed by a good and sufficient n/a deed at Closing.

2.7.2. Other Rights Relating to Water. The following rights relating to water not included in §§ 2.7.1, 2.7.3, 2.7.4 and 2.7.5, will be transferred to Buyer at Closing: n/a

2.7.3. Well Rights. Seller agrees to supply required information to Buyer about the well. Buyer understands that if the well to be transferred is a "Small Capacity Well" or a "Domestic Exempt Water Well" used for ordinary household purposes, Buyer must, prior to or at Closing, complete a Change in Ownership form for the well. If an existing well has not been registered with the Colorado Division of Water Resources in the Department of Natural Resources (Division), Buyer must complete a registration of existing well form for the well and pay the cost of registration. If no person will be providing a closing service in connection with the transaction, Buyer must file the form with the Division within sixty days after Closing. The Well Permit # is n/a.

2.7.4. Water Stock Certificates: The water stock certificates to be transferred at Closing are as follows: n/a

2.7.5. Water and Sewer Taps. Note: Buyer is advised to obtain, from the provider, written confirmation of the amount remaining to be paid, if any, time and other restrictions for transfer and use of the taps.

2.7.6. Conveyance. If Buyer is to receive any rights to water pursuant to § 2.7.2 (Other Rights Relating to Water), § 2.7.3 (Well Rights), or § 2.7.4 (Water Stock Certificates), Seller agrees to convey such rights to Buyer by executing the applicable legal instrument at Closing.

3. DATES AND DEADLINES.

Item No.	Reference	Event	Date or Deadline
1	§ 4.3	Alternative Earnest Money Deadline	7 Days After MEC
		Title	
2	§ 8.1	Record Title Deadline	10 Days After MEC
3	§ 8.2	Record Title Objection Deadline	45 Days After MEC
4	§ 8.3	Off-Record Title Deadline	10 Days After MEC
5	§ 8.3	Off-Record Title Objection Deadline	45 Days After MEC
6	§ 8.4	Title Resolution Deadline	60 Days After MEC
7	§ 8.6	Right of First Refusal Deadline	n/a
		Owners' Association	
8	§ 7.3	Association Documents Deadline	10 Days After MEC
9	§ 7.4	Association Documents Objection Deadline	60 Days After MEC
		Seller's Property Disclosure	
10	§ 10.1	Seller's Property Disclosure Deadline	7 Days After MEC
		Loan and Credit	
11	§ 5.1	Loan Application Deadline	n/a
12	§ 5.2	Loan Objection Deadline	n/a
13	§ 5.3	Buyer's Credit Information Deadline	n/a
14	§ 5.3	Disapproval of Buyer's Credit Information Deadline	n/a
15	§ 5.4	Existing Loan Documents Deadline	n/a
16	§ 5.4	Existing Loan Documents Objection Deadline	n/a
17	§ 5.4	Loan Transfer Approval Deadline	n/a

157	18	\$4.7	Seller or Private Financing Deadline	n/a	
158			Appraisal		
159	19	\$6.2	Appraisal Deadline	60 Days After MEC	
160	20	\$6.2	Appraisal Objection Deadline	65 Days After MEC	
161			Survey		
162					
163					
164	21	\$9.1	Current Survey Deadline	50 Days After MEC	
165	22	\$9.2	Current Survey Objection Deadline	60 Days After MEC	
166	23	\$9.3	Current Survey Resolution Deadline	65 Days After MEC	
167			Inspection and Due Diligence		
168					
169					
170	24	\$10.2	Inspection Objection Deadline	60 Days After MEC	
171	25	\$10.3	Inspection Resolution Deadline	65 Days After MEC	
172	26	\$10.5	Property Insurance Objection Deadline	60 Days After MEC	
173	27	\$10.6	Due Diligence Documents Delivery Deadline	7 Days After MEC	
174	28	\$10.6	Due Diligence Documents Objection Deadline	60 Days After MEC	
175	29	\$10.6	Due Diligence Documents Resolution Deadline	65 Days After MEC	
176	30	\$10.6	Environmental Inspection Objection Deadline	60 Days After MEC	
177	31	\$10.6	ADA Evaluation Objection Deadline	60 Days After MEC	
178	32	\$10.7	Conditional Sale Deadline	n/a	
179	33	\$11.1	Tenant Estoppel Statements Deadline	n/a	
180	34	\$11.2	Tenant Estoppel Statements Objection Deadline	n/a	
181			Closing and Possession		
182					
183					
184	35	\$12.3	Closing Date	1/8/2016	Friday
185	36	\$17	Possession Date	Date of Closing	
186	37	\$17	Possession Time	Delivery of Deed	
187	38	\$28	Acceptance Deadline Date	6/10/2015	Wednesday
188	39	\$28	Acceptance Deadline Time	5:00 PM MST	
189	40	n/a	n/a	n/a	
190	41	n/a	n/a	n/a	

3.1. **Applicability of Terms.** Any box checked in this Contract means the corresponding provision applies. Any box, blank or line in this Contract left blank or completed with the abbreviation "N/A", or the word "Deleted" means such provision, including any deadline, is not applicable and the corresponding provision of this Contract to which reference is made is deleted.

The abbreviation "MEC" (mutual execution of this Contract) means the date upon which both parties have signed this Contract.

4. PURCHASE PRICE AND TERMS.

4.1. **Price and Terms.** The Purchase Price set forth below is payable in U.S. Dollars by Buyer as follows:

Item No.	Reference	Item	Amount	Amount
1	§ 4.1	Purchase Price	\$2,000,000.00	
2	§ 4.3	Earnest Money		\$25,000.00
3	§ 4.5	New Loan		
4	§ 4.6	Assumption Balance		
5	§ 4.7	Private Financing		
6	§ 4.7	Seller Financing		
7	n/a	n/a		
8	n/a	n/a		
9	§ 4.4	Cash at Closing		\$1,975,000.00
10		TOTAL	\$2,000,000.00	\$2,000,000.00

4.2. **Seller Concession.** Seller, at Closing, will credit, as directed by Buyer, an amount of \$n/a to assist with any or all of the following: Buyer's closing costs (Seller Concession). Seller Concession is in addition to any sum Seller has agreed to pay or credit Buyer elsewhere in this Contract. Seller Concession will be reduced to

the extent it exceeds the aggregate of what is allowed by Buyer's lender as set forth in the Closing Statement at Closing.

4.3. **Earnest Money.** The Earnest Money set forth in this section, in the form of **Wired funds**, will be payable to and held by **Land Title Guarantee Company** (Earnest Money Holder), in its trust account, on behalf of both Seller and Buyer. The Earnest Money deposit must be tendered, by Buyer, with this Contract unless the parties mutually agree to an **Alternative Earnest Money Deadline** (§ 3) for its payment. The parties authorize delivery of the Earnest Money deposit to the company conducting the Closing (Closing Company), if any, at or before Closing. In the event Earnest Money Holder has agreed to have interest on Earnest Money deposits transferred to a fund established for the purpose of providing affordable housing to Colorado residents, Seller and Buyer acknowledge and agree that any interest accruing on the Earnest Money deposited with the Earnest Money Holder in this transaction will be transferred to such fund.

4.3.1. **Alternative Earnest Money Deadline.** The deadline for delivering the Earnest Money, if other than at the time of tender of this Contract, is as set forth as the **Alternative Earnest Money Deadline** (§ 3).

4.3.2. **Return of Earnest Money.** If Buyer has a Right to Terminate and timely terminates, Buyer is entitled to the return of Earnest Money as provided in this Contract. If this Contract is terminated as set forth in § 25 and, except as provided in § 24, if the Earnest Money has not already been returned following receipt of a Notice to Terminate, Seller agrees to execute and return to Buyer or Broker working with Buyer, written mutual instructions (e.g., Earnest Money Release form), within three days of Seller's receipt of such form.

4.4. **Form of Funds; Time of Payment; Available Funds.**

4.4.1. **Good Funds.** All amounts payable by the parties at Closing, including any loan proceeds, Cash at Closing and closing costs, must be in funds that comply with all applicable Colorado laws, including electronic transfer funds, certified check, savings and loan teller's check and cashier's check (Good Funds).

4.4.2. **Time of Payment; Available Funds.** All funds, including the Purchase Price to be paid by Buyer, must be paid before or at Closing or as otherwise agreed in writing between the parties to allow disbursement by Closing Company at Closing **OR SUCH NONPAYING PARTY WILL BE IN DEFAULT.** Buyer represents that Buyer, as of the date of this Contract, Does Does Not have funds that are immediately verifiable and available in an amount not less than the amount stated as Cash at Closing in § 4.1.

4.5. **New Loan.** (Omitted as inapplicable)

4.6. **Assumption.** (Omitted as inapplicable)

4.7. **Seller or Private Financing.** (Omitted as inapplicable)

TRANSACTION PROVISIONS

5. **FINANCING CONDITIONS AND OBLIGATIONS.** (Omitted as inapplicable)

5.3. **Credit Information and Buyer's New Senior Loan.** (Omitted as inapplicable)

5.4. **Existing Loan Review.** (Omitted as inapplicable)

6. **APPRAISAL PROVISIONS.**

6.1. **Lender Property Requirements.** If the lender imposes any requirements or repairs (Requirements) to be made to the Property (e.g., roof repair, repainting), beyond those matters already agreed to by Seller in this Contract, Seller has the Right to Terminate under § 25.1, (notwithstanding § 10 of this Contract), on or before three days following Seller's receipt of the Requirements, based on any unsatisfactory Requirements, in Seller's sole subjective discretion. Seller's Right to Terminate in this § 6.1 does not apply if, on or before any termination by Seller pursuant to this § 6.1: (1) the parties enter into a written agreement regarding the Requirements; or (2) the Requirements have been completed; or (3) the satisfaction of the Requirements is waived in writing by Buyer.

6.2. **Appraisal Condition.** The applicable Appraisal provision set forth below applies to the respective loan type set forth in § 4.5.3, or if a cash transaction (i.e. no financing), § 6.2.1 applies.

6.2.1. **Conventional/Other.** Buyer has the sole option and election to terminate this Contract if the Property's valuation, determined by an appraiser engaged on behalf of **Buyer**, is less than the Purchase Price. The appraisal must be received by Buyer or Buyer's lender on or before **Appraisal Deadline** (§ 3). Buyer has the Right to Terminate under § 25.1, on or before **Appraisal Objection Deadline** (§ 3), if the Property's valuation is less than the Purchase Price and Seller's receipt of either a copy of such appraisal or written notice from lender that confirms the Property's valuation is less than the Purchase Price. This § 6.2.1 is for the sole benefit of Buyer.

313 6.3. **Cost of Appraisal.** Cost of any appraisal to be obtained after the date of this Contract must be timely
 314 paid by Buyer Seller. The cost of the appraisal may include any and all fees paid to the appraiser, appraisal
 315 management company, lender's agent or all three.
 316

317
 318 **7. OWNERS' ASSOCIATION.** This Section is applicable if the Property is located within a Common
 319 Interest Community and subject to such declaration.
 320

321 **7.1. Owners' Association Documents.** Owners' Association Documents (Association Documents)
 322 consist of the following:

323 **7.1.1.** All Owners' Association declarations, articles of incorporation, bylaws, articles of
 324 organization, operating agreements, rules and regulations, party wall agreements;

325 **7.1.2.** Minutes of most recent annual owners' meeting;

326 **7.1.3.** Minutes of any directors' or managers' meetings during the six-month period immediately
 327 preceding the date of this Contract. If none of the preceding minutes exist, then the most recent minutes, if any (§§
 328 7.1.1, 7.1.2 and 7.1.3, collectively, Governing Documents); and

329 **7.1.4.** The most recent financial documents which consist of: (1) annual and most recent
 330 balance sheet, (2) annual and most recent income and expenditures statement, (3) annual budget, (4) reserve
 331 study, and (5) notice of unpaid assessments, if any (collectively, Financial Documents).
 332

333 **7.2. Common Interest Community Disclosure.** THE PROPERTY IS LOCATED WITHIN A
 334 COMMON INTEREST COMMUNITY AND IS SUBJECT TO THE DECLARATION FOR SUCH COMMUNITY.
 335 THE OWNER OF THE PROPERTY WILL BE REQUIRED TO BE A MEMBER OF THE OWNERS'
 336 ASSOCIATION FOR THE COMMUNITY AND WILL BE SUBJECT TO THE BYLAWS AND RULES AND
 337 REGULATIONS OF THE ASSOCIATION. THE DECLARATION, BYLAWS, AND RULES AND REGULATIONS
 338 WILL IMPOSE FINANCIAL OBLIGATIONS UPON THE OWNER OF THE PROPERTY, INCLUDING AN
 339 OBLIGATION TO PAY ASSESSMENTS OF THE ASSOCIATION. IF THE OWNER DOES NOT PAY THESE
 340 ASSESSMENTS, THE ASSOCIATION COULD PLACE A LIEN ON THE PROPERTY AND POSSIBLY SELL IT
 341 TO PAY THE DEBT. THE DECLARATION, BYLAWS, AND RULES AND REGULATIONS OF THE COMMUNITY
 342 MAY PROHIBIT THE OWNER FROM MAKING CHANGES TO THE PROPERTY WITHOUT AN
 343 ARCHITECTURAL REVIEW BY THE ASSOCIATION (OR A COMMITTEE OF THE ASSOCIATION) AND THE
 344 APPROVAL OF THE ASSOCIATION. PURCHASERS OF PROPERTY WITHIN THE COMMON INTEREST
 345 COMMUNITY SHOULD INVESTIGATE THE FINANCIAL OBLIGATIONS OF MEMBERS OF THE
 346 ASSOCIATION. PURCHASERS SHOULD CAREFULLY READ THE DECLARATION FOR THE COMMUNITY
 347 AND THE BYLAWS AND RULES AND REGULATIONS OF THE ASSOCIATION.
 348

349 **7.3. Association Documents to Buyer.**

350 **7.3.1. Seller to Provide Association Documents.** Seller will cause the Association Documents to
 351 be provided to Buyer, at Seller's expense, on or before Association Documents Deadline (§ 3).
 352

353 **7.3.2. Seller Authorizes Association.** Seller authorizes the Association to provide the Association
 354 Documents to Buyer, at Seller's expense.
 355

356 **7.3.3. Seller's Obligation.** Seller's obligation to provide the Association Documents is fulfilled upon
 357 Buyer's receipt of the Association Documents, regardless of who provides such documents.
 358

359 **Note:** If neither box in this § 7.3 is checked, the provisions of § 7.3.1 apply.
 360

361 **7.4. Conditional on Buyer's Review.** Buyer has the right to review the Association Documents. Buyer
 362 has the Right to Terminate under § 25.1, on or before Association Documents Objection Deadline (§ 3), based
 363 on any unsatisfactory provision in any of the Association Documents, in Buyer's sole subjective discretion. Should
 364 Buyer receive the Association Documents after Association Documents Deadline (§ 3), Buyer, at Buyer's option,
 365 has the Right to Terminate under § 25.1 by Buyer's Notice to Terminate received by Seller on or before ten days
 366 after Buyer's receipt of the Association Documents. If Buyer does not receive the Association Documents, or if
 367 Buyer's Notice to Terminate would otherwise be required to be received by Seller after Closing Date (§ 3), Buyer's
 368 Notice to Terminate must be received by Seller on or before Closing. If Seller does not receive Buyer's Notice to
 369 Terminate within such time, Buyer accepts the provisions of the Association Documents as satisfactory, and Buyer
 370 waives any Right to Terminate under this provision, notwithstanding the provisions of § 8.6. (Right of First Refusal
 371 or Contract Approval).
 372

373
 374 **8. TITLE INSURANCE, RECORD TITLE AND OFF-RECORD TITLE.**
 375

376 **8.1. Evidence of Record Title.**

377 **8.1.1. Seller Selects Title Insurance Company.** If this box is checked, Seller will
 378 select the title insurance company to furnish the owner's title insurance policy at Seller's expense. On or before
 379 Record Title Deadline (§ 3), Seller must furnish to Buyer, a current commitment for owner's title insurance policy
 380 (Title Commitment), in an amount equal to the Purchase Price, or if this box is checked, an Abstract of Title
 381 certified to a current date. Seller will cause the title insurance policy to be issued and delivered to Buyer as soon
 382 as practicable at or after Closing.
 383

384 **8.1.2. Buyer Selects Title Insurance Company.** If this box is checked, Buyer will select the title
 385
 386
 387
 388
 389
 390

391 insurance company to furnish the owner's title insurance policy at Buyer's expense. On or before Record Title
 392 Deadline (§ 3), Buyer must furnish to Seller, a current commitment for owner's title insurance policy (Title
 393 Commitment), in an amount equal to the Purchase Price.
 394 If neither box in § 8.1.1 or § 8.1.2 is checked, § 8.1.1 applies.
 395

396 **8.1.3. Owner's Extended Coverage (OEC).** The Title Commitment Will Will Not commit to
 397 delete or insure over the standard exceptions which relate to: (1) parties in possession, (2) unrecorded easements,
 398 (3) survey matters, (4) unrecorded mechanics' liens, (5) gap period (effective date of commitment to date deed is
 399 recorded), and (6) unpaid taxes, assessments and unredeemed tax sales prior to the year of Closing (OEC). If the
 400 title insurance company agrees to provide an endorsement for OEC, any additional premium expense to obtain an
 401 endorsement for OEC will be paid by Buyer Seller One-Half by Buyer and One-Half by Seller Other
 402 *n/a*.
 403

404 **Note:** The title insurance company may not agree to delete or insure over any or all of the standard exceptions.
 405

406 **8.1.4. Title Documents.** Title Documents consist of the following: (1) copies of any plats,
 407 declarations, covenants, conditions and restrictions burdening the Property, and (2) copies of any other documents
 408 (or, if illegible, summaries of such documents) listed in the schedule of exceptions (Exceptions) in the Title
 409 Commitment furnished to Buyer (collectively, Title Documents).
 410

411 **8.1.5. Copies of Title Documents.** Buyer must receive, on or before Record Title Deadline (§
 412 3), copies of all Title Documents. This requirement pertains only to documents as shown of record in the office of
 413 the clerk and recorder in the county where the Property is located. The cost of furnishing copies of the documents
 414 required in this Section will be at the expense of the party or parties obligated to pay for the owner's title insurance
 415 policy.
 416

417 **8.1.6. Existing Abstracts of Title.** Seller must deliver to Buyer copies of any abstracts of title
 418 covering all or any portion of the Property (Abstract of Title) in Seller's possession on or before Record Title
 419 Deadline (§ 3).
 420

421 **8.2. Record Title.** Buyer has the right to review and object to the Abstract of Title or Title Commitment
 422 and any of the Title Documents as set forth in § 8.4 (Right to Object to Title, Resolution) on or before Record Title
 423 Objection Deadline (§ 3). Buyer's objection may be based on any unsatisfactory form or content of Title
 424 Commitment or Abstract of Title, notwithstanding § 13, or any other unsatisfactory title condition, in Buyer's sole
 425 subjective discretion. If the Abstract of Title, Title Commitment or Title Documents are not received by Buyer on or
 426 before the Record Title Deadline (§ 3), or if there is an endorsement to the Title Commitment that adds a new
 427 Exception to title, a copy of the new Exception to title and the modified Title Commitment will be delivered to
 428 Buyer. Buyer has until the earlier of Closing or ten days after receipt of such documents by Buyer to review and
 429 object to: (1) any required Title Document not timely received by Buyer, (2) any change to the Abstract of Title,
 430 Title Commitment or Title Documents, or (3) any endorsement to the Title Commitment. If Seller receives Buyer's
 431 Notice to Terminate or Notice of Title Objection, pursuant to this § 8.2 (Record Title), any title objection by Buyer is
 432 governed by the provisions set forth in § 8.4 (Right to Object to Title, Resolution). If Seller has fulfilled all Seller's
 433 obligations, if any, to deliver to Buyer all documents required by § 8.1 (Evidence of Record Title) and Seller does
 434 not receive Buyer's Notice to Terminate or Notice of Title Objection by the applicable deadline specified above,
 435 Buyer accepts the condition of title as disclosed by the Abstract of Title, Title Commitment and Title Documents as
 436 satisfactory.
 437

438 **8.3. Off—Record Title.** Seller must deliver to Buyer, on or before Off-Record Title Deadline (§ 3), true
 439 copies of all existing surveys in Seller's possession pertaining to the Property and must disclose to Buyer all
 440 easements, liens (including, without limitation, governmental improvements approved, but not yet installed) or
 441 other title matters (including, without limitation, rights of first refusal and options) not shown by public records, of
 442 which Seller has actual knowledge (Off-Record Matters). Buyer has the right to inspect the Property to investigate
 443 if any third party has any right in the Property not shown by public records (e.g., unrecorded easement, boundary
 444 line discrepancy or water rights). Buyer's Notice to Terminate or Notice of Title Objection of any unsatisfactory
 445 condition (whether disclosed by Seller or revealed by such inspection, notwithstanding § 8.2 and § 13), in Buyer's
 446 sole subjective discretion, must be received by Seller on or before Off-Record Title Objection Deadline (§ 3). If
 447 an Off-Record Matter is received by Buyer after the Off-Record Title Deadline (§ 3), Buyer has until the earlier of
 448 Closing or ten days after receipt by Buyer to review and object to such Off-Record Matter. If Seller receives
 449 Buyer's Notice to Terminate or Notice of Title Objection pursuant to this § 8.3 (Off-Record Title), any title objection
 450 by Buyer and this Contract are governed by the provisions set forth in § 8.4 (Right to Object to Title, Resolution). If
 451 Seller does not receive Buyer's Notice to Terminate or Notice of Title Objection by the applicable deadline
 452 specified above, Buyer accepts title subject to such rights, if any, of third parties of which Buyer has actual
 453 knowledge.
 454

455 **8.4. Right to Object to Title, Resolution.** Buyer's right to object to any title matters includes, but is not
 456 limited to those matters set forth in §§ 8.2 (Record Title), 8.3 (Off-Record Title) and 13 (Transfer of Title), in
 457 Buyer's sole subjective discretion. If Buyer objects to any title matter, on or before the applicable deadline, Buyer
 458 has the following options:
 459

460 **8.4.1. Title Objection, Resolution.** If Seller receives Buyer's written notice objecting to any title
 461 matter (Notice of Title Objection) on or before the applicable deadline, and if Buyer and Seller have not agreed to a
 462 written settlement thereof on or before Title Resolution Deadline (§ 3), this Contract will terminate on the
 463
 464
 465
 466
 467
 468

469 expiration of Title Resolution Deadline (§ 3), unless Seller receives Buyer's written withdrawal of Buyer's Notice
 470 of Title Objection (i.e., Buyer's written notice to waive objection to such items and waives the Right to Terminate
 471 for that reason), on or before expiration of Title Resolution Deadline (§ 3). If either the Record Title Deadline or
 472 the Off-Record Title Deadline, or both, are extended to the earlier of Closing or ten days after receipt of the
 473 applicable documents by Buyer, pursuant to § 8.2 (Record Title) or § 8.3 (Off-Record Title), the Title Resolution
 474 Deadline also will be automatically extended to the earlier of Closing or fifteen days after Buyer's receipt of the
 475 applicable documents; or
 476

477
 478 **8.4.2. Title Objection, Right to Terminate.** Buyer may exercise the Right to Terminate under §
 479 25.1, on or before the applicable deadline, based on any unsatisfactory title matter, in Buyer's sole subjective
 480 discretion.

481
 482 **8.5. Special Taxing Districts.** SPECIAL TAXING DISTRICTS MAY BE SUBJECT TO GENERAL
 483 OBLIGATION INDEBTEDNESS THAT IS PAID BY REVENUES PRODUCED FROM ANNUAL TAX LEVIES ON
 484 THE TAXABLE PROPERTY WITHIN SUCH DISTRICTS. PROPERTY OWNERS IN SUCH DISTRICTS MAY BE
 485 PLACED AT RISK FOR INCREASED MILL LEVIES AND TAX TO SUPPORT THE SERVICING OF SUCH DEBT
 486 WHERE CIRCUMSTANCES ARISE RESULTING IN THE INABILITY OF SUCH A DISTRICT TO DISCHARGE
 487 SUCH INDEBTEDNESS WITHOUT SUCH AN INCREASE IN MILL LEVIES. BUYERS SHOULD INVESTIGATE
 488 THE SPECIAL TAXING DISTRICTS IN WHICH THE PROPERTY IS LOCATED BY CONTACTING THE
 489 COUNTY TREASURER, BY REVIEWING THE CERTIFICATE OF TAXES DUE FOR THE PROPERTY, AND BY
 490 OBTAINING FURTHER INFORMATION FROM THE BOARD OF COUNTY COMMISSIONERS, THE COUNTY
 491 CLERK AND RECORDER, OR THE COUNTY ASSESSOR.
 492

493
 494 Buyer has the Right to Terminate under § 25.1, on or before Off-Record Title Objection Deadline (§ 3), based
 495 on any unsatisfactory effect of the Property being located within a special taxing district, in Buyer's sole subjective
 496 discretion.

497
 498 **8.6. Right of First Refusal or Contract Approval.** If there is a right of first refusal on the Property or a
 499 right to approve this Contract, Seller must promptly submit this Contract according to the terms and conditions of
 500 such right. If the holder of the right of first refusal exercises such right or the holder of a right to approve
 501 disapproves this Contract, this Contract will terminate. If the right of first refusal is waived explicitly or expires, or
 502 the Contract is approved, this Contract will remain in full force and effect. Seller must promptly notify Buyer in
 503 writing of the foregoing. If expiration or waiver of the right of first refusal or approval of this Contract has not
 504 occurred on or before Right of First Refusal Deadline (§ 3), this Contract will then terminate.
 505

506
 507 **8.7. Title Advisory.** The Title Documents affect the title, ownership and use of the Property and should
 508 be reviewed carefully. Additionally, other matters not reflected in the Title Documents may affect the title,
 509 ownership and use of the Property, including, without limitation, boundary lines and encroachments, set-back
 510 requirements, area, zoning, building code violations, unrecorded easements and claims of easements, leases and
 511 other unrecorded agreements, water on or under the Property, and various laws and governmental regulations
 512 concerning land use, development and environmental matters. The surface estate may be owned separately
 513 from the underlying mineral estate, and transfer of the surface estate does not necessarily include transfer
 514 of the mineral rights or water rights. Third parties may hold interests in oil, gas, other minerals,
 515 geothermal energy or water on or under the Property, which interests may give them rights to enter and
 516 use the Property. Such matters, and others, may be excluded from or not covered by the owner's title insurance
 517 policy. Buyer is advised to timely consult legal counsel with respect to all such matters as there are strict time limits
 518 provided in this Contract [e.g., Record Title Objection Deadline (§ 3) and Off-Record Title Objection Deadline
 519 (§ 3)].
 520
 521

522 523 9. CURRENT SURVEY REVIEW.

524
 525 **9.1. Current Survey Conditions.** If the box in § 9.1.1 or § 9.1.2 is checked, Buyer, the issuer of the Title
 526 Commitment or the provider of the opinion of title if an Abstract of Title, and *n/a* will receive Improvement Location
 527 Certificate, Improvement Survey Plat or other form of survey set forth in § 9.1.2 (collectively, Current Survey), on
 528 or before Current Survey Deadline (§ 3). The Current Survey will be certified by the surveyor to all those who are
 529 to receive the Current Survey.
 530

531 **9.1.1. Improvement Location Certificate.** If the box in this § 9.1.1 is checked, Seller Buyer will
 532 order or provide, and pay, on or before Closing, the cost of an Improvement Location Certificate.

