



CITY COUNCIL

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

PROCLAMATION

- WHEREAS,** the month of February, 2011, has been designated as “Career & Technical Education Month”; and
- WHEREAS,** the Thompson R2-J School District provides a Career & Technical Education program that focuses on preparing students to enter the 21st Century workforce; and
- WHEREAS,** we desire students to graduate from our schools with the motivation to continue to learn throughout their lives and be equipped with the knowledge and tools to make informed life choices; and
- WHEREAS,** the Business/Education Partnership Programs in cooperation with participating businesses in the communities offer all students the opportunity to gain employability skills through classroom education, leadership development, projects, shadows, mentors, apprenticeships, internships, cooperative programs; and
- WHEREAS,** the future of the City, State, and Nation depend upon the growth and development of our youth who will one day become our business leaders;

NOW, THEREFORE, we, the City Council of Loveland, Colorado, do hereby proclaim the month of February, 2011, as

CAREER & TECHNICAL EDUCATION MONTH

and strongly urge business, industry, education, government, and citizens of the community to lend their interest, assistance, and encouragement to the students participating in the program.

Signed this 1st day of February, 2011

Cecil Gutierrez
Mayor

Mayor Gutierrez called the Study Session of the Loveland City Council to order at 6:30 p.m. on the above date. Councilors present: Gutierrez, Heckel, Solt, Johnson, Rice, Klassen, McEwen, McKean and Shaffer. City Manager, Bill Cahill was also present.

1. BUSINESS DEVELOPMENT

The Loveland Jobs Development Program

Economic Fiscal Advisor, Alan Krcmarik introduced this item to Council as a follow up to the November 2nd, 2010 meeting of the City Council Economic Development Sub-committee, the November 16th, 2010 City Council Meeting and the December 8th, 2010 CFAC meeting. Council asked staff to reconvene a Commercial Lenders Panel to discuss the current financial markets; the role of bridge loans to support construction financing and the merit of establishing the Loveland Jobs Development Program. The panel representatives were: Nicole Reeves, First Bank; Gail Grant and Jessica MacMillan, Great Western Bank; Joe Scherger, Home State Bank; and Joe Rowan, Funding Partners. Mr. Rowan gave extension information on the loan servicing functions the organization would provide if the LJDP is established. Business Development Manager, Betsey Hale was also present to answer questions. Council directed staff to bring the item for consideration at the February 1, 2011 regular meeting.

2. CITY MANAGER

Discussion priorities for 2011 City Council Advance

City Manager, Bill Cahill introduced this item to Council. Mr. Cahill urged the Council members to pick the top 10 priority topics which represent to them the best use of time, resources and effort by the organization as a whole for discussion at the 2011 City Council Advance on February 5, 2011. Dr. Judy Skupa from Thompson School District will facilitate the meeting. Each councilor was instructed to place their 10 stickers next to their own top 10 choices from the 52 items posted on the easels in the chambers. The results will be compiled along with the remainder of items not chosen. At the Advance, there will be an opportunity for councilors to advocate for items that were not chosen.

Mayor Gutierrez invited Council to attend the 50th Anniversary celebration of the Thompson School District at Thompson Valley High School on Friday evening, January 14, 2011. On January 17, 2011, Mayor Gutierrez and City Manager, Bill Cahill will attend the Martin Luther King Day celebration at Thompson Valley High School. Councilor Solt shared the article from Family Circle magazine about the Sweetheart City. Councilor Shaffer commended Public Works Director, Keith Reester for reuse of the COLT bus fare boxes by Platte River Trolleys.

The study session was adjourned at 9:44 p.m.

Respectfully Submitted,

Jeannie M. Weaver, Deputy City Clerk

Cecil A. Gutierrez, Mayor

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

ROLL CALL

Roll was called and the following responded: Gutierrez, Heckel, McEwen, Klassen, Johnson, McKean, Shaffer, Rice and Solt.

PROCEDURAL INFORMATION

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

CONSENT AGENDA

Mayor Gutierrez asked if anyone in the audience, Council or staff wished to speak on any of the items or public hearings listed on the Consent Agenda. Mayor Gutierrez pulled Item 5 at Staff's request. Councilor Johnson moved to approve the Consent Agenda with the exception of Item 5. The motion was seconded by Councilor Heckel and a roll call vote was taken with all councilors present voting in favor thereof.

1. MINUTES

a) Minutes for the January 4, 2011 regular meeting were approved.

2. CITY MANAGER

Board & Commission Appointments

Motion

Administrative Action: The following appointments were made:

Library Board: Sandy Darby was appointed to a term effective until December 31, 2015. Louise Lucke was reappointed and Amy Cohen appointed as Alternate members for terms effective until January 18, 2012.

Senior Advisory Board: Bobbi Sutton was reappointed as representative from McKee Medical Center for a term effective to January 18, 2013.

Open Lands Advisory Commission: Andy Hawbaker, Joel Johnston, and Lori Bell were reappointed to four year terms effective until December 31, 2014.

3. DEVELOPMENT SERVICES

Public Access Easement Vacation – McKee Meadows Sixth Subdivision

Ordinance #5554

Legislative Action: "AN ORDINANCE VACATING A PORTION OF A PUBLIC ACCESS EASEMENT LOCATED ON LOT 4, BLOCK 1, MCKEE MEADOWS 6TH SUBDIVISION, CITY OF LOVELAND, LARIMER COUNTY, COLORADO" was approved and ordered published on second reading.

At 6:35 p.m. City Council adjourned and convened as the Board of Commissioners for the Loveland Urban Renewal Authority (LURA)

4. DEVELOPMENT SERVICES

Supplemental Budget and Appropriation – Facade Grant (Majestic Theater / Odd Fellows Lodge Building)

Ordinance #5555

Administrative Action: “AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2011 LOVELAND URBAN RENEWAL AUTHORITY BUDGET FOR A FAÇADE GRANT TO THE ODD FELLOWS LODGE” was approved and ordered published on second reading.

At 6:35 p.m. the Board of Commissioners for the Loveland Urban Renewal Authority (LURA) adjourned and reconvened as City Council

5. BUSINESS DEVELOPMENT

Municipal Code Change – Add Creative Sector Development Advisory Commission

This item was removed from the consent agenda.

6. HUMAN RESOURCES

Reappointment of Deputy Municipal Court Judge

Resolution #R-4-2011

Administrative Action: Resolution #R-4-2011 of the Loveland City Council reappointing James Packard as the Deputy Municipal Court Judge for a new two-year term beginning January 18, 2011 was approved.

RESOLUTION #R-4-2011

A RESOLUTION OF THE LOVELAND CITY COUNCIL REAPPOINTING JAMES PACKARD AS THE DEPUTY MUNICIPAL COURT JUDGE FOR A NEW TWO-YEAR TERM BEGINNING JANUARY 18, 2011

WHEREAS, on March 4, 2003, the City of Loveland (the “City”) by Resolution #R-21-2003 appointed James Packard (“Packard”) to serve a two-year term as the City’s Deputy Municipal Court Judge whose duty is to preside over the City’s municipal court in the absence of Municipal Court Judge William E. Starks; and

WHEREAS, Packard served such two-year term and continued to function as the City’s Deputy Municipal Court Judge after the expiration of such term on March 4, 2005; and

WHEREAS, on November 18, 2008, the City by Resolution #R-130-2008 appointed Packard to serve a two-year term beginning November 18, 2008, and reaffirmed and ratified Packard’s acting in the capacity of Deputy Municipal Court Judge from March 4, 2005 to November 17, 2008; and

WHEREAS, Packard served such two-year term and has continued to function as the City’s Deputy Municipal Court Judge after the expiration of such term on November 18, 2010; and

WHEREAS, the City Council finds that it is in the best interest of the citizens of the City of Loveland to reappoint Packard for an additional two-year term; and

WHEREAS, the City and Packard desire to enter into an agreement (Exhibit A) to formalize the terms of such reappointment.

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

Section 1. That the City hereby appoints James Packard to the position of Deputy Municipal Court Judge for the City of Loveland for a two-year term to commence January 18, 2011 and to expire January 18, 2013.

Section 2. That Packard’s acting in the capacity as the City of Loveland Deputy Municipal Court Judge from November 18, 2010, to the present is hereby reaffirmed and ratified.

Section 3. That the salary for the Deputy Municipal Court Judge shall be sixty dollars per hour (\$60.00/hr.) and the City Manager, in consultation with the City Attorney, is hereby authorized and directed to enter into a written employment agreement that formalizes the terms of reappointment of James Packard as Deputy Municipal Court Judge.

Section 4. That this Resolution shall go into effect as of the date and time of its adoption.

ADOPTED this 18th day of January, 2011.

Cecil A. Gutierrez, Mayor

Attest: Teresa G. Andrews, City Clerk

Exhibit A is available in the City Clerk's Office

7. PUBLIC WORKS

Supplemental Budget and Appropriation Transportation Grants

1st Rdg Ord & P.H.

Administrative Action: A public hearing was held and "AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2011 CITY OF LOVELAND BUDGET FOR A FEDERAL HAZARD ELIMINATION GRANT AND A FEDERAL CONGESTION MITIGATION AND AIR QUALITY (CMAQ) GRANT FOR TRANSPORTATION PROJECTS" was approved and ordered published on first reading.

8. FINANCE

Amendment to 2011 City Rates, Charges and Fees Schedule

Resolution #R-5-2011

Administrative Action: Resolution #R-5-2011 amending Resolution #R-51-2010 and the 2011 Schedule of Rates, Charges and Fees for City services was approved.

RESOLUTION # R-5-2011

A RESOLUTION AMENDING RESOLUTION #R-51-2010 AND THE 2011 SCHEDULE OF RATES, CHARGES AND FEES FOR CITY SERVICES

WHEREAS, on October 5, 2010, City Council adopted Resolution #R-51-2010 setting the rates, charges and fees for services provided by the City of Loveland (the "City"), other than fees imposed for services of the Water and Power Department and Storm Water Enterprise, for calendar year 2011; and

WHEREAS, Resolution #R-51-2010 included an incorrect rate for the 2011 Street Maintenance Fee for Residential properties, an incorrect rate for the fee for 32 gallon trash tags, and inadvertently omitted the charges for 17 gallon carts in the Solid Waste Enterprise; and

WHEREAS, the fares for transit service reflected in Resolution #R-51-2010 require revision due to the implementation of a new electronic farebox system; AND

WHEREAS, the resolution is intended to amend Resolution #R-51-2010 to correct these specific rates, charges and fees.

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

Section 1. That the 2011 schedule of rates, charges and fees for City services, other than services of the Water and Power Department and the Storm Water Enterprise, adopted by Resolution #R-51-2010 is hereby amended as shown below:

PUBLIC WORKS DEPARTMENT

Engineering -Street Maintenance Fee:

Residential, per dwelling unit per month	\$1.66	\$1.52
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Transit:

Fixed Route 10-ride Day Pass.....		\$12.50
20-ride Day Pass.....		\$22.50
Paratransit: Seniors and ADA 20-ride Pass.....		\$37.50
Paratransit: Seniors and ADA 40-ride Pass.....		\$70.00
Low Income Fixed Route Fares: 20-ride Pass.....		\$12.50
Youth (6-18) Annual Pass.....		\$12.50
Low Income Paratransit Fares: 20-ride Pass.....		\$18.75

SOLID WASTE

Single Family Residential:

32 Gallon Tags, each.....	\$3.00	\$1.50
17-Gallon Trash Carts per month.....		\$2.75

Section 2. This Resolution amends the rates, charges, and fees for 2011 adopted by Resolution R#-51-2010 for all City services, other than services of the Water and Power Department and the Storm Water Enterprise, provided on or after January 1, 2011.

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

ADOPTED 18th day of January, 2011.

Cecil A. Gutierrez, Mayor

Attest: Teresa G. Andrews, City Clerk

9. DEVELOPMENT SERVICES

Release of Easement – Rialto Bridge

Resolution #R-6-2011

Administrative Action: Resolution #R-6-2011 approving the release of an easement located on Lot 7, Block 18, City of Loveland, County of Larimer, State of Colorado was approved.

RESOLUTION #R-6-2011

A RESOLUTION APPROVING THE RELEASE OF AN EASEMENT LOCATED ON LOT 7, BLOCK 18, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO

WHEREAS, the City of Loveland is the owner of Lots 6 and 7 of Block 18, City of Loveland, Larimer County, Colorado, and

WHEREAS, the City of Loveland is also the beneficial owner of the easement or right of way across following portion of said Lot 7, to-wit: BEGINNING 11 ¼ inches West of Southeast corner of said Lot 7, being Southwest corner of building, thence North along West wall of said building, 28 feet 1 inch to brick wall running East and West, thence West along said East and West wall, 3 feet 1 ¼ inches to North and South brick wall, thence South along said North and South brick wall and extension thereof to South line of said Lot 7, thence East along Lot line, 3 feet 1 ¼ inches to BEGINNING (hereinafter referred to as the "Easement"); and

WHEREAS, the Easement burdens Lot 7, Block 18, City of Loveland, Colorado, for the benefit of Lot 6, Block 18, City of Loveland, Colorado, by providing a means of access from said Lot 6 across said Lot 7, to an adjacent alley south of Lots 6 and 7; and

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

WHEREAS, the Easement is no longer necessary, and the City, as the beneficial owner of all interest in the Easement and the property benefitted and burdened by the Easement, desires to extinguish said Easement.

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

Section 1. That the Release Of Easement Located On Lot 7, Block 18, City Of Loveland, County Of Larimer, State Of Colorado, attached hereto as Exhibit A and incorporated herein by reference, is hereby approved.

Section 2. That the City Manager is authorized, following consultation with the City Attorney, to modify the Release of Easement 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 Clerk is hereby directed to record the Release of Easement with the Larimer County Clerk and Recorder in accordance with State Statutes.

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

ADOPTED this 18th day of January, 2011.

Cecil A. Gutierrez, Mayor

Attest: Teresa G. Andrews, City Clerk

Exhibit A is available in the City Clerk's Office

END OF CONSENT AGENDA

CITY CLERK READ TITLES OF ORDINANCES ON THE CONSENT AGENDA.

CITY COUNCIL

Anyone who wishes to speak to an item NOT on the Agenda may address the Council under Citizens' Report.

a) Citizens' Reports

1. Elaine Thorndike, President and CEO of the Colorado Association of Manufacturing Technologies (CAMT) and Elvir Causevic, Executive Director of the Technology Acceleration for Manufacturing gave a presentation on the Aerospace and Clean Energy (ACE) Manufacturing and Innovation Park. Don Marostica was also present to answer questions. Plans are to select a site location by March 15, 2011. Miss Valentine Jamie Felton presented Loveland Valentines to the speakers. Brian Willms, President of the Loveland Chamber of Commerce, submitted a letter to CAMT endorsing

the project. Adam Krueger of the Northern Colorado Economic Development Corporation (NCEDC) announced they also fully supported the project.

2. Maryjo Morgan gave a presentation on the "Loveland 365" project.

b) City Council/City Manager Announcements

- Rice Consensus of Council was to bring the issue of licensing of pawn shops back to Council at a future date. Recent mailings to Loveland residents regarding licensing of water lines were determined to be fraudulent and citizens were advised to be aware of these types of scams.
- Shaffer Councilor Shaffer announced Julie Cosad will continue to serve as Chair and Tom Donnaly as the new Vice-Chair at the North Front Range Metropolitan Planning Organization (NFRMPO). Councilor Shaffer thanked the snow crews from Public Works.
- Klassen Councilor Klassen had questions regarding safety issues at Nickel Drive and Madison Avenue which were addressed by Public Works Director Keith Reester.
- Gutierrez Mayor Gutierrez attended the groundbreaking for the new Palomino Restaurant last week at the construction site east of Interstate 25 on Crossroads Boulevard. He also attended an event over the weekend celebrating the Thompson School District's 50th anniversary. Mayor Gutierrez and City Manager Bill Cahill spoke at Loveland's 20th annual Martin Luther King Jr. celebration Monday evening.

PROCEDURAL INFORMATION

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

REGULAR AGENDA

CONSIDERATION OF ITEMS REMOVED FROM CONSENT AGENDA

5. BUSINESS DEVELOPMENT

Municipal Code Change – Add Creative Sector Development Advisory Commission

Legislative Actions: Betsey Hale, Business Development Manager introduced this item to Council. This legislative action is a follow up from the January 4th City Council meeting at which the City Council approved on first reading the ordinance amending the Municipal Code to establish the Creative Sector Development Advisory Commission. According to the OCSD Business Plan and the municipal code the City Council must appoint an advisory commission, adopt a resolution setting meeting dates for 2011 and appointing a City Council liaison. This is the second reading of the ordinance creating the Creative Sector Development Advisory Commission and consideration of a resolution setting 2011 meeting dates and appointing a City Council Liaison to the Commission.

a) Ordinance #5556

Councilor Johnson made a motion to approve and ordered published on second reading "AN ORDINANCE AMENDING CHAPTER 2.60 OF THE LOVELAND MUNICIPAL CODE TO ADD SECTION 2.60.290 CREATING THE CREATIVE SECTOR DEVELOPMENT ADVISORY COMMISSION". Councilor Heckel seconded the motion and a roll call vote was taken with all Councilors present voting in favor thereof.

b) Resolution #R-3-2011

Councilor Johnson made a motion to approve Resolution #R-3-2011 adopting 2011 meeting dates for the newly created City of Loveland Creative Sector Development Advisory Commission and appointed Councilors Joan Shaffer and Cathleen McEwen as liaisons to the Commission. Councilor Heckel seconded the motion and a roll call vote was taken with all Councilors present voting in favor thereof.

RESOLUTION #R-3-2011

A RESOLUTION ADOPTING 2011 MEETING DATES FOR THE NEWLY CREATED CITY OF LOVELAND CREATIVE SECTOR DEVELOPMENT ADVISORY COMMISSION AND APPOINTING CITY COUNCIL LIAISON

WHEREAS, City Code Section 2.14.020B. provides that each year at the City Council's last regularly scheduled meeting, the City Council shall establish the regular meeting dates of all boards, committees, commissions, and other policymaking and rulemaking bodies of the City; and

WHEREAS, Code Section 2.14.020B. requires that seven days after such meeting dates are so established that the meeting dates shall be published once in a newspaper of general circulation in the City and be posted in a conspicuous place in the City Municipal Building; and

WHEREAS, Section 2.14.020B. also requires that the secretary or clerk of each of the City's boards, committees, commissions, and other policymaking and rulemaking bodies shall provide notification of the regularly scheduled date of such meetings in advance of or on occasion of any special meetings duly called to those qualified electors who have made written request to the City for such notification; and

WHEREAS, Ordinance #5556 Amending Chapter 2.60 of the Loveland Municipal Code to Add Section 2.60.290 Creating the Creative Sector Development Advisory Commission (the "Commission") has been approved as of this date and will be effective ten days after its final publication, as provided in City charter Section 4-8(b); and

WHEREAS, the purpose of this Resolution is to so establish meeting dates for the newly formed Commission, to require the publication, posting and notifications required in City Code Section 2.14.020B, and to appoint City Council liaison to the Commission.

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

Section 1. That the following schedule of regular meeting dates, times and places in 2011 for the newly formed Loveland Creative Sector Development Advisory Commission is hereby adopted as provided in City Code section 2.14.020B:

The Creative Sector Development Advisory Commission shall meet at 5:30 p.m. on the third Thursday of each month commencing February 17, 2011, at 500 East Third Street, Suite 330, Loveland, Colorado

Section 2. That the City Clerk is directed pursuant to City Code section 2.14.020B. to publish the meeting dates for the Commission within seven days after the date of this Resolution to be published in a newspaper of general circulation in the City and in addition post such notice of meetings in a conspicuous place in the City Municipal Building.

Section 3. That in addition, the City Clerk shall notify the secretary of the Commission to provide notification of this notice of meetings to all qualified electors who have requested such notice in accordance with City Code section 2.14.020B.

Section 4. That Joan Shaffer and Cathleen McEwen are hereby appointed as non-voting Council liaisons to the Commission to serve until the next appointment is to be made in accordance with City Code section 2.60.030.

Section 5. That this Resolution shall take effect as of the date and time of its adoption.

ADOPTED this 18th day of January, 2011.

Cecil A. Gutierrez, Mayor

Attest: Teresa G. Andrews, City Clerk

10. DEVELOPMENT SERVICES

Supplemental Budget and Appropriation – State Historical Grant (Loveland Hotel/Elks Lodge #1501)

Ordinance #5557

Administrative Action: City Planner Mike Scholl introduced this item to Council. An administrative action to consider an ordinance on second reading appropriating funds totaling \$14,000 for a Historic Structural Assessment of the Loveland Hotel/Elks Lodge #1051 (103 E. 4th Street). Funding for the ordinance is from a State Historical Funds Grant. The City has no matching requirements but we will be required to manage the grant. The ordinance was adopted on first reading by a vote of eight to one on January

4, 2011. Councilor Johnson made a motion to approve and ordered published on second reading "AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2011 CITY OF LOVELAND BUDGET FOR A STATE HISTORICAL GRANT FOR A STRUCTURAL ASSESSMENT OF ELKS LODGE BUILDING". Councilor Heckel seconded the motion and a roll call vote was taken with all councilors present voting in favor thereof.

11. DEVELOPMENT SERVICES

Supplemental Budget and Appropriation – State Historical Grant (Majestic Theater / Odd Fellows Lodge Building)

Ordinance #5558

Administrative Action: City Planner Mike Scholl introduced this item to Council. An administrative action to consider an ordinance on second reading appropriating funds in the amount of \$98,880 from a State Historical Grant and contributions in the amount of \$20,460 from the Odd Fellows Lodge for the restoration of the Majestic Theater/Odd Fellows Lodge Building (319 E. 4th Street). The City has no matching requirements but we will be required to manage the grant. The ordinance was adopted on first reading by a vote of eight to one on January 4, 2011. Councilor Johnson made a motion to approve and ordered published on second reading "AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2011 CITY OF LOVELAND BUDGET FOR A STATE HISTORICAL GRANT AND CONTRIBUTIONS TO RESTORE THE ODD FELLOWS BUILDING". Councilor Heckel seconded the motion and a roll call vote was taken with all councilors present voting in favor thereof.

12. CITY ATTORNEY'S OFFICE

Municipal Code Amendment – Campaign Contributions

1st Rdg Ord & P.H.

Legislative Action: City Attorney John Duval introduced this item to Council. This is a legislative action to consider an ordinance on first reading which would add provisions to the Loveland Municipal Code regulating campaign contributions by limited liability companies in City elections. Mayor Gutierrez opened the public hearing at 9:21 p.m. and hearing no comments closed the hearing at 9:21 p.m. Council Johnson made a motion to approve and ordered published on first reading "AN ORDINANCE ADDING CITY CODE SECTION 2.04.030 TO REGULATE CAMPAIGN CONTRIBUTIONS BY LIMITED LIABILITY COMPANIES IN LOVELAND MUNICIPAL ELECTIONS". Councilor Rice seconded the motion and a roll call vote was taken with four councilors voting in favor and Councilors Klassen, Heckel, Johnson, McKean and Rice voting against. The motion failed.

NEW BUSINESS

City Manager

None

City Council

Shaffer

Councilor Shaffer mentioned a meeting on Thursday of a new group called Embrace Northern Colorado focused on creating a regional vision to solve common issues. She also commented on the Governor's meeting at the Ranch earlier in the week.

City Attorney

City Attorney John Duval commented that he is waiting for a reply from Matt Cook in regards to the State's position on Medical Marijuana Dispensaries. The consensus of Council was to not extend beyond the deadlines approved by the voters in the November, 2010 election.

13. CITY MANAGER

An executive session to consider a matter subject to negotiation, the prospect of the ACE Manufacturing and Innovation Park being located in Loveland

At 10:15 p.m. Councilor Johnson moved that the City Council go into executive session as authorized in CRS Sections 24-6-402(4)(a), (4)(b), 4(e) and 4(g) and City Charter Sections 4-4(c)(1), (c)(2), (c)(3) and (c)(6) pertaining to the prospect of the ACE Manufacturing and Innovation Park being located in Loveland, a matter subject to future negotiation and potentially involving the acquisition of real property, the details of which, if prematurely disclosed, could result in other parties gaining an unfair competitive or bargaining advantage; and related to this matter: to receive reports from negotiators, determine negotiation positions, develop negotiation strategy, and to instruct negotiators concerning such positions and strategy; to receive legal advice from the City Attorney; and to receive and review documents and information that are not subject to public inspection under the Colorado Open Records Act, such as work-product documents. Councilor Heckel seconded the motion and a roll call vote was held and all councilor present voted in favor thereof. Council reconvened at 11:27 p.m.

ADJOURNMENT

Having no further business to come before Council, the January 18, 2011 Regular Meeting was adjourned at 11:28 p.m.

Respectfully Submitted,

Teresa G. Andrews, City Clerk

Cecil A. Gutierrez, Mayor


CITY OF LOVELAND

CITY MANAGER

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

AGENDA ITEM: 2
MEETING DATE: 2/1/2011
TO: City Council
FROM: City Manager's Office
PRESENTER: Bill Cahill

TITLE:

Appointments to Disabilities Advisory Commission, Planning Commission, and Police Citizen Advisory Commission

DESCRIPTION:

This is an Administrative Item recommending the appointment of members to the Disabilities Advisory Commission, Planning Commission and the Police Citizen Advisory Commission

BUDGET IMPACT:

Yes No

SUMMARY:

Disabilities Advisory Commission ("DAC") has had a term vacancy since June, 2010. Interviews were conducted with two applicants mid-January. Angie Clayton is recommended for appointment to DAC for a full term effective until June 30, 2013. Kathy Witcher is recommended for appointment as Alternate for a one year term effective until February 1, 2012.

The January 4, 2011 recommended action for Item 2, Appointment to boards and commissions, did not include the reappointment of Michael Ray to the **Planning Commission**. Therefore, staff recommends the reappointment of Michael Ray to Planning Commission for a term effective until December 31, 2013.