533 **9.1.2. Other Survey.** If the box in this § 9.1.2 is checked, a Current Survey, other than an Improvement
 534 Location Certificate, will be an Improvement Survey Plat or **ALTA Survey**. The parties agree that
 535 payment of the cost of the Current Survey and obligation to order or provide the Current Survey as follows: **Seller**
 536 **shall order and pay for a current ALTA Survey certified to Buyer and the Title Company.**
 537

538
 539 **9.2. Current Survey Objection.** Buyer has the right to review and object to the Current Survey. If the
 540 Current Survey is not timely received by Buyer or is unsatisfactory to Buyer, in Buyer's sole subjective discretion,
 541 Buyer may, on or before Current Survey Objection Deadline (§ 3), notwithstanding § 8.3 or § 13:
 542

543 **9.2.1. Notice to Terminate.** Notify Seller in writing that this Contract is terminated; or

544 **9.2.2. Current Survey Objection.** Deliver to Seller a written description of any matter that was to be
 545 shown or is shown in the Current Survey that is unsatisfactory and that Buyer requires Seller to correct.
 546

547 **9.3. Current Survey Resolution.** If a Current Survey Objection is received by Seller, on or before Current
 548 **Survey Objection Deadline (§ 3),** and if Buyer and Seller have not agreed in writing to a settlement thereof on or
 549 **before Current Survey Resolution Deadline (§ 3),** this Contract will terminate on the Current Survey
 550 **Resolution Deadline (§ 3),** unless Seller receives Buyer's written withdrawal of the Current Survey Objection
 551 **before such termination, i.e., on or before expiration of Current Survey Resolution Deadline (§ 3).**
 552
 553

DISCLOSURE, INSPECTION AND DUE DILIGENCE

554
 555
 556
 557 **10. PROPERTY DISCLOSURE, INSPECTION, INDEMNITY, INSURABILITY AND DUE DILIGENCE.**

558 **10.1. Seller's Property Disclosure.** On or before Seller's Property Disclosure Deadline (§ 3), Seller
 559 agrees to deliver to Buyer the most current version of the applicable Colorado Real Estate Commission's Seller's
 560 Property Disclosure form completed by Seller to Seller's actual knowledge, current as of the date of this Contract.
 561

562 **10.2. Inspection Objection.** Unless otherwise provided in this Contract, Buyer acknowledges that Seller
 563 is conveying the Property to Buyer in an "as is" condition, "where is" and "with all faults." Colorado law requires that
 564 Seller disclose to Buyer any latent defects actually known by Seller. Disclosure of latent defects must be in
 565 writing. Buyer, acting in good faith, has the right to have inspections (by one or more third parties, personally or
 566 both) of the Property and Inclusions (Inspection), at Buyer's expense. If (1) the physical condition of the Property,
 567 including, but not limited to, the roof, walls, structural integrity of the Property, the electrical, plumbing, HVAC and
 568 other mechanical systems of the Property, (2) the physical condition of the Inclusions, (3) service to the Property
 569 (including utilities and communication services), systems and components of the Property (e.g. heating and
 570 plumbing), (4) any proposed or existing transportation project, road, street or highway, or (5) any other activity,
 571 odor or noise (whether on or off the Property) and its effect or expected effect on the Property or its occupants is
 572 unsatisfactory, in Buyer's sole subjective discretion, Buyer may, on or before Inspection Objection Deadline (§
 573 3):
 574
 575
 576

577 **10.2.1. Notice to Terminate.** Notify Seller in writing that this Contract is terminated; or

578 **10.2.2. Inspection Objection.** Deliver to Seller a written description of any unsatisfactory physical
 579 condition that Buyer requires Seller to correct.
 580

581 **10.3. Inspection Resolution.** If an Inspection Objection is received by Seller, on or before Inspection
 582 Objection Deadline (§ 3), and if Buyer and Seller have not agreed in writing to a settlement thereof on or before
 583 Inspection Resolution Deadline (§ 3), this Contract will terminate on Inspection Resolution Deadline (§ 3)
 584 unless Seller receives Buyer's written withdrawal of the Inspection Objection before such termination, i.e., on or
 585 before expiration of Inspection Resolution Deadline (§ 3).
 586

587 **10.4. Damage, Liens and Indemnity.** Buyer, except as otherwise provided in this Contract or other
 588 written agreement between the parties, is responsible for payment for all inspections, tests, surveys, engineering
 589 reports, or other reports performed at Buyer's request (Work) and must pay for any damage that occurs to the
 590 Property and Inclusions as a result of such Work. Buyer must not permit claims or liens of any kind against the
 591 Property for Work performed on the Property. ~~Buyer agrees to indemnify, protect and hold Seller harmless from
 592 and against any liability, damage, cost or expense incurred by Seller and caused by any such Work, claim, or lien.
 593 This indemnity includes Seller's right to recover all costs and expenses incurred by Seller to defend against any
 594 such liability, damage, cost or expense, or to enforce this section, including Seller's reasonable attorney fees, legal
 595 fees and expenses. The provisions of this section survive the termination of this Contract. This § 10.4 does not
 596 apply to items performed pursuant to an Inspection Resolution.~~
 597
 598
 599

600 **10.5. Insurability.** Buyer has the right to review and object to the availability, terms and conditions of and
 601 premium for property insurance (Property Insurance). Buyer has the Right to Terminate under § 25.1, on or before
 602 Property Insurance Objection Deadline (§ 3), based on any unsatisfactory provision of the Property Insurance,
 603 in Buyer's sole subjective discretion.
 604

605 **10.6. Due Diligence.**

606 **10.6.1. Due Diligence Documents.** If the respective box is checked, Seller agrees to deliver
 607 copies of the following documents and information pertaining to the Property (Due Diligence Documents) to Buyer
 608 on or before Due Diligence Documents Delivery Deadline (§ 3):
 609

610 **10.6.1.1.** All contracts relating to the operation, maintenance and management of the
 611 Property;

612 **10.6.1.2.** Property tax bills for the last years;

613 **10.6.1.3.** As-built construction plans to the Property and the tenant improvements,
 614 including architectural, electrical, mechanical, and structural systems, engineering reports, and permanent
 615 Certificates of Occupancy, to the extent now available;

616 **10.6.1.4.** A list of all Inclusions to be conveyed to Buyer;

617 **10.6.1.5.** Operating statements for the past 2 years;

618 **10.6.1.6.** A rent roll accurate and correct to the date of this Contract;

619 **10.6.1.7.** All current leases, including any amendments or other occupancy agreements,
 620 pertaining to the Property. Those leases or other occupancy agreements pertaining to the Property that survive
 621
 622
 623
 624

625 Closing are as follows (Leases): *n/a*

626 10.6.1.8. A schedule of any tenant improvement work Seller is obligated to complete but
627 has not yet been completed and capital improvement work either scheduled or in process on the date of this
628 Contract;

629 10.6.1.9. All insurance policies pertaining to the Property and copies of any claims which
630 have been made for the past *n/a* years;

631 10.6.1.10. Soils reports, Surveys and engineering reports or data pertaining to the
632 Property (if not delivered earlier under § 8.3);

633 10.6.1.11. Any and all existing documentation and reports regarding Phase I and II
634 environmental reports, letters, test results, advisories, and similar documents respective to the existence or
635 nonexistence of asbestos, PCB transformers, or other toxic hazardous or contaminated substances, and/or
636 underground storage tanks and/or radon gas. If no reports are in Seller's possession or known to Seller, Seller
637 warrants that no such reports are in Seller's possession or known to Seller;

638 10.6.1.12. Any *Americans with Disabilities Act* reports, studies or surveys concerning the
639 compliance of the Property with said Act;

640 10.6.1.13. All permits, licenses and other building or use authorizations issued by any
641 governmental authority with jurisdiction over the Property and written notices of any violation of any such permits,
642 licenses or use authorizations, if any; and

643 10.6.1.14. Other documents and information:

644 **Any other documents related to the Property in Seller's possession, including, but not limited to**
645 **construction plans, public improvement construction plans, environmental reports, engineering**
646 **reports, surveys, soils reports, etc.**

647 10.6.2. Due Diligence Documents Review and Objection. Buyer has the right to review and
648 object to Due Diligence Documents. If the Due Diligence Documents are not supplied to Buyer or are
649 unsatisfactory in Buyer's sole subjective discretion, Buyer, may, on or before Due Diligence Documents
650 Objection Deadline (§ 3):

651 10.6.2.1. Notice to Terminate. Notify Seller in writing that this Contract is terminated; or

652 10.6.2.2. Due Diligence Documents Objection. Deliver to Seller a written description of
653 any unsatisfactory Due Diligence Documents that Buyer requires Seller to correct.

654 10.6.3. Due Diligence Documents Resolution. If a Due Diligence Documents Objection is
655 received by Seller, on or before Due Diligence Documents Objection Deadline (§ 3), and if Buyer and Seller
656 have not agreed in writing to a settlement thereof on or before Due Diligence Documents Resolution Deadline
657 (§ 3), this Contract will terminate on Due Diligence Documents Resolution Deadline (§ 3) unless Seller receives
658 Buyer's written withdrawal of the Due Diligence Documents Objection before such termination, i.e., on or before
659 expiration of Due Diligence Documents Resolution Deadline (§ 3).

660 10.6.4. Zoning. Buyer has the Right to Terminate under § 25.1, on or before Due Diligence
661 Documents Objection Deadline (§ 3), based on any unsatisfactory zoning and any use restrictions imposed by
662 any governmental agency with jurisdiction over the Property, in Buyer's sole subjective discretion.

663 10.6.5. Due Diligence – Environmental, ADA. Buyer has the right to obtain environmental
664 inspections of the Property including Phase I and Phase II Environmental Site Assessments, as applicable.
665 Seller Buyer will order or provide Phase I Environmental Site Assessment, Phase II Environmental
666 Site Assessment (compliant with ASTM E1527-05 standard practices for Environmental Site Assessments)
667 and/or *n/a*, at the expense of Seller Buyer (Environmental Inspection). In addition, Buyer, at Buyer's
668 expense, may also conduct an evaluation whether the Property complies with the *Americans with Disabilities Act*
669 (ADA Evaluation). All such inspections and evaluations must be conducted at such times as are mutually
670 agreeable to minimize the interruption of Seller's and any Seller's tenants' business uses of the Property, if any.

671 If Buyer's Phase I Environmental Site Assessment recommends a Phase II Environmental Site
672 Assessment, the Environmental Inspection Objection Deadline (§ 3) will be extended by **45** days (Extended
673 Environmental Inspection Objection Deadline) and if such Extended Environmental Inspection Objection Deadline
674 extends beyond the Closing Date (§ 3), the Closing Date (§ 3) will be extended a like period of time. In such
675 event, Seller Buyer must pay the cost for such Phase II Environmental Site Assessment.

676 Notwithstanding Buyer's right to obtain additional environmental inspections of the Property in this §
677 10.6.5, Buyer has the Right to Terminate under § 25.1, on or before Environmental Inspection Objection
678 Deadline (§ 3), or if applicable the Extended Environmental Inspection Objection Deadline, based on any
679 unsatisfactory results of Environmental Inspection, in Buyer's sole subjective discretion.

680 Buyer has the Right to Terminate under § 25.1, on or before ADA Evaluation Objection Deadline (§ 3),
681 based on any unsatisfactory ADA Evaluation, in Buyer's sole subjective discretion.

682 10.7. Conditional Upon Sale of Property. This Contract is conditional upon the sale and closing of
683 that certain property owned by Buyer and commonly known as *n/a*. Buyer has the Right to Terminate under § 25.1
684 effective upon Seller's receipt of Buyer's Notice to Terminate on or before Conditional Sale Deadline (§ 3) if such
685 property is not sold and closed by such deadline. This § 10.7 is for the sole benefit of Buyer. If Seller does not
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703 receive Buyer's Notice to Terminate on or before Conditional Sale Deadline (§ 3), Buyer waives any Right to
704 Terminate under this provision.

705 **10.8 Existing Leases; Modification of Existing Leases; New Leases.** Seller states that none of the
706 Leases to be assigned to the Buyer at the time of Closing contain any rent concessions, rent reductions or rent
707 abatements except as disclosed in the Lease or other writing received by Buyer. Seller will not amend, alter,
708 modify, extend or cancel any of the Leases nor will Seller enter into any new leases affecting the Property without
709 the prior written consent of Buyer, which consent will not be unreasonably withheld or delayed.
710
711

712 11. TENANT ESTOPPEL STATEMENTS.

713 **11.1. Tenant Estoppel Statements Conditions.** Buyer has the right to review and object to any
714 Estoppel Statements. Seller must obtain and deliver to Buyer on or before Tenant Estoppel Statements
715 Deadline (§ 3), statements in a form and substance reasonably acceptable to Buyer, from each occupant or tenant
716 at the Property (Estoppel Statement) attached to a copy of the Lease stating:
717

718 **11.1.1.** The commencement date of the Lease and scheduled termination date of the Lease;

719 **11.1.2.** That said Lease is in full force and effect and that there have been no subsequent
720 modifications or amendments;

721 **11.1.3.** The amount of any advance rentals paid, rent concessions given, and deposits paid to
722 Seller;

723 **11.1.4.** The amount of monthly (or other applicable period) rental paid to Seller;

724 **11.1.5.** That there is no default under the terms of said Lease by landlord or occupant; and

725 **11.1.6.** That the Lease to which the Estoppel is attached is a true, correct and complete copy of
726 the Lease demising the premises it describes.
727

728 **11.2. Tenant Estoppel Statements Objection.** Buyer has the Right to Terminate under § 25.1, on or
729 before Tenant Estoppel Statements Objection Deadline (§ 3), based on any unsatisfactory Estoppel Statement,
730 in Buyer's sole subjective discretion, or if Seller fails to deliver the Estoppel Statements on or before Tenant
731 Estoppel Statements Deadline (§ 3). Buyer also has the unilateral right to waive any unsatisfactory Estoppel
732 Statement.
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736 CLOSING PROVISIONS

737 12. CLOSING DOCUMENTS, INSTRUCTIONS AND CLOSING.

738 **12.1. Closing Documents and Closing Information.** Seller and Buyer will cooperate with the Closing
739 Company to enable the Closing Company to prepare and deliver documents required for Closing to Buyer and
740 Seller and their designees. If Buyer is obtaining a new loan to purchase the Property, Buyer acknowledges Buyer's
741 lender is required to provide the Closing Company, in a timely manner, all required loan documents and financial
742 information concerning Buyer's new loan. Buyer and Seller will furnish any additional information and documents
743 required by Closing Company that will be necessary to complete this transaction. Buyer and Seller will sign and
744 complete all customary or reasonably required documents at or before Closing.
745

746 **12.2. Closing Instructions.** Colorado Real Estate Commission's Closing Instructions Are Are Not
747 executed with this Contract.
748

749 **12.3. Closing.** Delivery of deed from Seller to Buyer will be at closing (Closing). Closing will be on the date
750 specified as the Closing Date (§ 3) or by mutual agreement at an earlier date. The hour and place of Closing will
751 be as designated by mutual agreement of the parties.
752

753 **12.4. Disclosure of Settlement Costs.** Buyer and Seller acknowledge that costs, quality, and extent of
754 service vary between different settlement service providers (e.g., attorneys, lenders, inspectors and title
755 companies).
756

757 **13. TRANSFER OF TITLE.** Subject to tender of payment at Closing as required herein and compliance by
758 Buyer with the other terms and provisions hereof, Seller must execute and deliver a good and sufficient General
759 Warranty deed to Buyer, at Closing, conveying the Property free and clear of all taxes except the general taxes
760 for the year of Closing. Except as provided herein, title will be conveyed free and clear of all liens, including any
761 governmental liens for special improvements installed as of the date of Buyer's signature hereon, whether
762 assessed or not. Title will be conveyed subject to:

763 **13.1.** Those specific Exceptions described by reference to recorded documents as reflected in the Title
764 Documents accepted by Buyer in accordance with Record Title (§ 8.2),
765

766 **13.2.** Distribution utility easements (including cable TV),
767

768 **13.3.** Those specifically described rights of third parties not shown by the public records of which
769 Buyer has actual knowledge and which were accepted by Buyer in accordance with Off-Record Title
770 (§ 8.3) and Current Survey Review (§ 9),
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772 **13.4.** Inclusion of the Property within any special taxing district, and
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774 **13.5.** Other n/a.
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14. **PAYMENT OF ENCUMBRANCES.** Any encumbrance required to be paid will be paid at or before Closing from the proceeds of this transaction or from any other source.

15. **CLOSING COSTS, CLOSING FEE, ASSOCIATION FEES AND TAXES.**

15.1. **Closing Costs.** Buyer and Seller must pay, in Good Funds, their respective closing costs and all other items required to be paid at Closing, except as otherwise provided herein.

15.2. **Closing Services Fee.** The fee for real estate closing services must be paid at Closing by

Buyer Seller One-Half by Buyer and One-Half by Seller
 Other *n/a*.

15.3. **Status Letter and Record Change Fees.** Any fees incident to the issuance of Association's statement of assessments (Status Letter) must be paid by Buyer Seller One-Half by Buyer and One-Half by Seller. None. Any record change fee assessed by the Association including, but not limited to, ownership record transfer fees regardless of name or title of such fee (Association's Record Change Fee) must be paid by Buyer Seller One-Half by Buyer and One-Half by Seller None.

15.4. **Local Transfer Tax.** The Local Transfer Tax of *n/a* % of the Purchase Price must be paid at Closing by Buyer Seller One-Half by Buyer and One-Half by Seller None.

15.5. **Private Transfer Fee.** Private transfer fees and other fees due to a transfer of the Property, payable at Closing, such as community association fees, developer fees and foundation fees, must be paid at Closing by Buyer Seller One-Half by Buyer and One-Half by Seller None. The Private Transfer fee, whether one or more, is for the following association(s): *n/a* in the total amount of % of the Purchase Price or \$.

15.6. **Water Transfer Fees.** The Water Transfer Fees can change. The fees, as of the date of this Contract, do not exceed \$ *n/a* for:

Water Stock/Certificates Water District
 Augmentation Membership Small Domestic Water Company *n/a* and must be paid at Closing by Buyer Seller One-Half by Buyer and One-Half by Seller None.

15.7. **Sales and Use Tax.** Any sales and use tax that may accrue because of this transaction must be paid when due by Buyer Seller One-Half by Buyer and One-Half by Seller None.

16. **PRORATIONS.** The following will be prorated to the Closing Date (§ 3), except as otherwise provided:

16.1. **Taxes.** Personal property taxes, if any, special taxing district assessments, if any, and general real estate taxes for the year of Closing, based on Taxes for the Calendar Year Immediately Preceding Closing Most Recent Mill Levy and Most Recent Assessed Valuation, or Other **Seller shall be responsible for all Property Taxes through the date of Closing at which time the Property shall become tax exempt.**

16.2. **Rents.** Rents based on Rents Actually Received Accrued. At Closing, Seller will transfer or credit to Buyer the security deposits for all Leases assigned, or any remainder after lawful deductions, and notify all tenants in writing of such transfer and of the transferee's name and address. Seller must assign to Buyer all Leases in effect at Closing and Buyer must assume Seller's obligations under such Leases.

16.3. **Association Assessments.** Current regular Association assessments and dues (Association Assessments) paid in advance will be credited to Seller at Closing. Cash reserves held out of the regular Association Assessments for deferred maintenance by the Association will not be credited to Seller except as may be otherwise provided by the Governing Documents. Buyer acknowledges that Buyer may be obligated to pay the Association, at Closing, an amount for reserves or working capital. Any special assessment assessed prior to Closing Date (§ 3) by the Association will be the obligation of Buyer Seller. Except however, any special assessment by the Association for improvements that have been installed as of the date of Buyer's signature hereon, whether assessed prior to or after Closing, will be the obligation of Seller. Seller represents that the Association Assessments are currently payable at approximately \$ *n/a* per *n/a* and that there are no unpaid regular or special assessments against the Property except the current regular assessments and *n/a*. Such assessments are subject to change as provided in the Governing Documents. Seller agrees to promptly request the Association to deliver to Buyer before Closing Date (§ 3) a current Status Letter.

16.4. **Other Prorations.** Water and sewer charges, propane, interest on continuing loan, and **Any other customary prorations.**

16.5. **Final Settlement.** Unless otherwise agreed in writing, these prorations are final.

17. **POSSESSION.** Possession of the Property will be delivered to Buyer on Possession Date (§ 3) at Possession Time (§ 3), subject to the Leases as set forth in § 10.6.1.7.

None

859 If Seller, after Closing, fails to deliver possession as specified, Seller will be subject to eviction and will be
 860 additionally liable to Buyer for payment of \$ 250.00 per day (or any part of a day notwithstanding § 18.1) from
 861 Possession Date (§ 3) and Possession Time (§ 3) until possession is delivered.
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GENERAL PROVISIONS

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 867 **18. DAY; COMPUTATION OF PERIOD OF DAYS, DEADLINE.**

868 **18.1. Day.** As used in this Contract, the term "day" means the entire day ending at 11:59 p.m., United
 869 States Mountain Time (Standard or Daylight Savings as applicable).
 870

871 **18.2. Computation of Period of Days, Deadline.** In computing a period of days, when the ending date is
 872 not specified, the first day is excluded and the last day is included, (e.g., three days after MEC). If any deadline
 873 falls on a Saturday, Sunday or federal or Colorado state holiday (Holiday), such deadline Will Will Not be
 874 extended to the next day that is not a Saturday, Sunday or Holiday. Should neither box be checked, the deadline
 875 will not be extended.
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 877

878 **19. CAUSES OF LOSS, INSURANCE; DAMAGE TO INCLUSIONS AND SERVICES; CONDEMNATION;
 879 AND WALK—THROUGH.** Except as otherwise provided in this Contract, the Property, Inclusions or both will be
 880 delivered in the condition existing as of the date of this Contract, ordinary wear and tear excepted.
 881

882 **19.1. Causes of Loss, Insurance.** In the event the Property or Inclusions are damaged by fire, other
 883 perils or causes of loss prior to Closing in an amount of not more than ten percent of the total Purchase Price
 884 (Property Damage), Seller is obligated to repair the same before Closing Date (§ 3). Buyer has the Right to
 885 Terminate under § 25.1, on or before Closing Date (§ 3), if the Property Damage is not repaired before Closing
 886 Date (§ 3) or if the damage exceeds such sum. Should Buyer elect to carry out this Contract despite such Property
 887 Damage, Buyer is entitled to a credit at Closing for all insurance proceeds that were received by Seller (but not the
 888 Association, if any) resulting from such damage to the Property and Inclusions, plus the amount of any deductible
 889 provided for in such insurance policy. Such credit must not exceed the Purchase Price. In the event Seller has not
 890 received such insurance proceeds prior to Closing, the parties may agree to extend the Closing Date (§ 3) or, at
 891 the option of Buyer, Seller must assign such proceeds at Closing, plus credit Buyer the amount of any deductible
 892 provided for in such insurance policy, but not to exceed the total Purchase Price.
 893

894 **19.2. Damage, Inclusions and Services.** Should any Inclusion or service (including utilities and
 895 communication services), system, component or fixture of the Property (collectively Service), e.g., heating or
 896 plumbing, fail or be damaged between the date of this Contract and Closing or possession, whichever is earlier,
 897 then Seller is liable for the repair or replacement of such Inclusion or Service with a unit of similar size, age and
 898 quality, or an equivalent credit, but only to the extent that the maintenance or replacement of such Inclusion or
 899 Service is not the responsibility of the Association, if any, less any insurance proceeds received by Buyer covering
 900 such repair or replacement. If the failed or damaged Inclusion or Service is not repaired or replaced on or before
 901 Closing or possession, whichever is earlier, Buyer has the Right to Terminate under § 25.1, on or before Closing
 902 Date (§ 3), or, at the option of Buyer, Buyer is entitled to a credit at Closing for the repair or replacement of such
 903 Inclusion or Service. Such credit must not exceed the Purchase Price. If Buyer receives such a credit, Seller's right
 904 for any claim against the Association, if any, will survive Closing. Seller and Buyer are aware of the existence of
 905 pre-owned home warranty programs that may be purchased and may cover the repair or replacement of such
 906 Inclusions.
 907

908 **19.3. Condemnation.** In the event Seller receives actual notice prior to Closing that a pending
 909 condemnation action may result in a taking of all or part of the Property or Inclusions, Seller must promptly notify
 910 Buyer, in writing, of such condemnation action. Buyer has the Right to Terminate under § 25.1, on or before
 911 Closing Date (§ 3), based on such condemnation action, in Buyer's sole subjective discretion. Should Buyer elect
 912 to consummate this Contract despite such diminution of value to the Property and Inclusions, Buyer is entitled to a
 913 credit at Closing for all condemnation proceeds awarded to Seller for the diminution in the value of the Property or
 914 Inclusions but such credit will not include relocation benefits or expenses, or exceed the Purchase Price.
 915

916 **19.4. Walk—Through and Verification of Condition.** Buyer, upon reasonable notice, has the right to
 917 walk through the Property prior to Closing to verify that the physical condition of the Property and Inclusions
 918 complies with this Contract.
 919

920 **20. RECOMMENDATION OF LEGAL AND TAX COUNSEL.** By signing this Contract, Buyer and Seller
 921 acknowledge that the respective broker has advised that this Contract has important legal consequences and has
 922 recommended the examination of title and consultation with legal and tax or other counsel before signing this
 923 Contract.
 924

925 **21. TIME OF ESSENCE, DEFAULT AND REMEDIES.** Time is of the essence hereof. If any note or check
 926 received as Earnest Money hereunder or any other payment due hereunder is not paid, honored or tendered when
 927 due, or if any obligation hereunder is not performed or waived as herein provided, the nondefaulting party has the
 928 following remedies:
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21.1. If Buyer is in Default:

21.1.1. Specific Performance. Seller may elect to treat this Contract as canceled, in which case all Earnest Money (whether or not paid by Buyer) will be paid to Seller and retained by Seller; and Seller may recover such damages as may be proper, or Seller may elect to treat this Contract as being in full force and effect and Seller has the right to specific performance or damages, or both.

21.1.2. Liquidated Damages, Applicable. This § 21.1.2 applies unless the box in § 21.1.1. is checked. All Earnest Money (whether or not paid by Buyer) will be paid to Seller, and retained by Seller. Both parties will thereafter be released from all obligations hereunder. It is agreed that the Earnest Money specified in § 4.1 is LIQUIDATED DAMAGES, and not a penalty, which amount the parties agree is fair and reasonable and (except as provided in §§ 10.4, 22, 23 and 24), said payment of Earnest Money is SELLER'S ONLY REMEDY for Buyer's failure to perform the obligations of this Contract. Seller expressly waives the remedies of specific performance and additional damages.

21.2. If Seller is in Default: Buyer may elect to treat this Contract as canceled, in which case all Earnest Money received hereunder will be returned and Buyer may recover such damages as may be proper, or Buyer may elect to treat this Contract as being in full force and effect and Buyer has the right to specific performance or damages, or both.

22. LEGAL FEES, COST AND EXPENSES. Anything to the contrary herein notwithstanding, in the event of any arbitration or litigation relating to this Contract, prior to or after Closing Date (§ 3), the arbitrator or court must award to the prevailing party all reasonable costs and expenses, including attorney fees, legal fees and expenses.

~~**23. MEDIATION.** If a dispute arises relating to this Contract, prior to or after Closing, and is not resolved, the parties must first proceed in good faith to submit the matter to mediation. Mediation is a process in which the parties meet with an impartial person who helps to resolve the dispute informally and confidentially. Mediators cannot impose binding decisions. The parties to the dispute must agree, in writing, before any settlement is binding. The parties will jointly appoint an acceptable mediator and will share equally in the cost of such mediation. The mediation, unless otherwise agreed, will terminate in the event the entire dispute is not resolved within thirty days of the date written notice requesting mediation is delivered by one party to the other at the party's last known address. This section will not alter any date in this Contract, unless otherwise agreed.~~

24. EARNEST MONEY DISPUTE. Except as otherwise provided herein, Earnest Money Holder must release the Earnest Money following receipt of written mutual instructions, signed by both Buyer and Seller. In the event of any controversy regarding the Earnest Money, Earnest Money Holder is not required to release the Earnest Money. Earnest Money Holder, in its sole subjective discretion, has several options: (1) wait for any proceeding between Buyer and Seller; (2) interplead all parties and deposit Earnest Money into a court of competent jurisdiction, (Earnest Money Holder is entitled to recover court costs and reasonable attorney and legal fees incurred with such action); or (3) provide notice to Buyer and Seller that unless Earnest Money Holder receives a copy of the Summons and Complaint or Claim (between Buyer and Seller) containing the case number of the lawsuit (Lawsuit) within one hundred twenty days of Earnest Money Holder's notice to the parties, Earnest Money Holder is authorized to return the Earnest Money to Buyer. In the event Earnest Money Holder does receive a copy of the Lawsuit, and has not interpleaded the monies at the time of any Order, Earnest Money Holder must disburse the Earnest Money pursuant to the Order of the Court. ~~The parties reaffirm the obligation of Mediation (§-23).~~ This Section will survive cancellation or termination of this Contract.

25. TERMINATION.

25.1. Right to Terminate. If a party has a right to terminate, as provided in this Contract (Right to Terminate), the termination is effective upon the other party's receipt of a written notice to terminate (Notice to Terminate), provided such written notice was received on or before the applicable deadline specified in this Contract. If the Notice to Terminate is not received on or before the specified deadline, the party with the Right to Terminate accepts the specified matter, document or condition as satisfactory and waives the Right to Terminate under such provision.

25.2. Effect of Termination. In the event this Contract is terminated, all Earnest Money received hereunder will be returned and the parties are relieved of all obligations hereunder, subject to §§ 10.4, 22, 23 and 24.

26. ENTIRE AGREEMENT, MODIFICATION, SURVIVAL. This Contract, its exhibits and specified addenda, constitute the entire agreement between the parties relating to the subject hereof, and any prior agreements pertaining thereto, whether oral or written, have been merged and integrated into this Contract. No subsequent modification of any of the terms of this Contract is valid, binding upon the parties, or enforceable unless made in writing and signed by the parties. Any right or obligation in this Contract that, by its terms, exists or is intended to be performed after termination or Closing survives the same.

27. NOTICE, DELIVERY, AND CHOICE OF LAW.

1015 **27.1. Physical Delivery.** All notices must be in writing, except as provided in § 27.2. Any document,
 1016 including a signed document or notice from or on behalf of Seller, and delivered to Buyer is effective when
 1017 physically received by Buyer, any signatory on behalf of Buyer, any named individual of Buyer, any representative
 1018 of Buyer, or Brokerage Firm of Broker working with Buyer (except for delivery, after Closing, of the notice
 1019 requesting mediation described in § 23 and except as provided in § 27.2). Any document, including a signed
 1020 document or notice, from or on behalf of Buyer, and delivered to Seller is effective when physically received by
 1021 Seller, any signatory on behalf of Seller, any named individual of Seller, any representative of Seller, or Brokerage
 1022 Firm of Broker working with Seller (except for delivery, after Closing, of the notice requesting mediation described
 1023 in § 23 and except as provided in § 27.2.).

1024 **27.2. Electronic Delivery.** As an alternative to physical delivery, any document, including a signed
 1025 document or written notice may be delivered in electronic form only by the following indicated methods:
 1026 Facsimile E-mail Internet. If no box is checked, this § 27.2 is not applicable and § 27.1 governs
 1027 notice and delivery. Documents with original signatures will be provided upon request of any party.
 1028

1029 **27.3. Choice of Law.** This Contract and all disputes arising hereunder are governed by and construed in
 1030 accordance with the laws of the State of Colorado that would be applicable to Colorado residents who sign a
 1031 contract in Colorado for property located in Colorado.
 1032

1033 **28. NOTICE OF ACCEPTANCE, COUNTERPARTS.** This proposal will expire unless accepted in writing, by
 1034 Buyer and Seller, as evidenced by their signatures below, and the offering party receives notice of such
 1035 acceptance pursuant to § 27 on or before Acceptance Deadline Date (§ 3) and Acceptance Deadline Time (§
 1036 3). If accepted, this document will become a contract between Seller and Buyer. A copy of this Contract may be
 1037 executed by each party, separately, and when each party has executed a copy thereof, such copies taken together
 1038 are deemed to be a full and complete contract between the parties.
 1039

1040 **29. GOOD FAITH.** Buyer and Seller acknowledge that each party has an obligation to act in good faith, including
 1041 but not limited to, exercising the rights and obligations set forth in the provisions of Financing Conditions and
 1042 Obligations (§ 5), Title Insurance, Record Title and Off—Record Title (§ 8), Current Survey Review (§ 9) and
 1043 Property Disclosure, Inspection, Indemnity, Insurability and Due Diligence (§ 10).
 1044

ADDITIONAL PROVISIONS AND ATTACHMENTS

1045 **30. ADDITIONAL PROVISIONS.** (The following additional provisions have not been approved by the Colorado
 1046 Real Estate Commission.)

1047 **30.1 City Council Approval and Appropriation.** *This Contract is expressly contingent upon the*
 1048 *Loveland City Council adopting an ordinance appropriating the money to purchase the Property*
 1049 *and that ordinance becoming law as provided in the City Charter prior to Closing. In the event the*
 1050 *City Council does not adopt that ordinance or the ordinance does not become law within one*
 1051 *hundred fifty (150) days following MEC, this Contract shall automatically terminate and the Earnest*
 1052 *Money shall be returned to Buyer, and neither party shall have any further obligations to one*
 1053 *another thereafter under this Contract except as expressly provided herein.*
 1054

1055 **30.2** *To the extent this Contract constitutes a multiple fiscal year debt or financial obligation of the*
 1056 *City, it shall be subject to annual appropriation pursuant to the City of Loveland Municipal Charter*
 1057 *Section 11-6 and Article X, Section 20 of the Colorado Constitution. The City shall have no*
 1058 *obligation to continue this Contract in any fiscal year in which no such appropriation is made. In*
 1059 *addition, the Parties recognize that there are legal constraints imposed upon the City by the*
 1060 *Constitution, statutes, and laws of the State of Colorado and the United States, and by the City's*
 1061 *Charter and Municipal Code and that, subject to such constraints, the Parties intend to carry out*
 1062 *the terms and conditions of this Agreement. Notwithstanding any of the provisions of this Contract*
 1063 *to the contrary, in no event shall either of the Parties exercise any powers or take any actions*
 1064 *which shall be prohibited by applicable law.*
 1065

1066 **31. ATTACHMENTS.**

1067 **31.1.** The following attachments are a part of this Contract:

1068 *n/a*

1069 **31.2.** The following disclosure forms are attached but are not a part of this Contract:

1070 *n/a*

SIGNATURES

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William D. Cahill



ATTEST:

Buyer: **City of Loveland, a Municipal Corporation**
By: **William D. Cahill, City Manager**

[Signature]
Deputy CITY CLERK

APPROVED AS TO FORM

[Signature]
ASSISTANT CITY ATTORNEY

[NOTE: If this offer is being countered or rejected, do not sign this document. Refer to § 32]

[Signature Line]

SELLER'S SIGNATURE

Save Select Signature Font Clear

Seller: **Alistair Macdonald**

[Signature Line]

SELLER'S SIGNATURE

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Seller: **Doreen Macdonald**

32. COUNTER; REJECTION. This offer is Countered Rejected. (clear selection)
Initials only of party (Buyer or Seller) who countered or rejected offer

You will be able to view the [Initials Boxes](#) once you have clicked on [Countered](#) or [Rejected](#).

END OF CONTRACT TO BUY AND SELL REAL ESTATE

33. BROKER'S ACKNOWLEDGMENTS AND COMPENSATION DISCLOSURE.
(To be completed by Broker working with Buyer)

Broker Does Does Not acknowledge receipt of Earnest Money deposit and, while not a party to the Contract, agrees to cooperate upon request with any mediation concluded under § 23. Broker agrees that if Brokerage Firm is the Earnest Money Holder and, except as provided in § 24, if the Earnest Money has not already been returned following receipt of a Notice to Terminate or other written notice of termination, Earnest Money Holder will release the Earnest Money as directed by the written mutual instructions. Such release of Earnest Money will be made within five days of Earnest Money Holder's receipt of the executed written mutual instructions, provided the Earnest Money check has cleared.

Broker is working with Buyer as a Buyer's Agent Seller's Agent Transaction-Broker in this transaction. This is a Change of Status.

Brokerage Firm's compensation or commission is to be paid by Listing Brokerage Firm
 Buyer Other *n/a*.

Brokerage Firm's Name: **Loveland Commercial, LLC**

APPROVED AS TO FORM

VERIFIED THAT 2/22/15

Save Select Signature Font Clear

Broker's Name: **Nathan Klein**

Address: **1043 Eagle Drive Loveland, CO 80537**

Ph: **970-667-7000** Fax: **970-635-2514** Email: **nklein@lovelandcommercial.com**

34. BROKER'S ACKNOWLEDGMENTS AND COMPENSATION DISCLOSURE.

(To be completed by Broker working with Seller)

Broker Does Does Not (n/a) acknowledge receipt of Earnest Money deposit and, while not a party to the Contract, agrees to cooperate upon request with any mediation concluded under § 23. Broker agrees that if Brokerage Firm is the Earnest Money Holder and, except as provided in § 24, if the Earnest Money has not already been returned following receipt of a Notice to Terminate or other written notice of termination, Earnest Money Holder will release the Earnest Money as directed by the written mutual instructions. Such release of Earnest Money will be made within five days of Earnest Money Holder's receipt of the executed written mutual instructions, provided the Earnest Money check has cleared.

Broker is working with the Seller as a Seller's Agent Buyer's Agent Transaction-Broker (n/a) in this transaction. This is a Change of Status.

Brokerage Firm's compensation or commission is to be paid by Seller Buyer Other *n/a*

Brokerage Firm's Name: **Doberstein Lemburg Commercial, Inc.**

Save Select Signature Font Clear

Broker's Name: **Joseph Palieri**

Address: **Fort Collins, CO**

Ph: **970-215-4713** Fax: Email: **jpalieri@comcast.net**

CBS3-8-13. CONTRACT TO BUY AND SELL REAL ESTATE (COMMERCIAL)

CTM eContracts - ©2015 CTM Software Corp.

Executive Summary

General:

Owner:	Macdonald Alistair/Doreen
Legal Description:	Lot 1, Block 1, Loma Vista 1st Subdivision, City of Loveland, Larimer County, Colorado.
Parcel Number:	9526225001
Date of Report:	July 31, 2015
Purpose:	The purpose of this assignment is to estimate the current 'As Is' market value of the subject's Fee Simple Interest as of the date of value.
Intended Use:	The intended use of this appraisal is to assist the client and intended users in determining market value of the subject property for negotiating purposes.
Intended User:	The City of Loveland..
Current Listing/Contract(s):	The subject is currently listed for sale for \$2,250,000 or \$155 per square foot.
Property:	
Land Area:	50,640 square feet; 1.16 acres.
Building:	Single-tenant, 14,488-square-foot industrial manufacturing building built in 2000. The overall condition of the building is considered "Good."
Zoning:	B- Business, Loveland
Highest and Best Use of the Site As Vacant:	Highest and best as though vacant is to hold for light industrial or office development.
Highest and Best Use As Improved:	Highest and best use as improved is continued use as single-tenant industrial/manufacturing.
Value Indication:	See Reconciliation Section, page 58.

Reconciled Value of the Real Estate

This section is a summary of the property, the data available, the thought processes, and the applicable approaches to value. A summary of each value conclusion indicates the following:

VALUE INDICATIONS	
Sales Comparison Approach	\$1,883,000
Income Capitalization Approach	\$1,831,000

The indications of value for the subject property from the sales comparison and income capitalization approaches range from \$1,831,000 to \$1,883,000 varying about 3% from high to low.

Both approaches were equally applicable in valuing the subject property and we apply equal weight to both approaches. Based on the analysis from the Sales Comparison and Income Capitalization approaches, the final value conclusion of the subject property's Fee Simple interest, as of July 15, 2015 is:

The final value conclusion of the subject property as of July 15, 2015 is:

<p>Concluded Value</p> <p>One Million Eight Hundred Fifty Seven Thousand</p> <p>\$1,857,000</p>
--

Respectfully Submitted,

Shannon & Associates



Donald J. Shannon, MAI, SRA
Colorado- CG01313438



David Bowes, Associate
Colorado-CG100013986



October 19, 2015

Memorandum:

To: Rod Wensing, Assistant City Manager, and Loveland City Council

From: Nathan Klein, Loveland Commercial, and LLC

Re: City of Loveland Purchase of 710 SW 14th Street, Loveland, CO

History: Loveland Commercial, LLC was engaged by City staff to assist in the search for a warehouse space for the museum in late summer/early fall 2014. At that time, we put together a formal property search to look for opportunities in the market that were generally +/-10,000 s.f. in size, located within Loveland City limits (closer to downtown and the museum was preferred); specifically looking for spaces that had limited windows and light pollution and conventional HVAC for climate control (e.g. can't be evaporative cooling, etc. due to moisture concerns). Initial searches returned approximately six (6) properties in the market that could potentially meet the needs of the City; however, after further review, three (3) of those properties were eliminated due to their locations on the east side of town (Airpark, Crossroads Blvd. areas, etc.). At that time the property at 710 SW 14th was tenant occupied although we knew that the tenant would be vacating the property early in 2015. After multiple property tours with various members of City staff, it became clear that 710 SW 14th Street was uniquely finished to meet the needs of the City. The warehouse portion of the property has no windows, the warehouse is fully climate controlled, is very clean with tiled floors, good lighting, etc. Furthermore – the property has nearly 4,500 s.f. of nicely finished office space, 2,000 amps of 460v 3-phase power, is located next to an optical fiber service provided by PRPA, and is fully sprinklered with an ESFR system. The building was originally built as a telecom switching station and co-location for internet servers and while in some respects this building has characteristics that are above and beyond the needs of the museum, it is also the only building available in the market that also meets the museum's general requirements.

At the time of contract, the property at 710 SW 14th Street was listed for \$2,250,000 or approximately \$155 per square foot. After much discussion with staff, the City initially offered a price of \$2,000,000 and ultimately negotiated to a price of \$2,105,000. The property was appraised during the contract period for \$1,857,000 and efforts were made to negotiate a price closer to the appraised value. The seller declined to reduce the purchase price on the basis that the unique characteristics of the building described above add value to the building that are above and beyond the characteristics of the comparable properties in the appraisal which were generally more traditional office/warehouse properties. In my professional opinion, I do believe that the abundant power, availability of fiber, full climate control, and quality of the office space within the property do make it superior to the comps used in the appraisal and certainly do have value for the right user (much like they do for the museum). Furthermore, the market for warehouse space of this size and with the characteristics required by the museum continues to be very strong with reported vacancy for Warehouse/Distribution space in the City of Loveland just 0.5% as of 2Q 2015 (6.4% for all industrial space including the RMCIT facility which heavily skews the numbers).

In summary – due to the limited amount of space available and the unique characteristics of the building in question, I believe the property at 710 SW 14th Street to be a reasonable value opportunity; particularly in comparison to the most likely alternative which would be for the City to construct a building to suit the specific needs of the museum, but also given the extraordinary level of finish that benefits the building and ultimately matches well with the requirements of the museum.

Below is a copy of the 2Q 2015 Industrial Market Trends for Northern Colorado as well as the original listing brochure indicating the \$2.25M asking price and listing the significant building features.

Nathan Klein • nklein@lovelandcommercial.com

tel 970-667-7000 • fax 970-635-2514 • 1043 Eagle Drive • Loveland, CO 80537 • www.lovelandcommercial.com

Handwritten text at the top of the page, possibly a title or header, which is mostly illegible due to fading.

Main body of handwritten text, consisting of several paragraphs. The text is extremely faint and difficult to read, but appears to be a continuous narrative or report.

Final section of handwritten text at the bottom of the page, possibly a conclusion or signature block.

Northern Colorado

2nd Quarter 2015

INDUSTRIAL

Market Trends

Xceligent[®]

COMMERCIAL REAL ESTATE INFORMATION


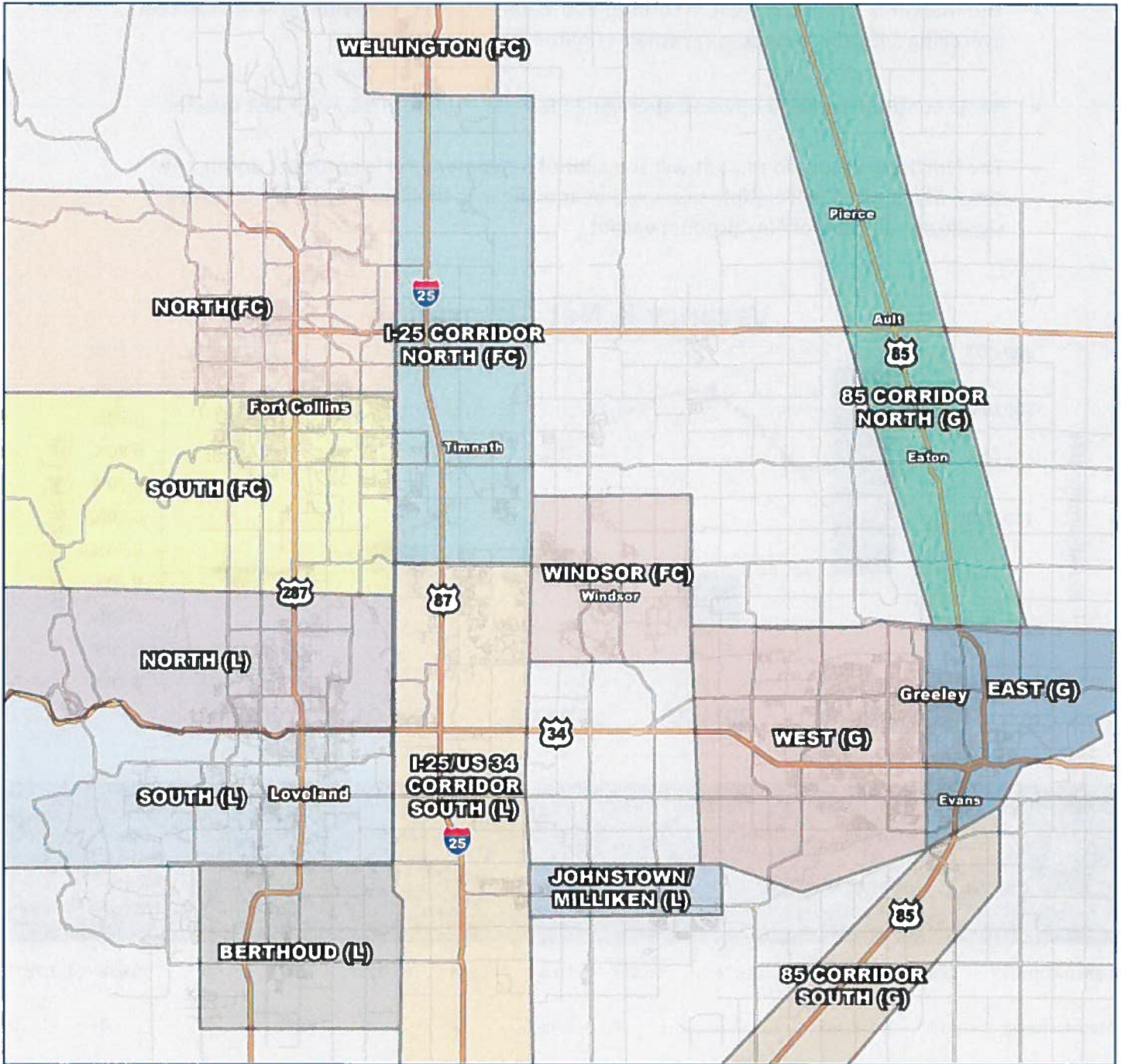
In Partnership with  NCCAR

Table of Contents/Methodology of Tracked Set	2
Northern Colorado Industrial Market Map	3
Q2 2015 Overview	4
Overview by Submarket/ Building Type	5
Vacancy & Lease Rates	6
Available Space	7
Notable Transactions	8
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Xceligent Northern Colorado Contact	10

The Northern Colorado tracked set consists of an inventory of buildings considered to be competitive within the brokerage community. All buildings within the competitive tracked set have been reviewed and verified by members of the Advisory Boards for each market area.

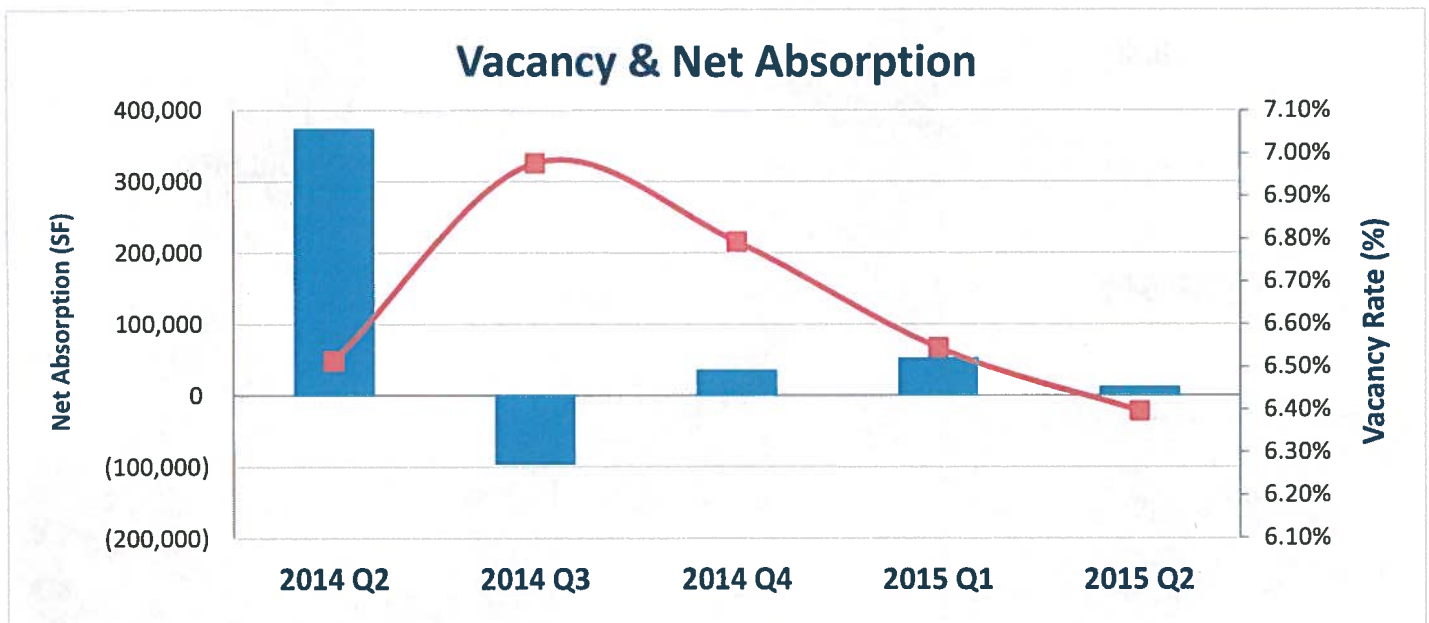
Investment Grade Properties	Hard wall construction, greater than 100,000 SF, built since 1995. They have a clear height of 28' or greater and are fully sprinklered.
Inventory	The total square feet of all existing single and multi tenant industrial properties greater than 10,000 SF.
Total Available SF	All of the available leasable space within a building, whether it is occupied or vacant, for direct lease or sublease space. Space can be available but not vacant, for example, if the landlord, or his agent, is marketing space that will be coming available at a future date because a tenant is planning to move.
Total Vacant SF	The total of all of the vacant square footage within a building, including both direct and sublease space.
Direct Vacant SF	The total of the vacant square footage in a building that is being marketed by an agent representing the landlord.
Sublease SF	Space that is offered for lease by a current tenant, or his agent, within a property. Whether the tenant is paying rent or not, the space is considered vacant only if it is unoccupied.
Net Absorption	The net change in occupancy from quarter to quarter, expressed in square feet.



Q2 2015 Overview



- Vacancy in the Northern Colorado industrial market drops for the fourth consecutive quarter, with a 6.4% total vacancy rate at the close of 2Q 2015.
- The market is extremely tight in Larimer and Weld counties, but with construction costs averaging \$150/SF, new supply remains limited.
- Rents continue to trend upward, averaging \$8.81/SF - up from \$8.70/SF last quarter.
- The Northern Colorado market will see a lot of movement in Flex product during the second half of 2015. Multiple users will be moving into their own facilities, leaving a significant amount of Flex product vacant.



Market Overview by Building Type

Overall Market	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Direct Available (SF)	Direct Vacant (SF)	Direct Vacancy Rate (%)	Available Sublease (SF)	Quarterly Net Absorption (SF)	YTD Net Absorption (SF)
Light Industrial	268	6,262,249	212,874	65,923	1.1%	212,874	65,923	1.1%	0	9,658	(13,787)
Manufacturing	18	4,168,149	0	0	0.0%	0	0	0.0%	0	0	0
Flex/R&D	82	4,939,887	1,328,373	1,025,485	20.8%	1,268,115	1,012,985	20.5%	60,258	2,714	35,310
Warehouse - Distribution	120	5,886,967	287,825	268,205	4.6%	287,825	268,205	4.6%	0	0	43,535
Grand Total	488	21,257,252	1,829,072	1,359,613	6.4%	1,768,814	1,347,113	6.3%	60,258	12,372	65,058

Overview by Submarket/ Building Type



	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Direct Available (SF)	Direct Vacant (SF)	Direct Vacancy Rate (%)	Available Sublease (SF)	Quarterly Net Absorption (SF)	YTD Net Absorption (SF)
Fort Collins	224	9,878,560	616,591	287,711	2.9%	556,333	275,211	2.8%	60,258	(7,478)	63,365
Light Industrial	129	3,120,256	105,700	17,784	0.6%	105,700	17,784	0.6%	0	(12,557)	(9,112)
Manufacturing	5	1,719,525	0	0	0.0%	0	0	0.0%	0	0	0
Flex/R&D	57	3,514,971	428,130	187,166	5.3%	367,872	174,666	5.0%	60,258	5,079	37,675
Warehouse - Distribution	33	1,523,808	82,761	82,761	5.4%	82,761	82,761	5.4%	0	0	34,802
Greeley	107	5,519,982	536,519	451,975	8.2%	536,519	451,975	8.2%	0	(2,100)	(2,100)
Light Industrial	56	1,309,810	11,660	8,660	0.7%	11,660	8,660	0.7%	0	(2,100)	(2,100)
Manufacturing	7	2,005,169	0	0	0.0%	0	0	0.0%	0	0	0
Flex/R&D	7	450,386	333,745	271,821	60.4%	333,745	271,821	60.4%	0	0	0
Warehouse - Distribution	37	1,754,617	191,114	171,494	9.8%	191,114	171,494	9.8%	0	0	0
Loveland	157	5,858,710	675,962	619,927	10.6%	675,962	619,927	10.6%	0	21,950	3,793
Light Industrial	83	1,832,183	95,514	39,479	2.2%	95,514	39,479	2.2%	0	24,315	(2,575)
Manufacturing	6	443,455	0	0	0.0%	0	0	0.0%	0	0	0
Flex/R&D	18	974,530	566,498	566,498	58.1%	566,498	566,498	58.1%	0	(2,365)	(2,365)
Warehouse - Distribution	50	2,608,542	13,950	13,950	0.5%	13,950	13,950	0.5%	0	0	8,733
Grand Total	488	21,257,252	1,829,072	1,359,613	6.4%	1,768,814	1,347,113	6.3%	60,258	12,372	65,058

Vacancy & Lease Rates

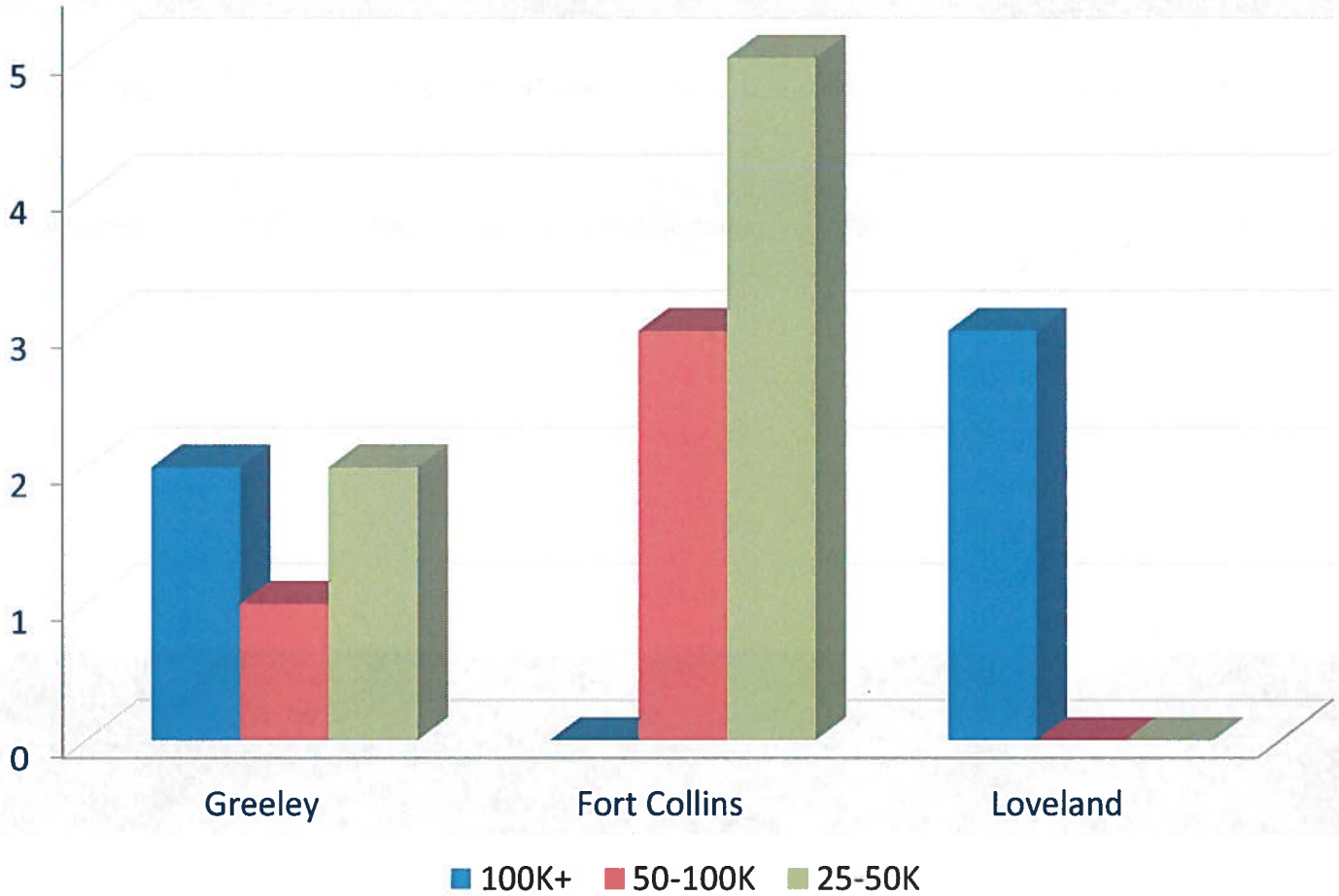


	Direct Vacancy Rate %					Asking Direct Lease Rate (NNN)				
	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2
Fort Collins	3.57%	3.36%	3.23%	2.51%	2.79%	\$7.28	\$8.72	\$7.94	\$8.94	\$8.14
Light Industrial	0.22%	0.15%	0.28%	0.17%	0.57%	\$6.00	\$7.21	\$7.50	\$7.00	\$7.23
Manufacturing	0.64%	0.64%	0.64%	0.64%	0.00%	\$0.00	\$16.00	\$0.00	\$0.00	\$0.00
Flex/R&D	6.95%	6.40%	5.90%	4.93%	4.97%	\$8.06	\$9.03	\$9.75	\$10.88	\$9.50
Warehouse - Distribution	6.40%	6.40%	6.40%	4.12%	5.43%	\$7.00	\$6.25	\$7.00	\$0.00	\$0.00
Greeley	7.30%	9.39%	9.09%	9.09%	8.19%	\$2.00	\$8.88	\$0.00	\$9.00	\$9.00
Light Industrial	3.74%	1.77%	0.50%	0.50%	0.66%	\$2.00	\$6.75	\$0.00	\$9.00	\$9.00
Manufacturing	0.00%	0.00%	0.00%	0.00%	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Flex/R&D	71.88%	71.88%	71.88%	71.88%	60.35%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Warehouse - Distribution	1.71%	9.77%	9.77%	9.77%	9.77%	\$0.00	\$11.00	\$0.00	\$0.00	\$0.00
Loveland	10.74%	10.59%	10.43%	10.74%	10.58%	\$7.85	\$8.03	\$9.60	\$8.40	\$9.56
Light Industrial	0.87%	1.67%	0.82%	2.79%	2.15%	\$7.31	\$7.95	\$0.00	\$8.75	\$7.50
Manufacturing	0.00%	0.00%	0.00%	0.00%	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Flex/R&D	59.01%	58.87%	58.87%	57.89%	58.13%	\$10.50	\$9.00	\$10.25	\$0.00	\$11.50
Warehouse - Distribution	1.86%	0.99%	1.21%	0.53%	0.53%	\$7.33	\$7.13	\$7.00	\$7.33	\$7.75
Grand Total	6.51%	6.92%	6.73%	6.49%	6.34%	\$7.11	\$8.60	\$8.86	\$8.70	\$8.81