The **Police Citizen Advisory Commission** has three term vacancies. Nine applicants were interviewed. Ed Gassman and Richard Hunsaker are recommended for reappointment to three year terms effective until December 31, 2013. Swaine Skeen is recommended for appointment to a three year term effective until December 31, 2013. Joseph Hertwig is recommended for appointment as an Alternate for a one year term effective until February 1, 2012.

LIST OF ATTACHMENTS:

None

RECOMMENDED CITY COUNCIL ACTION:

Motion to appoint Angie Clayton to the Disabilities Advisory Commission for a term effective until June 30, 2013. Motion to appoint Kathy Witcher as Alternate to the Disabilities Advisory Commission for a term effective until February 1, 2012.

Motion to reappoint Michael Ray to the Planning Commission for a term effective until December 31, 2013.

Motion to reappoint Ed Gassman and Richard Hunsaker, and to appoint Swaine Skeen to the Police Citizen Advisory Board, all for three year terms effective until December 31, 2013. Motion to appoint Joe Hertwig as Alternate to the Police Citizen Advisory Board for a one year term effective until February 1, 2012.

REVIEWED BY CITY MANAGER:



CITY OF LOVELAND
PUBLIC WORKS DEPARTMENT
 Administration Offices • 410 East Fifth Street • Loveland, Colorado 80537
 (970) 962-2555 • FAX (970) 962-2908 • TDD (970) 962-2620

AGENDA ITEM: 3
MEETING DATE: 2/1/2011
TO: City Council
FROM: Keith Reester, Director, Public Works Department
PRESENTER: David Klockeman, City Engineer

TITLE:

Ordinance on Second Reading enacting a supplemental budget and appropriation to the 2011 City of Loveland budget for a Federal Hazard Elimination Grant and a Federal Congestion Mitigation and Air Quality (CMAQ) Grant for Transportation Projects

DESCRIPTION:

This is an administrative action. The ordinance appropriates funding from federal grants for a Safety Improvements at the Boyd Lake Avenue and 5th Street Intersection and for Traffic Signal Equipment Upgrades along the US 287 Corridor in Loveland. The contracts between the City of Loveland and CDOT were approved by City Council at the December 7, 2010 meeting.

BUDGET IMPACT:

Yes No

The funding is from Federal grants. The matching funds for the Hazard Elimination grant are already budgeted within the 2010 Transportation Program and will be rolled over into the 2011 budget; and the CMAQ grant only requires in-kind contributions for the installation and other associated work.

SUMMARY:

Under the previously approved contract, CDOT will reimburse the City of Loveland up to \$90,000 for the design and construction of safety improvements where Boyd Lake Avenue and 5th Street meet at a curved alignment. The proposed improvements consist primarily of placement of guardrail along the southerly shoulder as well as provide for the installation of four (4) electronic radar signs (speed), centerline rumble strips for driver warning and thermoplastic edge lines for increased visibility. This project is currently in the preliminary planning phase. Construction is planned for 2011.

Under the previously approved contract, CDOT will reimburse the City of Loveland up to \$120,000 for the purchase of 24 traffic signal controllers for all traffic signal locations and 14 mesh radios (traffic signal communications equipment) which will provide communication for those locations not already connected via fiber-optic to the City's Traffic Operations Center for the US 287 Corridor in Loveland. The installation, programming and retiming of the signals will be performed by City Traffic Division personnel as an in-kind contribution. This work will be completed in 2011.

LIST OF ATTACHMENTS:

1. An ordinance enacting a supplemental budget and appropriation to the 2011 City of Loveland budget for a Federal Hazard Elimination grant and a Federal Congestion Mitigation and Air Quality (CMAQ) Grant for transportation projects
-

RECOMMENDED CITY COUNCIL ACTION:

Approve the ordinance on Second Reading.

REVIEWED BY CITY MANAGER:

FIRST READING January 18, 2011

SECOND READING February 1, 2011

ORDINANCE NO. _____

AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2011 CITY OF LOVELAND BUDGET FOR A FEDERAL HAZARD ELIMINATION GRANT AND A FEDERAL CONGESTION MITIGATION AND AIR QUALITY (CMAQ) GRANT FOR TRANSPORTATION PROJECTS

WHEREAS, the City has received funds not anticipated or appropriated at the time of the adoption of the City budget for 2011; and

WHEREAS, the City Council desires to authorize the expenditure of these funds by enacting a supplemental budget and appropriation to the City budget for 2011, 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 \$90,000 from a Federal Hazard Elimination Grant and \$120,000 from a Federal congestion Management and Air Quality Grant in the Capital Projects Fund 02 are available for appropriation. These revenues are appropriated for safety improvements at Boyd Lake Avenue and 5th Street and for equipment to upgrade traffic signal system controllers. The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:

**Supplemental Budget
Capital Project Fund 02 - Transportation Program Grants**

Revenues		
002-0270-334-48-00-TS1001	Federal Grants -Boyd Lake & 5th Street Project	90,000
002-0270-334-48-01-TS1005	Federal Grants -Traffic Signal Controllers	120,000
Total Revenue		210,000
 Appropriations		
002-0270-409-09-60-TS1001	Construction -Boyd Lake & 5th Street Project	90,000
002-0270-409-09-40-TS1005	Construction -Traffic Signal Controllers	120,000
Total Appropriations		210,000

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).

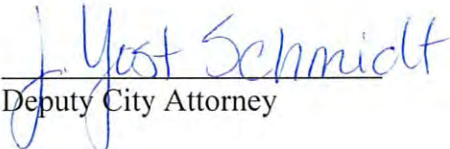
ADOPTED this 1st day of February, 2011.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Deputy City Attorney



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

AGENDA ITEM: 4
MEETING DATE: February 1, 2011
TO: City Council
FROM: Steven Williams, Current Planning
PRESENTER: Steven Williams, Current Planning

TITLE: AN ORDINANCE VACATING A PORTION OF A UTILITY EASEMENT ON LOT 2, BLOCK 1, HILE FIRST SUBDIVISION, CITY OF LOVELAND, LARIMER COUNTY, COLORADO

DESCRIPTION: A legislative action to consider an ordinance on first reading vacating a 280 square foot utility easement located in LOT 2, BLOCK 1, HILE FIRST SUBDIVISION. The applicant is the Atwood Associates Consulting Engineers, Inc. on behalf of McDonalds Corporation.

BUDGET IMPACT:

Yes No

SUMMARY: The application proposes to vacate a portion of the utility easement at 1809 W. Eisenhower, west of Prospect Drive and east of Van Buren Avenue, on LOT 2, BLOCK 1, HILE FIRST SUBDIVISION. The vacation is necessary to allow for the proposed renovation of the lot, which includes razing the existing McDonald's building and constructing a new McDonald's building at a new location on the site. This requested vacation is associated with an approved Special Review and a recently submitted building permit for the new restaurant. All providers of public utilities have reviewed the vacation application and recommend approval.

LIST OF ATTACHMENTS:

- Easement vacation ordinance
- Staff memorandum with attachments

RECOMMENDED CITY COUNCIL ACTION:

City staff recommends the following motion for City Council action:

“Move to make the findings in Section V of the staff memorandum dated February 1, 2011 and, based on those findings, adopt on first reading, “AN ORDINANCE VACATING A PORTION OF A UTILITY EASEMENT ON LOT 2, BLOCK 1, HILE FIRST SUBDIVISION, CITY OF LOVELAND, LARIMER COUNTY, COLORADO.”

REVIEWED BY CITY MANAGER:

FIRST READING: February 1, 2011

SECOND READING: _____

ORDINANCE NO. _____

AN ORDINANCE VACATING A PORTION OF A UTILITY EASEMENT OF LOT 2, BLOCK 1, HILE FIRST SUBDIVISION, CITY OF LOVELAND, LARIMER COUNTY, COLORADO

WHEREAS, the City Council, at a regularly scheduled meeting, considered the vacation of a portion of a utility easement described below, located in Lot 2, Block 1, Hile First Subdivision, City Of Loveland, Larimer County, Colorado.

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

WHEREAS, the City Council finds and determines that the utility easement to be vacated is no longer necessary for the public use and convenience; and

WHEREAS, the City Council further finds and determines that the application filed at the Development Center was signed by the owners of more than 50% of property abutting the easement to be vacated.

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

Section 1. That the following described portion of a utility easement be and the same is hereby vacated:

That portion of LOT 2, BLOCK 1, HILE FIRST SUBDIVISION, situate in the Southeast ¼ of Section 10, Township 5 North, Range 69 West of the 6th P.M., City Of Loveland, Larimer County, Colorado, being more particularly described as follows:

Commencing at the SE corner of said LOT 2; thence N00°07'45"E along the easterly line of said LOT 2 a distance of 157.82 feet to the southeast corner of a 10' utility easement as recorded in said HILE FIRST SUBDIVISION; thence S89°58'39"W along the southerly line of said easement a distance of 122.31 feet to the point of beginning; thence continuing S89°58'39"W along said southerly line a distance of 28.00 feet to the southwest corner of said easement; thence N00°07'45"E along the westerly line of said easement a distance of 10.00 feet to the northwest corner of said easement; thence N89°58'39"E along the northerly line of said easement a distance of 28.00 feet; thence S00°07'45"W a distance of 10.00 feet to the point of beginning.

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 ten days after its final publication, as provided in City Charter Section 4-8(b).

Section 3. That the City Clerk is hereby directed to record the Ordinance with the Larimer County Clerk and Recorder after its effective date in accordance with State Statutes.

Signed this ____ day of _____, 2011.


ATTEST:

CITY OF LOVELAND, COLORADO:

City Clerk

Mayor

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

MEMORANDUM

TO: City Council
FROM: Steven Williams, Current Planning Division
DATE: February 1, 2011
SUBJECT: Vacation of a utility easement in the Hile First Subdivision

I. ATTACHMENTS

- A. Vicinity Map
- B. Alta Land Survey for Lot 2, Hile First Subdivision
- C. Utility Easement Vacation Exhibit
- D. Applicant's Request for Vacation letter
- E. Site Plan for Lot 2, Hile First Subdivision.

II. KEY ISSUES

Staff believes that there are no outstanding issues regarding this requested vacation of easement.

III. PROJECT DESCRIPTION

The application proposes to vacate a portion of a utility easement within LOT 2, BLOCK 1, HILE FIRST SUBDIVISION, which lies west of Prospect Drive and east of Van Buren Avenue on the north side of W. Eisenhower Boulevard.

The utility easement was granted to the City of Loveland on June 4, 1977 by the James P. Johnson, Trustee as part of the Replat of a Portion of Tract 2, Hile First Subdivision. The renovation of this site, which includes razing the existing McDonald's fast food restaurant and constructing a new McDonald's building further north and west, necessitates this vacation.

IV. BACKGROUND

June 1977 A Utility Easement for Tract 2, Hile First Addition was dedicated to the City of Loveland and recorded with Larimer County.

V. FINDINGS and ANALYSIS

Finding 1. That no land adjoining any right-of-way to be vacated is left without an established public or private right-of-way or easement connecting said land with another established public or private right-of-way or easement.

Current Planning: Staff believes this finding can be met because the vacation is internal to the property and being conducted to accommodate the location of the new building.

Finding 2. That the right-of-way or easement to be vacated is no longer necessary for the public use and convenience.

Fire: The proposed easement vacations will not negatively impact fire protection or access to the site as the easement is for a sanitary sewer line.

Water/Wastewater: The development is in the City's current service area for both water and wastewater. The existing easement to be vacated is currently utilized for an existing wastewater main. With the concurrent submittal of Special Review and Building Permit Plans the portion of the wastewater main is to be removed and/or abandoned. Thereby the Department finds that:

- The existing easement to be vacated does not impact the existing water and wastewater utility configuration within and adjacent to this development.
- The existing easement to be vacated is no longer necessary for public use and convenience.

Power: The easement to be vacated is not used for electric and will not negatively impact electric services to the site.

Stormwater: Staff believes that this finding can be met, due to the following:

- The existing utility easement, to be vacated, is not used to convey stormwater and thus is not necessary for the public use and conveyance of stormwater.

VI. RECOMMENDATION

Staff recommends, subject to any further information that may be presented at the public hearing, that City Council approve the vacation ordinance on first reading.

VII. CONDITIONS

No City departments or other review agencies have submitted any recommended conditions for this application.



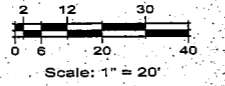
SITE LOCATION MAP



AERIAL SITE LOCATION MAP

LEGEND

—E—	ELECTRICAL LINE	○	POWER POLE
—FD—	FIBER-OPTIC LINE	○	STREET LIGHT
—G—	GAS LINE	○	TELEPHONE PEDESTAL
—SS—	SANITARY SEWER LINE	○	WATER METER
—ST—	STORM SEWER LINE	○	WATER VALVE
—T—	TELEPHONE LINE	○	SPOT ELEVATION
—W—	WATER LINE	○	DECIDUOUS TREE DIAMETER OF TRUNK
—	CONTOUR LINE	○	EVERGREEN TREE DIAMETER OF TRUNK
—	OVERHEAD UTILITY LINE	○	SET 5/8" X 24" PIN & YELLOW PLASTIC CAP L.S. NO. 33202 UNLESS NOTED OTHERWISE
—	FENCE LINE	○	CONC. CONCRETE
—	GUARD RAIL	○	(TYP.) TYPICAL
○	ACCESS PLATE	○	(XXXX) AS RECORDED
○	BOLLARD	○	BK.-PG. BOOK - PAGE
○	CLEANOUT	○	REC. NO. RECEPTION NUMBER
○	STORM DRAIN	○	CONCRETE
○	ELECTRICAL BOX	○	BRICK PAVERS
○	ELECTRICAL METER	○	
○	ELECTRIC TRANSFORMER	○	
○	FIRE HYDRANT	○	
○	GAS METER	○	
○	IRRIGATION VALVE	○	
○	LIGHT POLE	○	
○	MANHOLE	○	
○	NUMBER OF PARKING STALLS	○	



PARKING SPACES

HANDICAPPED DESIGNATED	3
STANDARD SPACES	62
TOTAL	65

PARKING SPACE STRIPES ARE SEVERELY FADED

NOTES:

THIS SURVEY WAS BASED ON TITLE COMMITMENT NUMBER 1469176, REVISION NO. 2 PREPARED BY CHICAGO TITLE OF COLORADO, INC. AS AGENT FOR CHICAGO TITLE INSURANCE COMPANY, WITH AN EFFECTIVE DATE OF SEPTEMBER 26, 2010 AT 7:30 A.M., AND DOES NOT CONSTITUTE A TITLE SEARCH BY THIS SURVEYOR FOR OTHER EASEMENTS AND/OR ENCROACHMENTS OF RECORD.

BY GRAPHIC PLOTTING ONLY THE SUBJECT PROPERTY IS SITUATED IN FLOOD ZONE "X" AREA DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOOD PLAN ACCORDING TO FLOOD INSURANCE RATE MAP (FIRM) COMMUNITY PANEL NO. 0903011891 LAST REVISED DECEMBER 19, 2006. NO OFFICE CALCULATIONS OR FIELD SURVEYING WAS PERFORMED TO DETERMINE THIS INFORMATION.

BEARINGS ARE BASED ON THE SOUTH LINE OF THE SE 1/4 OF SECTION 10, TOWNSHIP 5 NORTH, RANGE 69 WEST, OF THE 6TH PRINCIPAL MERIDIAN BEARING N89°00'00"E AS REFERENCED AND BOUNDED BY THE MONUMENTS SHOWN HEREON.

ALL WATER, STORM SEWER AND SANITARY SEWER UTILITY INFORMATION WAS OBTAINED FROM MARKINGS MADE BY A UTILITY LOCATION SERVICE AND FIELD SURFACE EVIDENCE AT THE TIME OF THIS SURVEY AND IS SHOWN IN AN APPROXIMATE LOCATION ONLY BASED ON SAID FIELD LOCATIONS.

GAS AND ELECTRIC INFORMATION IS BASED ON MAPS PROVIDED BY XCEL ENERGY, THE CITY OF LOVELAND AND MARKINGS MADE BY A UTILITY LOCATION SERVICE AND IS SHOWN IN AN APPROXIMATE LOCATION ONLY BASED ON SAID MAPS.

ALL UNDERGROUND UTILITIES SHOULD BE FIELD VERIFIED PRIOR TO ANY CONSTRUCTION.

BENCHMARK: CITY OF LOVELAND BM NO. 41
N. BOLT ON CROWN OF FIRE HYDRANT AT THE NW CORNER OF PROSPECT DR. AND W. EISENHOWER BLVD.
ELEVATION: 5629.16 FEET

THIS SITE IS CURRENTLY ZONED: B (DEVELOPING BUSINESS DISTRICT)

18.28.030 MINIMUM YARDS:
MINIMUM YARDS IN A & B DISTRICT, BEING THE MINIMUM DISTANCE OF ANY BUILDING FROM A STREET RIGHT-OF-WAY OR ZONING DISTRICT BOUNDARY LINE, SHALL BE TWENTY-FIVE FEET.
THE MINIMUM DISTANCE OF ANY BUILDING TO AN ALLEY RIGHT-OF-WAY OR PUBLIC ALLEY EASEMENT BOUNDARY LINE SHALL BE FIFTEEN FEET.

18.28.035 HEIGHT LIMITATIONS:
BUILDINGS AND STRUCTURES IN THIS ZONE SHALL COMPLY WITH CHAPTER 18.54 OF THIS CODE (ORD. 1402 10, 1995)

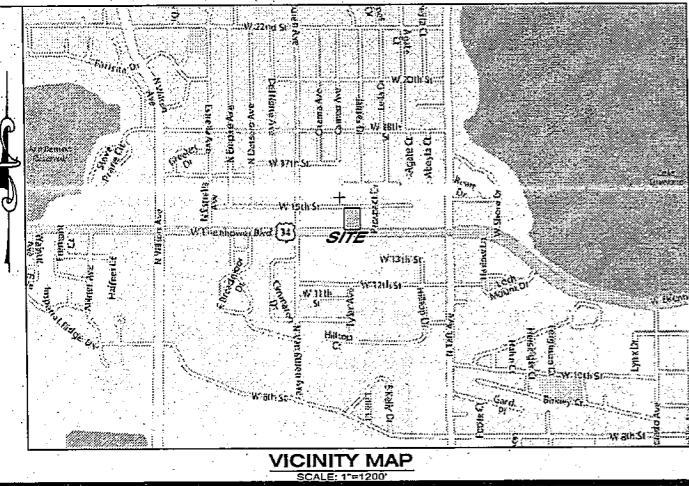
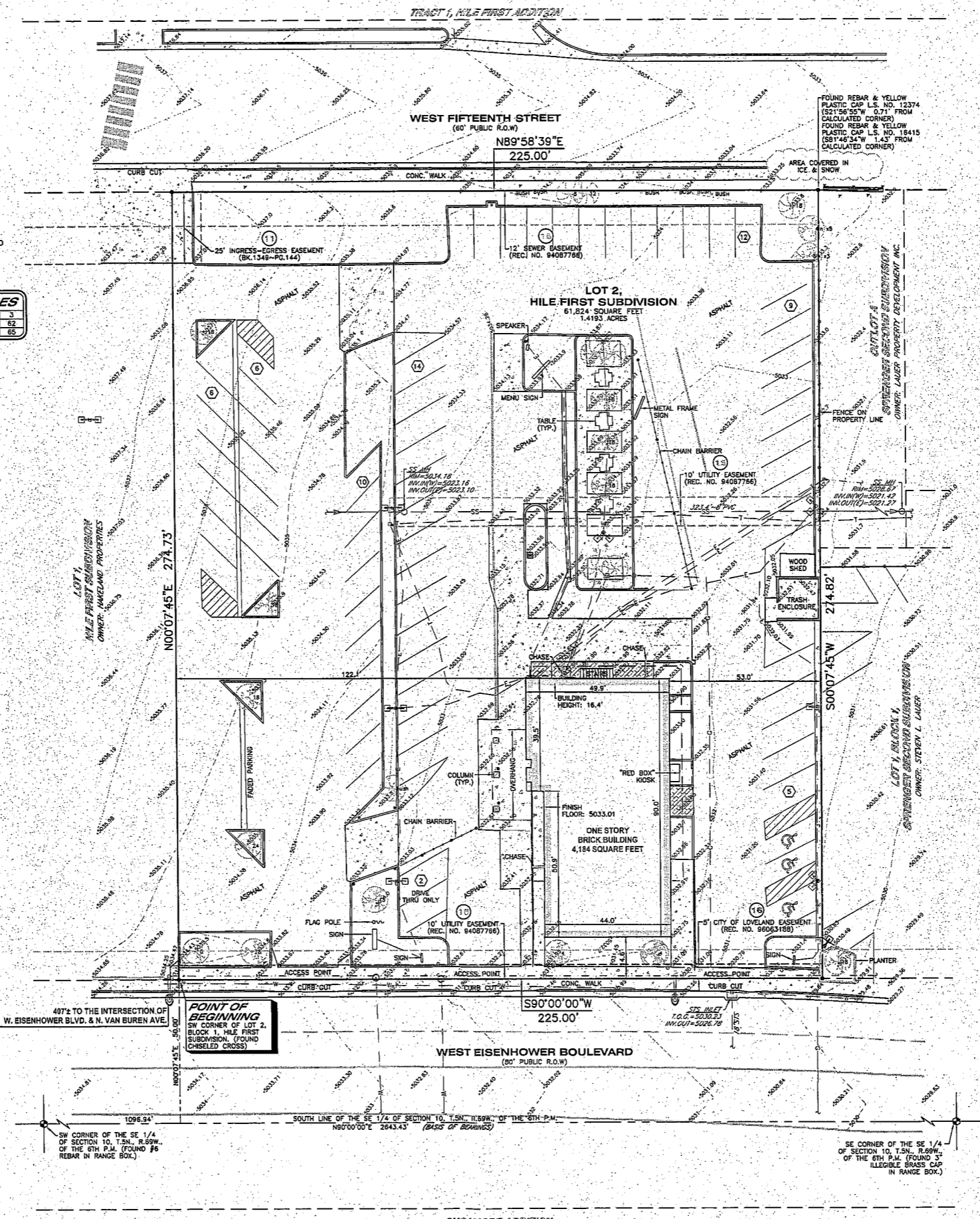
18.28.040 OFF-STREET PARKING:
THE MINIMUM OFF-STREET PARKING IN THE B DISTRICT SHALL BE AS PROVIDED IN CHAPTER 4246 1 (PART), 1997; ORD. 1628 1 (PART), 1977; ORD. 1004 9.4, 1968)

18.28.050 SITE PLANNING:
ALL DEVELOPMENT WITHIN THE B DISTRICT SHALL BE SUBJECT TO THE SITE PLAN REVIEW REQUIREMENTS PERFORMANCE STANDARDS AS PROVIDED IN CHAPTER 18.46, ORD. 4246 1 (PART), 1997; ORD. 1628 1977; ORD. 1402 1 (PART), 1974; ORD. 1276 20 (PART), 1973; ORD. 1004 9.5, 1968)

NO EVIDENCE OF RECENT EARTH MOVING WORK, BUILDING CONSTRUCTION, OR BUILDING ADDITIONS WERE OBSERVED AT THE TIME OF SURVEY (TABLE A, ITEM 16)

NO CHANGES IN STREET RIGHT-OF-WAY LINES NOR SIDEWALK CONSTRUCTION OR REPAIR WERE OBSERVED AT THE TIME OF SURVEY (TABLE A, ITEM 17)

NO EVIDENCE OF THIS SITE AS BEING USED AS A SOLID WASTE DUMP, SLUMP OR SANITARY LANDFILL WAS OBSERVED AT THE TIME OF SURVEY (TABLE A, ITEM 18)



LEGAL DESCRIPTION: PER TITLE COMMITMENT

LOT 2, BLOCK 1, HILE FIRST SUBDIVISION, COUNTY OF LARIMER, STATE OF COLORADO.

LEGAL DESCRIPTION: METES AND BOUNDS

LOT 2, BLOCK 1, HILE FIRST SUBDIVISION, SITUATED IN THE SE 1/4 OF SECTION 10, T.5N., R.69W., OF THE 6TH P.M., CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SW CORNER OF LOT 2, BLOCK 1, HILE FIRST SUBDIVISION; THENCE N00°07'45"E ALONG THE WEST LINE OF SAID LOT 2 A DISTANCE OF 274.73 FEET TO THE NW CORNER OF SAID LOT 2; THENCE N89°58'39"E ALONG THE NORTH LINE OF SAID LOT 2 AND ALONG THE SOUTH R.O.W. LINE OF WEST 15TH STREET A DISTANCE OF 225.00 FEET TO THE NE CORNER OF SAID LOT 2; THENCE S00°07'45"W ALONG THE EAST LINE OF SAID LOT 2 A DISTANCE OF 274.82 FEET TO THE SE CORNER OF SAID LOT 2; THENCE S89°00'00"W ALONG THE SOUTH LINE OF SAID LOT 2 AND ALONG THE NORTH R.O.W. LINE OF WEST EISENHOWER BOULEVARD A DISTANCE OF 225.00 FEET TO THE POINT OF BEGINNING.

PARCEL CONTAINS (61,824 SQUARE FEET) 1.4193 ACRES.

SURVEYOR'S CERTIFICATION:

I CERTIFY TO McDONALD'S CORPORATION, McDONALD'S USA, LLC, McDONALD'S REAL ESTATE COMPANY OF COLORADO, INC., AS AGENT FOR CHICAGO TITLE INSURANCE COMPANY THAT THIS PLAN HAS BEEN COMPILED FROM A SURVEY ACTUALLY MADE ON THE GROUND UNDER MY SUPERVISION ON FEBRUARY 5, 2010, THAT IT IS CORRECT AND COMPLIES WITH THE REQUIREMENTS PROVIDED BY McDONALD'S USA LLC.