Asking Lease Rate Range by Type (NNN)



Largest Blocks of Available Space



Historical Blocks of Space

Quarter	100K+	50-100K	25-50K
2014 Q2	5	4	11
2014 Q3	6	4	9
2014 Q4	6	3	10
2015 Q1	5	3	8
2015 Q2	5	4	7

Notable Transactions



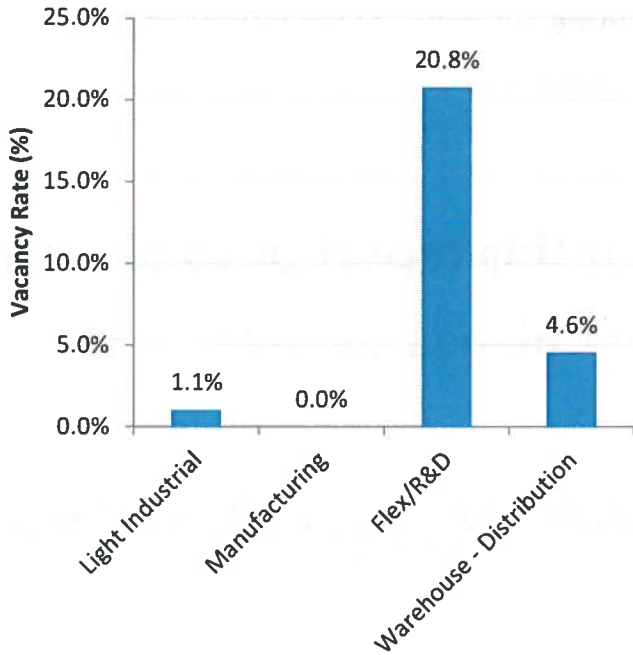
Key Lease Transactions

Property Name	SF Leased	Company Name	Market	Type
5610 Boeing Dr	22,490	Avago Wireless Technologies	I-25 Corridor South	Light Industrial
1020 S Lincoln Ave	10,805	Hope Springs Community Church	South	Flex/R&D

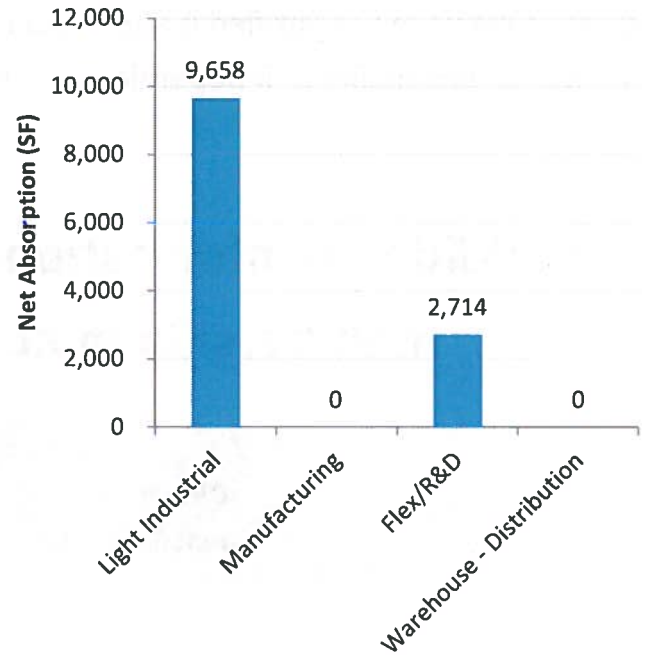
Key Sale Transactions

Property Name	SF Sold	Company Name	Market	Type
5605-5609 Goldco Dr	136,516	Barry-Wehmiller Container Systems Inc	I-25 Corridor South	Warehouse
1215 S Grant Ave	16,200	Colorado Heirloom Inc	South	Flex/R&D

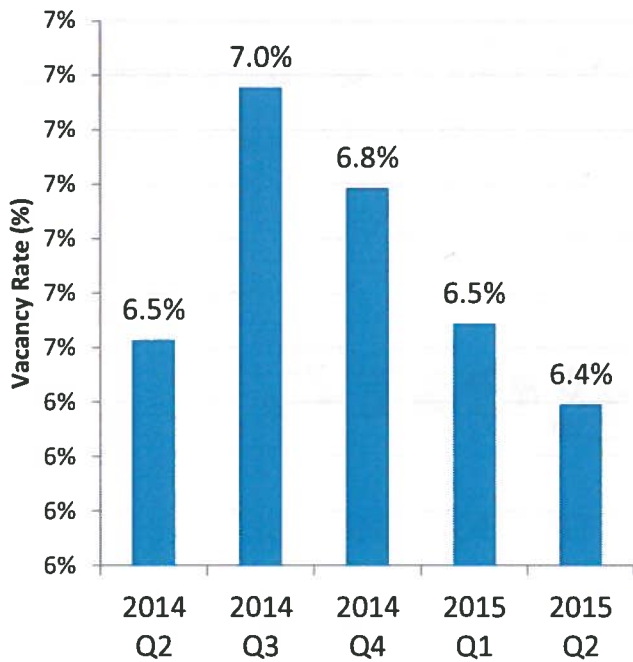
Vacancy Rate by Type



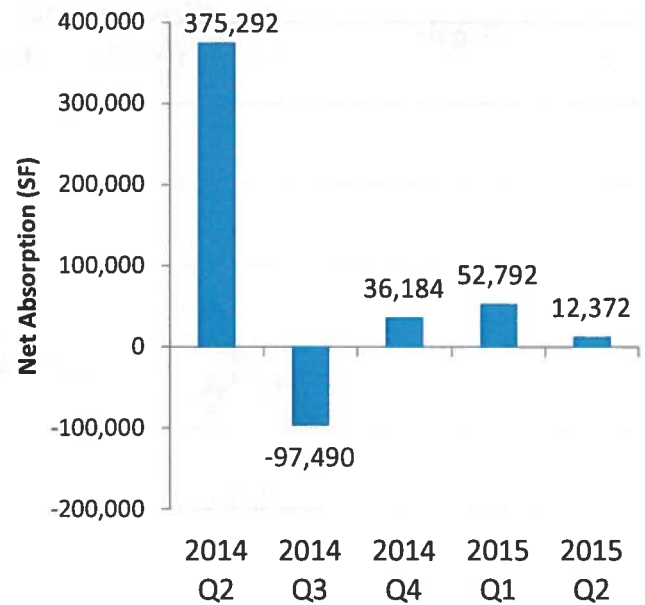
Net Absorption by Type



Vacancy Rate by Quarter



Net Absorption by Quarter



This information has been obtained from sources believed reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy.

For additional information about this report or to discuss membership in Xceligent please contact:

Aaron Knight	Director of Client Services	(303) 503-1657	aknight@xceligent.com
David Verwer, CCIM	Regional Vice President of Sales	(480) 889-4555	dverwer@xceligent.com
Eric Groth	Regional Vice President of Analytics - Colorado	(916) 494- 1386	egroth@xceligent.com



COMMERCIAL REAL ESTATE INFORMATION

Industrial Manufacturing Space For Lease or Sale

710 14TH STREET SW, LOVELAND, COLORADO 80537

High tech manufacturing facility originally built as a telecom switching station and co-location for internet servers. The building is divided into 4,500 square feet of office and two manufacturing bays of 6,600 square feet and 3,300 square feet respectively.

The building has 2,000 amps of 460v 3-phase power and is located adjacent to an optical fiber service provided by Plat River Power Authority. The building is fully sprinkled with an ESFR system.

The facility has both drive-in and doc-hi service for trucks. There are concrete pads located adjacent to the building with conduit run for two back-up generators.

The landscaping can be reconfigured to accommodate 50 on-site parking spaces (3.5/1000).

- > Zoned—B Developing Business City of Loveland
 - > State Enterprise Zone
 - > HVAC Throughout
- > Optical Fiber available
 - > 2,000 amps, 460v 3-phase power
 - > ESFR sprinkler system
- > 1 doc-hi & 1 drive-in Over Head Door
 - > Pad for Generators
 - > Built in 2001



**Doberstein Lemburg
Commercial, Inc.**

14,488— SQ.FT.

**\$ 2,250,000
(\$155/SQ.FT.)**

LEASE RATE

**\$9.75/ sq. ft. + 3N
(\$2.00—2014)**

Tenant pays all utilities

Available Now

**Doberstein Lemburg
Commercial, Inc.**

JOE PALIERI, CCIM

Cell: 970-215-4713
E-mail: jpalieri@comcast.net

1401 Riverside Drive, Suite A
Fort Collins, CO 80524
970-221-1965

**Doberstein
Lemburg
Commercial, Inc.**

Doberstein Lemberg
Commercial, Inc.

14,488— SQ.FT.

\$ 2,250,000
(\$155/SQ.FT.)

LEASE RATE

\$9.75/ sq. ft. + 3N

(\$2.00—2014)

Tenant pays all utilities

Doberstein Lemberg
Commercial, Inc.

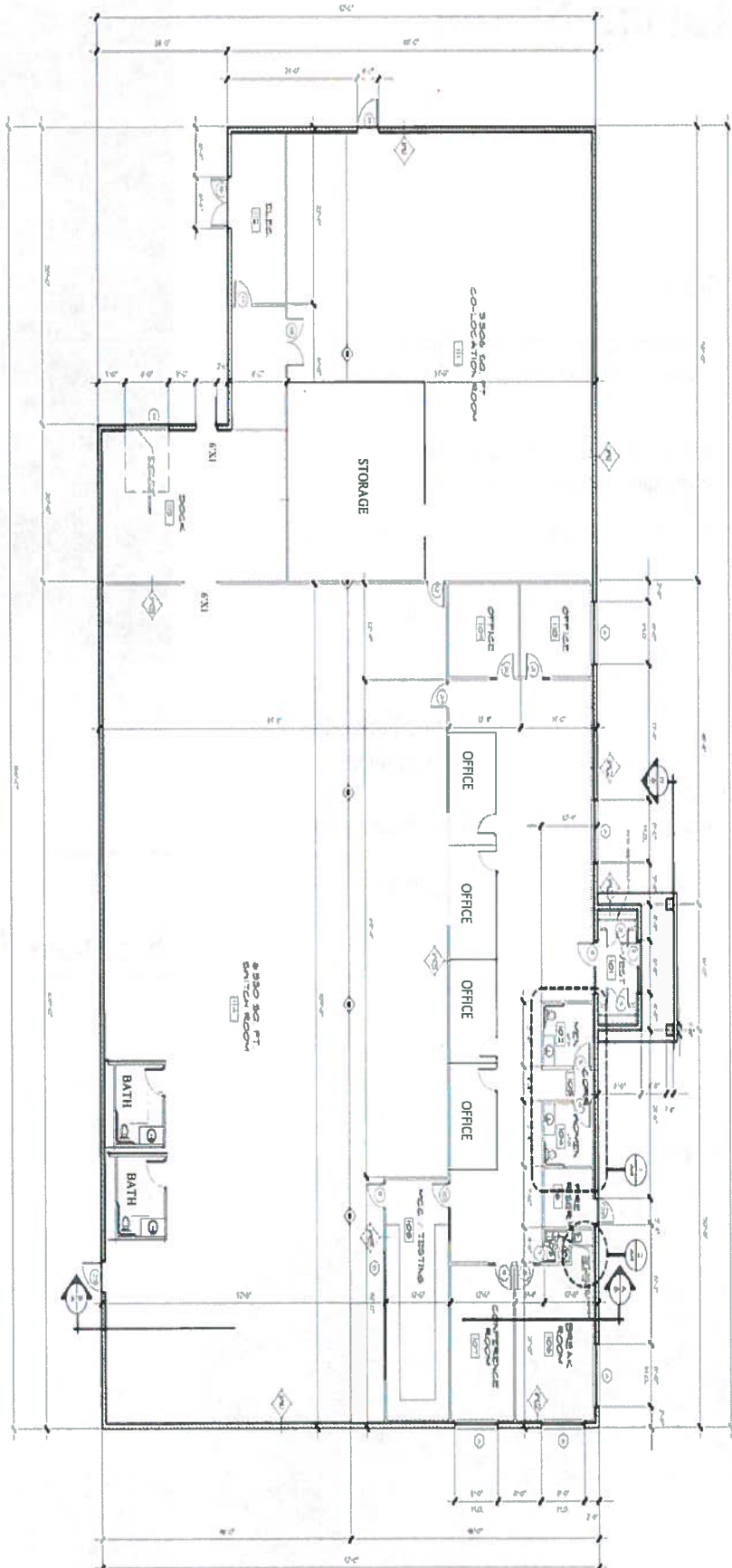
JOE PALIERI, CCIM

Cell: 970-215-4713

E-mail: jpalieri@comcast.net

1401 Riverside Drive, Suite A
Fort Collins, CO 80524
970-221-1965

Doberstein
Lemberg
Commercial, Inc.



WALL TYPES

- 1. 0'-4" 1/2" CONCRETE BLOCK
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- 99. 0'-4" 1/2" CONCRETE BLOCK
- 100. 0'-4" 1/2" CONCRETE BLOCK

GENERAL NOTES

1. VERIFY FINISHES, LOCATIONS AND SIZES WITH OWNER.
2. SEE SHEET 10 FOR LIGHTING PLAN.
3. SEE SHEET 11 FOR DOOR WORK PLAN.





**ENTRY AND OFFICE AREA
4,632 SQ.FT.**

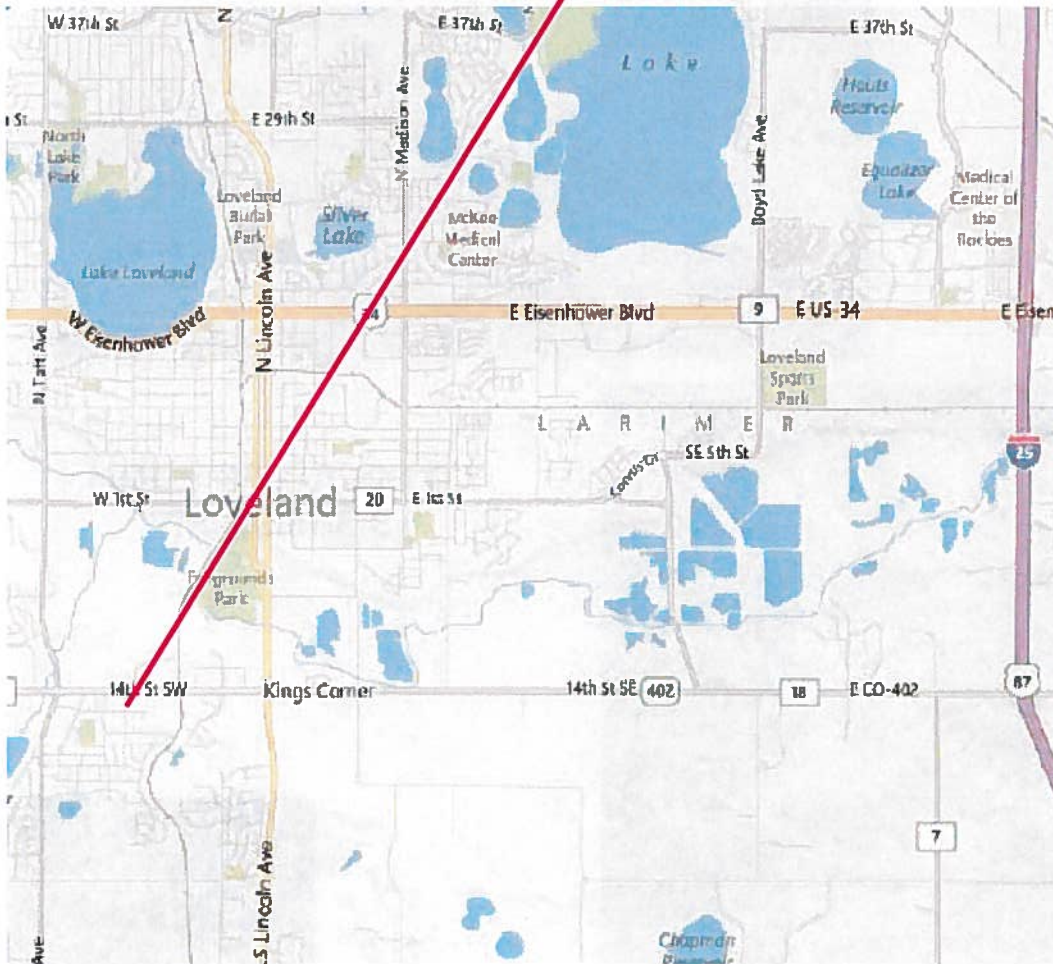
**SWITCH ROOM
6,550 SQ.FT**



**CO LOCATION ROOM
3,306 SQ.FT**



SHADED AREA IS THE STATE ENTERPRISE ZONE





CITY OF LOVELAND
MUNICIPAL AIRPORT

4900 Earhart Road • Loveland, Colorado 80538
(970) 962-2852 • FAX (970) 962-2855 • TDD (970) 962-2620

AGENDA ITEM: 10
MEETING DATE: 11/3/2015
TO: City Council
FROM: Jason Licon, Airport
PRESENTER: Jason Licon, Airport

TITLE:

A Resolution Approving the Bylaws of the Northern Colorado Regional Airport Commission

RECOMMENDED CITY COUNCIL ACTION:

Conduct a Public Hearing and approve the Resolution on first reading.

OPTIONS:

1. Adopt the action as recommended.
2. Deny the action. The resolution is required to enable the Northern Colorado Regional Airport Commission the authority to pursue the development of the Fort Collins – Loveland Airport
3. Adopt a modified action. (specify in the motion)
4. Refer back to staff for further development and consideration. If referred back to staff the Airport Commission will not have any authority to function as intended by the City Councils until adopted.

SUMMARY:

This is an administrative action to adopt the bylaws governing the responsibilities and duties of the Northern Colorado Regional Airport Commission.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

BACKGROUND:

On January 22, 2015 the City of Loveland and the City of Fort Collins approved an Amended and Restated Intergovernmental Agreement for the Joint Operation of the Fort Collins-Loveland Airport. Under section 3 of the agreement the Northern Colorado Regional Airport Commission shall adopt Bylaws governing the responsibilities and duties of the Commission consistent with the terms and conditions of this Agreement. The Bylaws and any amendments thereto shall be approved by the City Councils before going into effect.

On October 15, 2015, the Northern Colorado Regional Airport Commissioners at a regularly scheduled meeting and public hearing and pursuant to the 2015 IGA adopted the bylaws which are now subject to approval by the Councils.

REVIEWED BY CITY MANAGER:

William D. Casill

LIST OF ATTACHMENTS:

Resolution

RESOLUTION #R-76-2015**A RESOLUTION APPROVING THE BYLAWS OF THE NORTHERN COLORADO REGIONAL AIRPORT COMMISSION**

WHEREAS, the City of Loveland (“Loveland”) and the City of Fort Collins (“Fort Collins”) entered into that certain Amended and Restated Intergovernmental Agreement for the Joint Operation of the Fort Collins-Loveland Municipal Airport dated January 22, 2015 (the “2015 IGA”), to effectuate changes to the governance structure of the Airport to be in the nature of a “commission” that pursues the development of the Fort Collins-Loveland Airport as a regional airport in Northern Colorado and named that commission the “Northern Colorado Regional Airport Commission” (the “Commission”); and

WHEREAS, the Loveland City Council approved the 2015 IGA by adoption of Resolution #R-2-2015 on January 6, 2015; and

WHEREAS, the 2015 IGA requires that the Commission adopt bylaws governing the responsibilities of the Commission consistent with the terms of the 2015 IGA and that such bylaws be approved by the Loveland City Council and Fort Collins City Council (jointly, the “Councils”) before going into effect; and

WHEREAS, on October 15, 2015, the Commission members, at a duly noticed hearing and pursuant to the 2015 IGA, unanimously adopted the Northern Colorado Regional Airport Commission Bylaws attached hereto as **Exhibit “A”** and incorporated by reference (the “Commission Bylaws”), subject to approval by the Councils; and

WHEREAS, the Loveland City Council finds that the Commission Bylaws are consistent with the terms of the 2015 IGA, provide for the orderly operation of the Commission, and are in the best interests of Loveland and the Commission.

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

Section 1. That the Loveland City Council hereby approves the Commission Bylaws, subject to the approval by the Fort Collins City Council.

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

ADOPTED this 3rd day of November, 2015.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:


Assistant City Attorney

A RESOLUTION APPROVING THE BYLAWS OF THE NORTHERN COLORADO REGIONAL AIRPORT COMMISSION



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: 11
MEETING DATE: 11/3/2015
TO: City Council
FROM: Steve Adams, Water & Power Department
PRESENTER: Melissa Morin, Civil Engineer

TITLE:

A Resolution Authorizing the Provision of Wastewater Service Outside of the Loveland City Limits Pursuant to Loveland Municipal Code Sections 13.08.075 and 13.08.080

RECOMMENDED CITY COUNCIL ACTION:

Adopt the attached Resolution.

OPTIONS:

1. Adopt the action as recommended.
2. Deny the action. (This property will not receive wastewater service from the City of Loveland.)
3. Adopt a modified action.
4. Refer back to staff for further development and consideration.

SUMMARY:

This is an administrative action approving a wastewater main extension and service for the Laurelwood Planned Land Division which is a five (5) lot residential subdivision located outside of the city limits in the vicinity of North St. Louis Ave and Sablewood Drive. On October 21, 2015 the Loveland Utilities Commission unanimously recommended that City Council approve a Resolution to extend a sanitary sewer line and provide sanitary sewer service to the five lots in Laurelwood Planned Land Division which is situated in Larimer County.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

The owner will construct this sewerline extension and then dedicate it to the City for operations and maintenance.

BACKGROUND:

Larry Heckel and Leroy Gabriel are proposing to subdivide and develop their property located east of North St. Louis Ave and Sablewood Drive, approximately ¼ mile north of County Road 28, as a five lot residential subdivision. See Attachment A – letter from Gabriel and Heckel dated October 13, 2015.

The current development proposal is to make 170 LF extension of 8" main from the existing City of Loveland Wastewater main from N St. Louis Ave into the five lot subdivision. (See Exhibit B). On March 19, 1996 City Council heard a previous request to provide sanitary sewer service outside the city limits for this same parcel. The previous applicant (Greenridge Builders, Inc.)

requested an extension to serve a denser subdivision of 45 lots. Council approved the request with the condition that the service would be contingent upon the land use plan being approved by Larimer County and that the City would have an option to review the land use plan before any connections were made. The city attorney's office has made a current determination that because we are unsure if the land use plan was ever reviewed or approved and the proposed use is different that the use proposed in 1996 in terms of density the previous request/approval would be void.

The City of Loveland is able to provide the wastewater extension to the proposed improvements as long as the following requirements set forth in the conditions below are met:

1. The applicant shall receive City Council approval for their request regarding the extension of City Wastewater Infrastructure. (See Resolution.)
2. Prior to building permit, the applicant shall provide Public Improvement Construction Plans (PICP) (per current City Water/Wastewater Development Standards) for the proposed wastewater main extension to the City for review and approval.

City Code Section 13.08.075 requires that the City Council approve all sanitary sewer line or interceptor extensions to serve property outside the city limits. City Code Section 13.08.080 permits the City Manager or designee to approve applications for sewer taps to serve property outside the city limits, but staff is seeking City Council's approval of those taps because they are conditioned upon extension of the sewer main.

City Utility staff reviewed this request and find that the city's wastewater treatment plant and collection system have adequate capacity to provide wastewater service to the property, and therefore connection of the property to the city's wastewater system will have no adverse impact on the system as a whole.

City Current Planning staff reviewed this request and finds no issue with this proposed development going forward in the county as it lies outside of the city's Growth Management Area (GMA).

The Loveland Utilities Commission (LUC) will hear this item at their meeting on October 21, 2015. The results of this meeting can be provided during this city council hearing.

REVIEWED BY CITY MANAGER:

William A. Cahill

LIST OF ATTACHMENTS:

1. Resolution
2. Exhibit A: Letter of Request
3. Exhibit B: Map

RESOLUTION #R-77-2015

A RESOLUTION AUTHORIZING THE PROVISION OF WASTE WATER SERVICE OUTSIDE OF THE LOVELAND CITY LIMITS PURSUANT TO LOVELAND MUNICIPAL CODE SECTIONS 13.08.075 AND 13.08.080

WHEREAS, City Code Section 13.08.075 provides that all sanitary sewer lines or interceptor extensions to serve areas not presently available for service and outside the City limits shall be approved by the City Council; and

WHEREAS, City Code Section 13.08.080 provides that sewer taps made outside the City limits shall be approved by the City Council; and

WHEREAS, the City's Water and Power Department received a written request, attached as Exhibit A, from Leroy Gabriel and Larry Heckel ("Owners"), for sanitary sewer service to the Laurelwood Planned Land Division, a detailed map depicting the proposal is found in Exhibit B, attached hereto and incorporated herein by reference (the "Property"), which is located outside the City in unincorporated Larimer County; and

WHEREAS, the City's Water and Power Department has evaluated the request and finds that the City's wastewater treatment plant and collection system have adequate capacity to provide wastewater service to the property and will have no adverse impact on the system; and

WHEREAS, the City's Development Services Department has evaluated the request and finds that the Property lies outside of the City's Growth Management Area; and

WHEREAS, the City Council is willing to authorize sanitary sewer service to the Property so long as the conditions set forth in this Resolution are satisfied prior to the requested wastewater service being provided.

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

Section 1. That the City Council hereby authorizes, pursuant to City Code Section 13.08.075, the extension of the sanitary sewer line and, pursuant to City Code Section 13.08.080, the granting of one eight inch wastewater main extension to the Property, provided the following applicable conditions precedent are satisfied:

- A. Prior to building permit issuance, the applicant shall provide Public Improvement Construction Plans (PICP) (per current City Water/Wastewater Development Standards) for the proposed wastewater main extension to the City for review and approval; and

B. Before the sanitary sewer line extension and service will be provided to the Property, or to any portion of it, all requirements and fees set forth in the Loveland Municipal Code, as amended from time to time, must be satisfied and paid.

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

ADOPTED this ____ day of November, 2015.

Cecil Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Assistant City Attorney

EXHIBIT A

October 13, 2015

Melissa Morin, PE
Civil Engineer – Water Resources
Loveland Water and Power Department
200 North Wilson Avenue
Loveland, Colorado 80537

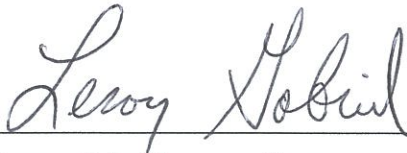
**Re: Laurelwood Planned Land Division; Larimer County (Loveland), Colorado
Eight Inch (8") City of Loveland Sanitary Sewer Line**

Dear Ms. Morin,

According to the requirements of the City of Loveland Municipal Code Section 13.08.075, we are respectfully requesting sanitary sewer service to Laurelwood Planned Land Division. An 8" sanitary sewer line would extend from the existing City of Loveland 8" sanitary sewer line in North Saint Louis Avenue and service five (5) lots. Refer to attached Master Utility Plan exhibit.

We respectfully request urgent consideration of this request from the Loveland Utilities Commission and the City Council. If you have any questions regarding our request, please contact either of us at your earliest convenience. We thank you in advance for your consideration of our request.