CHARLES N. BECKSTROM
PROFESSIONAL L.S. NO. 33202

DATE OF FIELD WORK: FEBRUARY 5, 2010
DATE OF UPDATE & SITE VISIT: OCTOBER, 7, 2010

- NOTES CORRESPONDING TO SCHEDULE B - SECTION 2 OF TITLE COMMITMENT:**
- THIS EXCEPTION HAS BEEN DELETED INTENTIONALLY
 - TERMS, CONDITIONS, RESTRICTIONS, PROVISIONS, NOTES AND EASEMENTS BUT OMITTING ANY COVENANTS OR RESTRICTIONS, IF ANY, INCLUDING BUT NOT LIMITED TO THOSE BASED UPON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, FAMILY STATUS, MARITAL STATUS, DISABILITY, HANDICAP, NATIONAL ORIGIN, ANCESTRY, OR SOURCE OF INCOME, AS SET FORTH IN APPLICABLE STATE OR FEDERAL LAWS, EXCEPT TO THE EXTENT THAT SAID COVENANT OR RESTRICTION IS PERMITTED BY APPLICABLE LAW, AS SET FORTH ON THE PLAT(S) OF SAID SUBDIVISION SET FORTH BELOW.
RECORDING DATE: APRIL 12, 1986
RECORDING NO.: RECEPTION NO. 921255
(APPLIES TO THE SUBJECT PROPERTY, HOWEVER CONTAINS NO PLOTTABLE ITEMS)
 - EASEMENTS, TERMS, CONDITIONS, PROVISIONS, AGREEMENTS AND OBLIGATIONS CONTAINED IN THE DEED AS SET FORTH BELOW:
RECORDING DATE: DECEMBER 8, 1986
RECORDING NO.: BOOK 1349 AT PAGE 143
(APPLIES TO THE SUBJECT PROPERTY, PLOTTABLE ITEMS ARE SHOWN HEREON)
 - TERMS, CONDITIONS, RESTRICTIONS, PROVISIONS, NOTES AND EASEMENTS BUT OMITTING ANY COVENANTS OR RESTRICTIONS, IF ANY, INCLUDING BUT NOT LIMITED TO THOSE BASED UPON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, FAMILY STATUS, MARITAL STATUS, DISABILITY, HANDICAP, NATIONAL ORIGIN, ANCESTRY, OR SOURCE OF INCOME, AS SET FORTH IN APPLICABLE STATE OR FEDERAL LAWS, EXCEPT TO THE EXTENT THAT SAID COVENANT OR RESTRICTION IS PERMITTED BY APPLICABLE LAW, AS SET FORTH ON THE PLAT(S) OF SAID SUBDIVISION SET FORTH BELOW.
RECORDING DATE: APRIL 4, 1974
RECORDING NO.: RECEPTION NO. 91453
(APPLIES TO THE SUBJECT PROPERTY, HOWEVER CONTAINS NO PLOTTABLE ITEMS)
 - TERMS, CONDITIONS, PROVISIONS, AGREEMENTS AND OBLIGATIONS CONTAINED IN THE NOTICE OF REVISION NO. 173 AS SET FORTH BELOW:
RECORDING DATE: FEBRUARY 4, 1977
RECORDING NO.: BOOK 1748 AT PAGE 560
(APPLIES TO THE SUBJECT PROPERTY, HOWEVER CONTAINS NO PLOTTABLE ITEMS)
 - EASEMENTS DISCLOSED IN WARRANTY DEED RECORDED AUGUST 25, 1989 AT RECEPTION NO. 89038191.
(APPLIES TO THE SUBJECT PROPERTY, DOCUMENT PROVIDED IS ILLEGIBLE)
 - TERMS, CONDITIONS, RESTRICTIONS, PROVISIONS, NOTES AND EASEMENTS BUT OMITTING ANY COVENANTS OR RESTRICTIONS, IF ANY, INCLUDING BUT NOT LIMITED TO THOSE BASED UPON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, FAMILY STATUS, MARITAL STATUS, DISABILITY, HANDICAP, NATIONAL ORIGIN, ANCESTRY, OR SOURCE OF INCOME, AS SET FORTH IN APPLICABLE STATE OR FEDERAL LAWS, EXCEPT TO THE EXTENT THAT SAID COVENANT OR RESTRICTION IS PERMITTED BY APPLICABLE LAW, AS SET FORTH ON THE PLAT(S) OF SAID SUBDIVISION SET FORTH BELOW.
RECORDING DATE: OCTOBER 28, 1994
RECORDING NO.: RECEPTION NO. 87796
(APPLIES TO THE SUBJECT PROPERTY, PLOTTABLE ITEMS ARE SHOWN HEREON)
 - EASEMENTS, TERMS, CONDITIONS, PROVISIONS, AGREEMENTS AND OBLIGATIONS CONTAINED IN THE GRANT OF EASEMENT AS SET FORTH BELOW:
RECORDING DATE: AUGUST 29, 1998
RECORDING NO.: RECEPTION NO. 98053188
(APPLIES TO THE SUBJECT PROPERTY, PLOTTABLE ITEMS ARE SHOWN HEREON)
 - ANY EXISTING LEASES OR TENANCIES, AND ANY, AND ALL PARTIES CLAIMING BY THROUGH OR UNDER SAID LESSEES.
(NOT ADDRESSED)
 - ANY RIGHTS, INTERESTS, OR CLAIMS WHICH MAY EXIST OR ARISE BY REASON OF THE FOLLOWING FACTS AS SHOWN ON A SURVEY PLAT ENTITLED ALTA/ACSM LAND TITLE SURVEY PREPARED BY ENGINEERING SERVICE COMPANY, DATED FEBRUARY 23, 2010, AS JOB NO. 100120, TO WIT:
A.) THE FACT THAT A CURB ENCROACHES INTO EASEMENT RECORDED IN BOOK 1349 AT PAGE 143.
B.) THE FACT THAT CURBS, 2 SIGNS, A CHAIN BARRIER AND A PLANTER ENCRACH INTO EASEMENT SHOWN ON PLAT RECORDED AT RECEPTION NO. 94087766.
C.) THE FACT THAT CURBING AND A PLANTER ENCRACH ONTO EASEMENT RECORDED AT RECEPTION NO. 98053188.
D.) THE FACT THAT THE SOUTH SIDE OF THE BUILDING ENCRACHES INTO THE 25 FOOT SETBACK.
E.) THE FACT THAT A LIGHT POLE IN THE SOUTHEAST CORNER OF THE PROPERTY ENCRACHES ON THE ADJACENT PROPERTY TO THE EAST.
F.) THE FACT THAT TELEPHONE LINES, ELECTRICAL LINES AND GAS LINES ARE NOT LOCATED WITHIN RECORDED EASEMENTS.
G.) THE FACT THAT A PLANTER ENCRACHES ONTO SUBJECT PROPERTY IN THE SOUTHEAST CORNER.
- NOTICE:**
- ACCORDING TO COLORADO LAW YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT, IN NO EVENT, MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THE DATE OF THE CERTIFICATION SHOWN HEREON.
- ANY PERSON WHO KNOWINGLY REMOVES, ALTERS, OR DEFACES ANY PUBLIC LAND SURVEY MONUMENT, LAND BOUNDARY MONUMENT, OR ACCESSORY CORNER A CLASS TWO (2) MISDEMEANOR, PURSUANT TO STATE STATUTE 18-4-508 OF THE COLORADO REVISED STATUTES.

ALTA/ACSM LAND TITLE SURVEY

LOT 2, HILE FIRST SUBDIVISION
SITUATED IN THE SE 1/4 OF SECTION 10,
T.5N., R.69W., OF THE 6TH P.M.,
CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO
1828 WEST EISENHOWER BOULEVARD

Prepared For:

McDonald's USA, LLC
2251 DTC Parkway, Suite 300
Greenwood Village, Colorado 80111

ENGINEERING SERVICE COMPANY
ENGINEERS - SURVEYORS - PLANNERS
Creative Solutions Since 1904
1300 South Peoria Street, Suite 126, Aurora, Colorado 80012
Office (303) 337-1999 Fax (303) 337-7481
www.escorp.com

Designed By:	CNB	Field Book No.:	Date:
Drawn By:	SAAM	Survey No.:	100120
Checked By:	CNB	Sheet No.:	1 OF 1

Revised:

02/23/10

11:50P

EXHIBIT "A"
10' UTILITY EASEMENT

LEGAL DESCRIPTION:

A PORTION OF A 10' UTILITY EASEMENT SITUATED IN THE SE 1/4 OF SECTION 10, T.5N. R.69W., OF THE 6TH P.M., BEING A PART OF LOT 2, BLOCK 1, HILE FIRST SUBDIVISION, A SUBDIVISION RECORDED AT RECEPTION NO. 9487766, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SE CORNER OF SAID LOT 2; THENCE N00°07'45"E ALONG THE EASTERLY LINE OF SAID LOT 2 A DISTANCE OF 157.82 FEET TO THE SOUTHEAST CORNER OF A 10' UTILITY EASEMENT AS RECORDED IN SAID HILE FIRST SUBDIVISION; THENCE S89°58'39"W ALONG THE SOUTHERLY LINE OF SAID EASEMENT A DISTANCE OF 122.31 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING S89°58'39"W ALONG SAID SOUTHERLY LINE A DISTANCE OF 28.00 FEET TO THE SOUTHWEST CORNER OF SAID EASEMENT; THENCE N00°07'45"E ALONG THE WESTERLY LINE OF SAID EASEMENT A DISTANCE OF 10.00 FEET TO THE NORTHWEST CORNER OF SAID EASEMENT; THENCE N89°58'39"E ALONG THE NORTHERLY LINE OF SAID EASEMENT A DISTANCE OF 28.00 FEET; THENCE S00°07'45"W A DISTANCE OF 10.00 FEET TO THE POINT OF BEGINNING.

PARCEL CONTAINS (280 SQUARE FEET) 0.0064 ACRES.

DATE PREPARED:

DATE OF LAST REVISION:

PREPARED BY: CHARLES N. BECKSTROM, PLS NO. 33202
FOR AND ON BEHALF OF
ENGINEERING SERVICE COMPANY
1300 SOUTH POTOMAC STREET, SUITE 126
AURORA, COLORADO 80012
PHONE: (303) 337-1393

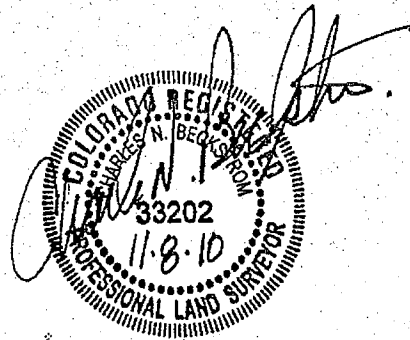


ILLUSTRATION FOR EXHIBIT "A"

WEST FIFTEENTH STREET

(60' PUBLIC R.O.W)

PREPARED BY:

ENGINEERING SERVICE COMPANY

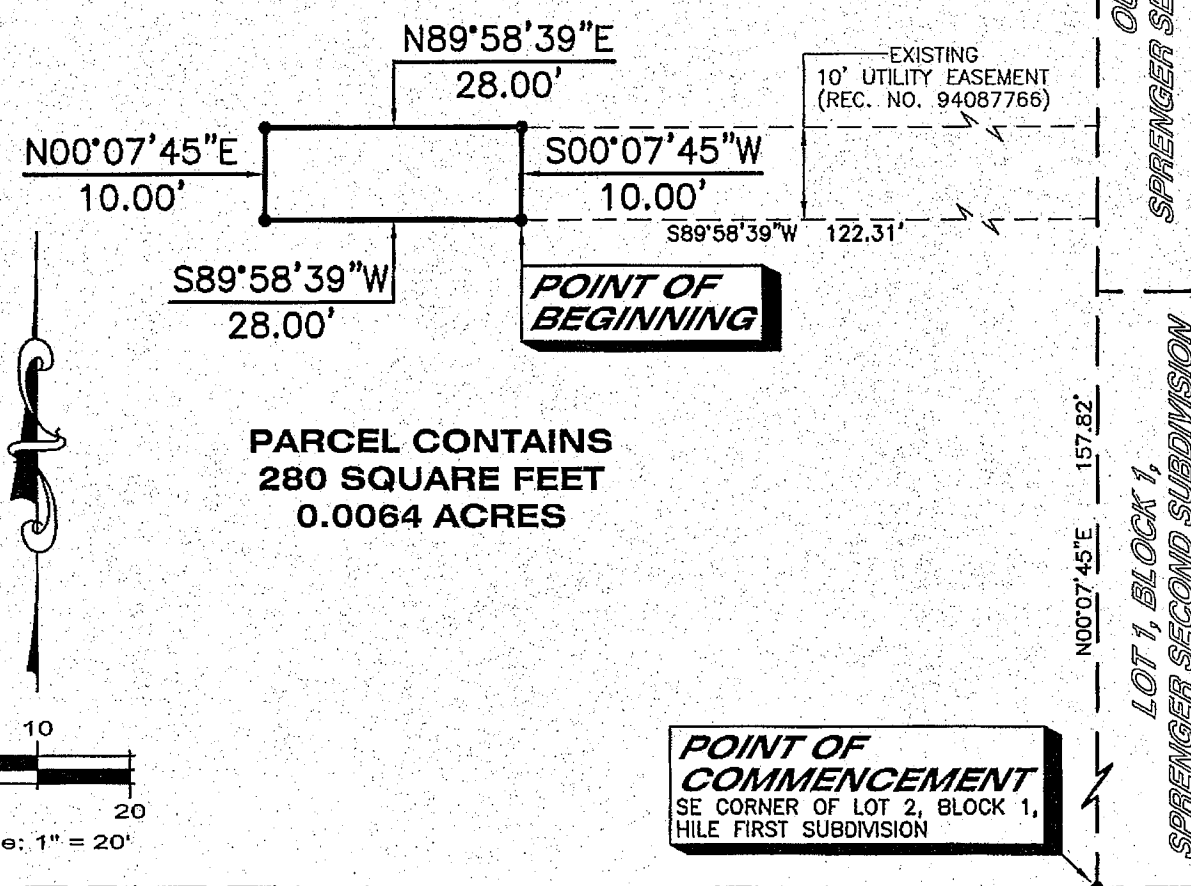
1300 SOUTH POTOMAC STREET, SUITE 126
AURORA, COLORADO 80012

OWNER:

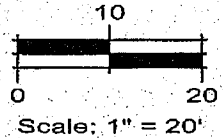
MCDONALDS CORPORATION

209 E 29TH ST.
LOVELAND, COLORADO 80538

**LOT 2, BLOCK 1,
HILE FIRST SUBDIVISION**



**PARCEL CONTAINS
280 SQUARE FEET
0.0064 ACRES**



**POINT OF
COMMENCEMENT**
SE CORNER OF LOT 2, BLOCK 1,
HILE FIRST SUBDIVISION

WEST EISENHOWER BOULEVARD

(80' PUBLIC R.O.W)

CITY OF LOVELAND

NOTE: THIS EXHIBIT DOES NOT REPRESENT A MONUMENTED SURVEY. IT IS INTENDED ONLY TO DEPICT THE ATTACHED DESCRIPTION.

DRAWN BY: SAM	SCALE: 1"=20'	R.O.W. FILE#
CHECKED BY: SAM	DATE: 11/08/10	

10' UTILITY EASEMENT

A PART OF LOT 2, BLOCK 1, HILE FIRST SUBDIVISION SITUATED IN THE SE 1/4 OF SECTION 10, T.5N., R.69W., OF THE 6TH P.M. CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO



ATTACHMENT D

Monday - November 08, 2010

Sent Via: 1st Class FedEx Courier HAND DELIVER Email to: Facsimile to:



CITY OF LOVELAND
500 E 3rd St (Civic Center)
DevSvcs: Planning
Loveland, CO 80537-5773

Attention: Mr. Steven Williams
Project Planner

Re: Easement Vacation Request
MCDONALD'S RESTAURANT (005-0049)
1809 W Eisenhower Blvd.
City of Loveland, CO
A2CE JN: 10-0002-54
PZ-10-00087 | MAJOR MOD TO S.R. #173

Greetings, Mr. Williams:

On behalf of our client McDonald's USA, LLC we are requesting vacation of a portion of an existing public utility easement serving the site. As you are aware McDonald's USA, LLC is planning to raze and rebuild their current site located at 1809 W. Eisenhower Boulevard. The New building will generally be situated in the same orientation as the existing building, but is longer than the existing building and moved to the west. With the revised site plan the northeast corner of the planned building encroaches into the existing public utility easement serving the site. As such, we are requesting to vacate approximately 28-feet of the existing easement. Enclosed for your "completeness review" prior to submitting for your team's format review and approval are the following items:

- City of Loveland: **Submittal Checklist**
- One (1): **Copy of the easement vacation exhibit and legal description**
- One (1): **CD containing electronic files of the easement vacation exhibit and legal description**
- One (1): **Full Sized Site Plan, ALTA Survey, and Utility Plan**
- One (1): **11"x17" Site Plan, ALTA Survey, and Utility Plan**
- One (1): **Vicinity Map**
- One (1): **Copy of the original easement dedication document**
- One (1): **Title Report**

The public utility easement was originally dedicated as part of the plat, but only serves the existing site. Additionally, the existing easement ends at the middle of the site, and does not extend to any property lines. Therefore the easement could not be used to supply services to any adjacent sites.

Currently electrical and gas services are provided to the site by utility lines that are not locate within the easement. Telephone serving the site is located within the easement for a distance before leasing the easement area and connecting to the building. The revised easement will allow the telephone line to remain in the easement for a distance before exiting to serve the building. It should be noted that all of the utility services serving the site, both wet and dry utilities, will be demolished and new services will be installed. Additionally, new easements will be dedicated to utility providers over their service lines.

There are no adjacent property owners other than McDonald's Corporation, a Delaware corporation, which owns the property in fee simple (no lean holders involved). The local contact is:

Mr. Brent Steadman
5251 DTC Parkway, Suite 300
Greenwood village, Colorado 80111-2732

We trust the enclosed information is acceptable and look forward to proceeding with this vacation. If you have any questions during your review please feel free to call me (720.384.7661). Thanks in advance for your help expediting this review.

Sincerely,

ATWOOD ASSOCIATES CONSULTING ENGINEERS

Robert J. Palmer
Robert J. Palmer, PE (CO, AZ)
Principal (Notary Public: Colorado)

"Engineering our client's dreams into reality with personal service, quality, and integrity"

9674 S. Adelaide Circle • Highlands Ranch, CO 80130-6825

LEGAL DESCRIPTION:
PER TITLE COMMITMENT
 LOT 2, BLOCK 1, HILE FIRST SUBDIVISION, COUNTY OF LARIMER, STATE OF COLORADO.
METES AND BOUNDS
 LOT 2, BLOCK 1, HILE FIRST SUBDIVISION, SITUATED IN THE SE 1/4 OF SECTION 10, T.5N., R.69W., OF THE 6TH P.M., CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
 BEGINNING AT THE SW CORNER OF LOT 2, BLOCK 1, HILE FIRST SUBDIVISION; THENCE N00°07'45"E ALONG THE WEST LINE OF SAID LOT 2 A DISTANCE OF 274.73 FEET TO THE NW CORNER OF SAID LOT 2; THENCE N89°58'39"E ALONG THE NORTH LINE OF SAID LOT 2 AND ALONG THE SOUTH R.O.W. LINE OF WEST 16TH STREET A DISTANCE OF 225.00 FEET TO THE NE CORNER OF SAID LOT 2; THENCE S00°07'45"W ALONG THE EAST LINE OF SAID LOT 2 A DISTANCE OF 274.82 FEET TO THE SE CORNER OF SAID LOT 2; THENCE S00°00'00"W ALONG THE SOUTH LINE OF SAID LOT 2 AND ALONG THE NORTH R.O.W. LINE OF WEST EISENHOWER BOULEVARD A DISTANCE OF 225.00 FEET TO THE POINT OF BEGINNING.
 PARCEL CONTAINS (81,824 SQUARE FEET) 1.4103 ACRES.
BASIS OF BEARINGS:
 BEARINGS ARE BASED ON THE SOUTH LINE OF THE SE 1/4 OF SECTION 10, TOWNSHIP 5 NORTH, RANGE 69 WEST, OF THE 6TH PRINCIPAL MERIDIAN BEARING N90°00'00"E AS REFERENCED AND BOUNDED BY THE MONUMENTS SHOWN HEREON.
ZONING INFORMATION:
 THIS SITE IS CURRENTLY ZONED: B (DEVELOPING BUSINESS DISTRICT).
BENCHMARK:
 CITY OF LOVELAND BM NO. 41 N (LOVELAND'S 1995 LEVEL NET SURVEY) BOLT ON CROWN OF FIRE HYDRANT AT THE NW CORNER OF PROSPECT DR. AND W. EISENHOWER BLVD. ELEVATION: 5029.16 FEET
FLOOD ZONE:
 BY GRAPHIC PLOTTING ONLY THE SUBJECT PROPERTY IS SITUATED IN FLOOD ZONE "X" AREA DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOOD PLAIN ACCORDING TO FLOOD INSURANCE RATE MAP (FIRM) COMMUNITY PANEL NO. 08050C1189F LAST REVISED DECEMBER 10, 2006. NO OFFICE CALCULATIONS OR FIELD SURVEYING WAS PERFORMED TO DETERMINE THIS INFORMATION.

SITE PLAN NOTES
 1. ALL DIMENSIONS AND RADII ARE TO THE FACE (FOR 6" REVEAL CURB) OR FLOWLINE (FOR CURB & GUTTER) UNLESS OTHERWISE NOTED.
 2. PARKING SPACE STRIPING TO BE WHITE, 4" WIDE, UNLESS OTHERWISE NOTED.
 3. LOT LINE AND EXISTING TOPOGRAPHIC INFORMATION TAKEN FROM THE SURVEY PREPARED BY ENGINEERING SERVICES COMPANY, INC.
 4. CONCRETE PAVEMENT, SIDEWALK, CURB & GUTTER TO BE REMOVED (IF APPLICABLE) SHALL BE SAWCUT. CONTRACTOR SHALL REMOVE TO NEXT JOINT IF SAWCUT IS WITHIN 5 FEET OF A JOINT.
 5. THE PARKING AREAS AND ACCESS DRIVES SHALL CONSIST OF A FLEXIBLE COMPOSITE PAVEMENT SECTION OF SIX-INCHES OF ASPHALT OVER FOUR-INCHES OF AGGREGATE BASE COURSE (REFERENCE SOILS REPORT). AT A MINIMUM, THE PAVEMENT SHALL BE DESIGNED TO SUPPORT THE WEIGHT IMPOSED BY FIRE APPARATUS (24 TON, 2 AXLES, 34 TON, 3 AXLES).
 6. THE DRIVE THRU, LOADING AREA, AND TRASH DUMPSTER AREA SHALL CONSIST OF A PORTLAND CEMENT CONCRETE PAVEMENT WITH A MINIMUM THICKNESS OF EIGHT (8) INCHES (UNLESS OTHERWISE NOTED) WITH #3 BARS, 18" O.C.B.W. IN CENTER OF SLAB. USE 3/4" CHAIRS AT 48" O.C.B.W.
 7. ALL HANDICAP RAMPS TO INCLUDE DETECTABLE WARNING PANELS. PRIOR TO THE COMMENCEMENT OF ANY CONSTRUCTION ACTIVITY THAT WILL INVOLVE ANY EXISTING OR PROPOSED STREET SIGNS OR TRAFFIC CONTROL DEVICES WITHIN THE PUBLIC RIGHT-OF-WAY (ROW), THE CONTRACTOR SHALL CONTACT THE CITY TRAFFIC DIVISION AT (703) 962-2695 TO COORDINATE THE REMOVAL, RELOCATION, INSTALLATION, AND/OR PROPER STORING OF THE SIGN(S) OR TRAFFIC CONTROL DEVICE(S) AND OBTAIN A ROW WORK PERMIT FROM THE CITY PUBLIC WORKS ENGINEERING DIVISION TO DO SUCH WORK. HOWEVER, IF THE CONTRACTOR REMOVES OR RELOCATES ANY EXISTING STREET SIGN(S) OR TRAFFIC CONTROL DEVICE(S) WITHIN THE PUBLIC ROW WITHOUT FIRST OBTAINING A ROW WORK PERMIT FROM THE CITY PUBLIC WORKS DIVISION, THEN THE CONTRACTOR WILL BE CHARGED FOR THE LABOR, MATERIALS, AND EQUIPMENT TO REINSTALL THE SIGN(S) OR TRAFFIC CONTROL DEVICE(S) AS DEEMED NECESSARY BY THE CITY. THE CONTRACTOR WILL ALSO BE CHARGED TO REPLACE ANY EXISTING STREET SIGNS OR TRAFFIC CONTROL DEVICES THAT WERE DAMAGED OR DISMISSED DURING ANY CONSTRUCTION ACTIVITY AS DEEMED NECESSARY BY THE CITY. THE CONTRACTOR MAY ALSO BE SUBJECT TO ADDITIONAL FINES AS PER THE LOVELAND MUNICIPAL CODE. ADDITIONALLY, ANY WORK WITHIN THE COLORADO DEPARTMENT OF TRANSPORTATION (CDOT) ROW WILL ALSO NEED TO OBTAIN A ROW WORK PERMIT FROM CDOT.