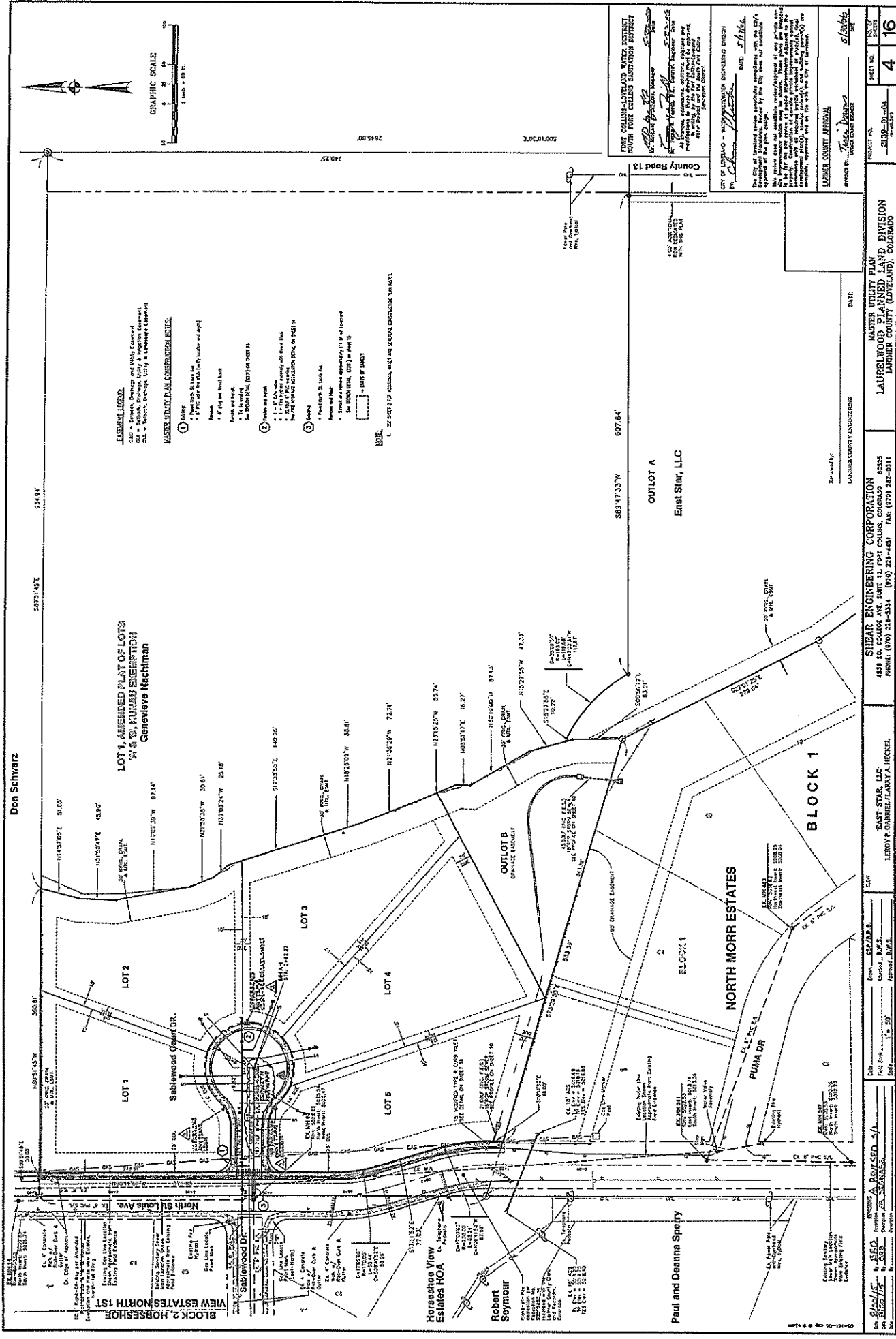
Respectfully,



Leroy Gabriel Phone: [\(970\) 669-2087](tel:(970)669-2087)
1906 Blanca Court Mobile: [\(970\) 481-8168](tel:(970)481-8168)
Loveland, Colorado 80538 leroy.p.gabriel@gmail.com

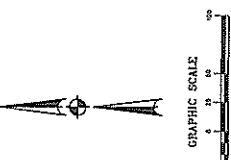


Larry Heckel Phone: [\(970\) 669-0032](tel:(970)669-0032)
2046 Park Drive
Loveland, Colorado 80538-5019 larryheck24@gmail.com



LOT 1, AMENDED PLAT OF LOTS 'A' & 'B', KUNAU EMBERTON Genevieve Nachtmann

- LEGEND:**
- 1. Easement: Driveway, Utility, Easement, etc. - Shaded, Dotted, Utility & Landscape Easement, etc. - Shaded, Dotted, Utility & Landscape Easement, etc.
 - 2. Easement: Driveway, Utility, Easement, etc. - Shaded, Dotted, Utility & Landscape Easement, etc. - Shaded, Dotted, Utility & Landscape Easement, etc.
 - 3. Easement: Driveway, Utility, Easement, etc. - Shaded, Dotted, Utility & Landscape Easement, etc. - Shaded, Dotted, Utility & Landscape Easement, etc.
- MASTER PLAT PLAN CONSTRUCTION NOTES:**
- Survey:**
 - Field notes: B. L. Lark, Inc.
 - Field notes: B. L. Lark, Inc.
 - Field notes: B. L. Lark, Inc.
 - Notes and Easements:**
 - 1. E. Easement: Driveway, Utility, Easement, etc. - Shaded, Dotted, Utility & Landscape Easement, etc. - Shaded, Dotted, Utility & Landscape Easement, etc.
 - 2. E. Easement: Driveway, Utility, Easement, etc. - Shaded, Dotted, Utility & Landscape Easement, etc. - Shaded, Dotted, Utility & Landscape Easement, etc.
 - 3. E. Easement: Driveway, Utility, Easement, etc. - Shaded, Dotted, Utility & Landscape Easement, etc. - Shaded, Dotted, Utility & Landscape Easement, etc.
 - Notes:**
 - 1. Field notes: B. L. Lark, Inc.
 - 2. Field notes: B. L. Lark, Inc.
 - 3. Field notes: B. L. Lark, Inc.



CITY OF LAURELWOOD - SUPERVISOR ENGINEERING DIVISION
 BY: *[Signature]* DATE: 5/16/2016
 The City of Laurelwood, through the Engineering Division, has approved the plat of the land shown hereon for recording.
 The approval is given on the condition that the applicant has satisfied all requirements of the Plat Act, including but not limited to the following:
 1. The plat is a true and correct representation of the land shown hereon.
 2. The plat is in compliance with all applicable laws, rules, and regulations.
 3. The plat is in compliance with all applicable zoning and subdivision laws.
 4. The plat is in compliance with all applicable utility and easement laws.
 5. The plat is in compliance with all applicable recording laws.
 6. The applicant has provided all necessary information and documentation.
 7. The applicant has provided all necessary fees.
 8. The applicant has provided all necessary signatures.
 9. The applicant has provided all necessary stamps.
 10. The applicant has provided all necessary notices.
 11. The applicant has provided all necessary disclosures.
 12. The applicant has provided all necessary disclosures.
 13. The applicant has provided all necessary disclosures.
 14. The applicant has provided all necessary disclosures.
 15. The applicant has provided all necessary disclosures.
 16. The applicant has provided all necessary disclosures.
 17. The applicant has provided all necessary disclosures.
 18. The applicant has provided all necessary disclosures.
 19. The applicant has provided all necessary disclosures.
 20. The applicant has provided all necessary disclosures.

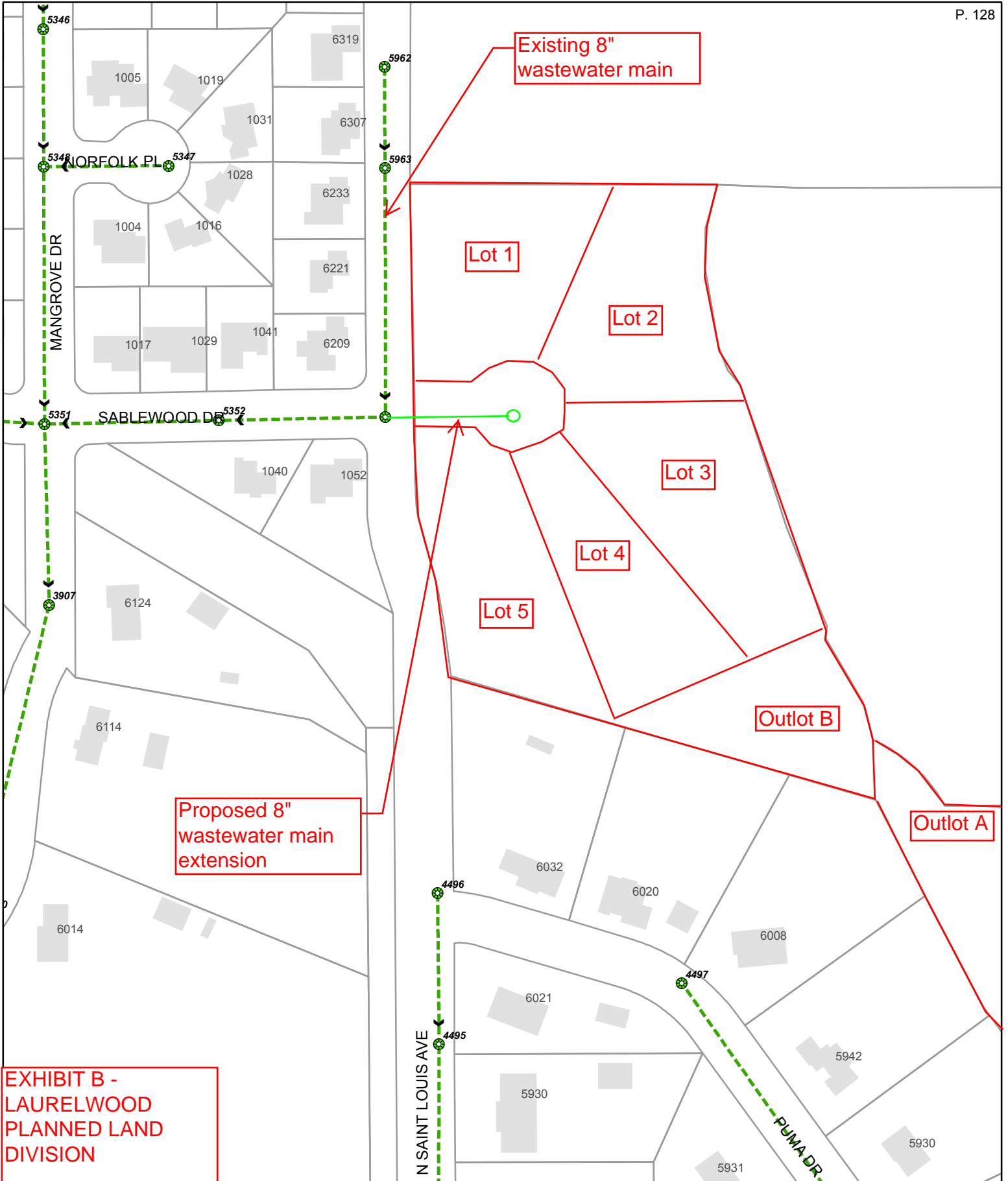
PROJECT NO.	213P-01-04
DATE	4/16
BY	<i>[Signature]</i>
CHECKED BY	<i>[Signature]</i>
APPROVED BY	<i>[Signature]</i>

LAUREL COUNTY ENGINEERING
 SHEAR ENGINEERING CORPORATION
 4824 SO. COLLINS AVE. SUITE 12, PORT COLLINS, OHIO 43082
 PHONE: (614) 218-3334 (614) 214-4451 FAX: (614) 242-2111

LAUREL COUNTY ENGINEERING
 SHEAR ENGINEERING CORPORATION
 4824 SO. COLLINS AVE. SUITE 12, PORT COLLINS, OHIO 43082
 PHONE: (614) 218-3334 (614) 214-4451 FAX: (614) 242-2111

LAUREL COUNTY ENGINEERING
 SHEAR ENGINEERING CORPORATION
 4824 SO. COLLINS AVE. SUITE 12, PORT COLLINS, OHIO 43082
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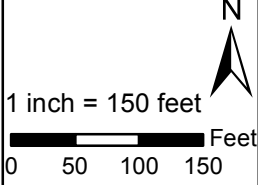
PROJECT NO.	213P-01-04
DATE	4/16
BY	<i>[Signature]</i>
CHECKED BY	<i>[Signature]</i>
APPROVED BY	<i>[Signature]</i>



**EXHIBIT B -
LAURELWOOD
PLANNED LAND
DIVISION**

This document was prepared for internal use by the City of Loveland, CO. The city makes no claim as to the accuracy or completeness of the data contained herein.

Due to security concerns, the city requests that you do not post this document on the internet or otherwise make it available to persons unknown to you.



City of Loveland
Department of Water & Power
Loveland, Colorado

Utility Map
Created By: gisview
Date Created: 10/13/2015



CITY OF LOVELAND
MUNICIPAL COURT

810 East 10th Street • Loveland, Colorado 80537
(970) 962-2341 • FAX (970) 962-2938 • TDD (970) 962-2620

AGENDA ITEM: 12
MEETING DATE: 11/3/2015
TO: City Council
FROM: Geri R. Joneson, Municipal Court
PRESENTER: Geri R. Joneson, Judge

TITLE:
Municipal Court 2015 Quarterly Reports

RECOMMENDED CITY COUNCIL ACTION:
No Action Is Recommended

SUMMARY:
This is an information only item. 2015 Third Quarter Reports for Municipal Court activity.

BUDGET IMPACT:
 Positive
 Negative
 Neutral or negligible

BACKGROUND:
In an effort to keep Council apprised of the volume of traffic and code violations in the city, quarterly reports are generated for Council's review.

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:
Third Quarter Reports

**LOVELAND MUNICIPAL COURT
STATISTICAL REPORTING
3rd Quarter - 2015**

July 2015**July 2014**

Default Judgments entered	221	Default Judgments entered	126
Cases plea bargained	50	Cases plea bargained	42
Bench Warrants issued	50	Bench Warrants issued	30
Failure to Appear Warrants Issued	15	Failure to Appear Warrants Issued	3
Pretrial Conferences Held	14	Pretrial Conferences Held	42
Bench Trials		Bench Trials	
- Guilty finding	6	- Guilty finding	1
- Not Guilty finding	0	- Not Guilty finding	0
Jury Trials		Jury Trials	
- Guilty finding	0	- Guilty finding	0
- Not Guilty finding	0	- Not Guilty finding	0
Charges Dismissed	49	Charges Dismissed	60
Teen Court	0	Teen Court	0
Deferred Sentences	22	Deferred Sentences	1
Jumpstart Program	2	Jumpstart Program	n/a

August 2015**August 2014**

Default Judgments entered	137	Default Judgments entered	116
Cases plea bargained	37	Cases plea bargained	22
Bench Warrants issued	26	Bench Warrants issued	26
Failure to Appear Warrants Issued	37	Failure to Appear Warrants Issued	12
Pretrial Conferences Held	9	Pretrial Conferences Held	28
Bench Trials		Bench Trials	
- Guilty finding	2	- Guilty finding	0
- Not Guilty finding	0	- Not Guilty finding	0
Jury Trials		Jury Trials	
- Guilty finding	0	- Guilty finding	0
- Not Guilty finding	0	- Not Guilty finding	0
Charges Dismissed	53	Charges Dismissed	33
Teen Court	0	Teen Court	0
Deferred Sentences	11	Deferred Sentences	1
Jumpstart Program	10	Jumpstart Program	n/a

**LOVELAND MUNICIPAL COURT
STATISTICAL REPORTING
3rd QUARTER - 2015**

September 2015**September 2014**

Default Judgments entered	182	Default Judgments entered	129
Cases plea bargained	42	Cases plea bargained	38
Bench Warrants issued	26	Bench Warrants issued	28
Failure to Appear Warrants Issued	34	Failure to Appear Warrants Issued	10
Pretrial Conferences Held	31	Pretrial Conferences Held	29
Bench Trials		Bench Trials	
- Guilty finding	3	- Guilty finding	3
- Not Guilty finding	0	- Not Guilty finding	0
Jury Trials		Jury Trials	
- Guilty finding	0	- Guilty finding	0
- Not Guilty finding	0	- Not Guilty finding	0
Charges Dismissed	47	Charges Dismissed	25
Teen Court	0	Teen Court	0
Deferred Sentences	14	Deferred Sentences	0
Jumpstart Program	6	Jumpstart Program	n/a

Total 3rd quarter 2015:

Default Judgments	540
Plea Bargains	129
Bench Warrants	106
Failure to Appear Warrants	86
Pretrials	54
Bench Trials	11
- Guilty Finding	11
- Not Guilty finding	0
Jury Trials	0
- Guilty Finding	0
- Not Guilty Finding	0
Charges Dismissed	149
Teen Court	0
Deferred Sentences	47
Jumpstart Program	18

Total 3rd quarter 2014:

Default Judgments	371
Plea Bargains	102
Bench Warrants	84
Failure to Appear Warrants	25
Pretrials	99
Bench Trials	7
- Guilty Finding	4
- Not Guilty Finding	4
Jury Trials	0
- Guilty Finding	0
- Not Guilty Finding	0
Charges Dismissed	118
Teen Court	0
Deferred Sentences	2
Jumpstart Program	n/a



**Loveland Municipal Court
Revenue Report
Totals as of: 10/14/2015**

Financial Type Code Description	Court Ordered Amt	Suspended Amount	Paid Amount	Amount Due
ACCIDENT FEE	20,130.00	550.00	19,080.00	500.00
ADMINISTRATIVE FEE \$\$	195.00	0.00	195.00	0.00
BOND FORFEITURE	900.00	0.00	900.00	0.00
BT25	100.00	0.00	50.00	50.00
CBOND	75.00	0.00	75.00	0.00
COURT COSTS	148,548.25	13,584.25	90,615.00	44,349.00
CITY1	4,935.00	60.00	2,185.00	2,690.00
CITY2	8,145.00	15.00	2,415.00	5,715.00
DEFAULT HOLD FEE	10,950.00	420.00	5,400.00	5,130.00
DEFERRED SENTENCE FEE	9,885.00	110.00	9,272.00	503.00
JURY TRIAL DEPOSIT \$25	600.00	225.00	325.00	50.00
MUNICIPAL FINE	239,381.70	132,689.50	94,907.20	11,785.00
NSF FEE FOR RETURNED CK	260.00	20.00	175.00	65.00
OUTSTANDING JUDGMENT HOLD FEE	6,570.00	1,590.00	2,355.00	2,625.00
PARKING FINE	132,740.63	5,206.38	60,615.12	66,919.13
PAYMENT PLAN COLLECTION FEE	17,949.00	3,435.00	11,302.00	3,212.00
RESTITUTION \$\$	34,583.09	2,283.86	18,414.00	13,885.23
STAY OF EXECUTION	30.00	0.00	30.00	0.00
STATE	13,080.00	75.00	4,600.00	8,405.00
SURCHARGE	121,659.63	3,068.00	107,088.18	11,503.45
TRAFFIC FINE	1,009,424.94	63,265.50	840,639.35	105,520.09
TF30	30.00	0.00	0.00	30.00
USEFUL PUBLIC SERV FEE	10,695.00	1,000.00	8,600.00	1,095.00
WARRANT FEE	45,909.00	19,690.00	13,151.00	13,068.00
	\$1,836,776.24	\$247,287.49	\$1,292,388.85	\$297,099.90

LOVELAND MUNICIPAL COURT
Tickets Filed With Court
3rd Quarter 2015

July 2015**July 2014**

Code Enforcement	0	Code Enforcement	0
Humane Society	39	Humane Society	13
Municipal Code	69	Municipal Code	52
Parking	182	Parking	180
Traffic	837	Traffic	616
Int'l Fire Code	0	Int'l Fire Code	0
Total	1127	Total	861

August 2015**August 2014**

Code Enforcement	0	Code Enforcement	0
Humane Society	18	Humane Society	8
Municipal Code	45	Municipal Code	50
Parking	187	Parking	127
Traffic	757	Traffic	550
Int'l Fire Code	0	Int'l Fire Code	0
Total	1007	Total	735

September 2015**September 2014**

Code Enforcement	1	Code Enforcement	0
Humane Society	32	Humane Society	25
Municipal Code	91	Municipal Code	41
Parking	124	Parking	167
Traffic	745	Traffic	553
Int'l Fire Code	0	Int'l Fire Code	0
Total	993	Total	786

Total 1st quarter 2015:

Code Enforcement	1
Humane Society	89
Municipal Code	205
Parking	493
Traffic	2339
Int'l Fire Code	0

TOTAL 3rd QUARTER 2015: 3127**Total 1st quarter 2014:**

Code Enforcement	0
Humane Society	46
Municipal Code	143
Parking	474
Traffic	1719
Int'l Fire Code	0

TOTAL 3rd QUARTER 2014: 2382



CITY OF LOVELAND
FINANCE DEPARTMENT

Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2695 • FAX (970) 962-2900 • TDD (970) 962-2620

AGENDA ITEM: 13
MEETING DATE: 11/3/2015
TO: City Council
FROM: Brent Worthington, Finance Department
PRESENTER: Brent Worthington, Finance Director

TITLE:

September 2015 Financial Report

RECOMMENDED CITY COUNCIL ACTION:

This is an information only item. No action is required.

DESCRIPTION:

The Snapshot Report includes the City's preliminary revenue and expenditures including detailed reports on tax revenue and health claims year to date, ending September 30, 2015.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

SUMMARY:

The Snapshot Report is submitted for Council review and includes the reporting of the City's revenue and expenditures, including detailed reports on tax revenue and health claims as of September 30, 2015. Citywide Revenue (excluding internal transfers) of \$205,549,535 is 93.9% of year to date (YTD) budget or \$13,359,321 below the budget.

Sales Tax collections are 97.8% of the YTD budget or \$684,781 under budget. This variance is unchanged from the August Snapshot. Sales tax from Utilities has rebounded; General Merchandise, Telecommunications, and Office Supplies continue to underperform.

Building Material Use Tax is 142.9% of YTD budget, or \$789,865 over budget. Sales and Use Tax collections combined were 102.0% of YTD budget or \$707,050 over budget. When the combined sales and use tax for the current year are compared to 2014 for the same period last year, they are higher by 5.6% or \$1,885,683.

Citywide total expenditures of \$197,982,675 (excluding internal transfers) are 71.5% of the YTD budget or \$79,008,001 under the budget.

REVIEWED BY CITY MANAGER:

William D. Cavill

LIST OF ATTACHMENTS:

1. September Snapshot Presentation
2. Snapshot report for September 2015

SnapShot

September 2015



A Snapshot In Time

Citywide Revenues & Expenditures	2-3
General Fund Revenues & Expenditures	4-5
Capital Projects	5
Tax Totals & Comparison	6-7
Flood Update	8-9
Geo Codes & Sales Tax SIC	10-12
Health Care Claims	13
Activity Measures	14
Rialto Quarterly Report	15

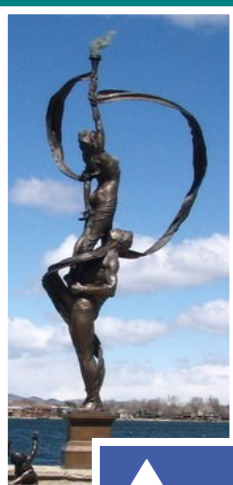
- ◆ Citywide Revenue, excluding transfers between funds, \$205.5 million (6.1% below budget projections)
- ◆ Sales & Use Tax Collection, \$35.7 million (2.0% above budget projections)
- ◆ Citywide Expenditures, excluding transfers between funds, \$198 million (28.5% below budget projections)
- ◆ Citywide Year-To-Date Revenues exceed Year-To-Date Expenditures by \$7.6 million
- ◆ General Fund Revenue, excluding transfers between funds, \$67.8 million (3.2% above budget projections)
- ◆ General Fund Expenditures, excluding transfers between funds, \$53.7 million, (11.6% below budget projections)
- ◆ General Fund Revenues exceed Expenditures by \$5.3 million



Sales / Use Tax Basics

September 2015	Sales Tax	Motor Vehicle Use Tax	Building Materials Use Tax	Combined
Budget 2015	\$ 31,282,730	\$ 1,853,610	\$ 1,841,420	\$ 34,977,760
Actual 2015	30,597,949	2,455,575	2,631,285	35,684,809
% of Budget	97.8%	132.5%	142.9%	102.0%
Actual 2014	\$ 29,619,864	\$ 2,131,952	\$ 2,047,311	\$ 33,799,127
Change from prior yr	3.3%	15.2%	28.5%	5.6%

“Loveland: a vibrant community...surrounded by natural beauty... where you belong.”



Combined Statement of Revenues and Expenditures September 2015				
REVENUE	Current Month	YTD Actual	YTD Revised Budget	% of Budget
General Governmental				
1 General Fund	\$ 7,626,040	\$ 67,838,654	\$ 65,747,565	103.2%
2 Special Revenue	689,888	6,764,580	10,281,918	65.8% ¹
3 Other Entities	1,581,561	22,519,853	23,523,023	95.7%
4 Internal Service	1,539,489	13,577,622	13,353,640	101.7%
5 <i>Subtotal General Govt Operations</i>	<i>11,436,979</i>	<i>110,700,709</i>	<i>112,906,146</i>	<i>98.0%</i>
6 Capital Projects	1,486,557	9,736,684	6,205,194	156.9%
Enterprise Fund				
7 Water & Power	10,042,976	72,156,830	87,344,966	82.6% ²
8 Stormwater	495,160	4,276,629	4,050,530	105.6%
9 Golf	477,185	3,363,029	3,456,790	97.3%
10 Solid Waste	573,717	5,315,655	4,945,230	107.5%
11 <i>Subtotal Enterprise</i>	<i>11,589,037</i>	<i>85,112,142</i>	<i>99,797,516</i>	<i>85.3%</i>
12 Total Revenue	\$ 24,512,573	\$ 205,549,535	\$ 218,908,856	93.9%
<i>Prior Year External Revenue</i>		<i>192,936,727</i>		
<i>Increase From Prior Year</i>		<i>6.5%</i>		
13 Internal Transfers	3,893,237	16,972,231	28,904,008	58.7%
14 Grand Total Revenues	\$ 28,405,810	\$ 222,521,767	\$ 247,812,864	89.8%
EXPENDITURES				
General Governmental				
15 General Fund	7,078,121	51,174,205	54,785,311	93.4%
16 Special Revenue	1,135,357	8,444,513	11,262,032	75.0%
17 Other Entities	1,441,187	21,346,407	21,898,988	97.5%
18 Internal Services	1,663,711	13,946,704	14,503,047	96.2%
19 <i>Subtotal General Gov't Operations</i>	<i>11,318,376</i>	<i>94,911,830</i>	<i>102,449,378</i>	<i>92.6%</i>
20 Capital	6,508,106	41,623,143	103,837,646	40.1%
Enterprise Fund				
21 Water & Power	6,306,580	53,018,497	61,619,959	86.0%
22 Stormwater	490,085	2,225,170	2,532,673	87.9%
23 Golf	342,537	2,307,783	2,459,050	93.8%
24 Solid Waste	575,130	3,896,252	4,091,970	95.2%
25 <i>Subtotal Enterprise</i>	<i>7,714,332</i>	<i>61,447,703</i>	<i>70,703,652</i>	<i>86.9%</i>
26 Total Expenditures	\$ 25,540,814	\$ 197,982,675	\$ 276,990,676	71.5%
<i>Prior Year External Expenditures</i>		<i>188,492,228</i>		
<i>Increase (-Decrease) From Prior Year</i>		<i>5.0%</i>		
27 Internal Transfers	3,893,237	16,972,231	30,318,307	56.0%
28 Grand Total Expenditures	\$ 29,434,050	\$ 214,954,907	\$ 307,308,983	69.9%

¹ Lower than anticipated revenue due to timing of when capital projects are done, and federal grants are drawn on those projects.

² Lower than anticipated revenue due to timing of when capital projects are done, and federal grants and bond proceeds are drawn on those projects.

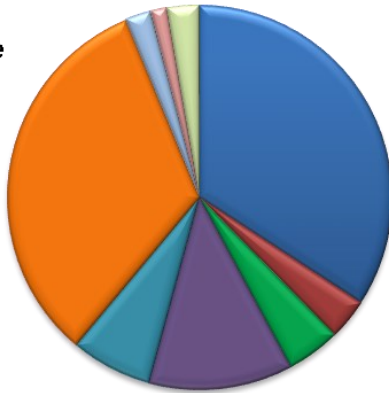
Special Revenue Funds: Community Development Block Grant, Cemetery, Local Improvement District, Lodging Tax, Affordable Housing, Seizure & Forfeitures, Transit, Transportation.

Other Entities Fund: Special Improvement District #1, Airport, General Improvement District #1, Loveland Urban Renewal Authority, Loveland/Larimer Building Authority, Loveland Fire and Rescue Authority.

Internal Service Funds: Risk/Insurance, Fleet, Employee Benefits.