McDONALD'S RESTAURANT

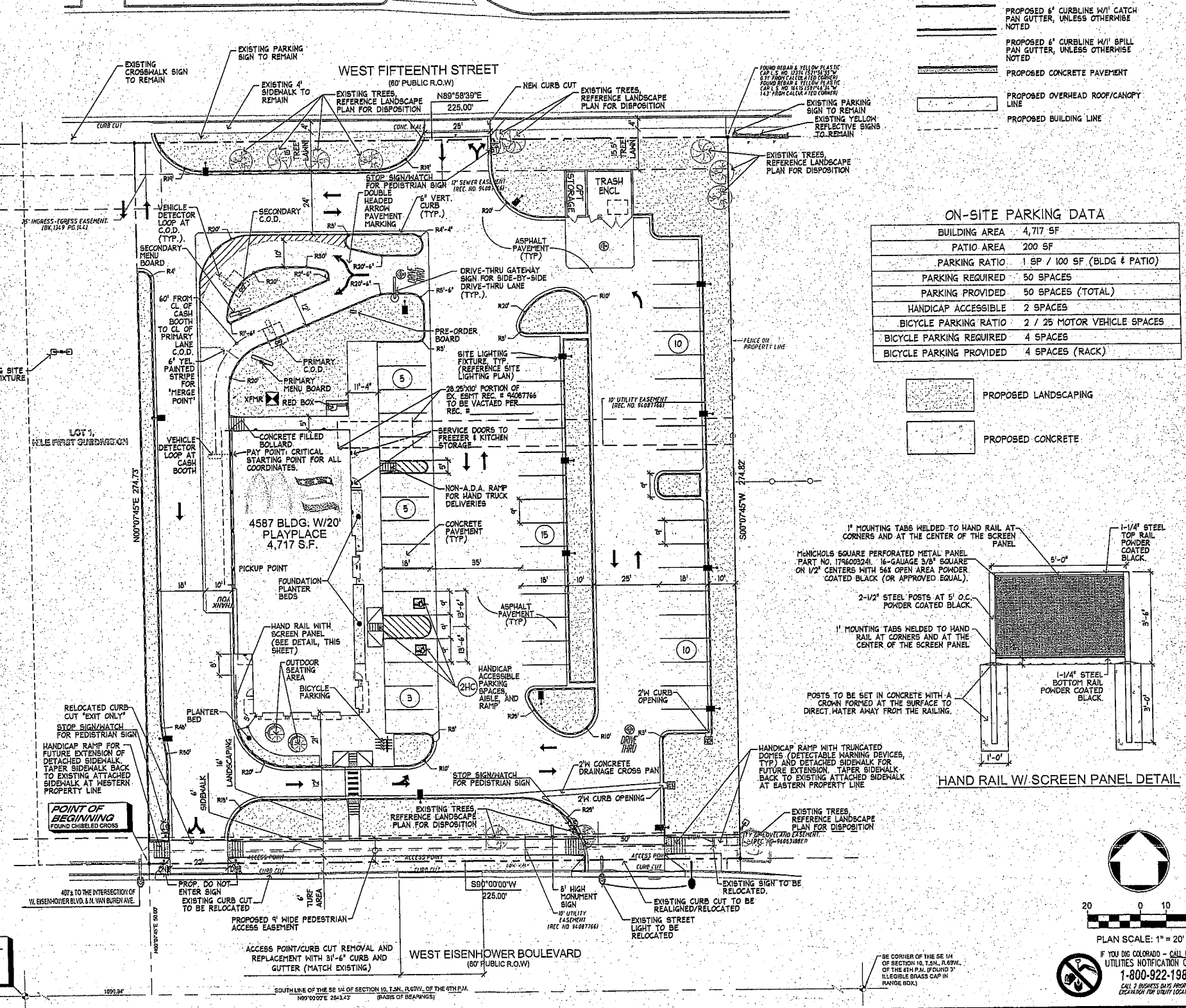
LOT 2, HILE FIRST SUBDIVISION
 SITUATED IN THE SOUTHEAST 1/4 OF SECTION 10, TOWNSHIP 5 SOUTH, RANGE 69 WEST, OF THE 6TH PRINCIPAL MERIDIAN
 CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO
 LOCATED AT: 1809 WEST EISENHOWER BOULEVARD

SITE PLAN LEGEND

- SITE PROPERTY LINE (WITH METES & BOUNDS NOTED)
- ADJACENT PARCEL PROPERTY LINE
- EXISTING CURBLINE
- PROPOSED 6" CURBLINE
- PROPOSED 6" CURBLINE W/1' CATCH PAN GUTTER, UNLESS OTHERWISE NOTED
- PROPOSED 6" CURBLINE W/1' SPILL PAN GUTTER, UNLESS OTHERWISE NOTED
- PROPOSED CONCRETE PAVEMENT
- PROPOSED OVERHEAD ROOF/CANOPY LINE
- PROPOSED BUILDING LINE

ON-SITE PARKING DATA

BUILDING AREA	4,717 SF
PATIO AREA	200 SF
PARKING RATIO	1 SP / 100 SF (BLDG & PATIO)
PARKING REQUIRED	50 SPACES
PARKING PROVIDED	50 SPACES (TOTAL)
HANDICAP ACCESSIBLE	2 SPACES
BICYCLE PARKING RATIO	2 / 25 MOTOR VEHICLE SPACES
BICYCLE PARKING REQUIRED	4 SPACES
BICYCLE PARKING PROVIDED	4 SPACES (RACK)



NO. DATE REVISION DESCRIPTION

ATWOOD ASSOCIATES
 CONSULTING ENGINEERS
 6974 S. Adairville Circle
 Highlands Ranch, CO 80130-8825
 303.415.5112
 303.415.5113 fax
 atwood@atwood.com

Robert J. Palmer, PE
 Principal, Chief Geomatics Officer

McDonald's

THESE PLANS AND SPECIFICATIONS ARE THE PROPERTY OF MCDONALD'S CORPORATION AND SHALL NOT BE REPRODUCED WITHOUT THEIR WRITTEN PERMISSION.

REGION DENVER REGION
 ADDRESS 5251 DTC PARKWAY, SUITE 300, ENGLEWOOD, COLORADO 80111
 OFFICE

1809 WEST EISENHOWER BOULEVARD
 COLORADO
 COUNTY LARIMER
 STATE STREET #4: 005-0045
 METERS #4: 02956

REGULATORY TAG NO. DEN-37

SCALE: 1"=20'
 DATE: 10/29/2010
 DESIGNED BY: WAB
 DRAWN BY: AC
 CHECKED BY: RJP
 FILE NAME: CURRENT.DWG
 PROJECT NO.: 10-0002-54

SITE LAYOUT & STRIPING PLAN

SHEET NO. C.2

P:\110\0002-1809EISENHOWER-181809EISENHOWER-181809EISENHOWER-181809EISENHOWER.dwg 11/7/2010 1:06:25 PM JMT

LEGAL DESCRIPTION:

PER TITLE COMMITMENT
LOT 2, BLOCK 1, HILE FIRST SUBDIVISION, COUNTY OF LARIMER, STATE OF COLORADO.

METES AND BOUNDS

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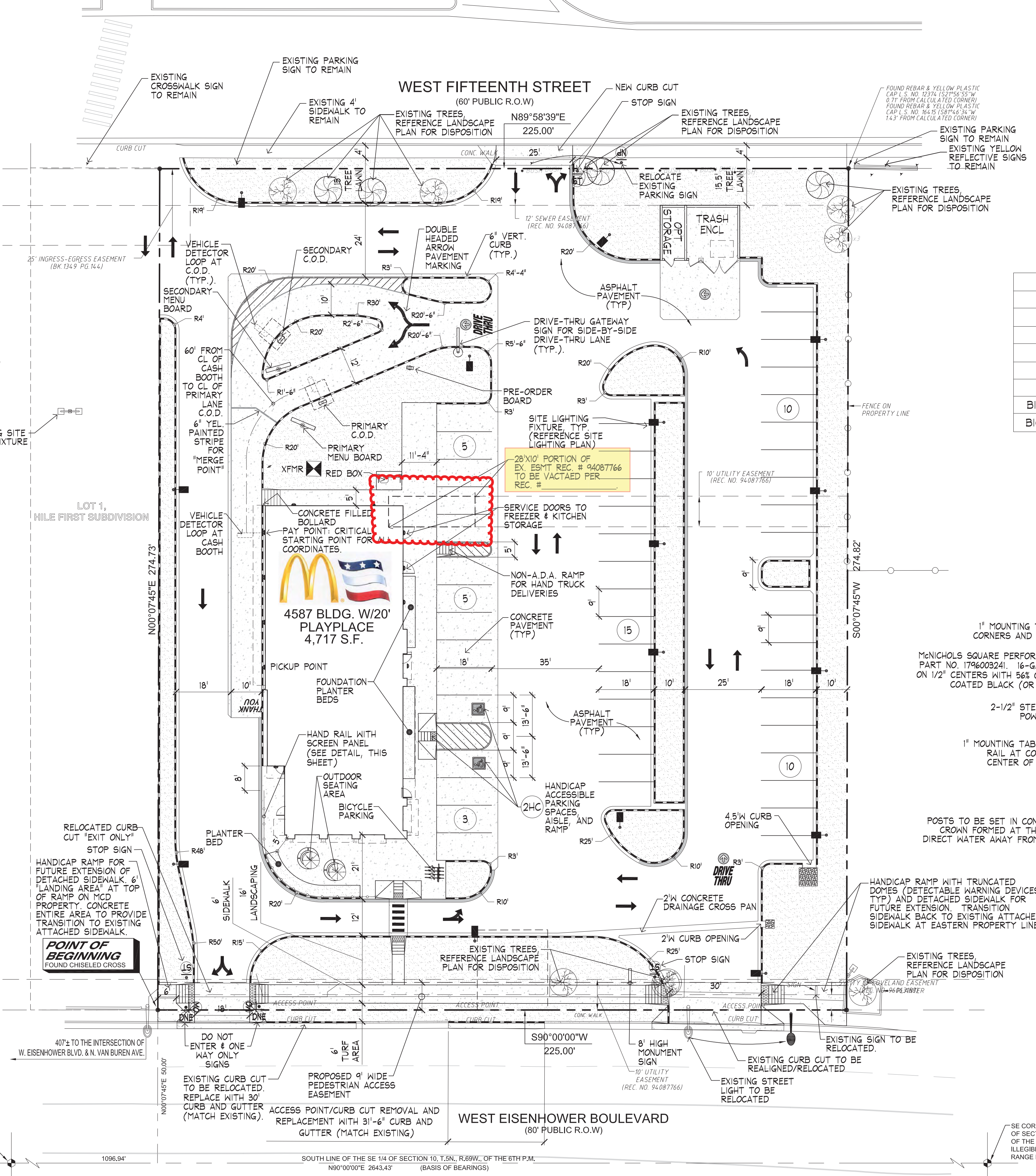
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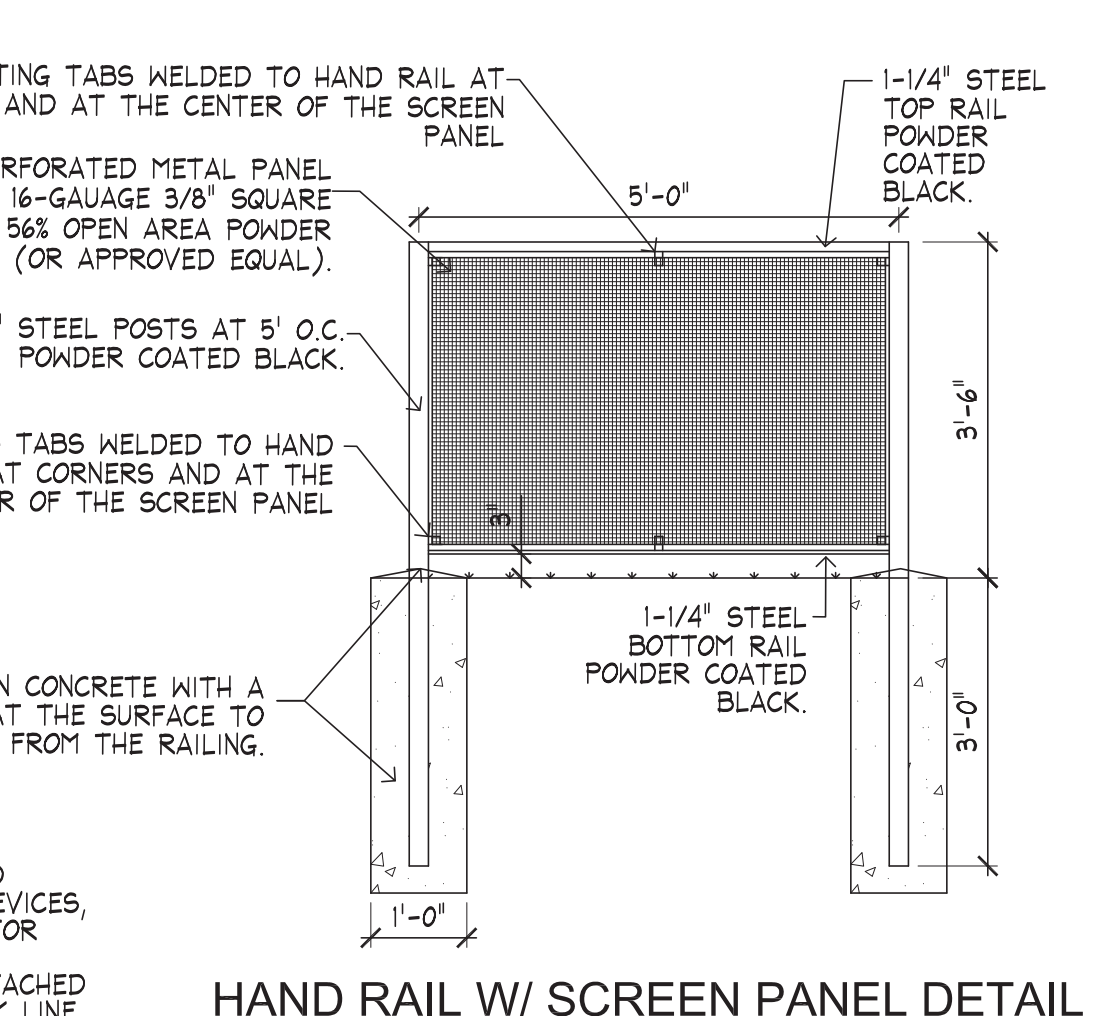
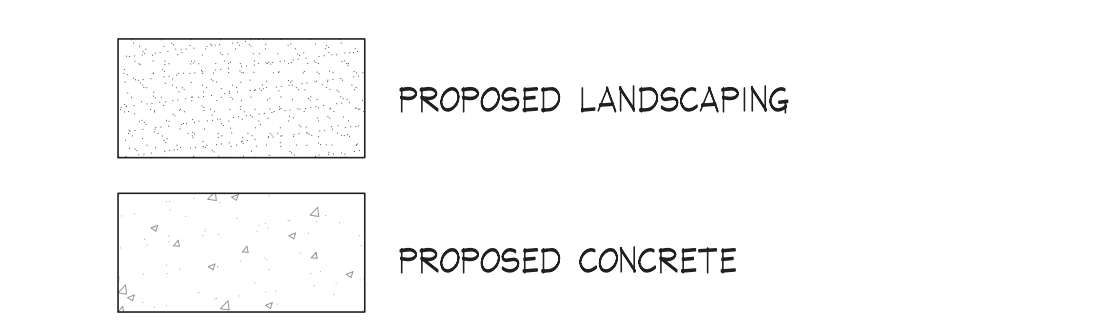
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CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO
LOCATED AT: 1809 WEST EISENHOWER BOULEVARD

SITE PLAN LEGEND

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PARKING PROVIDED 50 SPACES (TOTAL)
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BICYCLE PARKING RATIO 2 / 25 MOTOR VEHICLE SPACES
BICYCLE PARKING REQUIRED 4 SPACES
BICYCLE PARKING PROVIDED 4 SPACES (RACK)



Project information block including Atwood Associates logo, address (1809 West Eisenhower Boulevard, Loveland, CO), contact info, and drawing title 'SITE LAYOUT & STRIPING PLAN C.2'.

P:\FY10\0002-McDONALD'S\4-1809WESTEISENHOWERBLVD\LOVELAND\Draws\Current.dwg 12/14/2010 12:42:25 PM MST



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: 2/1/2011
TO: City Council
FROM: Greg George, Development Services Department
PRESENTER: Brian Burson, Current Planning Division

TITLE:

A RESOLUTION FINDING A CERTAIN PETITION FOR ANNEXATION KNOWN AS TIMKA FIRST ADDITION, FILED JANUARY 12, 2011, TO BE IN SUBSTANTIAL COMPLIANCE WITH SECTION 30 OF ARTICLE II OF THE COLORADO CONSTITUTION AND WITH THE REQUIREMENTS OF §31-12-107(1), C.R.S.; AND ESTABLISHING A DATE, TIME, AND PLACE FOR A HEARING TO DETERMINE WHETHER THE PROPOSED ANNEXATION COMPLIES WITH THE APPLICABLE REQUIREMENTS OF SECTIONS 31-12-104 AND 31-12-105, C.R.S., AND IS ELIGIBLE FOR ANNEXATION TO THE CITY OF LOVELAND, COLORADO

DESCRIPTION:

A legislative action to consider a resolution that makes findings of facts regarding certain statutory requirements for the proposed Timka First Addition, and setting a public hearing of March 15, 2011 for City Council consideration of the annexation.

BUDGET IMPACT:

Yes No

SUMMARY:

The site is located along the south side of 14th Street Southeast (Highway 402), approximately 2,500 feet east of the intersection of 14th Street Southeast and South Boise Avenue. The application would annex approximately 9.911 acres of land and zone it as I-Developing Industrial District. This action is the first step in consideration of an annexation application, as stipulated by state statutes.

LIST OF ATTACHMENTS:

- A. Resolution to set the public hearing
 - B. Timka Addition annexation map
-

RECOMMENDED CITY COUNCIL ACTION:

City staff recommends the following motion for City Council action:

Move to approve, A RESOLUTION FINDING A CERTAIN PETITION FOR ANNEXATION KNOWN AS TIMKA FIRST ADDITION, FILED JANUARY 12, 2011, TO BE IN SUBSTANTIAL COMPLIANCE WITH SECTION 30 OF ARTICLE II OF THE COLORADO CONSTITUTION AND WITH THE REQUIREMENTS OF §31-12-107(1), C.R.S.; AND ESTABLISHING A DATE, TIME, AND PLACE FOR A HEARING TO DETERMINE WHETHER THE PROPOSED ANNEXATION COMPLIES WITH THE APPLICABLE REQUIREMENTS OF SECTIONS 31-12-104 AND 31-12-105, C.R.S., AND IS ELIGIBLE FOR ANNEXATION TO THE CITY OF LOVELAND, COLORADO.

REVIEWED BY CITY MANAGER:

RESOLUTION #R-7-2011

A RESOLUTION FINDING A CERTAIN PETITION FOR ANNEXATION KNOWN AS TIMKA FIRST ADDITION, FILED JANUARY 12, 2011, TO BE IN SUBSTANTIAL COMPLIANCE WITH SECTION 30 OF ARTICLE II OF THE COLORADO CONSTITUTION AND WITH THE REQUIREMENTS OF §31-12-107(1), C.R.S.; AND ESTABLISHING A DATE, TIME, AND PLACE FOR A HEARING TO DETERMINE WHETHER THE PROPOSED ANNEXATION COMPLIES WITH THE APPLICABLE REQUIREMENTS OF SECTIONS 31-12-104 AND 31-12-105, C.R.S., AND IS ELIGIBLE FOR ANNEXATION TO THE CITY OF LOVELAND, COLORADO

WHEREAS, on January 12, 2011, a Petition for Annexation was filed with the City Clerk by persons alleging to comprise more than fifty percent (50%) of the landowners in the area described on **Exhibit A**, attached hereto and incorporated herein, who assert ownership of more than fifty percent (50%) of said area, excluding public streets and alleys; and

WHEREAS, said Petition requests the City of Loveland to annex said area; and

WHEREAS, the City Council has determined that said Petition for Annexation is in substantial compliance with Section 30(1)(b) of Article II of the Colorado Constitution and of §31-12-107(1), C.R.S.; and

WHEREAS, the City Council desires to set a date, time, and place for public hearing to determine whether the proposed annexation complies with Section 30 of Article II of the Colorado Constitution and the applicable requirements of §§31-12-104 and 31-12-105, C.R.S., and is eligible for annexation;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Loveland, Colorado, that:

1. The City Council hereby finds and determines:
 - (a) That a Petition for Annexation has been filed with the City Clerk signed by persons alleging to comprise more than fifty percent (50%) of the landowners

who assert ownership of more than fifty percent (50%) of the area described on **Exhibit A**, attached hereto and incorporated herein, excluding public streets and alleys;

(b) That said Petition requests the City of Loveland to annex said area;
and

(c) That said Petition substantially complies with and meets the requirements of Section 30(1)(b) of Article II of the Colorado Constitution and of §31-12-107(1), C.R.S.

2. Pursuant to §31-12-108, C.R.S., a public hearing is scheduled for March 15, 2011, at the hour of 6:30 p.m., for the purpose of enabling the City Council to determine whether the area proposed to be annexed complies Section 30 of Article II of the Colorado Constitution and with the applicable requirements of §§31-12-104 and 31-12-105, C.R.S., and is eligible for annexation; whether or not an election is required under Section 30(1)(a) of Article II of the Colorado Constitution and of §31-12-107(2), C.R.S.; and whether or not additional terms and conditions are to be imposed. Said hearing shall be held at the Loveland Municipal Complex, 500 East Third Street, Loveland, Colorado.

3. The City Clerk shall give notice of said hearing in the manner prescribed by §31-12-108(2), C.R.S.

4. This Resolution shall become effective on the date and at the time of its adoption.

APPROVED the ____ day of _____, 2011.

ATTEST:

CITY OF LOVELAND, COLORADO:

City Clerk

Mayor

APPROVED AS TO FORM:



Assistant City Attorney

EXHIBIT A

Serial Parcel 1

Legal description of a parcel of land being a portion of the Northwest Quarter of the Northeast Quarter of Section 30, Township 5 North, Range 68 West of the 6th P.M., County of Larimer, State of Colorado, being more particularly described as follows: Beginning at the North Quarter corner of said Section 30, thence along the North line of the Northeast Quarter of said Section 30 South 89°48'00" East 993.54 feet; thence departing said North line South 00°02'31" East 30.11 feet to the TRUE POINT OF BEGINNING; thence South 89°50'32" East 331.17 feet to a point on the East line of the Northwest Quarter of the Northeast Quarter of said Section 30; thence along said East line South 00°01'35" East 652.39 feet; thence departing said East line North 89°45'46" West 331.00 feet to a point on the West line of the East Half of the East Half of the Northwest Quarter of the Northeast Quarter of said Section 30; thence along said West line North 00°02'31" West 651.93 feet to the TRUE POINT OF BEGINNING.

The above described parcel contains 4.957 acres, more or less and is subject to all easements, agreements and rights-of-way of record.

Serial Parcel 2

Legal description of a parcel of land being a portion of the Northwest Quarter of the Northeast Quarter of Section 30, Township 5 North, Range 68 West of the 6th P.M., County of Larimer, State of Colorado, being more particularly described as follows: Beginning at the North Quarter corner of said Section 30, thence along the North line of the Northeast Quarter of said Section 30 South 89°48'00" East 993.54 feet; thence departing said North line South 00°02'31" East 30.11 feet; thence South 89°50'32" East 331.17 feet to a point on the East line of the Northwest Quarter of the Northeast Quarter of said Section 30; thence along said East line South 00°01'35" East 652.39 feet to the TRUE POINT OF BEGINNING; thence continuing along said East line South 00°01'35" East 652.39 feet to a point on the South line of the Northwest Quarter of the Northeast Quarter of said Section 30; thence along said South line North 89°41'00" West 330.83 feet to a point on the West line of the East Half of the East Half of the Northwest Quarter of the Northeast Quarter of said Section 30; thence along said West line North 00°02'31" West 651.93 feet; thence departing said West line South 89°45'46" East 331.00 feet to the TRUE POINT OF BEGINNING.

The above described parcel contains 4.954 acres, more or less and is subject to all easements, agreements and rights-of-way of record.

TIMKA FIRST ADDITION

TIMKA FIRST ADDITION

BEING A SERIAL ANNEXATION OF PORTIONS OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH P.M., LARIMER COUNTY, COLORADO.

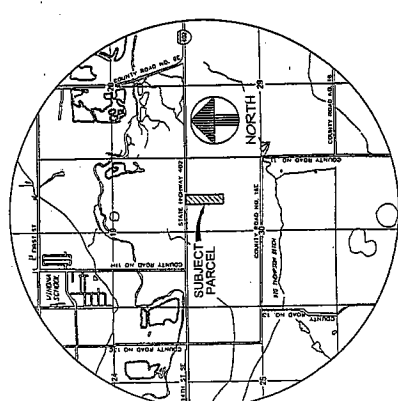
LEGAL DESCRIPTION FOR TIMKA FIRST ADDITION SERIAL 1
Legal description of a parcel of land being a portion of the Northwest Quarter of the Northeast Quarter of Section 30, Township 5 North, Range 68 West of the 6th P.M., Larimer County, State of Colorado, being more particularly described as follows: The West 1/2 of the Northwest Quarter of said Section 30, South 89°48'00" East 99.354 feet; thence along said North line South 07°02'31" West 331.17 feet to a point on the East line of the Northwest Quarter of said Section 30; thence along said East line South 07°02'31" West 331.17 feet to a point on the East Half of the East Half of the Northwest Quarter of said Section 30; thence along said West line North 07°02'31" West 625.35 feet to the TRUE POINT OF BEGINNING; thence along said West line North 07°02'31" West 625.35 feet to the TRUE POINT OF BEGINNING.

ANNEXATION DATA TABLE-TIMKA FIRST ADDITION SERIAL 1
TOTAL CONTIGUITY = 3,311.7 FEET
1/2 TOTAL PERIMETER = 1,655.85 FEET
PRESENT CITY LIMITS OF LOVELAND = ~~XXXXXXXXXX~~
CONTIGUOUS BOUNDARY OF LOVELAND = ~~XXXXXXXXXX~~

LEGAL DESCRIPTION FOR TIMKA FIRST ADDITION SERIAL 2
Legal description of a parcel of land being a portion of the Northwest Quarter of the Northeast Quarter of Section 30, Township 5 North, Range 68 West of the 6th P.M., Larimer County, State of Colorado, being more particularly described as follows: The West 1/2 of the Northwest Quarter of said Section 30, South 89°48'00" East 99.354 feet; thence along said North line South 07°02'31" West 331.17 feet to a point on the East line of the Northwest Quarter of said Section 30; thence along said East line South 07°02'31" West 331.17 feet to a point on the East Half of the East Half of the Northwest Quarter of said Section 30; thence along said West line North 07°02'31" West 625.35 feet to the TRUE POINT OF BEGINNING; thence along said West line North 07°02'31" West 625.35 feet to the TRUE POINT OF BEGINNING.