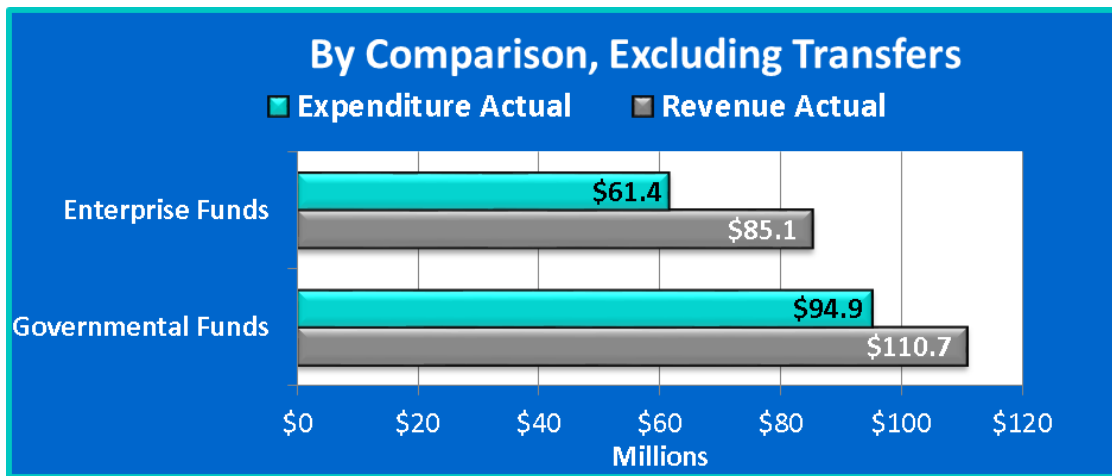
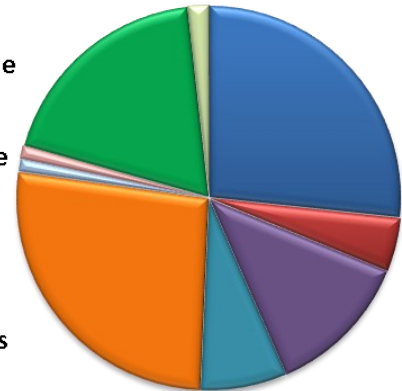
YTD Operating Revenues of \$205.5 Million

- General Fund
- Special Revenue
- Capital Projects
- Other Entities
- Internal Service
- Utilities
- Stormwater
- Golf
- Solid Waste



YTD Operating Expenditures of \$198 Million

- General Fund
- Special Revenue
- Other Entities
- Internal Service
- Utilities
- Stormwater
- Golf
- Capital Projects
- Solid Waste



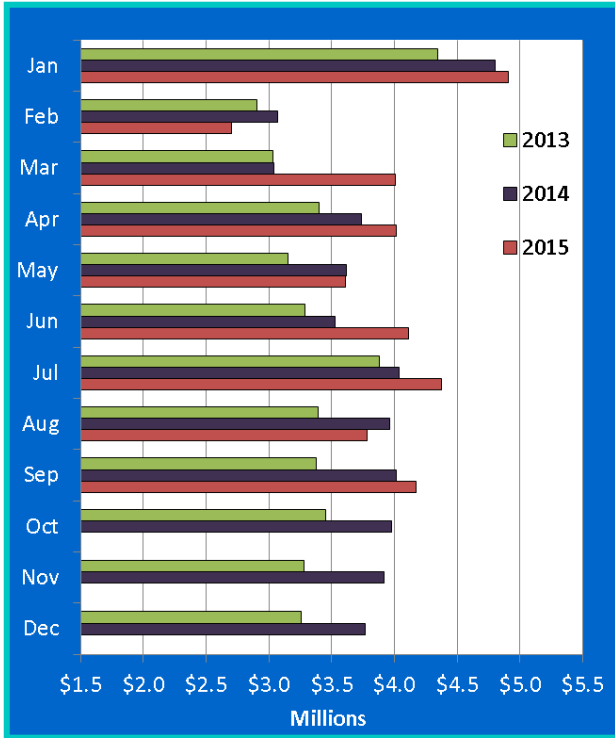
- ◆ General Fund Revenue, excluding capital and transfers between funds, \$67.8 million (3.2% above budget projections)
 - * 1.4% above 2014 YTD
- ◆ General Fund Expenditures, excluding capital and transfers between funds, \$51.2 million (6.6% below budget projections)
 - * 10.5% above 2014 YTD
- ◆ Water & Power Revenue, excluding transfers between funds, \$72.2 million (17.4% below budget projections)
 - * 7.4% above 2014 YTD
- ◆ Water & Power Expenditures, excluding transfers between funds, \$53 million (14.0% below budget projections)
 - * 5.7% above 2014 YTD
- ◆ Other Entities Fund Revenue, excluding transfers between funds, \$22.5 million (4.3% below budget projections)
 - * 5.5% above 2014 YTD
- ◆ Other Entities Expenditures, excluding capital and transfers between funds, \$21.3 million (2.5% below budget projections)
 - * 8.9% above 2014 YTD

General Fund Revenues & Expenditures

General Fund Revenue & Expenditures September 2015				
REVENUES	Current Month	YTD Actual	YTD Revised Budget	% of Budget
1 Taxes				
2 Property tax	\$ 43,443	\$ 7,544,227	\$ 7,326,810	103.0%
3 Sales tax	3,408,259	30,597,949	31,282,730	97.8%
4 Building use tax	462,148	2,631,285	1,841,420	142.9%
5 Auto use tax	299,661	2,455,576	1,853,610	132.5%
6 Other taxes	225,506	2,087,856	2,149,660	97.1%
7 Intergovernmental	766,929	1,170,105	941,509	124.3%
8 License & Permits				
9 Building Permits	314,875	1,989,410	1,628,730	122.1%
10 Other Permits	61,479	214,512	120,850	177.5%
11 Charges for Services	1,228,257	12,042,889	11,929,610	100.9%
12 Fines & Forfeitures	95,089	822,902	721,150	114.1%
13 Interest Income	46,444	309,153	260,500	118.7%
14 Miscellaneous	673,953	5,972,791	5,690,986	105.0%
15 <i>Subtotal</i>	7,626,042	67,838,654	65,747,565	103.2%
16 Interfund Transfers	7,010	88,090	88,290	99.8%
17 Total Revenue	\$ 7,633,052	\$ 67,926,744	\$ 65,835,855	103.2%
EXPENDITURES				
Operating Expenditures				
18 Legislative	9,337	119,855	118,640	101.0%
19 Executive & Legal	212,721	1,552,052	1,554,880	99.8%
20 City Clerk & Court Admin	81,645	742,168	816,631	90.9%
21 Economic Development	163,303	2,356,702	4,428,729	53.2%
22 Cultural Services	206,361	1,393,732	1,590,040	87.7%
23 Development Services	400,227	3,153,850	3,855,189	81.8%
24 Finance	486,814	3,557,481	3,645,765	97.6%
25 Fire & Rescue	-	-	486,867	0.0%
26 Human Resources	112,562	895,206	930,390	96.2%
27 Information Technology	336,879	2,840,058	3,272,921	86.8%
28 Library	304,264	2,366,920	2,457,841	96.3%
29 Parks & Recreation	1,184,560	7,962,489	9,425,830	84.5%
30 Police	2,017,901	15,138,364	15,124,100	100.1%
31 Public Works	514,195	3,950,670	4,315,124	91.6%
32 Water/ Waste Operations	-	-	-	0.0%
33 Non-Departmental	1,210,178	7,689,440	8,777,413	87.6%
34 <i>Subtotal Operating</i>	7,240,949	53,718,987	60,800,360	88.4%
35 Internal Transfers	2,507,297	8,948,000	9,810,247	91.2%
36 Total Expenditures	\$ 9,748,246	\$ 62,666,987	\$ 70,610,607	88.8%

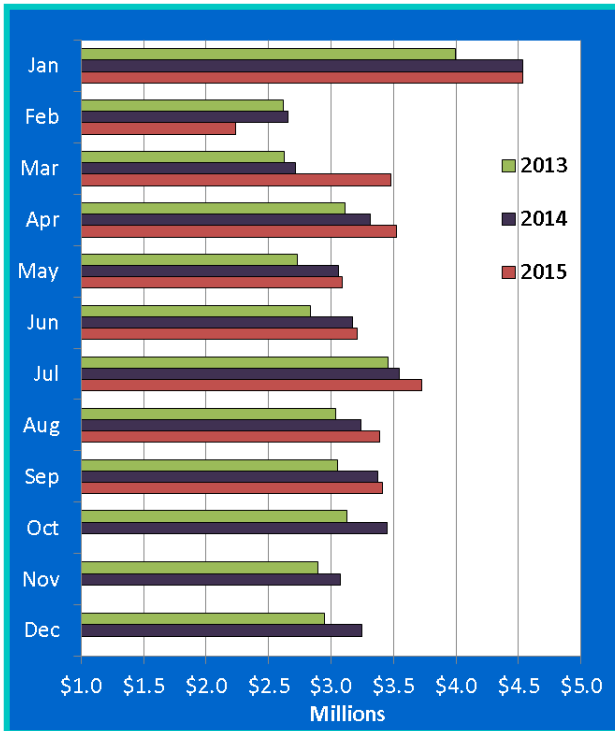
Capital Projects \$500,000+

Project Title	2015	2015	Remaining 2015	% of 2015 Budget
Water Capital				
WTP Phase II Expansion (38 MGD)	\$ 21,077,150	\$ 10,288,756	\$ 10,788,394	48.81%
36"&20" Wtr Transmission Line River X'ings (capl)	1,507,843	1,457,749	50,094	96.68%
2015 Water Line Replacement	1,900,000	93,912	1,806,088	4.94%
Raw Water Capital				
Purchase CBT Water	1,105,000	1,100,000	5,000	99.55%
Wastewater Utility Capital				
WWTP Digester System Improvements	5,492,915	-	5,492,915	0.00%
Bio Nutrient Removal Facilities	800,000	113,307	686,693	14.16%
Southside Lift Station	655,550	179,675	475,875	27.41%
2015 CIPP Sewer Rehabilitation	1,350,000	1,152,971	197,029	85.41%
East Side Lift Station Upgrades	575,000	31,146	543,854	5.42%
2015 WWTP Imprvmnts(Bar Screens, Genr Fuel Tank, etc)	1,100,000	4,374	1,095,627	0.40%
Power Capital				
Security Gates and Fences at Substations	500,000	-	500,000	0.00%
Colorado Renewable Energy Standard Compliance	500,000	-	500,000	0.00%
600 amp OH to UG Conversion	1,300,000	-	1,300,000	0.00%
200 amp OH to UG Conversion	500,000	-	500,000	0.00%
RMCIT - Valley Substation to Campus	650,000	31,078	618,922	4.78%
Valley Substation - Order new transformer	1,203,780	214,898	988,882	17.85%
Install new 750 AL Crossroads 622 on Boyd Lake to Lakes @ Centerra	500,000	-	500,000	0.00%
OH to UG conversion (circuit 314) from 42nd along Garfield	863,580	372,784	490,796	43.17%
Flood Alternative Project	682,103	49,090	633,013	7.20%
600 amp from SW219 on old RR N. on Van Buren	765,740	991,522	-225,782	129.49%
Streets Transportation Program				
2015 Street Rehabilitation	4,449,680	3,810,246	639,434	85.63%
Madison Av @ GRLY-LVLND C	682,040	616,612	65,428	90.41%
Taft Av (Gard-West Shore)	635,138	-	635,138	0.00%
R-O-W Acquisition - Citywide	530,000	-	530,000	0.00%
Boise & 37th Intersection IMP	1,256,142	975	1,255,167	0.08%
Miscellaneous CEF	1,203,005	-	1,203,005	0.00%
Railroad Avenue Repairs	4,760,108	149,570	4,610,538	3.14%
All Other				
Open Lands Acquisition	4,670,000	-	4,670,000	0.00%
Refurbish Smeal Engine for Reserve	1,531,335	823,851	707,484	53.80%
Maintenance Operations Center Remodel	795,730	99,082	696,648	12.45%
Police Records Management System (RMS)	2,978,000	17,875	2,960,125	0.60%
Mehaffey Community Park	3,871,304	1,588,662	2,282,642	41.04%
Parks & Trails Flood Projects	514,345	15,390	498,955	2.99%
Madison Trail Underpass	705,212	-	705,212	0.00%
Barnes Field Light Replacement Project	607,200	610,000	(2,800)	100.46%
Fire - Aerial Platform Truck	\$925,094	\$833,129	\$91,965	90.06%



Sales & Use Tax

	2013	2014	2015	2015 Budget	+ / - Budget
Jan	\$ 4,345,835	\$ 4,801,433	\$ 4,908,517	\$ 4,858,230	1.0%
Feb	2,906,780	3,066,965	2,700,203	3,289,660	-17.9%
Mar	3,033,347	3,037,688	4,007,385	3,391,970	18.1%
Apr	3,397,074	3,737,255	4,011,633	3,989,650	0.6%
May	3,150,201	3,614,459	3,611,468	3,610,170	0.0%
Jun	3,284,808	3,525,536	4,116,214	3,759,780	9.5%
Jul	3,882,561	4,038,555	4,375,627	4,240,990	3.2%
Aug	3,392,757	3,962,915	3,783,694	3,912,830	-3.3%
Sep	3,379,303	4,014,321	4,170,068	3,924,480	6.3%
Oct	3,452,052	3,974,590		4,118,050	
Nov	3,280,666	3,919,205		3,772,070	
Dec	3,259,189	3,763,933		4,095,710	
	\$40,764,573	\$ 45,456,855	\$35,684,809	\$46,963,590	
YTD	\$30,772,666	\$ 33,799,127	35,684,809	\$34,977,760	2.0%

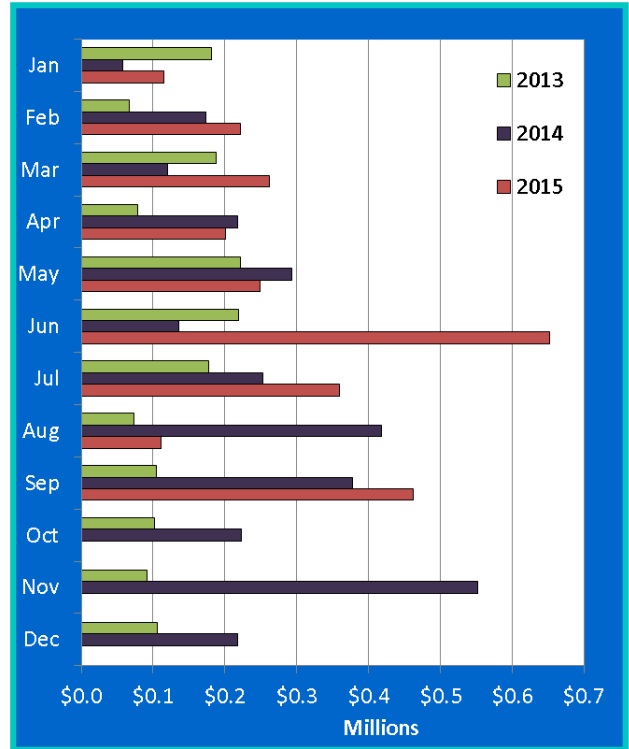


Retail Sales Tax

	2013	2014	2015	2015 Budget	+ / - Budget
Jan	\$ 3,995,194	\$ 4,531,650	\$ 4,535,554	\$ 4,518,690	0.4%
Feb	2,619,453	2,658,798	2,235,775	2,936,040	-23.9%
Mar	2,622,808	2,719,254	3,480,164	2,950,350	18.0%
Apr	3,109,701	3,317,905	3,521,350	3,573,610	-1.5%
May	2,733,983	3,059,076	3,092,253	3,188,560	-3.0%
Jun	2,835,171	3,170,467	3,208,195	3,347,900	-4.2%
Jul	3,453,149	3,546,945	3,727,389	3,800,880	-1.9%
Aug	3,039,219	3,241,521	3,389,010	3,475,330	-2.5%
Sep	3,051,797	3,374,248	3,408,259	3,491,370	-2.4%
Oct	3,125,566	3,448,473		3,663,760	
Nov	2,892,986	3,077,404		3,360,620	
Dec	2,946,709	3,246,097		3,681,570	
	\$36,425,736	\$ 39,391,838	\$30,597,949	\$41,988,680	
YTD	\$27,460,475	\$ 29,619,864	\$30,597,949	\$31,282,730	-2.2%

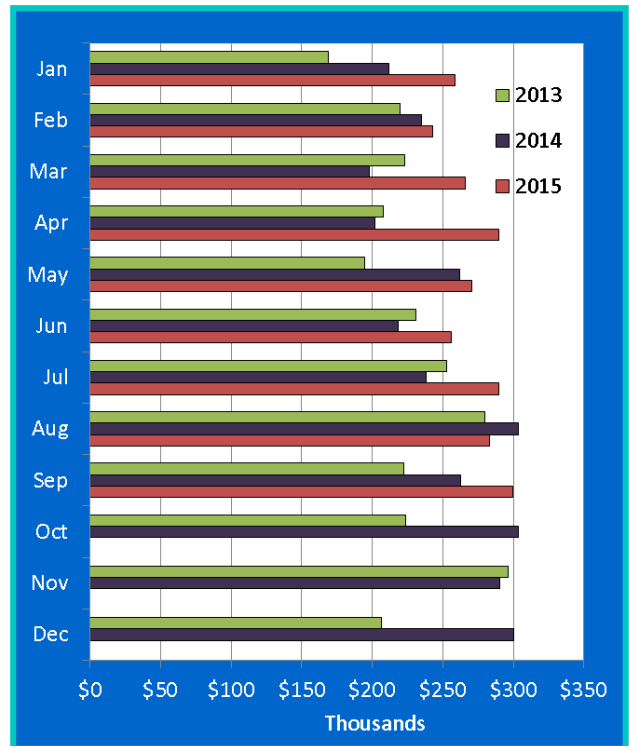
Building Materials Use Tax

	2013	2014	2015	2015 Budget	+ / - Budget
Jan	\$ 181,907	\$ 57,942	\$ 114,444	\$ 161,460	-29.1%
Feb	67,440	173,295	221,517	152,920	44.9%
Mar	187,222	120,768	261,500	258,330	1.2%
Apr	79,229	217,134	200,708	211,790	-5.2%
May	221,834	293,543	248,738	209,570	18.7%
Jun	218,722	136,432	651,849	216,970	200.4%
Jul	176,829	253,077	358,806	216,210	66.0%
Aug	73,524	417,801	111,575	205,740	-45.8%
Sep	105,174	377,319	462,148	208,430	121.7%
Oct	102,584	222,297		228,800	
Nov	91,453	551,682		188,130	
Dec	105,740	217,712		216,560	
<hr/>					
	\$1,611,658	\$3,039,002	\$2,631,285	\$2,474,910	
YTD	\$1,311,881	\$2,047,311	\$2,631,285	\$1,841,420	42.9%

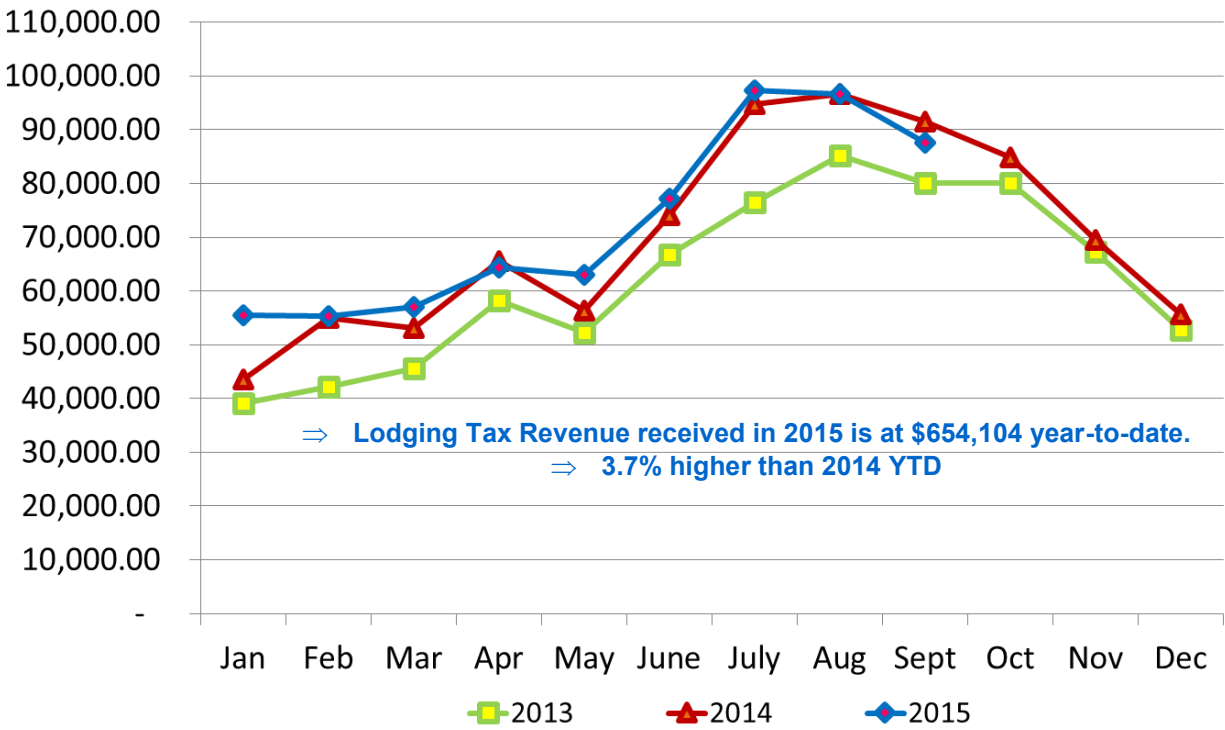


Motor Vehicle Use Tax

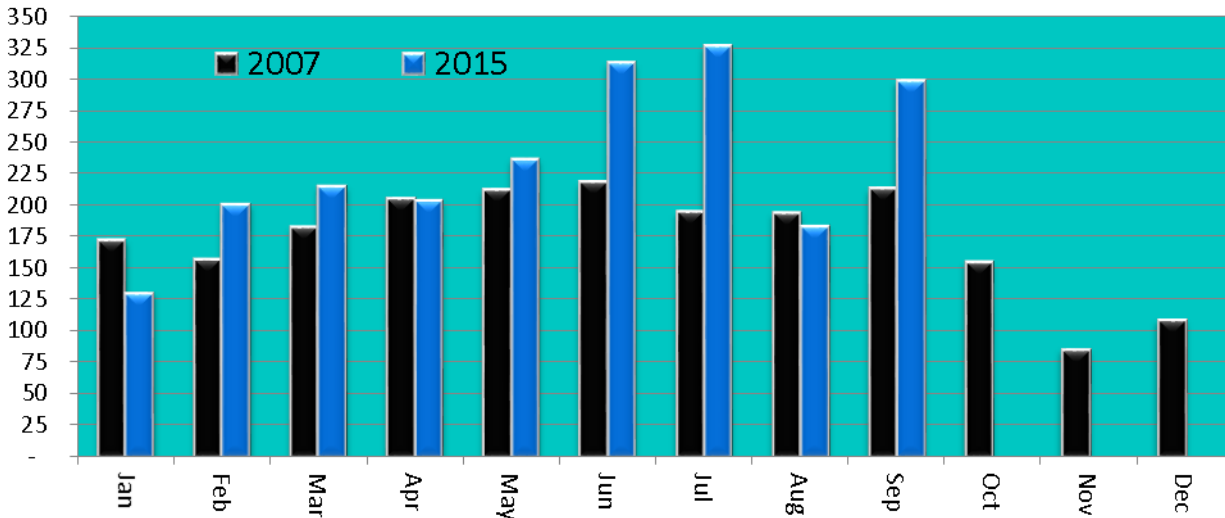
	2013	2014	2015	2015 Budget	+ / - Budget
Jan	\$ 168,734	\$ 211,841	\$ 258,519	\$ 178,080	45.2%
Feb	219,886	234,872	242,911	200,700	21.0%
Mar	223,317	197,666	265,721	183,290	45.0%
Apr	208,144	202,216	289,575	204,250	41.8%
May	194,384	261,840	270,477	212,040	27.6%
Jun	230,915	218,637	256,170	194,910	31.4%
Jul	252,583	238,533	289,432	223,900	29.3%
Aug	280,014	303,593	283,109	231,760	22.2%
Sep	222,332	262,754	299,661	224,680	33.4%
Oct	223,902	303,820		225,490	
Nov	296,227	290,119		223,320	
Dec	206,740	300,124		197,580	
<hr/>					
	\$2,727,178	\$3,026,015	\$2,455,575	\$2,500,000	
YTD	\$2,000,309	\$2,131,952	\$2,455,575	\$1,853,610	32.5%



Lodging Tax



Building Permit Comparison History



Cost Estimates

Emergency Response	\$ 2,000,000
Business Assistance	600,000
Capital	27,906,129
Total	\$ 30,506,129

Actual Expenditures

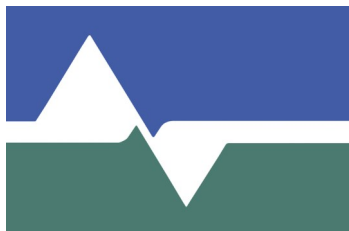
	September	To Date
Total	\$ 322,221	\$ 21,067,633

Reimbursements Applied For

	September	To Date
FEMA	\$ -	\$ 11,789,775
CIRSA	-	7,050,329
Other	50,000	627,466
Total	\$ 50,000	\$ 19,467,569

Reimbursements Received

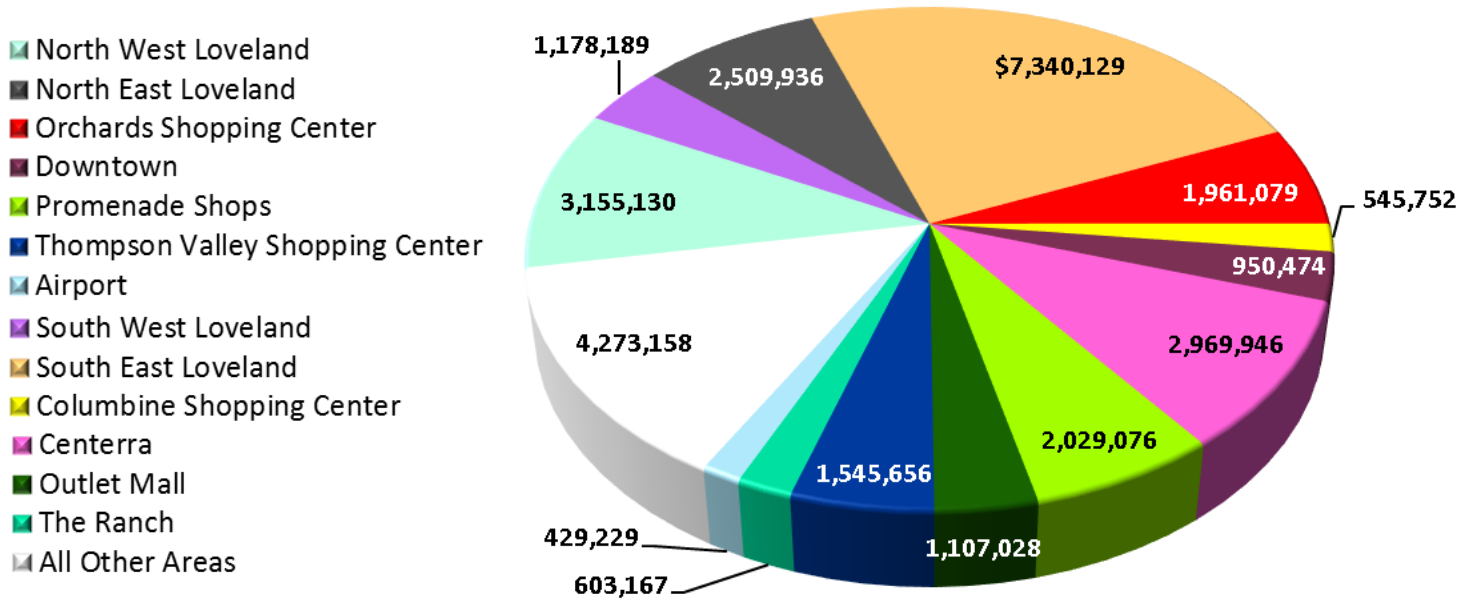
	September	To Date
FEMA	\$ 376,832	\$ 6,174,532
CIRSA	32,461	7,050,329
Other	50,000	627,466
Total	\$ 459,293	\$ 13,852,327



Geographical Codes

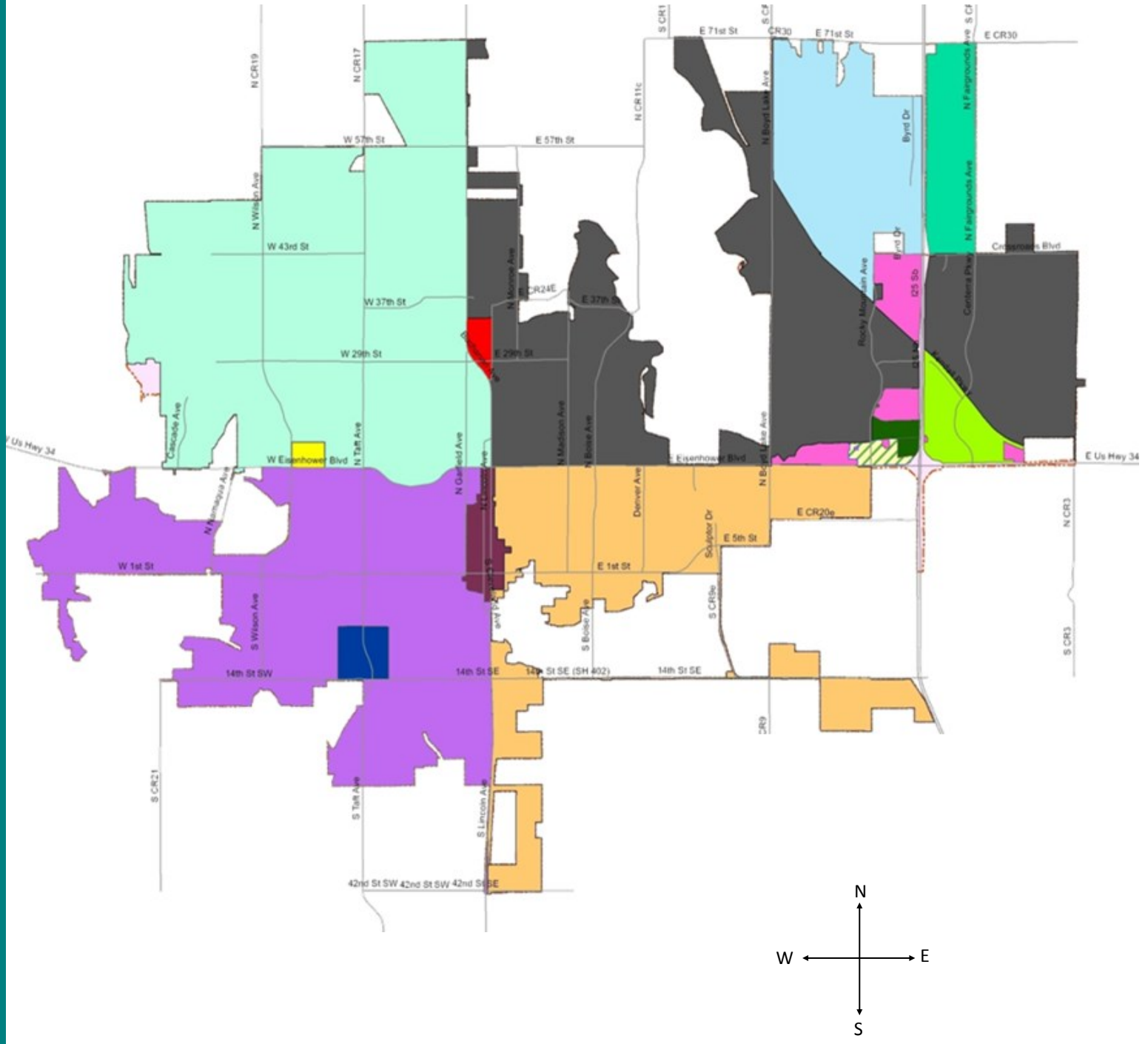
Geographical Area	YTD 2015	YTD 2014	Change
South East Loveland	\$ 7,340,129	\$ 7,251,161	1.2%
North West Loveland	3,155,130	3,112,677	1.4%
Centerra	2,969,946	2,829,169	5.0%
North East Loveland	2,509,936	2,405,377	4.3%
Promenade Shops	2,029,076	1,927,946	5.2%
Orchards Shopping Center	1,961,079	1,723,182	13.8%
Thompson Valley Shopping Center	1,545,656	1,451,676	6.5%
South West Loveland	1,178,189	1,054,001	11.8%
Outlet Mall	1,107,028	1,149,767	-3.7%
Downtown	950,474	905,109	5.0%
The Ranch	603,167	616,020	-2.1%
Columbine Shopping Center	545,752	577,477	-5.5%
Airport	429,229	382,859	12.1%
All Other Areas (1)	4,273,158	4,233,443	0.9%
Total	\$30,597,949	\$29,619,864	3.3%

(1) Refers to sales tax remitted by vendors who are located outside of the City but make sales to customers within Loveland.