ANNEXATION DATA TABLE-TIMKA FIRST ADDITION SERIAL 2
TOTAL CONTIGUITY = 3,311.7 FEET
1/2 TOTAL PERIMETER THIS ADDITION = 1,655.85 FEET
PRESENT CITY LIMITS OF LOVELAND = ~~XXXXXXXXXX~~
CONTIGUOUS BOUNDARY OF LOVELAND = ~~XXXXXXXXXX~~

LEGAL DESCRIPTION TOTAL ANNEXATION AREA
Legal description of a parcel of land being a portion of the Northwest Quarter of the Northeast Quarter of Section 30, Township 5 North, Range 68 West of the 6th P.M., Larimer County, State of Colorado, being more particularly described as follows: The West 1/2 of the Northwest Quarter of said Section 30, South 89°48'00" East 99.354 feet; thence along said North line South 07°02'31" West 331.17 feet to a point on the East line of the Northwest Quarter of said Section 30; thence along said East line South 07°02'31" West 331.17 feet to a point on the East Half of the East Half of the Northwest Quarter of said Section 30; thence along said West line North 07°02'31" West 625.35 feet to the TRUE POINT OF BEGINNING; thence along said West line North 07°02'31" West 625.35 feet to the TRUE POINT OF BEGINNING.



OWNER
TIMKA, J. PIVONKA
2118 E. HIGHWAY 402
LOVELAND, COLORADO 80537

CONSULTANT
LANDMARK ENGINEERING LTD.
3524 W. USHERWOOD BLVD.
LOVELAND, CO 80537

GENERAL NOTES
1. This project is subject to an Amended Agreement which has been recorded in the Real Estate Records, Book 118, Page 10, of the Northwest Quarter of Section 30 of Township 5 North, Range 68 West of the 6th P.M., Larimer County, Colorado.
2. Beas of Bearings, Feet, and all other data contained herein relative thereto, being monumented as shown herein.

SURVEYOR'S CERTIFICATE:
I, Paul A. Hernandez, a registered Professional Land Surveyor in the State of Colorado, do hereby certify that I have personally examined the above described plat and the accompanying field notes and find that the same are in accordance with the laws of the State of Colorado and that the same are correct and true to the best of my knowledge and belief. I have also examined the original field notes and find that the same are correct and true to the best of my knowledge and belief. I have also examined the original field notes and find that the same are correct and true to the best of my knowledge and belief. I have also examined the original field notes and find that the same are correct and true to the best of my knowledge and belief.

Dated this _____ day of _____, 2010.

By: _____
Paul A. Hernandez
Professional Land Surveyor
No. 12345

This map is approved by the City Council of the City of Loveland, Larimer County, Colorado by Ordinance No. _____ on this _____ day of _____, 2010.

My commission expires: _____
Notary Public

MAYOR'S CERTIFICATE:
This map is approved by the City Council of the City of Loveland, Larimer County, Colorado by Ordinance No. _____ on this _____ day of _____, 2010.

By: _____
Mayor

Attest: _____
City Clerk

CLIENT: TIMOTHY PIVONKA
JOB NO.: 00001
SHEET: 1 of 2
CITY OF LOVELAND, COLO.
TIMKA FIRST ADDITION
DATE: FEB. 2010
SCALE: 1"=200'
DESIGN: T.M.A.
CHECKED: P.A.M.
APPROVED: P.A.M.
REVISIONS:
REV. NO. DATE DESCRIPTION
1 1-10 REVISIONS
2 1-10 REVISIONS
3 1-10 REVISIONS
4 1-10 REVISIONS
5 1-10 REVISIONS
6 1-10 REVISIONS
7 1-10 REVISIONS
8 1-10 REVISIONS
9 1-10 REVISIONS
10 1-10 REVISIONS

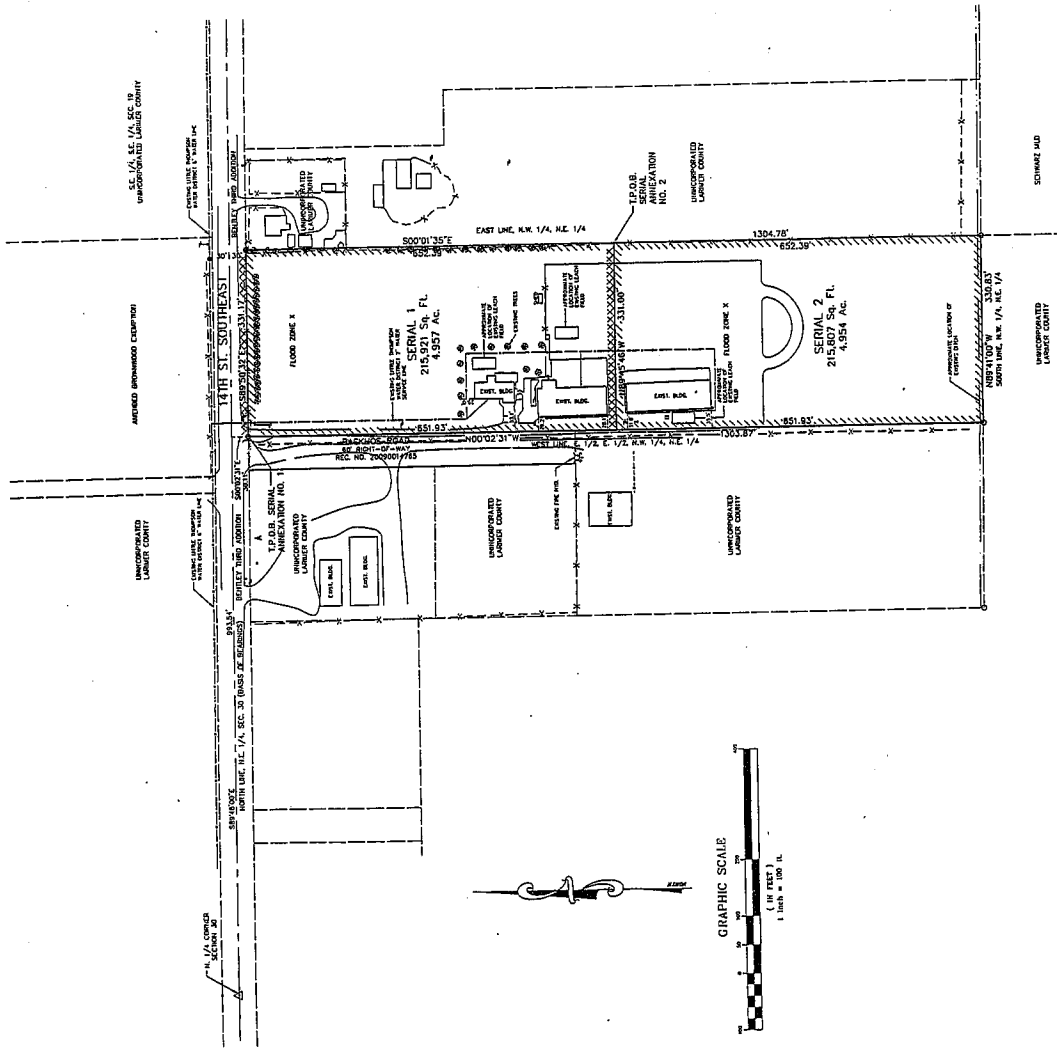
TIMKA FIRST ADDITION

TIMKA FIRST ADDITION

BEING A SERIAL ANNEXATION OF PORTIONS OF THE NORTHWEST QUARTER OF SECTION 30, TOWNSHIP 5 NORTH, RANGE 68 THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH P.M., LARIMER COUNTY, COLORADO.

ANNEXATION DATA TABLE--TIMKA FIRST ADDITION SERIAL 1
 TOTAL CONTIGUITY = 331.17 FEET
 1/6 TOTAL PERIMETER = 155.93
 TOTAL PERIMETER THIS ADDITION = 1986.50 FEET
 PERCENTAGE OF PERIMETER THIS ADDITION = 12.54%
 CONTIGUOUS BOUNDARY OF LOVELAND = XXXXXXXXXXXX

ANNEXATION DATA TABLE--TIMKA FIRST ADDITION SERIAL 2
 TOTAL CONTIGUITY = 331.00 FEET
 1/6 TOTAL PERIMETER = 155.93
 TOTAL PERIMETER THIS ADDITION = 1986.15 FEET
 PERCENTAGE OF PERIMETER THIS ADDITION = 12.54%
 CONTIGUOUS BOUNDARY OF LOVELAND = XXXXXXXXXXXX



NO.	DATE	BY	DESCRIPTION
1	11-15-10	ML	REVISION
2	11-15-10	ML	REVISION
3	11-15-10	ML	REVISION
4	11-15-10	ML	REVISION
5	11-15-10	ML	REVISION
6	11-15-10	ML	REVISION
7	11-15-10	ML	REVISION
8	11-15-10	ML	REVISION
9	11-15-10	ML	REVISION
10	11-15-10	ML	REVISION

Landmark Engineering
 ENGINEERING ARCHITECTS GEODETIC SURVEYORS
 2525 West Elizabeth Blvd., Loveland, Colorado 80537
 (970) 667-4344 Fax (970) 667-4340
 www.landmarkeng.com

DATE: FEB. 2010
 SCALE: 1"=100'
 DRAWN: P.A.H.
 CHECKED: T.V.J.
 APPROVED: P.A.H.

COUNTY: TIMOTHY PIVONKA
 TITLE: TIMKA FIRST ADDITION
 CITY OF LOVELAND, COLO.
 SHEET: 2 OF 2
 JOB NO.: 085901-A1-200

TIMKA FIRST ADDITION

Prepared by: Timka Engineering, Loveland, Colorado, dated 11/25/10 2:23:58 PM, Johnson



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: 6
MEETING DATE: 2/1/2011
TO: City Council
FROM: Bettie Greenberg, Finance

TITLE: Approve and authorize the City Manager to sign a contract and security agreement with Pinnacol Assurance Company for 2011 workers' compensation coverage

DESCRIPTION: This is an administrative action to allow the City Manager to enter into a contract for \$1,670,876 with Pinnacol Assurance Company for workers' compensation coverage required by the State of Colorado. The contract stipulates that Pinnacol will provide workers' compensation insurance with a per claim deductible of \$200,000 for 2011. The vendor will adjust workers' compensation claims in accordance with state law, pay claims and bill the City for the amount due under the deductible. They will provide loss control services to the City, including but not limited to industrial hygiene services, assistance with the development of training programs, resources and improvement of the City's safety programs. The contract also requires a security agreement granting Pinnacol a security interest in specified minimum collateral, initially a \$1M US Treasury Note held as a part of the City's investment portfolio, to secure the City's financial obligations under the insurance contract.

BUDGET IMPACT:

Yes No

Summary:

This item was pulled from the January 4, 2011 agenda due to contract revisions that are now resolved. The City contracts with Pinnacol Assurance Company to provide workers' compensation insurance to city employees. The 2011 contract amount is \$1,670,876 which is \$675,576 more than the 2010 contract of \$995,300. Pinnacol Assurance Company changed its costing model for 2011. If Pinnacol had used the current costing methodology for the 2010 contract the 2010 premium would have been \$1,692,232.

2011 to 2010 Cost Comparison:

<u>2011</u>		<u>2010</u>	
Premium & Loss Fund Deposit	\$351,960	Premium & Loss Fund Deposit	\$357,454
2010 Open Claims	\$200,000	2009 Open Claims	\$156,540
2011 Estimated Claims	\$463,040	2010 Estimated Claims	\$481,306
Contingency Claims	\$655,876	Contingency Claims	0
Total	\$1,670,876	Total	\$995,300

The 2011 cost includes the premium of \$321,960 and a \$30,000 loss fund deposit. The breakdown of the remaining costs are an estimated \$200,000 for 2010 open claims, an estimated \$463,040 for 2011 claims, and a contingency amount of \$655,876 in the unlikely event that the 2011 claims paid for 2010 or 2011 are worse than anticipated.

The City budgeted \$1,078,000 for workers' compensation in 2011. We believe that the contingency amount required by Pinnacol is not a realistic estimate and we will not likely exceed the budgeted amount, since the 2010 open claims currently do not appear problematic and should not exceed \$200,000. Should claims appear to be approaching the contingency amount included in the Pinnacol estimate, staff will bring a supplemental appropriation forward to Council out of Risk Management reserves set aside for such contingencies.

You may have seen in the news recently concerns raised about the golf outing sponsored by Pinnacol last year as an incentive for insurance agents. Attached, please see the statement from Pinnacol regarding these expenditures and its affect on premiums.

The City conducts a request for proposal every three to five years. The last request for proposal was in 2006 for the 2007 policy year. An RFP is planned for 2011.

LIST OF ATTACHMENTS:

- Pinnacol Assurance Contract
- Pinnacol Statement regarding Golf Outing

RECOMMENDED CITY COUNCIL ACTION:

Approve and authorize the City Manager to sign a contract and security agreement with Pinnacol Assurance Company for \$1,670,876 for workers' compensation coverage for 2011.

REVIEWED BY CITY MANAGER:

SERVICES CONTRACT

This Contract is entered into this 11 day of January, 2011, by and between the **City of Loveland, Colorado** ("City") and **Pinnacol Assurance** ("Contractor").

Whereas, the City desire to contract the Contractor to obtain **Workers' Compensation Insurance Coverage**, and the Contractor desires to provide said coverage to the City.

Now, therefore, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. **Services.** The Contractor shall perform the services set forth in Exhibit A, attached hereto and incorporated herein by reference ("Services"). The Contractor represents that it has the authority, capacity, experience, and expertise to perform the Services in compliance with the provisions of this Contract and all applicable laws. The City reserves the right to remove any of the Services from Exhibit A upon written notice to Contractor. In the event of any conflict between this Contract and Exhibit A, the provisions of this Contract shall prevail.

2. **Price.** The City shall pay the Contractor **as set forth in Exhibit A.**

3. **Term.** This Contract shall be effective from **January 1, 2011 through December 31, 2011.** This Contract may be extended or renewed by written agreement of the parties.

4. **Independent Contractor.** The parties agree that the Contractor is an independent contractor and is not an employee of the City. **The Contractor is not entitled to workers' compensation benefits from the City and is obligated to pay applicable federal and state income tax on any money earned pursuant to this Contract.**

5. **Indemnification.** The Contractor agrees to indemnify and hold harmless the City, its officers, employees, and agents from and against all liability, claims, and demands on account of any injury, loss, or damage arising out of or connected with the Services, if such injury, loss, or damage, or any portion thereof, is caused by, or claimed to be caused by, the act, omission, or other fault of the Contractor or any subcontractor of the Contractor, or any officer, employee, or agent of the Contractor or any subcontractor, or any other person for whom the Contractor is responsible. The Contractor shall investigate, handle, respond to, and defend against any such liability, claims, and demands, and shall bear all other costs and expenses related thereto, including court costs and attorneys' fees. The Contractor's indemnification obligation shall not be construed to extend to any injury, loss, or damage to the extent caused by the act, omission, or other fault of the City. This paragraph shall survive the termination or expiration of this Contract.

6. **Governmental Immunity Act.** No term or condition of this Contract shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions of the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101 *et seq.*

7. Compliance with Applicable Laws.

a. Generally. The Contractor shall comply with all applicable federal, state, and local laws, including the ordinances, resolutions, rules, and regulations of the City. The Contractor shall solely be responsible for payment of all applicable taxes and for obtaining and keeping in force all applicable permits and approvals.

b. C.R.S. Article 17.5, Title 8. The Contractor hereby certifies that, as of the date of this Contract, it does not knowingly employ or contract with an illegal alien who will perform work under this Contract and that the Contractor will participate in the e-verify program or Colorado Department of Labor and Employment (“Department”) program as defined in C.R.S. § 8-17.5-101 in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under this Contract. The Contractor shall not knowingly employ or contract with an illegal alien to perform work under this Contract or enter into a contract with a subcontractor that fails to certify to the Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this Contract. The Contractor certifies that it has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under this Contract through participation in either the e-verify program or the department program. The Contractor is prohibited from using either the e-verify program or the department program procedures to undertake pre-employment screening of job applicants while this Contract is being performed. If the Contractor obtains actual knowledge that a subcontractor performing work under this Contract knowingly employs or contracts with an illegal alien, the Contractor shall be required to: (i) notify the subcontractor and City within three days that Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and (ii) terminate the subcontract with the subcontractor if within three days of receiving the notice required pursuant to this subparagraph the subcontractor does not stop employing or contracting with the illegal alien; except that Contractor shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien. The Contractor shall comply with any reasonable request by the Department made in the course of an investigation that it is undertaking pursuant to the authority established in C.R.S. Article 17.5, Title 8. If the Contractor violates this paragraph, the City may terminate this Contract for default in accordance with “Termination,” below. If this Contract is so terminated, the Contractor shall be liable for actual and consequential damages to the City. *(Note: this paragraph shall not apply to contracts: (i) for Services involving the delivery of a specific end product (other than reports that are merely incidental to the performance of said work); or (ii) for information technology services and/or products.)*

8. Termination.

a. Without Cause. Either party may terminate this Contract without cause upon thirty days prior written notice to the other. The City shall be liable to pay the

Contractor for Services performed as of the effective date of termination, but shall not be liable to the Contractor for anticipated profits.

b. For Default. Each and every term and condition hereof shall be deemed to be a material element of this Contract. In the event either party fails to perform according to the terms of this Contract, such party may be declared in default. If the defaulting party does not cure said breach within ten days of written notice thereof, the non-defaulting party may terminate this Contract immediately upon written notice of termination to the other. In the event of such termination by the City, the City shall be liable to pay the Contractor for Services performed as of the effective date of termination, but shall not be liable to Contractor for anticipated profits; provided, however, that the Contractor shall not be relieved of liability to the City for any damages sustained by the City by virtue of any default under this Contract, and the City may withhold payment to the Contractor for the purposes of setoff until such time as the exact amount of damages is determined.

9. Notices. Written notices shall be directed as follows and shall be deemed received when hand-delivered or emailed, or three days after being sent by certified mail, return receipt requested:

To the City:
Bettie Greenberg
City of Loveland
500 E. Third Street
Loveland, CO 80537
Email: greenb@ci.loveland.co.us

To the Contractor:
Daniel O’Neil, VP and General Counsel
Pinnacol Assurance
7501 E. Lowry Blvd.
Denver, CO 80230
Email: daniel.oneil@pinnacol.com

And to:
Mark Andreatta, Associate VP
Pinnacol Assurance
7501 E. Lowry Blvd.
Denver, CO 80230
Email: mark.andreatta@pinnacol.com

10. Miscellaneous. This Contract and the workers’ compensation policy contracted for herein contain the entire agreement of the parties relating to the subject matter hereof and, except as provided herein, may not be modified or amended except by written agreement of the parties. In the event a court of competent jurisdiction holds any provision of this Contract invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this Contract. The Contractor shall not assign this Contract without the City’s prior written consent. This Contract shall be governed by the laws of the State of Colorado.

11. Electronic Signature. This Contract may be executed by electronic signature in accordance with C.R.S 24-71.3-101 *et seq.*

Signed by the parties on the date written above.

EXHIBIT A – SERVICES

The Contractor shall provide workers' compensation insurance to the City as agreed upon by the City and the Contractor. The Contractor shall adjust workers' compensation claims in accordance with state laws, pay claims, and bill the City for the premium in quarterly installments and monthly for applicable claims to be reimbursed under the City's deductible amount.

The Contractor shall provide loss control services to the City on an as-needed basis, including without limitation industrial hygiene, assistance with development of training programs and resources, and assistance with development of safety programs.

See Pinnacol Assurance's proposal dated 01/01/2011 attached hereto and incorporated herein by this reference.

Policy number: 4110349

Name of Insured: City of Loveland

endorsement effective: 01/01/2011 12:01 A.M. standard time

(The information above is required only when this endorsement is issued subsequent to preparation of the policy)

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

This endorsement modifies insurance provided under the following:

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY
DEDUCTIBLE ENDORSEMENT
(ALLOCATED EXPENSE INCLUDED WITHIN THE DEDUCTIBLE LIMIT)**

This deductible endorsement applies between you and us. It does not affect or alter the rights of others under the policy.

A. How this deductible Applies

1. Each Occurrence; Each Claim; Loss Conversion Factor

In consideration of a reduced premium, 'You agree to reimburse us, up to the deductible amount shown below, for the total of all sums we pay for:

- a. all benefits required of you by the workers compensation or occupational disease law of the states listed in the schedule of premium factors; plus
- b. all sums you legally must pay as damages; plus
- c. all "allocated loss adjustment expense" which arises out of any claim or suit we defend; because of (1) bodily injury by accident to your employees arising out of any one "occurrence"; (2) bodily injury by disease to your employee arising out of any one "claim".

In addition to the deductible amount, you agree to pay us for the cost of claim handling produced by the application of the "loss conversion factor," if one is shown in the schedule of deductibles below.

2. Policy Period Aggregate

If an amount is shown in the schedule of deductibles below as aggregate, the most you must reimburse us for is the sum of all benefits, damages and "allocated loss adjustment expense" because of bodily injury by accident and bodily injury by disease for each policy period, limited to the amount of the aggregate, plus the cost of claim handling produced by the application of the "loss conversion factor", if one is shown in the schedule of deductibles.

You are obligated to reimburse us for losses and expenses equal to the full amount of the aggregate even if:

- (a) this endorsement is issued for a term of less than one (1) year or
- (b) the policy, or this endorsement, is canceled for any reason by you or by us before the end of the policy period.

SCHEDULE OF DEDUCTIBLES

<u>Coverage</u>	<u>Deductible Amount</u>	<u>Basis</u>
Bodily Injury By Accident:	\$200,000	each occurrence
Bodily Injury By Disease:	\$200,000	each claim (Does not include Firefighter Disease Load Claims 1008)

All Covered Bodily Injury Aggregate: \$1,318,916 (subject to final audit) at 255% * of the "Standard Premium" for the states listed in the Schedule of Premium Factors below.

The aggregate and deductibles do not include Firefighter Disease Load Claims (1008). The premium and losses for these claims are non-subject to this large deductible program.

Loss Conversion Factor: 1.00

*Unlimited unless a percentage is entered in the blank space

The premium you must pay for this endorsement will be determined by multiplying the premium factor for each state in which this deductible applies by the "standard premium" you would be required to pay in each such state if this endorsement did not apply. The premium factors and states to which the deductible applies appear in the schedule of premium factors below.

SCHEDULE OF PREMIUM FACTORS

<u>State</u>	<u>Premium Factor</u>
CO	.527

B. Effect of the Deductible on Limits of Liability

With respect to the Employers Liability Insurance provided by this policy, the applicable "each employee", "each accident", "policy" or other similar limits of liability are reduced by the sum of all damages (other than "allocated loss adjustment expense") within the applicable deductible amount shown in the schedule of deductibles. The limits of liability shown in item 3.B. of the Information Page of this policy include and are not in addition to the deductible amount. This provision applies whether the Employers Liability Insurance is provided by PART TWO or by an endorsement to this policy.

C. Definitions

1. Allocated loss adjustment expense for losses means:
 - a. fees of attorneys or other authorized representatives where permitted for legal services, whether outside or staff representative,
 - b. Court, alternative dispute resolution and other specific items of expense such as: medical examinations of 3 claimant to determine the extent of the carriers liability, degree of permanency or length of disability, expert medical or other testimony, autopsy, witnesses and summonses, copies of documents such as birth and death certificates, Medical or other treatment records; arbitration fees; surveillance; appeal bond costs and appeal filing fees.
 - c. Medical cost containment expenses incurred with respect to a particular claim, whether by an outside vendor or done internally by an employee for the purposes of controlling losses, to ensure that only reasonable and necessary costs or services are paid. The expenses include: bill auditing expenses for any medical or vocational services rendered, including hospital bills inpatient or outpatient), nursing home bills, physician bills, chiropractic bills, medical equipment charges, pharmacy charges, physical therapy bills, medical or vocational rehabilitation vendor bills, hospital and other treatment utilization reviews, including pre-certification / pre-admission, concurrent or retrospective reviews. Preferred provider network / organization expenses, medical fee review panel expenses.
 - d. Expenses which are not defined as losses and are directly related to and directly allocated to the handling of a particular claim for services which are required to be performed by statute or regulation.
2. "Claim" means a demand you receive for:
 - a) benefits required of you by the workers compensation law; or
 - b) damages covered by this policy; including a filing by your employee for such benefits with an agency authorized by law, or a suit or other proceeding brought by your employee for such benefits or damages. "By your employee" includes such action taken by others legally entitled to do so on his or her behalf.

All claims for benefits or damages because of bodily injury by the same or related diseases to any one person will be considered as one claim when determining how the deductible amounts apply.

3. "Occurrence" means a single accident which results in bodily injury to one or more of your employees.
4. "Loss conversion factor" means a factor applied to all amounts included within the deductible, to compensate us for those costs of handling claims which are not included in "allocated loss adjustment expense." The loss conversion factor shall not be applied to any amounts of benefits, damages or "loss adjustment expense" that are not included within the deductible.
5. "Standard premium" means the premium calculated in accordance with Part Five -Premium of this policy, but it does not include the expense constant charge or the premium discount credit. However, if you or we

cancel the policy or this endorsement before the end of the policy period, the calculation of the aggregate which is based on "standard premium" shall be calculated in accordance with Part Five -Premium, extended to the amount that would have been charged for the original policy period.

D. Conditions

1. Recovery from Others

We have your rights and the rights of persons entitled to the benefits of this insurance to recover all advances and payments, including those within the deductible amount from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

If we recover any advance or payment made under this policy from anyone liable for the injury, the amount we recover, less expenses to recover against third parties, will first be applied to any payments made by us in excess of the deductible amount; then the remainder of that recovery, if any will be applied to reduce the deductible amount paid by you.

2. Cancellation

If you fail to comply with the terms of this endorsement, we will apply the same cancellation terms of this policy as apply to non-payment of the policy premium.

If we cancel in accordance with the prior paragraph, your obligation to reimburse us as required by other terms of this endorsement is not waived, and we will retain our right to enforce such deductible if necessary.