Map →

Geographical Codes



Sales Tax Collections

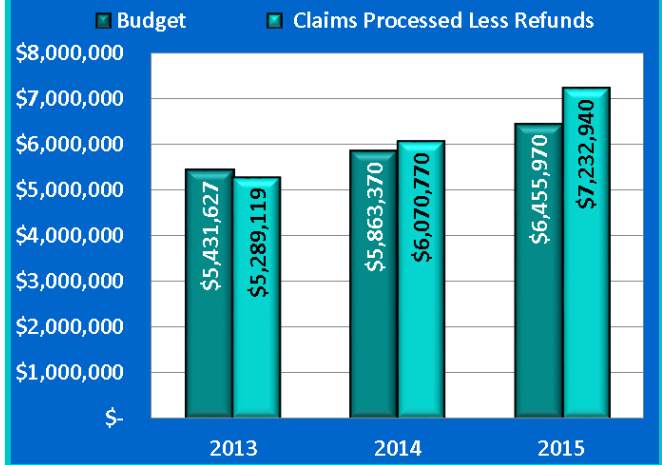
Description	YTD 2015	YTD 2014	\$ Change	% Change	% of Total	Total %
Department Stores & General Merchandise	\$ 5,890,278	\$ 6,020,793	\$(130,515)	-2.2%	19.3%	19.3%
Restaurants & Bars	4,103,759	3,845,978	257,781	6.7%	13.4%	32.7%
Grocery Stores & Specialty Foods	3,194,032	2,955,841	238,191	8.1%	10.4%	43.1%
Building Material & Lawn & Garden Supplies	2,437,602	2,216,376	221,226	10.0%	8.0%	51.1%
Motor Vehicle Dealers, Auto Parts & Leasing	2,295,734	2,190,859	104,875	4.8%	7.5%	58.6%
Clothing & Clothing Accessories Stores	2,197,905	2,152,668	45,237	2.1%	7.2%	65.8%
Utilities	1,524,899	1,513,791	11,108	0.7%	5.0%	70.7%
Sporting Goods, Hobby, Book & Music Stores	1,303,845	1,304,427	(582)	0.0%	4.3%	75.0%
Used Merchandise Stores	1,076,920	1,037,944	38,976	3.8%	3.5%	78.5%
Broadcasting & Telecommunications	988,218	1,056,866	(68,648)	-6.5%	3.2%	81.7%
Beer, Wine & Liquor Stores	778,133	721,465	56,668	7.9%	2.5%	84.3%
Hotels, Motels & Other Accommodations	747,161	735,693	11,468	1.6%	2.4%	86.7%
Consumer Goods & Commercial Equipment	665,036	565,027	100,009	17.7%	2.2%	88.9%
Health & Personal Care Stores	518,365	481,531	36,834	7.6%	1.7%	90.6%
Electronics & Appliance Stores	464,984	405,900	59,084	14.6%	1.5%	92.1%
Electronic Shopping & Mail-Order Houses	426,671	475,558	(48,887)	-10.3%	1.4%	93.5%
Furniture & Home Furnishing Stores	407,150	388,330	18,820	4.8%	1.3%	94.8%
Gasoline Stations with Convenience Stores	330,698	284,870	45,828	16.1%	1.1%	95.9%
Office Supplies, Stationery & Gift Stores	247,632	265,275	(17,643)	-6.7%	0.8%	96.7%
All Other Categories	998,927	1,000,672	(1,745)	-0.2%	3.3%	100.0%
Total	\$30,597,949	\$ 29,619,864	\$ 978,085	3.3%	100.0%	

Claims Incurred

		OAP	HRA	Total
2015	Sept	831,029	132,217	963,246
	YTD	6,339,088	1,938,943	8,278,032
2014	Sept	459,597	172,321	631,918
	YTD	6,008,898	1,780,402	7,789,300
Change	Sept	371,432	(40,104)	331,328
	% Sept	80.8%	-23.3%	52.4%
	YTD	330,191	158,541	488,732
	% YTD	5.5%	8.9%	6.3%

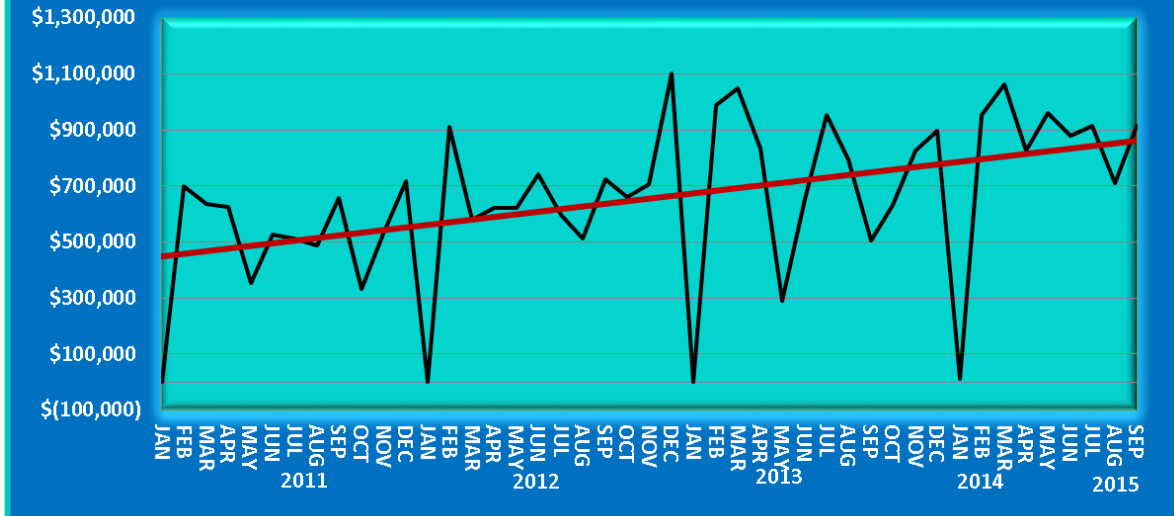
- ⇒ HRA—Health Reimbursement Arrangement
- ⇒ OAP—Open Access Plan

YTD Claims Processed Less Refunds vs Budget



Incurred claims are total expenses the City is obligated to pay for claims, including claims paid and unpaid. Paid claims are those claims that have been paid and reconciled through the bank to-date, which may not reflect Stop Loss reimbursements or other refunds.

Monthly Health Claims Paid (4 Year Rolling)



Comparison of YTD Claims Over \$25k

September	2012	2013	2014	2015
# of claims	37	48	56	58
YTD Cost of high claims	\$2,055,116	\$2,808,090	\$4,718,459	\$5,025,893

- ⇒ 2015 # of StopLoss claims: 6
- ⇒ Projected YTD Reimbursements: \$791,408
(claims over \$175k paid by StopLoss Carrier)

Activity Measures

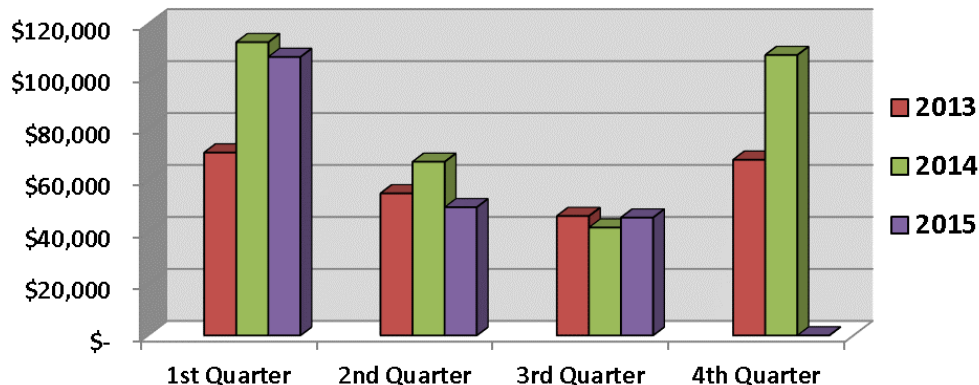
Measures	Sept 2013	Sept 2014	Sept 2015	2013 YTD	2014 YTD	2015 YTD
# of Building Permits	149	208	299	1,590	1,701	2,105
Building Permit Valuations	\$ 7,129,022	\$ 22,590,492	\$ 30,793,773	\$ 119,788,711	\$173,341,106	\$ 179,818,574
# of Certified Occupancies	28	30	83	269	181	476
Net # of Sales Tax Licenses	11	14	15	(303)	(88)	(31)
New Residential Electric Meter Sets	15	15	37	213	241	590
# of Utility Bills Sent	36,764	37,137	37,986	329,045	331,863	338,015
Rounds of Golf	9,545	12,590	14,483	93,848	95,144	101,296
\$ Average Health Claim Costs/Emp.	\$ 1,058	\$ 1,118	\$ 1,343	\$ 1,046	\$ 1,333	\$ 1,316
KWH Demand (kH)	136,885	123,900	127,931	1,038,908	1,007,272	1,010,470
KWH Purchased (kwh)	62,999,849	62,968,608	64,267,628	570,089,283	510,079,446	573,691,065
Gallons of Water Sold	553,577,414	462,067,181	626,697,702	2,889,783,591	2,830,473,362	2,775,565,871
# of Workers' Comp Claims 2015	10	7	5	83	65	71
\$ of Workers' Comp Claims Paid 2015	\$ 24,517	\$ 52,093	\$ 79,153	\$ 340,175	\$ 500,453	\$ 405,165
# of Total Open Claims	22	21	16	<i>Not Cumulative</i>		
\$ of Total Open Claims	\$ 212,886	\$ 259,290	\$ 349,255	<i>Not Cumulative</i>		
\$ of Lodging Tax Collected	\$ 80,107	\$ 91,486	\$ 87,597	\$ 546,079	\$ 630,211	\$ 654,663



City of Loveland
Statement of Results of Operations for Rialto Theatre Center
 For Quarter Ending 9/30/2015

	YTD Amount	YTD Budget	% of Budget	2015 YTD	Change from Prior Year
Rialto Theatre					
Rialto Theatre Revenues					
Revenues from Operations	\$145,286	\$391,820	37.08%	\$149,033	-2.51%
Gifts/Donations	20,000	55,880	35.79%	\$25,193	-20.61%
Transfers from Lodging Tax Fund	25,000	25,000	100.00%	\$25,000	0.00%
Total Rialto Theatre Revenues	\$190,286	\$472,700	40.26%	\$199,226	-4.49%
Rialto Theatre Expenses					
Personnel Costs	\$221,848	\$237,840	93.28%	\$174,756	26.95%
Supplies	12,747	13,920	91.58%	14,681	-13.17%
Purchased Services	132,544	239,890	55.25%	114,064	16.20%
Capital Outlay	29,192	35,200	0.00%	-	0.00%
Total Direct Costs	\$396,331	\$526,850	75.23%	\$303,501	30.59%
Administrative Allocations	114,270	114,270	100.00%	109,600	4.26%
Total Rialto Theatre Expenses	\$510,601	\$641,120	79.64%	\$413,101	23.60%
Rialto Theatre Net Income (Loss)	\$(320,314)	\$(168,420)	190.19%	\$(213,875)	49.77%
Rialto Event Center					
Rialto Event Center Revenues					
Revenues from Operations	\$11,614	\$19,460	59.68%	\$15,089	-23.03%
Gifts/Donations	-	-	0.00%	-	0.00%
Total Event Center Revenues	\$11,614	\$19,460	59.68%	\$15,089	-23.03%
Rialto Event Center Expenses					
Personal Services	\$19,715	\$25,440	77.50%	\$28,208	-30.11%
Supplies	45	1,360	3.31%	267	-83.13%
Purchased Services	2,959	42,200	0.00%	550	437.92%
Capital Outlay	-	-	0.00%	-	0.00%
Total Rialto Event Center Expenses	\$22,719	\$69,000	32.93%	\$29,025	-21.73%
Rialto Event Center Net Income (Loss)	\$(11,105)	\$(49,540)	22.42%	\$(13,936)	-20.31%
Grand Total Rialto Theatre Center Revenues	\$201,900	\$492,160	41.02%	\$214,315	-5.79%
Grand Total Rialto Theatre Center Expenses	\$533,320	\$710,120	75.10%	\$442,126	20.63%
Rialto Theatre Center Net Income (Loss)	\$(331,419)	\$(217,960)	152.05%	\$(227,811)	45.48%

Rialto Theater Center Quarterly Revenue Comparison



SnapShot

September 2015



For more information regarding this report contact:

Brent Worthington

Finance Director

970.962.2300 or

brent.worthington@cityofloveland.org

The City of Loveland is committed to providing an equal opportunity for citizens and does not discriminate on the basis of disability, race, 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 betty.greenberg@cityofloveland.org or 970-962-3319



Snapshot



September 2015

Brent Worthington
Finance Director

Presented
November 3, 2015

September 2015 Snapshot

- Citywide Revenue
 - \$205.5 million, excluding transfers
 - 6.1% below budget projections

- Citywide Expenditures
 - \$198 million, excluding transfers
 - 28.5% below budget projections

- Citywide revenues exceed expenditures by \$7.6 million.

September 2015 Snapshot

- General Fund Revenue
 - \$67.8 million YTD, excluding transfers
 - 3.2% above YTD Budget
 - 1.4% above same period last year

- Sales and Use Tax Revenue
 - \$35.7 million YTD
 - 2.0% above budget projections
 - 5.6% above same period as last year

- Sales Tax only
 - \$30.6 million YTD
 - 2.2% below budget projections
 - 3.3% above same period last year

September 2015 Snapshot

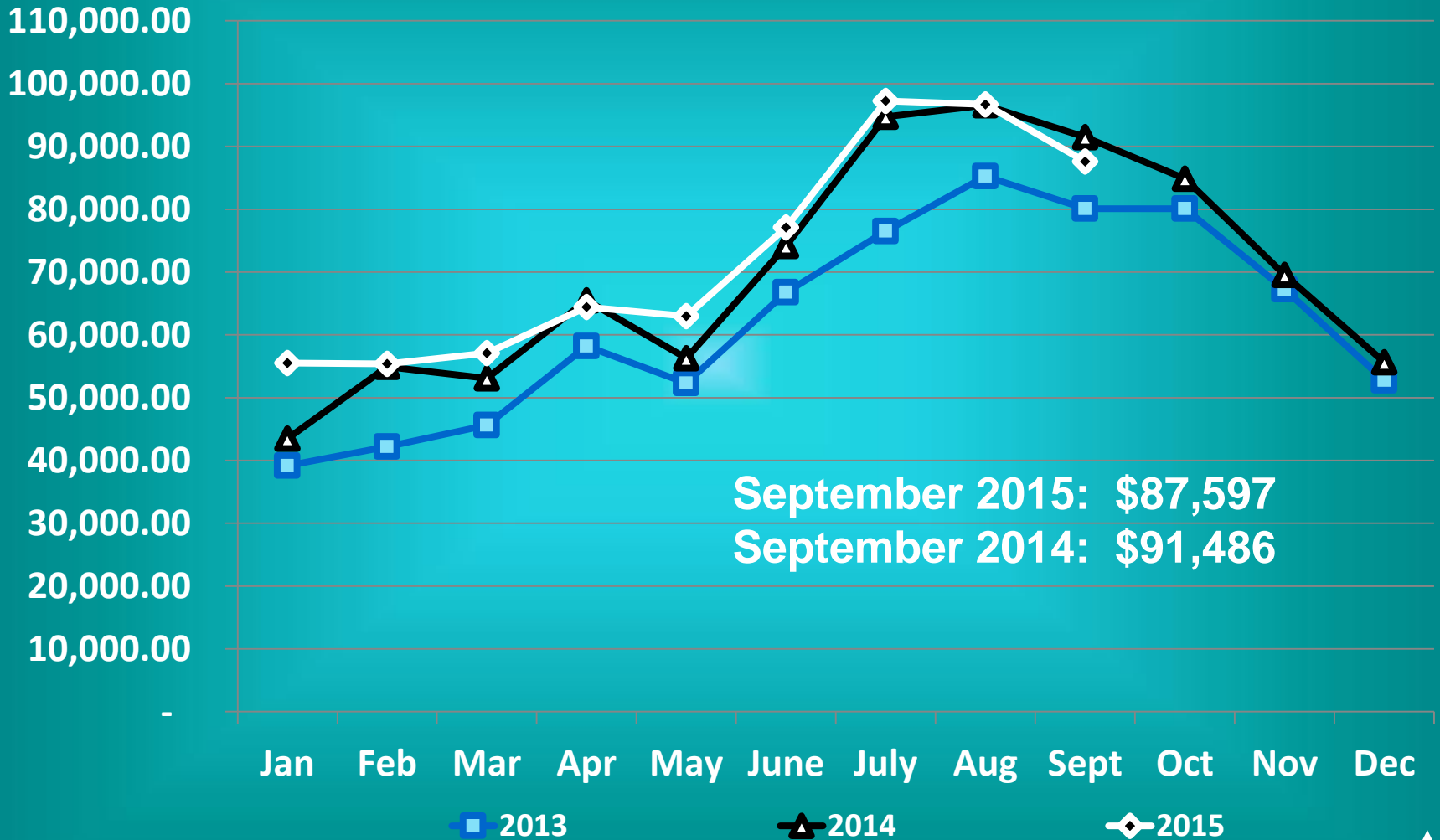
- General Fund Expenditures
 - \$53.7 million YTD, excluding transfers
 - 11.6% below budget projections

- General Fund Revenues Exceed Expenditures by \$5.3 million

- Health Claims
 - September Claims \$963 thousand
 - 2015 YTD increased from \$7.8 mil to \$8.3 mil from same time as last year (6.3%)

September 2015 Snapshot

Lodging Tax



➤ Lodging tax YTD is \$654,104 (3.7% higher than 2014 YTD).



Flood Report

Cost Estimates			
Emergency Response		\$ 2,000,000	
Business Assistance		600,000	
Capital		27,906,129	
Total		\$30,506,129	
Actual Expenditures			
		<u>September</u>	<u>To Date</u>
Total	\$	322,221	\$ 21,067,633
Reimbursements Applied For			
		<u>September</u>	<u>To Date</u>
FEMA	\$	-	\$8,945,906
CIRSA		-	7,050,329
Other		50,000	627,466
Total	\$	50,000	\$ 16,623,700
Reimbursements Received			
		<u>September</u>	<u>To Date</u>
FEMA	\$	376,832	\$ 6,174,532
CIRSA		32,461	7,050,329
Other		50,000	627,466
Total	\$	459,293	\$ 13,852,327



September 2015 Snapshot



Questions?

Brent Worthington
Finance Director

Presented
November 3, 2015



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: 14
MEETING DATE: 11/3/2015
TO: City Council
FROM: Alan Krcmarik, Executive Fiscal Advisor
PRESENTER: Alan Krcmarik

TITLE:

Investment Report for September 2015

RECOMMENDED CITY COUNCIL ACTION:

This is an information only item. No Council action is required.

DESCRIPTION:

The budget projection for investment earnings for 2015 is \$1,759,080. On the portfolio's 2015 beginning balance this equates to an annual interest rate of 0.84%. Based on the monthly statement, the estimated annualized yield on the securities held by USBank was steady at 1.1%. For September, earnings of \$204,105 were posted to City funds and the year to date total is \$1,360,782. U.S. short-term Treasury interest rates fell sharply in September; the portfolio had an unrealized gain of \$385,204 in September compared to an unrealized loss of \$148,348 in August. The end of September portfolio market value is estimated to be \$218.2 million. The total amount of the portfolio is higher compared to the beginning of the year, but is still not back to the peak amount reached before the 2013 flood when the portfolio carried an estimated market value of \$226.3 million.

SUMMARY:

At the end of September, the City's portfolio had an estimated market value of \$218.2 million, about \$2.4 million more than a month ago. Of this amount, USBank held \$191.8 million (including accrued interest) in trust accounts; other funds are held in local government investment pools, in operating accounts at First National Bank, and a few other miscellaneous accounts. Interest rates trended to all-time record lows in 2012-2013 before rising in the second half of 2014. After a sharp drop in January, interest rates have cycled down, up, and back down through September. Short-term rates are projected to rise later in 2015 and are dependent upon the actions of the Federal Open Market Committee. City investments are in U.S. Treasury Notes, high-rated U.S. Agency Bonds, highly-rated corporate bonds, money market accounts, insured certificates of deposit and local government investment pools. The City's investment strategy emphasizes safety of principal, then sufficient liquidity to meet cash needs, and finally, return on investment. Each percent of earnings on the portfolio equates to about \$2.18 million annually.

REVIEWED BY CITY MANAGER:

William D. Cavill

LIST OF ATTACHMENTS:

Investment Focus September 2015



Investment Focus

Monthly Investment Report

September 2015

What's in here?

Focal Points	1
Gain / Risk and Recession Risk	
Rate Trends	2
Cash Statement	3
Portfolio Size / Investment Types	4
Transactions / Maturity	5
Labor Data	6-7
Future Scan	8

Focal Points

- * **2015 targets for the City's portfolio:**
1) interest rate = **0.84%**; 2) earnings = **\$1,759,080**.
- * **City investments are in high-quality, low-risk securities to comply with Colorado law and the City's adopted investment policy.**
- * **Interest earnings posted for the month totaled \$204,105; for the year-to-date, \$1,360,782.**
- * **Each 1% of market value amounts to nearly \$2.2 million.**
- * **The month-end market value shows the unrealized gain is estimated to be **\$385,204** at the end of September.**

Rates and Recession Risk: The Fed's Catch-22

"Nearly seven years of zero rates and a \$4.5 trillion balance sheet have nurtured an economic expansion that, at 75 months, is the fourth longest since World War II. It has also encouraged investors to pour money into emerging-market bonds, commercial real estate and other risky assets."

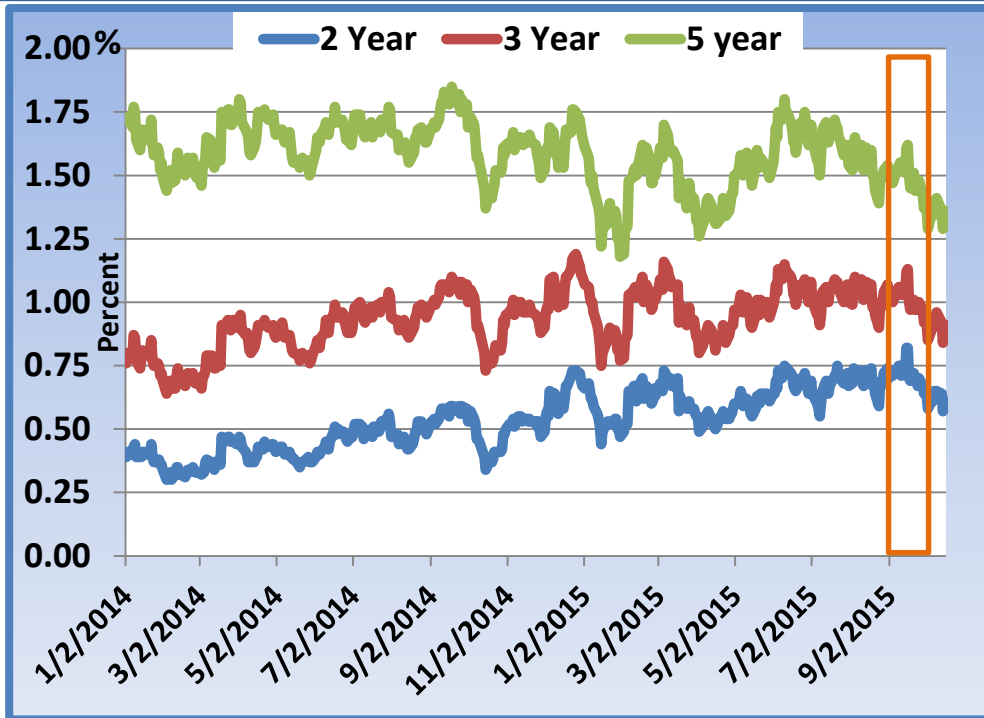
Fed Vice Chairman Stanley Fischer acknowledged "the mere expectation of tightening could be damaging...As Fed officials have signaled rates could rise...stocks have sold off, yields on... bonds have risen, and the dollar has climbed sharply."

continued on page 2

Type of Investment	Purchase Price	Market Price	Unrealized Gain/Loss
Checking Accounts	\$ 24,414,323	\$ 24,414,323	-
Investment Pools	\$ 2,026,596	\$ 2,026,596	-
Money Markets	\$ 19,604,216	\$ 19,604,216	-
Subtotal	\$ 46,045,135	\$ 46,045,135	-
Notes, Bonds, and CDs	\$ 171,807,494	\$ 172,192,697	\$ 385,204
Total Portfolio	\$ 217,852,628	\$ 218,237,832	\$ 385,204
Data sources	(Morgan Stanley)	(US Bank)	9/30/2015

Due to rounding, column and row totals may not add exactly.

Treasury Rate Trends / Soft Global Growth



Interest rates on U.S. Treasuries dropped in September. The 2-year Treasury note was down 10 basis points, the 3-year note down 15 basis points and, and the 5-year Treasury was down 17 basis points.

When rates fell, the price of securities held in the portfolio increased, resulting in an unrealized gain at month end.

Continued from Page 1.

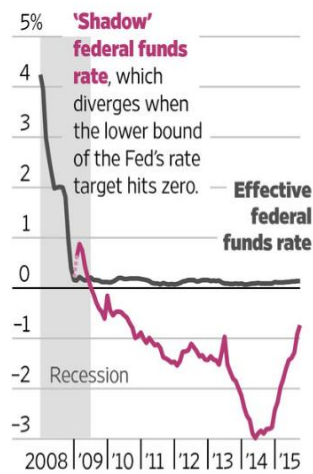
“The “shadow federal funds rate,” a technical measure that incorporates the effects of the Fed’s bond buying and verbal cues on the path of rates, has jumped. According to J.P. Morgan, junk bonds are pricing in a 42% probability of recession within a year.”

“That may be an over-reaction; though retail sales softened in September, solid job growth does not suggest a recession is imminent. Nonetheless, that such turmoil could result from Fed simply talking about raising rates from zero is a useful reminder of how little control it really has.”