3. Your Duties

- a. The first Named Insured shown in the Declarations agrees and is obligated on behalf of all Named Insured(s) to reimburse us for any deductible amounts that we expend.
- b. Each named Insured is jointly and severally liable for all deductible amounts under this policy.

4. Other Rights and Duties (Ours and Yours)

- a. All other terms of this policy, not in conflict with this endorsement, apply irrespective of the application of this endorsement.
- b. Failure by you to reimburse us for deductible amounts due us will not affect coverage for an eligible employee under this policy.

5. Payment of Benefits

Pinnacol Assurance is liable to pay workers' compensation benefits directly to the employee or the employee's dependents, in the event of death.

THIS WORKERS COMPENSATION POLICY CONTAINS A DEDUCTIBLE OPTION, UNDER WHICH YOU, THE EMPLOYER, ARE REQUIRED TO REIMBURSE CERTAIN LOSSES. PLEASE READ THIS POLICY CAREFULLY AND UNDERSTAND ITS CONDITIONS THOROUGHLY PRIOR TO PURCHASING COVERAGE.

Nothing herein contained shall be held to vary, waive or extend any of the terms, conditions, agreements or limitations of this policy other than as stated above.

I hereby declare that I have read, understand, and agree with all the terms, conditions and obligations of this, Large Deductible Endorsement, attached to and made a part of this policy, and the multiple billings of the deductible claim payments made until all claims are closed.

Name of the Insured:

By: _____

Title: _____

Date: _____

Nothing herein contained shall be held to vary, waive or extend any of the terms, conditions, agreements or limitations of this policy other than as stated above.

From: Suzi Stolte [mailto:Suzi.Stolte@pinnacol.com]
Sent: Monday, January 17, 2011 3:59 PM
To: Bettie Greenberg
Subject: RE: Golf Outing

The Golf Outing primarily was held as an event to reward agents that meet a certain threshold in bringing business to Pinnacol.

Why does Pinnacol host incentive events for agents?

Nearly 90 percent of Pinnacol's revenue comes through agents - they are the Pinnacol sales force. The agent incentive event recognizes the important role the agents play in Pinnacol's success.

Business incentive events that acknowledge exceptional sales performance are a standard feature of the insurance industry as well as many other businesses. To remain competitive as a mutual insurance company, Pinnacol must provide incentives that acknowledge exceptional performance by agents. Being competitive makes it possible for Pinnacol to provide coverage to policyholders and help care for the injured workers of Colorado.

When the total expenses from the event are divided among Pinnacol's 55,000 policyholders, the cost is just under \$6.00 per policyholder.



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: 7
MEETING DATE: 2/1/2011
TO: City Council
FROM: Jim Lees, Water & Power Department
PRESENTER: Jim Lees

TITLE:

Resolution Approving a Residential Lease Agreement with Paul Gilbert.

DESCRIPTION:

This is an administrative action to approve a Residential Lease Agreement with Paul Gilbert, a Water & Power Department employee. The real property to be leased consists of the house and one bay of a storage shed owned by the City located at 3142 N. County Road 29, on the site of the City's Water Treatment Plant.

BUDGET IMPACT:

Yes No

SUMMARY:

The house and one bay of a storage shed (together, the "premises") to be leased under the Residential Lease Agreement ("Agreement") is owned by the City and located on the City's Water Treatment Plant site behind the security gate. The premises was recently vacated by a City employee, who occupied the premises for more than 15 years. The Department of Water & Power deems it desirable to have an employee familiar with Water Treatment Plant operations lease the premises due to the unique use and security requirements of the Water Treatment Plant site. Notice of the opportunity to lease the premises was posted to all Water Treatment Plant employees, and Paul Gilbert, Water Treatment Plant Operator, was the only employee to express interest. The Agreement addresses the use and security concerns specific to the Water Treatment Plant site. The rent is based on a recent assessment of the premises performed by an independent firm at the Department's request. Mr. Gilbert will not be required to perform any additional employment duties for the City, and the City will not be required to provide any additional employment compensation or benefits to Mr. Gilbert, as a result of the Agreement.

Colorado Revised Statutes § 24-18-201 requires that employees who have a personal interest in a contract with the City disclose the personal interest to City Council and notify City Council of the contract. A form of that disclosure notice is included in the Agreement at Exhibit B. If the

Agreement is approved by City Council and executed by the parties, Mr. Gilbert will sign the disclosure notice and provide it to the members of City Council as required by state law.

LIST OF ATTACHMENTS:

Resolution
Residential Lease Agreement (attached to the Resolution as Exhibit A)

RECOMMENDED CITY COUNCIL ACTION:

Adopt a resolution approving a Residential Lease Agreement with Paul Gilbert, and authorizing the City Manager to sign said Agreement on behalf of the City.

REVIEWED BY CITY MANAGER:

RESOLUTION #R-8-2011**A RESOLUTION APPROVING A RESIDENTIAL LEASE AGREEMENT
WITH PAUL GILBERT**

WHEREAS, the City of Loveland owns a house and storage shed located at 3142 N. County Road 29, Loveland, Colorado 80537 on site of the City's Water Treatment Plant; and

WHEREAS, the City desires to lease the house and one bay of the storage shed (together, the "Premises"); and

WHEREAS, due to the use and security requirements specific to the Water Treatment Plant site, the Department of Water & Power deems it desirable to lease the Premises to a Water Treatment Plant Employee; and

WHEREAS, the City notified all Water Treatment Plant employees of the opportunity to lease the Premises, and only Paul Gilbert, Water Treatment Plant operator, expressed a desire to lease the Premises; and

WHEREAS, the City and Mr. Gilbert have negotiated a Residential Lease Agreement whereby the City will lease to Mr. Gilbert, and Mr. Gilbert will lease from the City, the Premises at a rent determined to be fair and equitable based on a third-party assessment of the Premises on a month-to-month basis for so long as Mr. Gilbert remains a City employee, unless the Agreement is terminated by either party in accordance therewith.

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

Section 1. That the Residential Lease Agreement ("Agreement"), attached hereto as Exhibit A and incorporated herein by reference, is hereby approved.

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

Section 3. That the City Manager is authorized, following consultation with the City Attorney, to approve changes to the form of the Agreement, provided that such changes do not impair the intended purposes of this Resolution.

Section 4. That concurrent with Mr. Gilbert's execution of the Agreement, Mr. Gilbert shall execute and deliver to the City Council a disclosure notice as set forth in Exhibit B of the Agreement in accordance with C.R.S. § 24-18-201.

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

ADOPTED this 1st day of February, 2011.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

Shawn L. Oltus
Assistant City Attorney

Exhibit A to Resolution**RESIDENTIAL LEASE AGREEMENT
3142 N. County Road 29, Loveland, Colorado 80537**

This Residential Lease Agreement (“Lease”) is made and entered into on this 2nd day of February, 2011, by and between the **City of Loveland, Colorado** (“Landlord”), and **Paul Gilbert** (“Tenant”).

1. Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, for the Term of this Lease and upon all terms and conditions set forth herein, the single-family home and one bay of a storage shed located at **3142 N. County Road 29, Loveland, Colorado 80537** (“Premises”). Tenant has inspected the Premises and leases the Premises from Landlord “as is” and with no warranties, express or implied, except as provided in paragraph 12 below.

2. Term. The term of this Lease (“Term”) shall be month to month beginning February 2, 2011. The rent due for February 2011 shall be prorated as provided in paragraph 3 below. This Lease shall continue in full force and effect until terminated in accordance with the provisions herein.

3. Rent. For use of the Premises, Tenant shall pay Landlord a monthly rent of **\$300** through July, 2011. Effective August 1, 2011, the monthly rent shall increase to **\$400**. Rent shall be payable in advance on or before the 5th day of each calendar month, with no grace period. Rent paid after this date shall be assessed a one-time late fee of \$25.00. Rent for any period less than one month shall be a pro-rata portion of the monthly installment. Rent shall be payable to Landlord at 200 N. Wilson Avenue, Loveland, Colorado 80537, or such other address as Landlord may designate by notice as provided herein. Landlord reserves the right to increase or decrease the rent due under this Lease at any time upon 60 days’ prior written notice to Tenant.

4. Security Deposit. A security deposit of \$300 shall be required upon Tenant’s signature of this Lease. The security deposit shall be held by Landlord, without responsibility for payment of interest thereon, as security for Tenant’s performance of the terms and conditions of this Lease. Landlord may apply the security deposit against any unpaid rent or utilities owed, any cure necessitated by Tenant’s default under this Lease, and any cleaning or repairs required, excluding those caused by ordinary wear and tear, as of the date on which Tenant vacates the Premises. Landlord shall return the security deposit, or a portion thereof along with an expense statement, within 30 days after day on which Tenant vacates the Premises.

5. Utilities. Landlord shall furnish and pay for water to the Premises and shall maintain and service the septic system that serves the Premises. Tenant shall obtain and pay for all other utilities used on the Premises during the Term of this Lease. For the purposes of this Lease, “other utilities” shall include, without limitation, the following services: electric, gas, trash removal (including recycling), telephone, Internet, and cable or satellite television. In no

event shall Landlord be liable for any interruption or failure in the supply or delivery of any utility to the Premises.

6. Inspection of Premises. Tenant hereby certifies that, prior to signing this Lease, Tenant inspected the Premises and informed Landlord of any defects and requested repairs to the Premises. Landlord shall make any necessary repairs in accordance with paragraph 10 below.

7. Use of Premises. Tenant shall use the Premises as a residence and shall occupy the Premises during the Term of this Lease. Commercial use of the Premises is prohibited. No persons except Tenant shall occupy the Premises during the Term of this Lease without Landlord's prior written consent, which may be withheld in Landlord's sole discretion. No more than four vehicles may be kept or stored on the Premises at any one time. Use of three-wheel or four-wheel vehicles on the Premises is expressly prohibited. Tenant shall not commit or suffer any waste on the Premises or permit any disorderly conduct or excessive noise on the Premises. Tenant shall keep the Premises in a clean and safe manner free of trash, refuse, and other unsanitary conditions. Tenant shall pay Landlord for any damages to the Premises, including services required to remove any trash, refuse, or other unsanitary condition, caused by Tenant or Tenant's invitees. Tenant shall comply with all applicable federal, state, and local laws and regulations relating to use of the Premises.

8. Pets. Tenant shall be permitted to keep one dog on the Premises. Tenant shall not keep any other pets or animals on the Premises without Landlord's prior written consent, which may be withheld in Landlord's sole discretion. Tenant shall be responsible for any and all damages caused by or related to Tenant's pets.

9. Maintenance of Yard. Tenant shall water, mow, and trim the lawn and landscaping as required to maintain a pleasing appearance. Tenant shall be responsible for removing all snow and ice from the Premises at Tenant's sole liability and expense. Any equipment needed, such as mowers, hose, sprinklers, and snow blowers or shovels shall be provided by Tenant.

10. Repairs and Improvements. Tenant agrees to notify Landlord as soon as possible of any necessary repairs or improvements required for upkeep and maintenance of the Premises. Landlord shall have up to 30 days to make any necessary repairs; provided, however, that repairs necessary to heating, cooling, water, wastewater, and electrical improvements shall be performed within 24 hours, or as soon as practicable. Tenant shall make no repairs or improvements to the Premises.

11. Historic Designation. The parties acknowledge that the house is listed on the National Register of Historic Places. The Tenant shall not do or permit anything on the Premises that would affect said designation.

12. Quiet Enjoyment. Landlord covenants and agrees that so long as Tenant observes and performs all of its promises and covenants hereunder, Tenant shall peaceably and quietly have, hold, and enjoy the Premises during the Term of this Lease without any

encumbrance, interference, or hindrance by Landlord, except as specifically provided herein and as otherwise provided by law. If Tenant's use of the Premises is limited or denied through an action of any public or quasi-public agency or governmental authority, this Lease, at the sole option of Tenant, shall terminate as of the effective date of such action, and the rent applying to the unexpired portion of the Term will abate.

13. Security. The parties acknowledge that the Premises are located on the grounds of the City of Loveland Water Treatment Plant, which are secured by a locked gate and are monitored through video surveillance. Access to the Premises therefore is restricted to authorized City of Loveland employees and agents and is subject to monitoring through personal observation and by electronic means. Notwithstanding the foregoing, Tenant shall be permitted to provide access to the Premises to individuals personally known to him for purposes of family or friendship visits. Tenant shall be required to secure all access points to the Premises before and after arrival and departure of said individuals. Tenant shall not provide any individual with City of Loveland keys, cards, or passwords to the Water Treatment Plant. Tenant shall return all such keys and cards upon termination of the Lease unless otherwise authorized by the City of Loveland for employment purposes. Questions regarding this paragraph shall be directed to Landlord's representative as set forth herein.

14. Mail. Tenant shall be provided with one mailbox for receipt of mail and packages delivered via the U.S. Post Office and for delivery of newspapers. Said mailbox shall be located outside of the Water Treatment Plant security gate. Admission to the Premises through the security gate by Federal Express, United Parcel Service, or other carrier trucks delivering mail and packages to Tenant must be approved by authorized Water Treatment Plant personnel prior to entrance.

15. Environmental Disclosure. Landlord discloses and Tenant acknowledges that, due to the location of the Premises on the Water Treatment Plant site, chlorine gas may be present on the Premises in concentrations higher than normally found on residential properties. Tenant certifies that he has been trained in chlorine gas leak evacuation procedures and is able to follow those procedures if and when directed to do so by Water Treatment Plant personnel. Tenant agrees to keep said certification and training current at all times during the Term of this Lease. Tenant hereby waives and releases Landlord from any and all claims or liability related to chlorine gas exposure to Tenant or Tenant's invitees.

16. Employment. Due to the security and environmental concerns articulated herein, Tenant understands and agrees that this Lease is subject to Tenant's employment with the City of Loveland. Tenant understands and agrees that if Tenant's employment with the City of Loveland is terminated for any reason, whether voluntarily or involuntarily, this Lease shall automatically terminate 30 days after the date on which Tenant's employment with the City of Loveland is terminated. Except as otherwise stated herein, this Lease is wholly separate and independent from Tenant's employment with the City of Loveland. Tenant shall not be required to perform any additional employment duties for the City of Loveland, and the City of Loveland shall not be required to provide any additional employment compensation or benefits to Tenant, as a result of this Lease.

17. Assignment and Subletting. Tenant shall not have the right to assign this Lease or sublease all or any part of the Premises.

18. Insurance. During the Term of this Lease, Tenant shall be required to obtain and keep in force a renter's insurance policy insuring Tenant's personal property on the Premises and with a liability limit of at least \$150,000.

19. Indemnity. Landlord, its officers, employees, and authorized agents shall not be liable for any damage or injury to Tenant or any other person or to any property occurring on the Premises or any part thereof. Tenant agrees to hold Landlord, its officers, employees, and authorized agents harmless from any and all claims for damages no matter how caused. This paragraph shall survive the termination of this Lease.

20. Governmental Immunity. No term or condition of this Lease shall be construed or interpreted as a waiver, express or implied, of any of the notices, requirements, immunities, rights, benefits, protections, limitations of liability, and other provisions of the Colorado Governmental Immunity Act, C.R.S. § 24-10-101 *et seq.* and under any other applicable law.

21. Defaults; Remedies.

a. Default by Tenant. The occurrence of any of the following events shall constitute a material default of this Lease by Tenant: (i) the failure by Tenant to make any payment of rent or any other payment required to be made by Tenant hereunder, when due, where the failure continues of a period of 20 days after Tenant receives notice thereof from Landlord; or (ii) the failure by Tenant to observe or perform any of the covenants, conditions, or provisions as required by this Lease, where the failure continues for a period of 30 days after Tenant receives notice thereof from Landlord; provided, however, that if the nature of Tenant's default is such that more than 30 days are reasonably required for its cure, then lessee shall not be deemed to be in default if Tenant commences such cure within the 30 day period and thereafter diligently completes the cure. In the event of any such material default by Tenant, Landlord may, after giving notice as provided above, enter the Premises, remove Tenant's personal property, and take and hold possession of the Premises and expel Tenant and pursue those remedies available to Landlord under Colorado law. Landlord shall make reasonable efforts to relet the Premises or any part thereof in order to mitigate any damages resulting from Tenant's default.

b. Default by Landlord. Landlord shall not be in default unless Landlord fails to perform any covenants, terms, provisions, agreements, or obligations required of it under this Lease within a reasonable time, but in no event more than 30 days after notice by Tenant to Landlord; provided that if Landlord's obligation is such that more than thirty 30 days are reasonably required for performance, then Landlord shall not be in default if Landlord commences performance within the 30-day period and thereafter

diligently completes performance. If Landlord defaults in the performance of any of the obligations or conditions required to be performed by Landlord under this Lease, Tenant may, after giving notice as provided above, terminate this Lease upon giving 30 days' notice to Landlord of his intention to do so. In that event, this Lease shall terminate upon the date specified in the notice, unless Landlord has meanwhile cured the default to the satisfaction of Tenant. In the event that any of the representations and warranties set forth in this Lease cease to be true, and if Landlord fails to commence to cure within 60 days after notice from Tenant and thereafter diligently completes the cure of the same, then except as specifically provided elsewhere in this Lease, Tenant shall have the right to terminate this Lease upon notice to Landlord. Tenant may also pursue those remedies available to Tenant under Colorado law.

22. Termination. Both parties agree, at least 30 days prior to the expiration of the Term, to give written notice to the other party of its intention to vacate the Premises or terminate the Lease. If such notice is not timely given by Tenant, Tenant shall be liable for and agrees to pay Landlord the rent due for the following month if the Premises is not relet. Tenant shall have no right to hold-over after termination of the Lease.

23. Landlord's Access. Upon three hours' notice, written or otherwise, Landlord, its officers, employees, and authorized agents shall have the right to enter the Premises at reasonable times during normal business hours for the purpose of inspecting or showing to prospective tenants or making such alterations, repairs, improvements, or additions to the Premises as Landlord deems necessary or desirable.

24. Force Majeure. Notwithstanding anything contained herein to the contrary, in the event and to the extent that fire, flood, earthquake, natural catastrophe, explosion, accident, riot, terrorist attack, war, illegality, or any other cause beyond the control of the parties hereto prevents or delays performance by either party, such party shall be relieved of the consequences thereof without liability, so long as and to the extent that performance is prevented by such cause; provided, however, that such party shall exercise due diligence in its efforts to resume performance as soon as practicable.

25. Notices. All notices required under this Lease shall be directed as follows and if written, shall be deemed received when hand-delivered or emailed, or three days after being sent by certified mail, return receipt requested:

To Landlord:
 Jim Lees
 200 N. Wilson Avenue
 Loveland, CO 80537
 Email: leesj@ci.loveland.co.us
 Phone: (970) 962-3554

To Tenant:
 Paul Gilbert
 3142 N. County Road 29
 Loveland, CO 80537
 Email: gilbep@ci.loveland.co.us
 Phone: (970) 461-2635

26. C.R.S. § 24-76.5-103. Tenant shall complete the affidavit attached hereto as Exhibit A and attach a photocopy of a valid form of identification. If Tenant states that he is an

alien lawfully present in the United States, Landlord will verify his lawful presence through the SAVE Program or successor program operated by the U.S. Department of Homeland Security. In the event Landlord determines that Tenant is not lawfully present in the United States, Landlord shall terminate this Lease for default in accordance with the provisions herein.

27. **C.R.S. § 24-18-201.** Tenant shall complete and sign the notice attached hereto as Exhibit B. Tenant understands and agrees that said notice shall be provided to the Loveland City Council as required by C.R.S. § 24-18-201.

28. **Miscellaneous.** This Lease contains the entire agreement of the parties relating to the subject matter hereof and, except as provided herein, may not be modified or amended except by written agreement of the parties. No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision or of any subsequent breach by Tenant or Landlord of the same or any other provision. Landlord’s consent to or approval of any act by Tenant shall not be deemed to render unnecessary the obtaining of Landlord’s consent to or approval of any subsequent act by Tenant. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity. In the event a court of competent jurisdiction holds any provision of this Lease invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this Lease. This Lease shall be governed by the laws of the State of Colorado, and venue shall be in the County of Larimer, State of Colorado.

Signed by the parties on the date written above.

**Landlord:
City of Loveland, Colorado**

By: _____

Title: _____

Attest:

City Clerk

Approved as to Form:

Assistant City Attorney

Tenant:
Paul Gilbert

Paul Gilbert

State of Colorado)
) ss.
County of Larimer)

The foregoing Residential Lease Agreement was acknowledged before me this ____ day
of _____, 2011 by Paul Gilbert.

Notary's official signature

S E A L

Commission expiration date

EXHIBIT A - AFFIDAVIT

I swear or affirm under penalty of perjury under the laws of the State of Colorado that (check **one**):

- I am a United States citizen.**
(Valid I.D. must be provided)
- or*
- I am a legal permanent resident of the United States.**
(Alien registration number and valid I.D. must be provided)
- or*
- I am lawfully present in the United States pursuant to federal law.**
(Alien registration number and valid I.D. must be provided)

I understand that this sworn statement is required by law because I have applied for a public benefit. I understand that state law requires me to provide proof that I am lawfully present in the United States prior to receipt of this public benefit. I further acknowledge that making a false, fictitious, or fraudulent statement or representation in this sworn affidavit is punishable under the criminal laws of Colorado as perjury in the second degree under C.R.S. § 18-8-503 and that it shall constitute a separate criminal offense each time a public benefit is fraudulently received.

Signature **Date**
C.R.S. 24-76.5-103 *Rev. 1-1-2010*

Internal Use Only – Valid Forms of Identification
<ul style="list-style-type: none"> • Current Colorado driver’s license, minor driver’s license, probationary driver’s license, commercial driver’s license, restricted driver’s license, or instruction permit. • Current Colorado identification card. • U.S. military card or dependent identification card. • U.S. Coast Guard Merchant Mariner card. • Native American tribal document. • Original birth certificate from any state of the U.S. • Certificate verifying naturalized status by U.S. with photo and raised seal. • Certificate verifying U.S. citizenship by U.S. government (e.g., U.S. passport). • Order of adoption by a U.S. court with seal of certification. • Valid driver’s license from any state of the U.S. or the District of Columbia excluding AK, HI, IL, MD, MI, NE, NM, NC, OR, TN, TX, UT, VT and WI. • Valid immigration documents demonstrating lawful presence (e.g., current foreign passport with current I-551 stamp or visa, current foreign passport with I-94, I-94 with asylum status, unexpired Resident Alien card, Permanent Resident card or Employment Authorization card).
<p><i>Note: If an individual has identification (excluding driver’s licenses) not included on this list, contact the Department Director. Also, a waiver may be available where no identification exists or can be obtained due to a medical condition, homelessness, or insufficient documentation to receive a Colorado driver’s license or identification card.</i></p>

EXHIBIT B – NOTICE

Date: _____, 2011

To Members of Loveland City Council:

In accordance with the requirements of C.R.S. § 24-18-201, please allow this letter to serve as notice that I have entered into a Residential Lease Agreement (“Lease”) with the City of Loveland for occupancy and use of the single-family house and one bay of the storage shed owned by the City and located at 3142 N. County Road 29, Loveland, Colorado 80537. A copy of the Lease is on file with the City Clerk’s Office and will be provided to you upon request.

The house is located on the City’s Water Treatment Plant site behind the security gate. I understand that the Water & Power Department deems it desirable to have an employee familiar with Water Treatment Plant operations lease the house due to the unique use and secure nature of the site. Notice of the opportunity to lease the house was posted to all Water Treatment Plant employees, and I was the only employee to express interest. The rent is based on a recent assessment of the house performed by an independent firm at the City’s request. I will have no additional employment duties as a result of the Lease.

Please do not hesitate to contact the City Attorney’s Office with any questions regarding the Lease or this notice.

Sincerely,

Paul Gilbert
Plant Operator, Water Treatment Plant

cc: Utility Accounting Manager
Water & Power Director
Human Resources Director
City Attorney



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

AGENDA ITEM: 8
MEETING DATE: 2/1/2011
TO: City Council
FROM: Betsey Hale, Business Development Office
PRESENTER: Betsey Hale

TITLE:

An Ordinance enacting a supplemental budget and appropriation to the 2011 City of Loveland budget for the lodging tax proceeds and the Community Marketing Commission operating and grant budget

DESCRIPTION:

This is a public hearing to consider an administrative action. The ordinance appropriates funding for operational costs and grant allocations using the 2011 projected revenue from the lodging tax proceeds.

BUDGET IMPACT:

Yes No

The Lodging Tax Fund was not included in the 2011 Adopted Budget. Revenues are projected to be similar to 2010 collections.

SUMMARY:

The Community Marketing Commission (CMC) met on January 6, 2011 and unanimously voted to recommend that City Council consider and approve an Ordinance to enact the 2011 supplemental budget and appropriation for the operation of the CMC and the distribution of lodging tax funds for grants. This is a follow up to that recommendation.

LIST OF ATTACHMENTS:

1. An Ordinance enacting a supplemental budget and appropriation to the 2011 City of Loveland budget for the lodging tax proceeds and operating and grant budget.
2. Staff report

RECOMMENDED CITY COUNCIL ACTION:

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

REVIEWED BY CITY MANAGER:

FIRST READING February 1, 2011

SECOND READING _____

ORDINANCE NO. _____

AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2011 CITY OF LOVELAND BUDGET FOR THE LODGING TAX PROCEEDS AND OPERATING AND GRANT BUDGET

WHEREAS, the City has received funds not anticipated or appropriated at the time of the adoption of the City budget for 2011; and

WHEREAS, the City Council desires to authorize the expenditure of these funds by enacting a supplemental budget and appropriation to the City budget for 2011, 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 \$500,000 from City of Loveland Lodging Tax in the Lodging Tax Fund 241, are available for appropriation. \$469,530 of these revenues are appropriated for operating expenses and for grants to outside agencies. The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:

**Supplemental Budget
Lodging Tax Fund 241**

Revenues		
241-0000-314-30-00	Lodging Taxes	500,000
Total Revenue		500,000
Appropriations		
241-1822-409-01-11	Salaries	35,500
241-1822-409-01-44	FICA	2,720
241-1822-409-01-45	Retirement	1,780
241-1822-409-02-11	Office Supplies	1,000
241-1822-409-03-11	Postage	500
241-1822-409-03-21	Printing	500
241-1822-409-03-33	Subscriptions	100
241-1822-409-03-35	Membership Fees	3,000
241-1822-409-03-37	Advertising	1,500
241-1822-409-03-50	Professional Services	115,230
241-1822-409-03-65	Mileage Reimbursement	200
241-1822-409-03-70	Travel	3,000
241-1822-409-03-99	Other Purchased Services	3,000
241-1822-409-04-40	Grants	300,000
241-1822-414-02-22	Food/Special Events	1,500
Total Appropriations		469,530

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 February, 2011.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

J. Yost Schmidt
Deputy City Attorney

Community Marketing Commission 2011 Budget

Staff report from Betsey L. Hale

The Community Marketing Commission did not propose a 2011 budget during the regular City of Loveland budget process in 2010. The Supplemental Budget and Appropriation item on the Council Agenda for February 1, 2011 will provide the CMC with operating funds and grant funds for disbursement to successful applicants.

Key highlights of the 2011 Budget:

1. **Staff support (\$40,000):** In 2010, the general fund compensated staff for their work activities associated with CMC projects. It has been determined that a .5 FTE is required to support CMC activities which range from regular meetings, support for 2 grant cycles, grant workshops, the strategic marketing plan and brand identity project and community outreach. This will not be a new hire but existing staff. Compensating staff with lodging tax dollars is consistent with the funding that Community Partnership staff receives from CDBG monies and the personnel services which the enterprise funds (water and power, golf) pay for administrative support.
2. **Professional Services (\$115,230):** This line item includes the funding for the strategic marketing plan and branding effort which should begin in March 2011 and for the Zoom Grants services for on-line grant applications. On December 16th, 2010 the CMC selected ToolBox Creative to carry out the work of the community wide Strategic Marketing Plan and Branding project. The cost of completing Phases 1 and 2 of this work is **\$110,000.00**. It is anticipated that the CMC will consider additional work on this effort which will include implementation of the strategic plan and an evaluation plan.

In the year-end report from CMC Chairman Rich Harter, which the City Council received in mid-December, the CMC provided rationale for their selection of Toolbox and for the anticipated cost of the project. In addition, Council received a copy of the September 7th, 2010 cover memo from Assistant City Manager Rod Wensing, which reminded Council that the CMC anticipated the project to be more than \$90,000.00 and an additional funding request would be made in 2011. **Both of the documents are attached to this staff report.**

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Memo:**To: The Loveland City Council****From: Rich Harter, Chair Community Marketing Commission****Re: Year End Update**

Grants Update: The CMC had a very busy fall. CMC members worked very hard to prepare the "Grants Recommendations" to City Council that were approved on 10/10/10. The total grants awarded and issued was \$102,250.00. Two additional Grant awardees declined their grants due to lack of additional resources or cancellation of the activity. A full status report is attached and recipients are required to complete and return a post project report within 30 days following the event or as negotiated with the CMC if the project is not event related.

The 2011 Grant Cycles will begin February 1st and July 1st. A grant application training workshop is scheduled for January 29th, 9-11am in the City Council Chambers. The CMC will continue to use Zoom Grants for the on-line application process.

Marketing Strategy Update: The CMC used a very clear and transparent process to select the professional firm to assist the City with the research and development of a strategic marketing plan and brand identity. Ten firms replied to the RFP that was distributed this summer. The CMC then scored each application in 10 areas from experience to research and presentation. From that process, four firms were invited to present to a joint meeting of the CMC and the stakeholders group that attended the outreach retreat in July 2010. The Stakeholders were asked to rank the presenting firms 1-4 and they selected Toolbox Creative and Lightsource Creative, 1st and 2nd. The CMC rated the firms on a series of questions which were weighted for importance. The CMC's top two firms were also Toolbox Creative and Lightsource Creative. Staff Liaison, Betsey Hale was directed to check references for both firms. The reference responses were included in a CMC packet at the December 6th meeting. The CMC then invited the two finalists to attend a special meeting on December 16th to be "interviewed for the job."

Both firms received a Budget Template to complete for CMC review. In both the RFP and the Budget Template the firms were asked to provide a comprehensive bid that covered the initial phase of outreach to residents and the tourism community as well as tourists, travel agents and industry representatives. It included a three year implementation and evaluation plan. Toolbox completed the template as requested. Lightsource did not. Therefore there was a large disparity in the prices. Toolbox Creative was selected by the CMC to be recommended to the City Council for approval as the marketing firm that will assist the City in the research, outreach and development of marketing strategy, brand identity and an implementation plan for the City.

Council members may recall that in a January 2010 City Council memo to the CMC, the CMC was directed to develop a multi-year strategic marketing plan and in the process, identify the role of the

CMC in developing a brand. At the September 7, 2010 Council meeting, the City Council approved the CMC using an outside consultant to prepare the strategic marketing plan as well as begin the brand identity process. The original appropriation for 2010 was \$90,000 and it was presented to Council in the cover page that this would be for 2010 only and additional funds may be requested in 2011. It is anticipated that phase 1, which is primarily research and public outreach to the Loveland community and beyond will establish why visitors come to Loveland and what the "outside world" considers Loveland, Colorado to be. As a result of the research the firm will include a "brand" or message that predominates from the results. The total cost is being negotiated and should range from \$90,000 to \$110,000.

This initial phase was not completed in 2010 due to the lengthy evaluation process to select a consultant. The current timeline is to bring the Consulting Agreement to Council in a January meeting for review and approval. In addition City Staff will present a 2011 Supplemental Appropriation Request and the supporting work plan for the CMC which will include the 2011 budget. The members of the CMC appreciate City Councils' support for this important effort and the CMC will provide the City Council with regular progress reports.



CITY OF LOVELAND
CITY MANAGER'S OFFICE

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AGENDA ITEM: 3
MEETING DATE: 9/7/2010
TO: City Council
FROM: City Manager's Office
PRESENTER: Rod Wensing, Assistant City Manager

TITLE:

Second Reading of an Ordinance enacting a supplemental budget and appropriation to the 2010 City of Loveland budget for the Lodging Tax proceeds and operating and grant budget for the Community Marketing Commission.

DESCRIPTION:

This is an administrative action.

BUDGET IMPACT:

Yes No

The \$400,000 in revenues is the projected amount the City will receive in 2010 based on collections from February through June. \$252,000 of these revenues will be appropriated for operating expenses and the grant program. Operating expenses include memberships, travel & meetings and professional services that will cover the costs associated with the recent CMC sponsored workshop with local tourism partners that prioritized the development of a Strategic Planning / Marketing / Branding effort as well as on-line grants administration. The remaining \$148,000 will be held in fund balance. Please note that any unallocated monies from this initial grant round of \$158,000 will also be rolled into fund balance. This new Budget account will reside in the Business Relations Division for expense authorization & tracking.

As you are aware, the Council discussed at length the topic of the proposed Strategic Planning / Marketing / Branding effort and the associated cost of \$90,000. I want to reiterate the point that this amount is only for the remainder of 2010. Additional professional services funding may be requested by the Community Marketing Commission in their 2011 Budget request.

City Council unanimously adopted the ordinance on first reading on August 17, 2010.

SUMMARY:

This Ordinance budgets the projected amount of Lodging Tax revenues the City will receive through the end of 2010 and appropriates operating and grant program funds for the Community Marketing Commission.

Later in the year, after receiving recommendations from the Community Marketing Commission, the Council will be asked to act on a Resolution awarding Lodging Tax grants, approving the form of the Grant Contract and authorize the City Manager to execute said Grant Contracts to the Grant recipients in the specified amounts.

LIST OF ATTACHMENTS:

1. Second reading of an ordinance enacting a supplemental budget and appropriation to the 2010 City of Loveland budget for the lodging tax proceeds and operating and grant budget for the Community Marketing Commission.
 2. Community Marketing Commission Strategic Planning Work-Shop Summary
-

RECOMMENDED CITY COUNCIL ACTION:

Approve the Ordinance on Second Reading.

REVIEWED BY CITY MANAGER:



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AGENDA ITEM: 9

MEETING DATE: February 1, 2011

TO: City Council

FROM: Community Partnership Office

PRESENTER: Greg George, Development Services Director

TITLE:

A RESOLUTION WAIVING CERTAIN DEVELOPMENT FEES FOR THE CONSTRUCTION OF SIX RESIDENCES BY LOVELAND HABITAT FOR HUMANITY

DESCRIPTION:

An administrative action to consider a resolution waiving fees in the amount of \$151,462 for the construction on six single family dwellings on six lots in the Willow Park 2nd Subdivision. In the 2011 Adopted Budget, City Council appropriated \$65,000 to back fill enterprise fees for the six dwellings. The estimated enterprise fees for the six dwellings are \$70,609. The applicant will be responsible for paying the balance of enterprise fees, \$5,609. The remaining non-enterprise fees waived would be up to \$86,500. These fees do not need to be back filled.

BUDGET IMPACT:

Yes No

\$65,000 is appropriated in the 2011 budget to backfill enterprise funds waived by the resolution. Up to an additional \$86,500 would be waived by resolution and not back-filled.

SUMMARY:

Loveland Habitat for Humanity has requested a waiver of all building permit, capital expansion, and system impact fees for the construction of up to six new residential units in 2011. Habitat for Humanity builds and sells housing units for households that earn less than 50% of the area median income (\$33,850 annually for a family of three). The City of Loveland historically has waived fees on behalf of Habitat for Humanity. A history of waivers is attached to this memo.

The Loveland Municipal Code permits the City Council to waive capital expansion fees and permit fees on behalf of non-profit entities without transferring funds to cover the cost. The code also requires that any fees that are revenue sources for enterprise funds, such as system impact fees and plant investment fees, must be replenished from another source.

LIST OF ATTACHMENTS:

- Estimate of permit, capital expansion, and system impact fees for six units
 - History of fee waivers approved by Loveland City Councils
 - Resolution to waive fees in 2011 for up to six units
-

RECOMMENDED CITY COUNCIL ACTION:

Move to adopt A RESOLUTION WAIVING CERTAIN DEVELOPMENT FEES FOR THE CONSTRUCTION OF SIX RESIDENCES BY LOVELAND HABITAT FOR HUMANITY

REVIEWED BY CITY MANAGER:

Fee Estimate Calculator - Willow Park 2nd

Conversion of Current Fees to Fees from 01/01/09

Properties >>>>>	2670 Maple Dr	2690 Maple Dr	527 E. 27th	550 E. 27th	551 E. 27th	575 E. 27th		
Fee:	Fee Est	2010 Fee Est	2010 Fee Est	2010 Fee Est	2010 Fee Est	2010 Fee Est		
Res Bldg PC	900.74	871.62	937.14	889.82	889.82	871.62		
Res Bldg Permit Fee	1,385.75	1,340.95	1,441.75	1,368.95	1,368.95	1,340.95		
Res Mechanical Permit Fee	111.25	111.25	111.25	111.25	111.25	111.25		
Res Electrical Permit Fee	111.25	111.25	111.25	111.25	111.25	111.25		
Res Plumbing Permit Fee	153.25	111.25	111.25	111.25	111.25	111.25		
Street Insp Res - SF	75.00	75.00	75.00	75.00	75.00	75.00		
Sub Total	2,737.24	2,621.32	2,787.64	2,667.52	2,667.52	2,621.32	16,102.56	
CEF Res Fire Protection	678.00	678.00	678.00	678.00	678.00	678.00		
CEF Res General Government	968.00	968.00	968.00	968.00	968.00	968.00		
CEF Res Law Enforcement	881.00	881.00	881.00	881.00	881.00	881.00		
CEF Res Library	627.00	627.00	627.00	627.00	627.00	627.00		
CEF Res Museum	505.00	505.00	505.00	505.00	505.00	505.00		
CEF Res Open Lands	778.00	778.00	778.00	778.00	778.00	778.00		
CEF Res Parks	3,085.00	3,085.00	3,085.00	3,085.00	3,085.00	3,085.00		
CEF Res Recreation	1,546.00	1,546.00	1,546.00	1,546.00	1,546.00	1,546.00		
CEF Res Street Detached SF	2,169.61	2,169.61	2,169.61	2,169.61	2,169.61	2,169.61		
CEF Fes Trails	489.00	489.00	489.00	489.00	489.00	489.00		
Sub Total	11,726.61	11,726.61	11,726.61	11,726.61	11,726.61	11,726.61	70,359.66	
Construction Water 0.75in Tap	25.00	25.00	25.00	25.00	25.00	25.00		
Water Meter Fee 0.75in	279.79	279.79	279.79	279.79	279.79	279.79		
Elec Inst Undgrd 150 Amp & Less	485.00	485.00	485.00	485.00	485.00	485.00		
School Fee-in-Lieu of Land Dedn 1-	1,382.00	1,382.00	1,382.00	1,382.00	1,382.00	1,382.00		
PIF Elec 150 Amp & Less	1,090.00	1,160.00	1,160.00	1,160.00	1,160.00	1,160.00		
Raw Water Dev Res SF Attached/D	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00		
SIF Water Res Detached SF	4,470.00	4,470.00	4,470.00	4,470.00	4,470.00	4,470.00		
SIF Stormwater Res - Low	-	-	545.28	520.50	520.50	545.28		
SIF Stormwater Res - Medium	383.59	383.59	-	-	-	-		
SIF Sewer Res Detached SF	2,420.00	2,420.00	2,420.00	2,420.00	2,420.00	2,420.00		
Stormwater Insp Res - SF	75.00	75.00	75.00	75.00	75.00	75.00		
Sub Total	11,610.38	11,680.38	11,842.07	11,817.29	11,817.29	11,842.07	70,609.48	
CEF Total		70,359.66					157,071.70	
Permit Fees		16,102.56						
Enterprise Fees		70,609.48	Up to 65,000 will be waived and backfilled					



Habitat for Humanity Fee Waiver History

Year	# Units	\$ Waived	Per Unit	Gen Fund Backfill
1995	5	\$43,338	\$8,668	\$21,140
1996	2	\$15,450	\$7,725	\$7,748
1997	5	\$51,607	\$10,321	\$21,790
1998	4	\$48,491	\$12,123	\$19,354
1999	5	\$55,908	\$11,182	\$23,962
2000	5	\$52,379	\$10,476	\$24,522
2001	5	\$66,327	\$13,265	\$28,977
2002	5	\$68,736	\$13,747	\$29,622
2003	5	\$38,876	\$7,775	\$0
2004	5	\$40,437	\$8,087	\$0
2005	5	\$41,113	\$8,223	\$0
2006	6	\$89,077	\$14,846	\$36,592
2007	6	\$136,452	\$22,742	\$64,465
2008	6	\$152,425	\$25,404	\$66,733
2009	6	\$154,642	\$25,774	\$68,254
2010	6	\$148,697	\$24,783	\$65,000
	81	\$1,203,955	\$14,864	\$478,159

RESOLUTION #R-9-2011

**A RESOLUTION WAIVING CERTAIN DEVELOPMENT FEES FOR
THE CONSTRUCTION OF SIX RESIDENCES BY LOVELAND
HABITAT FOR HUMANITY**

WHEREAS, Loveland Habitat for Humanity (“Habitat”) has requested the waiver of certain City-imposed development fees, including capital expansion fees, for six residences in Loveland, construction of which will commence in 2011; and

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

WHEREAS, Habitat is willing and able to enter into a development agreement with the City whereby Habitat will construct these residences for the benefit of low and moderate income households; and

WHEREAS, the City Council finds that the waiver of the development fees, including the capital expansion fees, which results from the adoption of this Resolution will provide not-for-profit facilities open to Loveland area residents that might otherwise be provided by the City at taxpayer expense, and that such facilities relieve the pressures of growth on City-provided facilities and do not create growth or growth impacts.

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

Section 1. That capital expansion fees in an amount not to exceed \$70,359.66 for construction of up to six residences for the purpose described above are hereby waived.

Section 2. That as provided in Section 16.38.075 of the Loveland Municipal Code, when a capital-related fee is waived as set forth in Section 1, there shall be no reimbursement to the capital expansion fund by the general fund or any other fund.

Section 3. That development fees, including, but not limited to, all building permit fees, plan review fees, and any and all other fees due and payable between permit application and final certificate of occupancy (but not including capital expansion fees, system impact fees, raw water fees, tap fees or any other enterprise fees) that are payable to the City in an amount not to exceed \$16,102.56 for construction of up to six residences for the purpose described above are hereby waived.

Section 4. That development fees, including system impact fees, raw water fees, tap fees, or any other enterprise fees that are payable to the City in an amount not to exceed \$65,000 for construction of up to six residences for the purpose described above are hereby waived.

Section 5. That as provided in Section 16.38.075 of the Loveland Municipal Code, when a utility fee or charge is waived as set forth in Section 4, the affected utility fund shall be reimbursed by the general fund.

Section 6. That the amount of the waived development fees, \$65,000, as set forth in Section 4 hereof, shall be paid by the City into the City's enterprise funds from the general fund of the City, and that such funds have been appropriated in the City's 2011 budget.

Section 7. That the waiver of the fees described in Sections 1, 3, and 4 hereof shall be conditioned upon the City, through its City Manager, and Habitat entering into a development agreement, which agreement shall provide for the waiver of said fees in exchange for the construction of the six residences, as well as such other conditions as the City Manager shall deem necessary.

Section 8. That this Resolution shall be effective as of the date of its adoption.

ADOPTED this 1st day of February, 2011.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Assistant City Attorney



CITY OF LOVELAND
CITY MANAGER'S OFFICE

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AGENDA ITEM: 10
MEETING DATE: 2/1/2011
TO: Mayor and City Council
FROM: Rod Wensing, Assistant City Manager
PRESENTER: Rod Wensing

TITLE:
City Council 2011 Legislative Policy Agenda Document

DESCRIPTION:

This is an administrative item recommending the approval of the City Council Legislative Policy Agenda document for 2011

BUDGET IMPACT:

Yes No

SUMMARY:

This document is developed annually by the Councils Legislative Review Committee with the goal of providing highlights of policy statements for use by the City Council and staff when approaching legislative issues on the State and Federal levels.

LIST OF ATTACHMENTS:

2011 Legislative Policy Agenda Executive Summary

RECOMMENDED CITY COUNCIL ACTION:

Motion to approve the attached 2011 Legislative Policy Agenda as recommended by Councilors McEwen, Shaffer and Solt.

REVIEWED BY CITY MANAGER:

CITY MANAGEMENT STAFF:

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Vacant, Human Resources Director

Ralph Mullinix, Water & Power Director
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Ted Schmidt, Library Director
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Luke Hecker, Police Chief
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Greg George, Development Services Director
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Bill Westbrook, Information Technology Director
970-962-2330 westbb@ci.loveland.co.us

LOVELAND, COLORADO

Loveland is a community of approximately 68,000 residents, located at the foot of the Rocky Mountains along Colorado's Front Range. It is central to the Northern Colorado region at the intersection of Interstate 25 and US Highway 34. Our community is rich with natural beauty, accentuated by the Big Thompson River and Lake Loveland at its heart. Our trails and parks systems showcase the natural beauty. Loveland is a nationally renowned center for art, particularly sculpture.

Loveland has a **Council-Manager form of government**. The citizens of Loveland passed their Home Rule Charter May, 1996. The City of Loveland provides a full range of services including: solid waste, electricity, water, sewer, storm water, fire, police, parks, recreation, street maintenance, airport, transit, library, museum, theater, and other traditional municipal services.

Sales tax and fees for services are the primary sources of revenue. Loveland collects its own sales tax. While citizens want to retain the right to vote on all new taxes, they voted to allow the City to keep revenues in excess of the TABOR revenue limit. Any excess revenues are restricted to specific purposes (i.e. parks, fire, and police).

POLICY AGENDA

This Executive Summary of the Loveland City Council Legislative Policy Agenda contains highlights of policy statements for use by Council members and staff in approaching legislative issues.

For additional information contact:

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Assistant City Manager
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Loveland, Colorado 80537
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CITY OF LOVELAND COLORADO



2011 Legislative Policy Agenda Executive Summary

City Council:
Mayor Cecil Gutierrez
Larry Heckel
Carol Johnson
Daryle Klassen
Cathleen McEwen
Hugh McKean
Donna Rice
Joan Shaffer
Kent Solt

Legislative Review Committee:

Councilor Cathleen McEwen
Councilor Joan Shaffer
Councilor Kent Solt

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LOCAL CONTROL

First and foremost the City strongly supports the preservation of local control on issues of local concern.

We believe strongly in the philosophy of local control and home rule. The citizens of home rule municipal

2011 SUMMARY POLICY STATEMENTS

governments are entitled to maximum flexibility and discretion in levying taxes and fees, determining community goals, implementing local policy, and delivering public services. The City of Loveland can be most responsive to its citizens through the preservation of home rule authority, particularly as it pertains to local police powers and the administration of land use policy.

BUDGET

The City opposes state and federal mandates that are not funded by those levels of government.

Managing scarce resources is difficult at every level of government. The City supports intergovernmental partnerships and collaborative problem solving. However, we are not in a position to be able to absorb the costs of programs mandated by federal and state governments.

HIGHWAY AND TRANSPORTATION FUNDING

The City supports efforts to increase funding for transportation needs.

Transportation is a top priority. The City believes in developing regional transportation funding sources to assist with the solutions to the interstate and state highway infrastructure deficiencies.

As the State restructures program funding for resources made available by voter approval of Referendum C in 2005, we believe additional resources after named priorities should be applied to transportation.

The City supports expanding the authority of local-taxing authorities to generate local matching funds for transportation improvements. A consortium of agency transportation officials throughout the state should generate allocation mechanisms for state and federal matching funds. Criteria should be developed that ensures projects that meet CDOT construction standards, standards for system compatibility, and significant funding “overmatch” based on local funding for regional concerns receive priority commitment for state and federal matching dollars from CDOT.

WATER RESOURCES

Loveland’s water supply is from the Big Thompson River, the Colorado-Big Thompson Project and the Windy Gap Project. There are several water issues of importance to the City.

Basin of Origin

Any transfer of native flows from Northern Colorado to other basins must compensate the native basin. Any basin of origin bill must not unduly inhibit the City’s ability to purchase agricultural water rights and change the use of any such rights for inclusion in the City’s water supply system.

Water Quality

Any bill concerning water quality must not infringe on the City’s ability to seek water court protection of its water quality.

Well Regulation

Any bill concerning well regulation must ensure that junior well depletions are fully replaced so that senior water rights are fully protected.

Water Supply Development

Loveland would likely support bills designed to encourage water supply development within the existing framework of the Colorado water law. Supply encouragement could take the form of financial assistance or streamlined approval processes for new water storage projects.

Public Trust Bills

Loveland is concerned about potentially harmful changes to the existing water law, including those designed to repeal the prior appropriation doctrine. Efforts to revise the administration of water rights radically or otherwise change the stream flow regime for rivers could damage Loveland’s critical water supply planning efforts.

TAX POLICY

The City of Loveland supports the comprehensive re-evaluation of all of the components of Colorado’s tax structure including Tabor, Gallagher Amendment, and Amendment 21 to arrive at a comprehensive solution to more appropriately address the impact of economic fluctuations equitably across all functional areas within the State budget.

The City also believes that all constitutional amendments impacting Colorado tax structure should be considered at the same time in a comprehensive solution to minimize unintended functional service impacts, to more equitably distribute the impact of recessionary reductions, and to eliminate the ratcheting effect of Tabor as the economy recovers. Additionally we believe the burden of state-imposed tax relief should not be borne by local government.

Sales, Use and Franchise Tax

The City believes that sales tax; use tax or franchise tax regulation should not be used to create inequitable competitive marketplace advantages for one industry or company over another when they are simply using a different technology to deliver a similar a service. They should be responsible for paying tax at the same rates and adhering to the same franchise requirements as others providing service in the marketplace.

The City of Loveland does not support changes to the allocation of the motor vehicle use tax.

Motor Vehicle use tax is allocated to the City in which the vehicle is registered so that the tax can support the street maintenance effort where the vehicle impacts the state of the roadways.

Internet Sales Tax Collection

The City believes that web-based internet businesses should be required to collect local sales taxes in a similar manner as bricks & mortar businesses in order to create commerce equity.

URBAN RENEWAL AUTHORITY/EMINENT DOMAIN

The City believes legislation that provides for a financing mechanism available at the local level to transform unproductive and unsafe property into an asset that creates value for the community is essential. The City supports preserving the right of a municipality to use powers of eminent domain appropriately for the purpose of development or redevelopment while ensuring fair treatment of property owners.





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 COMMUNITY PARTNERSHIP OFFICE
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AGENDA ITEM: 11
MEETING DATE: February 1, 2011
TO: City Council
FROM: Community Partnership Office
PRESENTER: Greg George, Development Services Director

TITLE:

A public hearing to consider:

1. A RESOLUTION WAIVING CERTAIN DEVELOPMENT FEES FOR THE CONSTRUCTION OF ONE UNIT OF TRANSITIONAL HOUSING BY THE LOVELAND-BERTHOUD INTERFAITH HOSPITALITY NETWORK; and
2. AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2011 CITY OF LOVELAND BUDGET FOR FEE WAIVERS FOR ONE HOUSING UNIT FOR THE BENEFIT OF LOW INCOME HOUSEHOLDS

DESCRIPTION:

Administrative actions to consider a resolution granting a fee waiver for the construction of one single family dwelling unit by Loveland-Berthoud Interfaith Hospitality Network and an ordinance enacting a supplemental budget and appropriation to the 2011 City budget in the amount of \$11,910 to back fill the enterprise fees waived under the subject resolution.

BUDGET IMPACT:

Yes No

Total fees for the unit are estimated at \$25,971. Of that amount, the Municipal Codes requires that \$11,910 be transferred from the General Fund to the enterprise funds. Funding for the transfer would be from the Council Capital Reserve. The attached ordinance, if adopted, would appropriate the funds.