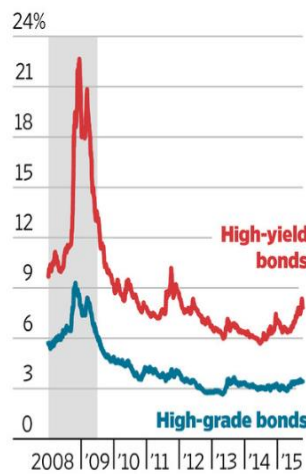
Tightening, Whether the Fed Wants It or Not

The headline federal-funds-rate target hasn’t budged for most of a decade, but some effects of a rate-rise are showing up already, as markets start to factor in an end to easy money.

Federal funds rates, at the end of each month



U.S. corporate bonds, yield to maturity



U.S. dollar, indexed against a broad basket of currencies



Sources: Federal Reserve (effective funds rate, dollar index); Jing Cynthia Wu and Fan Dora Xia (shadow funds rate); Merrill Lynch (yields)

THE WALL STREET JOURNAL.

(Source: “Rates and Recession Risk: The Fed’s Catch-22: As markets adjust, central bank loses leverage over its management of economy” by Grep Ip in **THE WALL STREET JOURNAL**, October 14, 2015.)

Bottom Line: Plus 4.6% to Beginning Balance

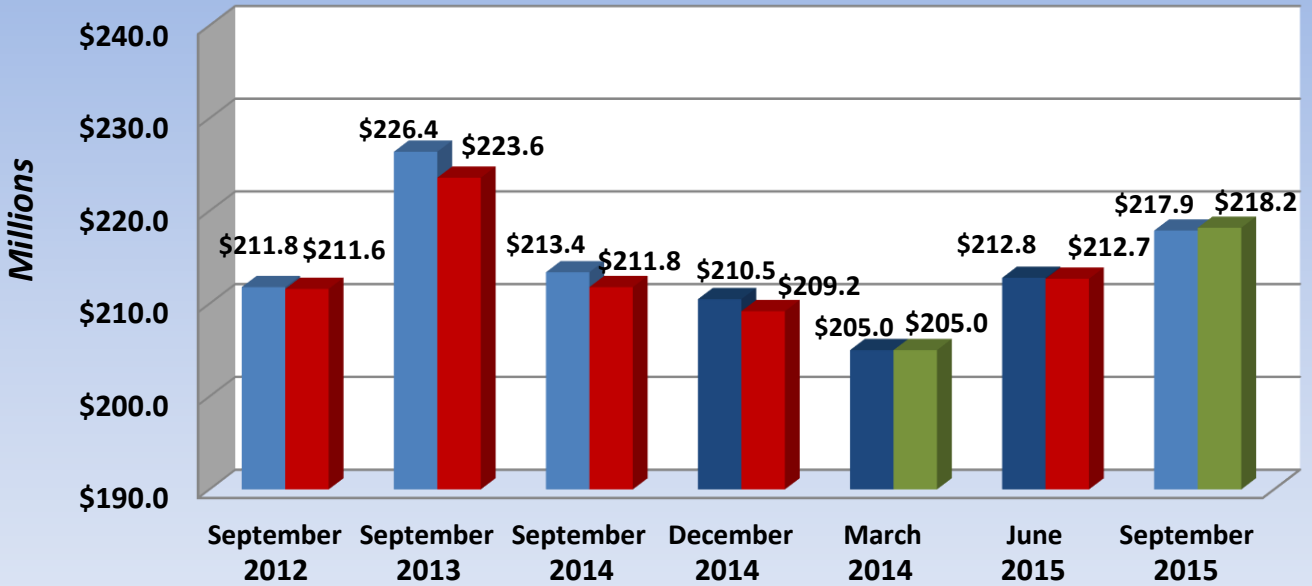
		2015 Beginning	YTD Activity	Month End Total
Restricted Reserves				
1	Capital Expansion Fees	\$ 26,441,888	\$ 5,028,394	\$ 31,470,282
2	Water System Improvement Fees	8,739,018	(3,316,394)	5,422,623
3	Raw Water Revenue - Windy Gap	23,717,172	(3,151,576)	20,565,596
4	Wastewater System Imp. Fees	6,567,194	1,336,295	7,903,489
5	Storm Drainage System Imp. Fees	1,560,948	340,146	1,901,095
6	Power Plant Investment Fees	3,062,677	1,111,912	4,174,589
7	Cemetery Perpetual Care	2,796,863	30,035	2,826,898
8	Other Restricted	33,911,437	(3,514,095)	30,397,342
9	Total Restricted	\$ 106,797,197	\$ (2,135,283)	\$ 104,661,913
Committed / Assigned				
10	General Fund	\$ 11,224,908	\$ 2,038	\$ 11,226,946
11	Enterprise Funds	5,277,806	913,782	6,191,588
12	Internal Service Funds	16,298,335	(1,629,158)	14,669,177
13	Total Committed / Assigned	\$ 32,801,049	\$ (713,338)	\$ 32,087,711
14	Total Restricted/Committed/Assigned	\$ 139,598,246	\$ (2,848,621)	\$ 136,749,625
Unassigned Balance				
15	General Fund	\$ 30,998,781	\$ 5,400,976	\$ 36,399,757
16	Airport	1,937,715	35,498	1,973,213
17	Internal Service - Vehicle Maint.	37,349	(37,347)	2
18	Enterprise Funds	36,009,298	6,982,491	42,991,788
19	Total Unassigned	\$ 68,983,143	\$ 12,381,617	\$ 81,364,760
20	TOTAL FUND BALANCE	\$ 208,581,389	\$ 9,532,997	\$ 218,114,385

Source: City of Loveland Budget Office

Due to rounding, column and row totals may not add exactly.

Portfolio Growth Trend / Types of Investments

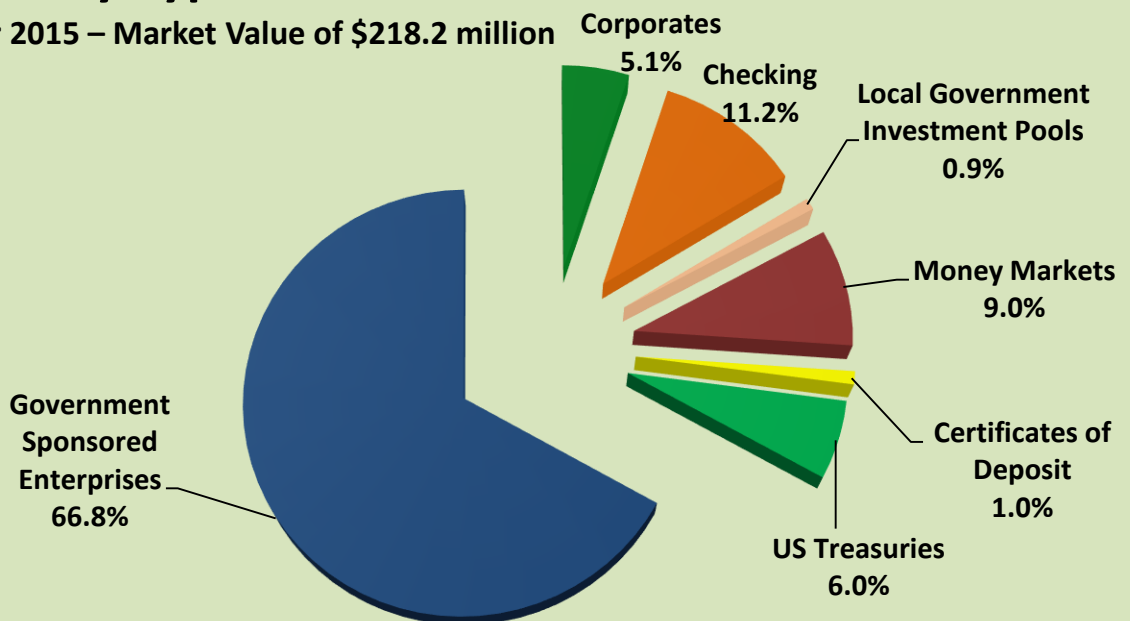
Portfolio Size Since September 2012



Blue bars show Purchase value; red or green bars show Market value (red = loss and green = gain).

Portfolio by Type of Investment

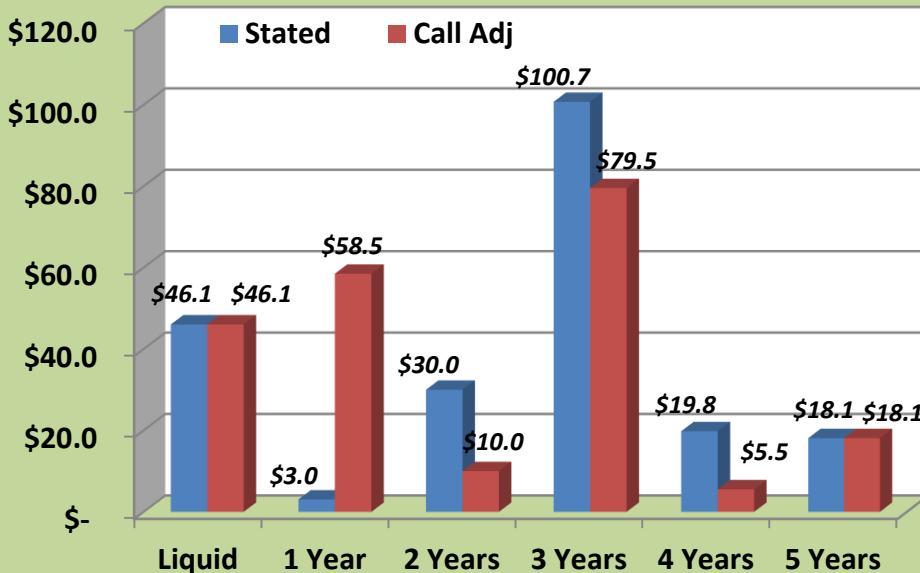
September 2015 – Market Value of \$218.2 million



Transactions / Portfolio by Maturity

	Maturity Date	Face Value \$	Purchase \$	Stated Rate
<u>Purchases</u>				
Federal Farm Credit Bank	09/06/2019	\$ 5,000,000.00	\$ 5,000,950.00	1.480%
Federal Farm Credit Bank	09/20/2020	<u>\$ 5,000,000.00</u>	<u>\$ 5,000,000.00</u>	1.740%
		\$10,000,000.00	\$10,000,950.00	
<u>Matured</u> None this month				
<u>Called</u>			<u>Call Value \$</u>	
Federal Farm Credit Bank	08/07/2017	\$ 5,000,000.00	\$ 5,000,000.00	0.970%
Federal Home Loan Bank	06/05/2018	\$ 5,000,000.00	\$ 5,000,000.00	1.300%
Federal Home Loan Bank	06/26/2019	\$ 2,000,000.00	\$ 2,000,000.00	1.375%
Fed. Home Loan Mort. Corp.	09/12/2017	\$ 5,000,000.00	\$ 5,000,000.00	1.000%
Fed. Home Loan Mort. Corp.	06/27/2018	<u>\$ 5,000,000.00</u>	<u>\$ 5,000,000.00</u>	1.250%
		\$22,000,000.00	\$22,000,000.00	
<u>Sales</u>			<u>Gain/(Loss) \$</u>	
None this month				

Portfolio by Estimated Maturity Term
(in millions - Total = \$218.2 at the end of September)



The target interest earnings rate for 2015 is 0.84%. Rates have been volatile over recent months and reached all-time lows for the 10-year treasury.

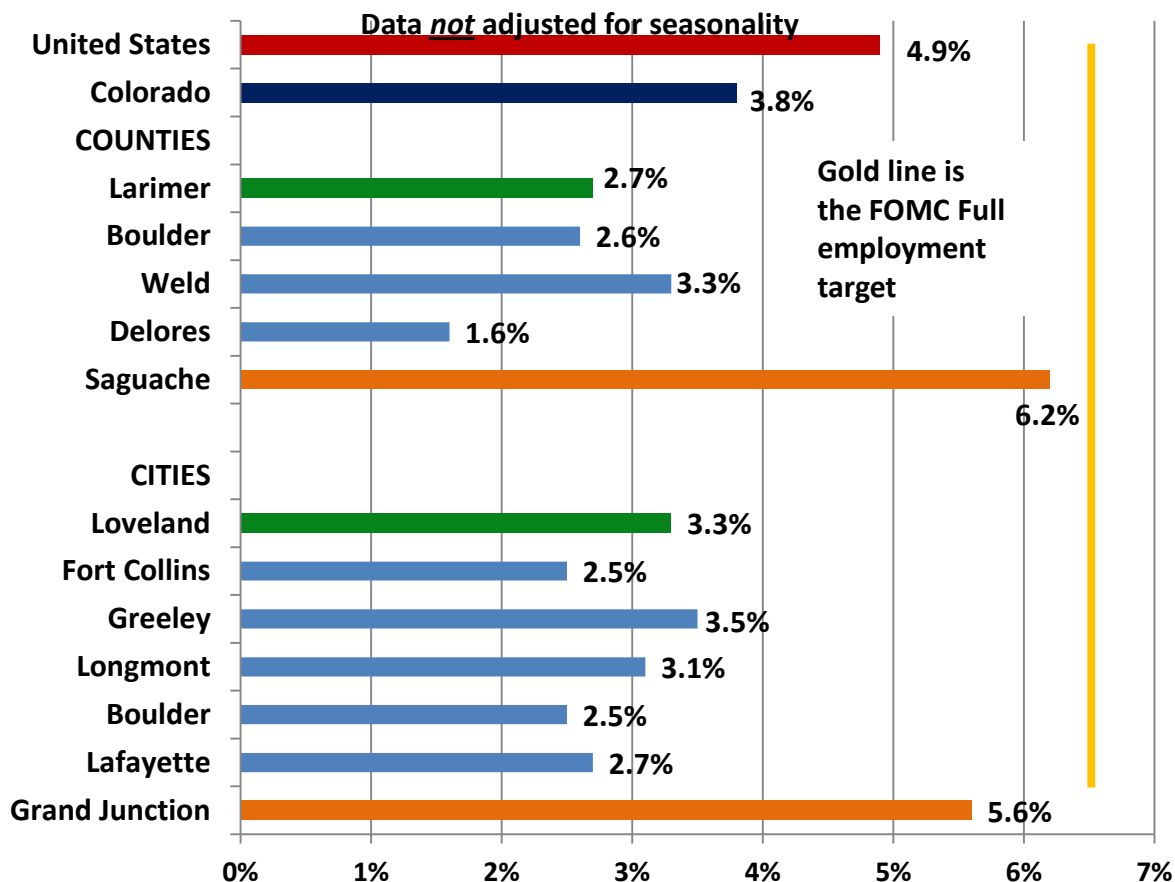
To support earnings, or to reposition the portfolio, bonds may be sold. Sales have netted \$2,429.28 this year.

Blue bars show the stated term; red bars show possible calls.

- ❑ Loveland’s employed workforce expanded in September, **up 98 jobs** from August.
- ❑ Compared to September of 2014, there are **245 more** jobs reported by Loveland residents

Important note: It is a routine practice at the beginning of each year for the Bureau of Labor Statistics to revise estimates for prior years based on new information available and updated methodologies. Revisions to the unemployment rate and all related household survey based series as a result of the benchmark process this year were particularly significant due to a change to American Community Survey based inputs. All series were revised back to 1976.

Unemployment Rates



Current “missing worker” estimates at a glance

Updated September 4, 2015, based on most current data available.

Total missing workers,
September 2015:
4,000,000

Unemployment rate if
missing workers were
looking for work:
7.4%

Official
unemployment rate:
5.1%

In today’s labor market, the unemployment rate drastically understates the weakness of job opportunities. This is due to the existence of a large pool of “missing workers”—potential workers who, because of weak job opportunities, are neither employed nor actively seeking a job. In other words, these are people who would be either working or looking for work if job opportunities were significantly stronger. Because jobless workers are only counted as unemployed if they are actively seeking work, these “missing workers” are not reflected in the unemployment rate. When persons marginally attached to the labor force plus those employed part time for economic reasons are added to the official unemployment rate (the 5.1% number above right), the rate rises to **10.0%** (the seasonally adjusted U-6 number; the unadjusted number is **9.6%**).

Website: <http://www.epi.org/publication/missing-workers/>





Future Scan: Fed Outlook, Employment, Recession Outlook

❖ **FOMC Minutes Sap Confidence in Fed's 2015 Rate Hike Resolve**

- "Many economists still take Federal Reserve policy makers at their word and predict the central bank will raise interest rates this year. Yet, even their confidence was shaken a bit on Thursday after the Fed released the minutes of its most recent policy meeting."
- "Minutes of the Sept. 16-17 Federal Open Market Committee meeting showed officials were feeling pretty good about the U.S. economy. Unemployment had fallen faster than they anticipated, consumer spending was picking up and the housing market was showing encouraging signs. Headwinds keeping inflation well below the Fed's 2% goal, like lower oil prices and a strong dollar, were firmly judged to be transitory. All systems Go."
- "Yet the solid reading on the domestic economy was darkened by threats from abroad. China's slowing growth, which could spill over to other emerging market economies, raised risks the dollar might strengthen further, making U.S. exports more expensive in foreign markets and creating an additional drag on the economy."
(Source: **FOMC Minutes Sap Confidence in Fed's 2015 Rate Hike Resolve** by Christopher Condon and Matthew Boesler in **BloombergBusiness** on-line, October 8, 2015.)

❖ **US economy not sliding into recession**

- "Despite some economists warning that the American economy has slowed, *Business Insider* cites six reasons why the U.S. "is not doomed" to slide into a recession.
- "The half-dozen reasons to be optimistic from BMO Capital's Brian Belski:
 - Long-term rates are higher than short-term rates. Recession usually happen when the opposite is true;
 - Manufacturing signals continue to signal growth, but at a slower pace;
 - Consumer confidence is still rising;
 - Homebuilder sentiment is the most optimistic since 2005;
 - Sales of autos and other big-ticket items are still rising;
 - Weekly claims for unemployment insurance are at their lowest in 15 years."
- "'We believe a US recession remains years away,' Goldman Sachs Asset Management wrote recently, reflecting the broader consensus among those on Wall Street."
(Source: *Business Insider: 6 Signs US Isn't Sliding Into a Recession* in **NewsmaxFINANCE** online, October 20, 2015.)

- ❖ **The September 2015 Colorado Employment Situation** was released October 18th. Total nonfarm payroll jobs rose by 2,000 from August to September. Year over year through September, the jobs number is up 41,500. The latest household survey data show Loveland's unemployment rate to be 3.3%, 0.5% lower than August. Other cities and counties show similar decreases in the rate. The chart is on page 6. (Next Update November 20.)
(Source: Colorado Department of Labor and Employment **September 2015 Colorado Employment Situation**, October 20, 2015.)

- ❖ **Recession Indicators:** Four indicators (Industrial Production, Nonfarm Employment, Real Personal Income, and Real Retail Sales) are the basis for determining a recession. Based on September data, Industrial Production **fell by 0.19%**; Real Retail Sales rose by 0.26% and, Employment continued on a modest growth trend of 0.10%. Real Income was up 0.34% in August. "The US economy has been slow in recovering from the Great Recession, and the overall picture for 2015 has been a mixed bag. Employment and Income have been relatively strong. Real Retail Sales and Industrial Production have been distressingly weak. However, July Real Sales rebounded, and the August and September data, while below expectations, show slow growth."
(Source: **Advisor Perspectives**, Doug Short, October 15, 2015.)

For more information regarding this report, please contact:

Alan Krcmarik, Executive Fiscal Advisor 970.962.2625 or Alan.Krcmarik@cityofloveland.org

Monthly Investment Report

September 2015



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: 15
MEETING DATE: 11/10/2015
TO: City Council
FROM: City Clerk's Office
PRESENTER: Terry Andrews, City Clerk

TITLE:

A Motion Calling For A Special Meeting On November 10, 2015 At 6:30 Prior To The Regularly Scheduled Study Session Of City Council

RECOMMENDED CITY COUNCIL ACTION:

Approve the motion.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action. Council members would be sworn in at the Regular meeting on November 17, 2015.

SUMMARY:

This is an administrative action. To set a Special Meeting to consider the November 3, 2015 Regular Meeting minutes and to swear in newly elected councilors. This meeting would be immediately followed by the Study Session.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

BACKGROUND:

The City Charter requires that Council members take office at the first regular or special meeting of the Council following their election. Council has a Study Session scheduled for November 10, 2015. Traditionally, Council has held a Special meeting to consider the minutes from the last Council meeting and swear in Council members. If approved, the special meeting will be held at 6:30 immediately followed by the regular Study Session. The City Clerk's Office has affidavits, on file, waiving service to Council members at their place of residence.

REVIEWED BY CITY MANAGER:

William D. Cavill

LIST OF ATTACHMENTS:

None



CITY OF LOVELAND
HUMAN RESOURCES DEPARTMENT
 Civic Center • 500 East Third • Loveland, Colorado 80537
 (970) 962-2371 • FAX (970) 962-2919 • TDD (970) 962-2620

AGENDA ITEM: 16
MEETING DATE: 11/3/2015
TO: City Council
FROM: Julia Holland, Human Resources Director
PRESENTER: Bettie Greenberg, Risk Manager

TITLE:

A Resolution Consenting To Participation Of The Loveland Downtown Development Authority In The Colorado Intergovernmental Risk Sharing Agency

RECOMMENDED CITY COUNCIL ACTION:

Approve the Resolution.

OPTIONS:

1. Adopt the action as recommended.
2. Deny the action.
3. Adopt a modified action.
4. Refer back to staff for further development and consideration.

SUMMARY:

The City desires to consent to the Loveland Downtown Development Authority's participation in the Colorado Intergovernmental Risk Sharing Agency ("CIRSA").

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

BACKGROUND:

The City is a member of CIRSA, a public entity self-insurance pool providing property/casualty coverage, workers' compensation coverage, or both, to its members. The Loveland Downtown Development Authority ("Authority") is a public entity as said term is defined in C.R.S. Section 24-10-103.5 (other than the state, a county, a city and county, or a school district). The City has in effect with the Authority an intergovernmental agreement for the provision of one or more functions, services, or facilities lawfully authorized to both the City and the Authority, and the City is a party to the formation of the Authority. CIRSA bylaws at Section VI.1.c. require that the member municipality consent to an entity's participation in CIRSA. The Authority applied for membership in CIRSA and the City desires to consent to the Authority's participation in CIRSA.

REVIEWED BY CITY MANAGER:

William D. Casill

LIST OF ATTACHMENTS:

Resolution

Resolution #R-78-2015

**A RESOLUTION CONSENTING TO PARTICIPATION
OF THE LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY
IN THE COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY**

WHEREAS, the City is a member of the Colorado Intergovernmental Risk Sharing Agency (“CIRSA”), a public entity self-insurance pool providing property/casualty coverage, workers’ compensation coverage, or both, to its members; and

WHEREAS, the Loveland Downtown Development Authority (“Authority”) is a public entity as said term is defined in C.R.S. Section 24-10-103.5 (other than the state, a county, a city and county, or a school district); and

WHEREAS, the City has in effect with the Authority an intergovernmental agreement for the provision of one or more functions, services, or facilities lawfully authorized to both the City and the Authority, and the City is a party to the formation of the Authority; and

WHEREAS, the Authority applied for membership in CIRSA and CIRSA bylaws at Section VI.1.c. require that the member municipality consent to an entity’s participation in CIRSA; and

WHEREAS, the City desires to consent to the Authority’s participation in CIRSA.

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

Section 1. That the City Council hereby consents to participation by the Loveland Downtown Development Authority in CIRSA.

Section 2. That a copy of this Resolution shall be forwarded to the Authority and to CIRSA.

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

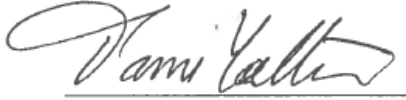
ADOPTED this 3rd day of November, 2015.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

A handwritten signature in black ink, appearing to read "Tami Yalter". The signature is written in a cursive style with a large initial "T" and a long, sweeping underline.

City Attorney



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: 17
MEETING DATE: 11/3/2015
TO: City Council
FROM: Steve Adams, Water and Power
PRESENTER: Steve Adams, Water and Power Director

TITLE:

Notice of Award for the Photovoltaic Facility for the FEMA Alternate Project

RECOMMENDED CITY COUNCIL ACTION:

Issue a notice of award for the Photovoltaic Facility for the FEMA Alternate Project to Namaste Solar in the amount not to exceed \$5,100,000 and authorize the City Manager to execute the contract.

OPTIONS:

1. Adopt the action as recommended, which will allow the photovoltaic facility for the FEMA Alternate Project to be completed by the required FEMA deadline as planned.
2. Deny the action, which would halt the photovoltaic project.
3. Adopt a modified action.
4. Refer back to staff for further development and consideration which would delay the project.

SUMMARY:

This is an administrative action. Approval of this item will allow the Photovoltaic Facility for the FEMA Alternate Project to be awarded to Namaste Solar of Boulder, Colorado for work to begin following the final rezoning approval by Council and the special review appeal period for the Foothills site and completing by December 31, 2016. On July 7, 2015, City Council approved a supplemental appropriation on second reading to appropriate money for this project. Loveland Water and Power (LWP) will seek maximum reimbursement from FEMA for expenses as this project progresses.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

Funding for this project was appropriated by City Council on July 7, 2015.

BACKGROUND:

On June 11, 2015, LWP posted a request for proposal (RFP) for the Photovoltaic Facility. This competitive process was performed in compliance with the Federal Acquisition Requirements (FARs) for a two-step design/build process for the FEMA Alternate Project. Phase 1 of this process required the submission of a 30% design proposal for the solar facility to be located at the Foothills site between W. 22nd and W. 29th Streets west of Mehaffey Park. Design proposals

were received on July 23, 2015 from three contractors; Affordable Solar, Namaste Solar and SunPower. These designs were reviewed by the LWP project managers for the FEMA Alternate Project with input from Platte River Power Authority (PRPA) engineering staff. Phase 2 of this process requested pricing responses from all three contractors to support their submitted designs. Phase 2 pricing proposals were received on September 3, 2015. The team of LWP project managers and PRPA engineers reviewed the final Phase 1 and Phase 2 proposals from each vendor, evaluating the individual submissions based on the criteria outlined in the RFP. Based on capacity, price and adherence to the technical specifications outlined in the RFP, Namaste Solar is being recommended as the designer and contractor for this project. On October 21, 2015, the Loveland Utilities Commission (LUC) recommended that City Council approve a resolution issuing a notice of award for final design completion, project oversight during construction, and construction to Namaste Solar, contingent on receiving scope change approval for the project location from the State and FEMA. On October 30, 2015 City will receive approval of the scope change from the State and FEMA.

Phase 2 pricing proposals are listed below:

<u>Contractor</u>	<u>Proposal Amount</u>
Affordable Solar	\$5,097,304
Namaste Solar	\$5,095,921
SunPower	\$5,098,691

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

Resolution

RESOLUTION #R-79-2015**A RESOLUTION AUTHORIZING A NOTICE OF AWARD FOR THE PHOTOVOLTAIC FACILITY DESIGN AND CONSTRUCTION AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONTRACT**

WHEREAS, the City of Loveland for many decades generated about 900 kilowatts of electricity from the Idylwilde hydroelectric plant on the Big Thompson River, which was damaged in the September 2013 flood. Since the dam has been damaged in two floods, the City intends to build a renewable source of electricity that is less susceptible to natural disasters. The proposed photovoltaic facility has been submitted to the Federal Emergency Management Agency (FEMA) and the City will seek FEMA reimbursement for the project.

WHEREAS, the City of Loveland Water and Power Department issued a Request for Proposal for a Photovoltaic Facility for the FEMA (Federal Emergency Management Agency) Alternate Project with responses due July 2, 2015. The competitive process has used a two phase design-build selection, and the awardee will complete the design and construct the solar energy (photovoltaic) power facility; and

WHEREAS, on July 7, 2015, City Council approved a supplemental appropriation on second reading to appropriate the funding for this project, and the City will seek maximum reimbursement from FEMA for reimbursement of expenses; and

WHEREAS, the recommendation from Loveland Utilities Commission is for the Notice of Award to be issued to Namaste Solar of Boulder, Colorado; and

WHEREAS, Phase 1 of the competitive process sought design proposals that were 30% complete, and Phase 2 requested pricing proposals to finish design and construct the Photovoltaic Facility. The location of the proposed Facility was changed to the current location at the Foothills site between W. 22nd and W. 29th Streets, and FEMA has approved the scope change to the new site; and

WHEREAS, the City, in order to receive FEMA funds for this project, must have the project complete by December 31, 2016. In order to meet this goal within the timeframe, the City needs to begin contract negotiations and finalize a contract by the end of the year so that work can begin in January 2016; and

WHEREAS, the City Council desires to approve the Notice of Award to Namaste Solar on behalf of the City and to authorize the City Manager to execute the contract.

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

Section 1. That the Notice of Award for the final design and construction of the Photovoltaic Facility is hereby approved.

Section 2. That the City Water and Power Department in consultation with the City Attorney should begin negotiation and the City Manager is hereby authorized, following consultation with the City Attorney, to modify 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 City Manager and the City Clerk are hereby authorized and directed to execute the Agreement on behalf of the City.

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

ADOPTED this 3rd day of November, 2015.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Assistant City Attorney