SUMMARY:

The Loveland-Berthoud Interfaith Hospitality Network will utilize the housing unit to provide transitional housing for families working to transition out of homelessness.

The Loveland Municipal Code permits the City Council to waive capital expansion fees and permit fees on behalf of non-profit entities without transferring funds to cover the cost. The code also requires that any fees that are revenue sources for enterprise funds, such as system

impact fees and plant investment fees, must be replenished from another source. The 2011 City of Loveland adopted budget does not include an appropriation to cover the IHN's request. The estimated amount of such fees is \$11,910. Under the recommended resolution and budget appropriation ordinance, all fees would be waived.

LIST OF ATTACHMENTS:

- Estimate of permit, capital expansion, and system impact fees
 - Resolution to waive fees in 2011 for one dwelling unit
 - Ordinance appropriating funds for the backfill of enterprise fees
 - Letter from Interfaith Hospitality Network requesting fee waiver
-

RECOMMENDED CITY COUNCIL ACTION:

1. Move to adopt A RESOLUTION WAIVING CERTAIN DEVELOPMENT FEES FOR THE CONSTRUCTION OF ONE UNIT OF TRANSITIONAL HOUSING BY THE LOVELAND-BERTHOUD INTERFAITH HOSPITALITY NETWORK.
2. Move to adopt AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2011 CITY OF LOVELAND BUDGET FOR FEE WAIVERS FOR ONE HOUSING UNIT FOR THE BENEFIT OF LOW INCOME HOUSEHOLDS

REVIEWED BY CITY MANAGER:

Fee Estimate Calculator

Angel Village

Properties >>>>>	1204 2nd Street SE
Fees:	Fee Est
Res Bldg PC	791.54
Res Bldg Permit Fee	1,217.75
Res Mechanical Permit Fee	97.25
Res Electrical Permit Fee	69.25
Res Plumbing Permit Fee	83.25
Street Insp Res - SF	75.00
Sub Total	2,334.04
CEF Res Fire Protection	678.00
CEF Res General Government	968.00
CEF Res Law Enforcement	881.00
CEF Res Library	627.00
CEF Res Museum	505.00
CEF Res Open Lands	778.00
CEF Res Parks	3,085.00
CEF Res Recreation	1,546.00
CEF Res Street Detached SF	2,169.61
CEF Fes Trails	489.00
Sub Total	11,726.61
Construction Water 0.75in Tap	25.00
Water Meter Fee 0.75in	279.79
Elec Inst Undgrd 150 Amp & Less	485.00
School Fee-in-Lieu of Land Dedn 1-4 Units	1,382.00
PIF Elec 150 Amp & Less	1,160.00
Raw Water Dev Res SF Attached/Detached	1,000.00
SIF Water Res Detached SF	4,600.00
SIF Stormwater Res - Low	-
SIF Stormwater Res - Medium	313.45
SIF Sewer Res Detached SF	2,590.00
Stormwater Insp Res - SF	75.00
Sub Total	11,910.24 Amount to Be Backfilled
Grand Total	25,970.89

Angel Village Fee Waiver History

	Fees	Units	Back Fill
2007	\$42,248	2	\$17,338
2008	\$29,679	1	\$11,543
Total	\$71,927	3	\$28,881

RESOLUTION #R-10-2011

A RESOLUTION WAIVING CERTAIN DEVELOPMENT FEES FOR THE CONSTRUCTION OF ONE UNIT OF TRANSITIONAL HOUSING BY THE LOVELAND-BERTHOUD INTERFAITH HOSPITALITY NETWORK

WHEREAS, Loveland-Berthoud Interfaith Hospitality Network (“IHN”) has requested the waiver of certain City-imposed development fees, including capital expansion fees, for one unit of transitional housing in Loveland, construction of which will commence in 2011; and

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

WHEREAS, IHN is willing and able to enter into a development agreement with the City whereby IHN will construct one unit of transitional housing for the benefit of low and moderate income households; and

WHEREAS, the City Council finds that the waiver of the development fees, including the capital expansion fees, which results from the adoption of this Resolution will provide not-for-profit facilities open to Loveland area residents that might otherwise be provided by the City at taxpayer expense, and that such facilities relieve the pressures of growth on City-provided facilities and do not create growth or growth impacts.

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

Section 1. That capital expansion fees in an amount not to exceed \$11,726.61 for construction of one unit of transitional housing for the purpose described above are hereby waived.

Section 2. That as provided in Section 16.38.075 of the Loveland Municipal Code, when a capital-related fee is waived as set forth in Section 1, there shall be no reimbursement to the capital expansion fund by the general fund or any other fund.

Section 3. That development fees, including, but not limited to, all building permit fees, plan review fees, and any and all other fees due and payable between permit application and final certificate of occupancy (but not including capital expansion fees, system impact fees, raw water fees, tap fees or any other enterprise fees) that are payable to the City in an amount not to exceed

\$2,334.04 for construction of one unit of transitional housing for the purpose described above are hereby waived.

Section 4. That development fees, including system impact fees, raw water fees, tap fees, or any other enterprise fees that are payable to the City in an amount not to exceed \$11,910.24 for construction of one unit of transitional housing for the purpose described above are hereby waived.

Section 5. That as provided in Section 16.38.075 of the Loveland Municipal Code, when a utility fee or charge is waived as set forth in Section 4, the affected utility fund shall be reimbursed by the general fund.

Section 6. That the amount of the waived development fees, \$11,910.24, as set forth in Section 4 hereof, shall be paid by the City into the City’s enterprise funds from the general fund of the City.

Section 7. That the waiver of the fees described in Sections 1, 3, and 4 hereof shall be conditioned upon the City, through its City Manager, and IHN entering into a development agreement, which agreement shall provide for the waiver of said fees in exchange for the construction of the one unit of transitional housing, as well as such other conditions as the City Manager shall deem necessary.

Section 8. That this Resolution shall be effective as of the date of its adoption; provided, however, that the City Council’s waiver of IHN’s development fees as set forth herein shall not go into effect until the City Council’s adoption of an ordinance approving a supplemental appropriation of \$11,910.24 to reimburse the affected enterprise funds becomes effective.

ADOPTED this 1st day of February, 2011.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

Sharon L. Eltes
Assistant City Attorney

FIRST READING February 1, 2011

SECOND READING _____

ORDINANCE NO. _____

AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2011 CITY OF LOVELAND BUDGET FOR FEE WAIVERS FOR ONE HOUSING UNIT FOR THE BENEFIT OF LOW INCOME HOUSEHOLDS

WHEREAS, THE City has considered and passed Resolution # R-_____ waiving certain development fees pursuant to Loveland Municipal Code Section 16.38.075 for the construction of one housing unit by the Interfaith Hospitality Network (IHN); and

WHEREAS, system impact fees, raw water fees, tap fees and other utility enterprise fees in the amount of \$11,910 that were waived for the IHN project for transitional housing for homeless families must be reimbursed form the General fund pursuant ot Loveland Municipal Code Section 16.38.075; and

WHEREAS, the City has reserved funds on hand not appropriated at the time of the adoption of the City budget for 2011; and

WHEREAS, the City Council desires to authorize the expenditure of reserved funds by enacting a supplemental budget and appropriation to the City budget for 2011, 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 \$11,910 in the General Fund 01 from un-appropriated fund balance within the Council Capital Reserve are available for appropriation. Reserves in the total amount of \$11,910 are hereby appropriated as hereinafter set forth and transferred to the Water, Wastewater, Storm Water, Power and Raw Water Enterprise Funds to reimburse the enterprises for the IHN non-profit housing fee waivers. The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:

**Supplemental Budget
General Fund 01 - IHN Fee Waiver**

Revenues		
Fund Balance	Council Capital Reserve	11,910
Total Revenue		11,910
Appropriations		
001-5502-473-07-41	Transfer to Water Enterprise from Council Capital Reserve	4,900
001-5502-473-07-42	Transfer to Wastewater Enterprise	2,590
001-5502-473-07-43	Transfer to Storm Water Enterprise	390
001-5502-473-07-44	Transfer to Power Enterprise	3,030
001-5502-473-07-46	Transfer to Raw Water Enterprise	1,000
Total Appropriations		11,910

**Supplemental Budget
Water Enterprise Fund 41 - IHN Fee Waiver**

Revenues		
041-0000-373-01-00	Transfer from General Fund	4,900
Total Revenue		4,900
Appropriations		
Total Appropriations		-

**Supplemental Budget
Wastewater Enterprise 42 - IHN Fee Waiver**

Revenues		
042-0000-373-01-00	Transfer from General Fund	2,590
Total Revenue		2,590
Appropriations		
Total Appropriations		-

**Supplemental Budget
Storm Water Enterprise 43 - IHN Fee Waiver**

Revenues		
043-0000-373-01-00	Transfer from General Fund	390
Total Revenue		390
 Appropriations		
Total Appropriations		-

**Supplemental Budget
Power Enterprise 44 - IHN Fee Waiver**

Revenues		
044-0000-373-01-00	Transfer from General Fund	3,030
Total Revenue		3,030
 Appropriations		
Total Appropriations		-

**Supplemental Budget
Raw Water Enterprise 46 - IHN Fee Waiver**

Revenues		
046-0000-373-01-00	Transfer from General Fund	1,000
Total Revenue		1,000
 Appropriations		
Total Appropriations		-

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).

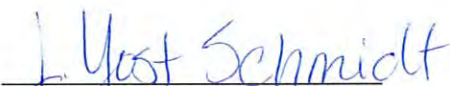
ADOPTED this ____ day of February, 2011.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Deputy City Attorney

Angel House



Loveland-Berthoud
**Interfaith Hospitality
 Network, Inc.**

101 East Sixth Street
 Loveland, CO 80537
 Telephone: 970-663-1716
 Fax: 970-663-1574

E-mail: angelhouseihn@hotmail.com

December 30, 2010

Loveland City Council
 Attn: Greg George
 500 East 3rd Street
 Loveland, CO 80537

Dear Mr. George,

I understand from Darcy McClure in the Community Partnership Office that you will be the staff person who will be presenting the Loveland Berthoud IHN to the City Council for the possible release of the need to pay the Building Divisions Fee Estimate.

Let me explain a little to you who we are and what we do, if you already know about this agency I apologize. LB-IHN is a shelter self-sufficiency program that has been in Loveland since September 2000 aiding between 16 to 20 families yearly with a primary focus on families with children who have become homeless. We are presently working with 12 local host churches and have two support churches to assist the smaller congregations with anything from 35 to 60 volunteers at each church. What this means is that each week there can be four families (or up to 14 people) staying in a church and being fed the evening meal by volunteers in a family setting which in turn creates the closest to a home environment many of these families have ever seen. The Angel House at 101 East 6th Street is the day center, this again separates us from the other shelters because the families have an address and phone number which allows them to search not only for employment but have a place to leave messages etc. The day center is very important to the success of this program; this is the place the entire family advocacy takes place, children go to school, and where many of the families will learn new life skills that can assist them to never become homeless again. Being without a home is one of the most devastating things that can happen to a family and will increase the chance of the children growing up and repeating the possibilities of homelessness again with their family.

In 2005 LB-IHN began looking into the possibility of having transitional housing (a two year program) that would enable some of the families to transition into housing offered at 30% of their actual income with them paying utility bills and any other expenses needed to run a home. During this time the family will be encouraged and supported as they continue making progress. We have been able to build three homes over the past four years and without the assistance from the City of Loveland and many local foundations this would not have become a reality.

What I am asking now is that once again, with your help, I be allowed to go before the City Council and request they waive the estimated fees for the fourth home. They are presently estimated at \$25,970.89. For the previous three houses the City has very kindly waived these fees, I might add with a unanimous vote from the Council. With the City making this allowance, it has made it possible for this small agency to purchase this past years house that was built by the 9th and 10th grade construction and geometry class at Loveland High School. We purchased land from Habitat with a partial grant from the CDBG funds; the balance was raised from small amounts from other grants. Donations from citizens of Loveland and a generous grant of \$25,000 from the Erion Foundation has enabled us to purchase the house for the asking price of \$43,000. The funding to ready the land for the house is being completed by in-kind donations from tradesmen and money raised from people who know that we can do this and believes in what we do in the community. When the saying came out about "it takes a village" that was not an understatement it does take a village to build a home. I ask that you would support and present to the City Council for them to once again assist this agency to complete another home that will be offered to a population that is having a very hard time at the present.

I am very much aware that times are hard for the City of Loveland with cuts etc. taking place, but, I also hope they all understand that without their amazing and generous help we would not be able to offer clean, safe and affordable housing to a population that needs the additional help and guidance. Thank you for understanding this fact.

If you have any other questions please do not hesitate to call me at the office 970-663-1716 and I know Darcy will also have any of the answers you may need. I look forward to meeting you and making a presentation to the City Council. Thank you for your interest.

With grace,



AnnMarie Arbo
Executive Director
Angel House/LB-IHN



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: 12

MEETING DATE: 2/1/2011

TO: City Council

FROM: Greg George, Development Services Department

PRESENTER: Greg George

TITLE:

Namaqua Hills Central Second Subdivision, Preliminary Plat - Appeal

DESCRIPTION

A quasi-judicial action to consider an appeal of the Planning Commission's decision on October 11, 2010 to approve a preliminary subdivision plat known as the Namaqua Hills Central Second Subdivision (Namaqua Central). The plat contains approximately 49.4 acres and proposes 38 single family lots. The western 27 acres of the site is zoned DR and reserved for open space through a conservation easement. The eastern 22 acres is zoned R1. The site is generally located west of North Wilson Avenue between future alignments of 29th and 22nd Streets, and north of the current terminus of Morning Drive within the Namaqua Hills neighborhood in Larimer County.

As approved by the Planning Commission, Morning Drive would be extended north to connect to 29th Street and 22nd Street would be upgraded and opened to regular traffic. The extension of Morning Drive would be a public street and gated at the northern and southern entrances to Namaqua Central. Six parking spaces would be provided within Namaqua Central on the south side of the south gate to accommodate parking for users of a recreation trail to be located in the conservation easement within Namaqua Central.

The appellant is Mike Thompson of 1713 Sunnyside Drive, Loveland, Colorado 80538.

BUDGET IMPACT

Yes No

SUMMARY

A. Appeal

The appeal objects to the Planning Commission approval. The primary points of the appeal are as follows:

- More traffic will be put onto the existing portion of Morning Drive, posing a safety hazard
- The planned trail head at the south end of the development will create parking problems on streets in Namaqua Hills
- The residents in Namaqua Central should have to contribute funding to share in the maintenance of Morning Drive

Details of the appeal are specified in the attached letter (*see Attachment A*).

B. Alternative Project Designs and Comparative Assessment

At the City Council meeting on January 4, 2011, several access options for Namaqua Central were discussed as alternatives to those included in the project approved by Planning Commission. There were also questions asked about the necessity for opening 22nd Street, potential impacts on Morning Drive due to parking for the recreation trail, and responsibility for sharing in the maintenance of Morning Drive. Three alternatives have been developed and a comparison provided to address these issues. A map showing key features in the project area has been included as *Attachment B*.

The three alternatives have been assessed with respect to: (i) compliance with City standards for street connectivity and emergency response; (ii) maintenance responsibilities for Morning Drive; and (iii) mitigation of traffic impacts on Morning Drive. Information concerning the need to open 22nd Street to unrestricted traffic is provided on Page 4, paragraph C.2.

With respect to all three of the alternative project designs, the City standard in question for street connectivity and emergency response is the requirement for two unrestricted access points into both Namaqua Hills and Namaqua Central. Currently Namaqua Hills does not meet that standard having only one unrestricted entrance on Highway 34 and an emergency vehicle only access on 22nd Street.

1. **Alternative A (Planning Commission Alternative)** is the project approved by Planning Commission with two additional conditions recommend by City staff. It includes gates at both south and north entrances, operational only by residents of Namaqua Central and emergency vehicles - a gated community. Conditions recommended by City staff and the Planning Commisison would require 22nd Street to be opened for unrestricted access to Morning Drive and six parking spaces be provided for the recreation trail on the south side of the south entrance.

City staff is recommending two additional conditions: (i) streets within the gated community shall be private; and (ii) to make use of the south entrance less convenient,

the gate controls at the south entrance shall be not be automatic, but shall require vehicles to stop to activate the gate.

Assessment:

- **Compliance:** Minor deviation from compliance with standards for connectivity/emergency response. Proposed gates would limit access to Morning Drive and 29th Street by restricting access to only residents of Namaqua Central and emergency vehicles.
- **Traffic Mitigation:** Significant mitigation of traffic on Morning Drive due to the gates limiting access to Morning Drive to residents of Namaqua Central and preventing drive through traffic from future development to the north of Namaqua Central. Impacts on Morning Drive may result from parking for the recreation trail.
- **Maintenance of Morning Drive:** This alternative would generate additional traffic on Morning Drive and, therefore, the residents of Namaqua Central should be required to share in the cost of maintenance.

2. **Alternative B (Neighborhood-Preferred Alternative)** is the project that, at a neighborhood meeting held on January 19, 2011, the residents of Namaqua Hills asked to be presented to City Council as their preferred alternative. Residents at the meeting that live on 22nd Street in Trimble Hills also supported this alternative. There were approximately 70 people in attendance at the neighborhood meeting. This alternative is also recommended by the Larimer County Board of Commissioners and is acceptable to the applicant. This alternative differs from the one approved by Planning Commission as follows:

- Emergency access only at the south gate to Namaqua Central
- No modifications to 22nd Street
- No parking for recreation trail at the south entrance
- Legally enforceable obligation imposed on the property owners in Namaqua Central to share in the costs to maintain and repair Morning Drive if at any time in the future the south entrance is modified to allow unrestricted vehicle access to Namaqua Central.

City staff recommends a condition that the streets within Namaqua Central be private streets if the project is a gated community.

Assessment:

- **Compliance:** Slightly higher deviation from standards than with Alternative A due to the further restriction on access resulting from emergency access only at the south entrance.
- **Traffic Mitigation:** Higher level of mitigation than with Alternative A due to further reduction in traffic on Morning Drive resulting from the south entrance being for emergency vehicle access only and no parking at south entrance for the recreation trail.

- **Maintenance of Morning Drive:** The traffic generated on Morning Drive from this alternative would be limited to emergency vehicles only, so the residents of Namaqua Central should not be required to share in the cost of maintenance.
3. **Alternative C (Applicant-Preferred Alternative)** is the project the applicant has identified as their preferred alternative, provided City Council grants an exception to the 1,000 foot restriction on dead-end streets. This alternative differs from Alternative A as follows:
- No south connection to Morning Drive
 - No parking for recreation trail at north end of Morning Drive

Pursuant to Section 16.16.050.C of the Municipal Code, City Council may grant exceptions to the subdivision regulations in the Municipal Code. Section 16.20.030.H requires subdivisions to comply with all applicable regulations contained within the Municipal Code. The 1,000 foot restriction on dead-end streets is contained in Title 15 of the Municipal Code.

City staff recommends a condition that the streets within Namaqua Central be private streets if the project is a gated community.

Assessment:

- **Compliance:** Higher deviation than with either Alternative A or B due to there being only one entrance, that being off of 29th Street, and the necessity for Council to grant an exception to the 1,000 foot restriction for dead-end streets.
- **Traffic Mitigation:** Highest level of traffic mitigation on Morning Drive due to there being no connection to Morning Drive and no parking at south entrance for the recreation trail.
- **Maintenance of Morning Drive:** There would be no traffic generated on Morning Drive from this alternative, so the residents of Namaqua Central should not be required to share in the cost of maintenance.

C. Other Relevant Information

1. **Annexation:** When the Namaqua Central property was annexed in January of 2009, residents from Namaqua Hills expressed concern that the northward extension of Morning Drive would ultimately result in significant traffic intrusion through their neighborhood. Due to these concerns, City Council directed staff to work with the applicant for Namaqua Central to design a project that would minimize traffic impacts on Morning Drive. The gated proposal, with the opening of 22nd street, was designed to minimize traffic impacts on Morning Drive.
2. **22nd Street History and Issues:**
 - **History:** On February 18, 1997 City Council approved the General Development Plan and Final Plat for Trimble Hills PUD. A condition of approval required that the extension of 22nd Street to Morning Drive consist of a 20 foot wide paved street with a vertical curb and gutter constructed across the street at the project's westerly

boundary to discourage use of the street by vehicles other than emergency vehicles. The condition stipulated that the vertical curb could be removed by the City if, at the City's sole discretion, it is determined that full and unrestricted use of 22nd Street is warranted at this location. The 1997 decision was based upon concerns from the residents in Namaqua Hills that the extension of 22nd Street would increase traffic on Morning Drive.

- **School Site and Future Impacts:** The property bordering the north side of the emergency access only portion of 22nd Street is being obtained by the Thompson R2J School District. As indicated in a letter December 16, 2010 from the Superintendent of the Thompson R2J School District (see Attachment C), the ability to provide safe and adequate access to the future school will be entirely dependent on the extension of 22nd Street as a fully accessible street, whether the extension occurs now or at some future time. The future school site property is not currently owned by the School District.

The Planning Commission approval of the project includes a condition that the applicant convert 22nd Street to unrestricted access at the developer's expense. If future modifications to 22nd Street are required when the school site develops, then it is likely that the cost of improvements will be borne by the public, without developer contribution.

- **Localized Impacts:** Alternative A, the project approved by Planning Commission, requires opening the connection between Morning Drive and 22nd Street to unrestricted traffic. This modification to 22nd Street would provide direct traffic access to the east to Cascade Avenue, a 2-lane arterial. Cascade Avenue allows vehicles to travel north to 22nd Street (and in the future to 50th Street) or south to the existing signalized intersection at Cascade / US 34. Without this connection, residents exiting south out of Namaqua Central or Namaqua Hills would have to travel south for the entire length of Morning Drive to access State Highway 34.

Opening 22nd Street would provide a second unrestricted access to Namaqua Hills and improve access for emergency vehicles for both Namaqua Hills and Namaqua Central. If access at the south entrance to Namaqua Central is limited to emergency vehicles only and 22nd Street remains as an emergency vehicle only access, then emergency vehicles would have to drive through two emergency vehicle only accesses to access Namaqua Central from the south.

- **Broader Impacts:** Within the broader area, there would be virtually no impacts on other existing or planned development in the vicinity if 22nd Street remains as emergency access only.
- **Traffic Accidents:** Records indicate that all reported accidents on Morning Drive have occurred at its intersection with State Highway 34. By comparison, the records indicate the same number of accidents at the State Highway 34/ Cascade Avenue

intersection in the same time period. Therefore, since Cascade Avenue has three times the traffic as Morning Drive, the accident rate is three times higher at the State Highway 34/Morning Drive intersection than at the State Highway 34/Cascade Avenue intersection.

The 22nd Street connection would likely reduce traffic on that portion of Morning Drive south of 22nd Street, which is the portion of Morning Drive with the most severe grades and limited sight distances. The section of Morning Drive north of 22nd Street has less severe grades, is straight, and has significantly better sight distance.

- **Maintenance:** Soon after the 22nd Street emergency access was constructed with only the vertical curb, it was deemed that it was insufficient to discourage non-emergency traffic. As a result, the City has installed, modified, and maintained additional traffic control in that area. The City Traffic Engineer estimates that costs, in man-hours and materials, to maintain 22nd Street for emergency access only have been between \$3,000 and \$4,000 since its construction in 2002. These expenses have been incurred to repair damage to emergency access structures by motorists gaining access to, or egress from, the Namaqua Hills Neighborhood via 22nd Street and Cascade Avenue. The photo included as **Attachment D** shows evidence that vehicles are using 22nd Street to access the Namaqua Hills neighborhood.
 - **Larimer County Commissioners' Recommendation:** On January 18, 2011 the County Board of Commissioners met to consider the access and street issues related to Namaqua Central. The Commissioners are recommending that 22nd Street remain as emergency access only and that the south entrance into Namaqua Central be restricted to emergency access only.
3. **Maintenance of Morning Drive:** Funding for maintenance of the streets in Namaqua Hills is provided through a general improvement district (GID #8). Research is still underway to determine if property within the corporate limits of the City can be included in the GID #8. Nevertheless, a condition could be placed on the Namaqua Central project to require the developer to create a legally enforceable obligations requiring the residents of Namaqua Central to share in the costs to maintain Morning Drive (i.e. see condition #5 recommended for Alternative B, on Page 8).
 4. **Access to Recreational Trail:** With Alternatives B and C no parking would be provided at the south entrance. However, the trail connection would still be made to Morning Drive outside the south gate. The six trail head parking spaces would be moved to outside the north gate. To gain access to the trail, people parking at the trail head would have to enter the unlocked pedestrian gate at the north entrance, walk through the Namaqua Central subdivision and exit through the unlocked pedestrian gate at the south entrance.

D. City Council Actions

Chapter 16.16, Section 16.16.030.E.3 of the Loveland Municipal Code requires that upon receipt of an appeal of a Planning Commission's decision, City Council conduct a hearing to consider the merits of the appeal. A merit hearing was held by City Council on December 7, 2010 at which a decision (5 to 4 vote) was made that the appeal had sufficient merit to warrant further consideration at a fully noticed public hearing. City Council considered the appeal at a public hearing on January 4, 2011. At the conclusion of that hearing, City Council continued the appeal until the February 1, 2011 City Council meeting. The Loveland Municipal Code specifies that in considering an appeal of a Planning Commission decision, City Council may approve, approve with conditions, or disapprove the matter.

If City Council approves the project with conditions that require revisions to the project plans approved by the Planning Commission, then those revisions could be incorporated into the administrative approval process for the final project documents (final plat, development agreement, and public improvement construction drawings) and the project would not have to be sent back to Planning Commission.

LIST OF ATTACHMENTS

- A. Appellant's appeal letter
- B. Key Features Map
- C. Letter from Superintendent of the Thompson R2J School District
- D. Photo of 22nd Street
- E. Staff Memorandum

RECOMMENDED CITY COUNCIL ACTION

The following alternative motions for approving the project have been developed for City Council consideration:

- **Alternative A:**

Move to make the findings listed in Section V of the October 11, 2010 Planning Commission staff report, and based on those findings, uphold Planning Commission approval of the Namaqua Hills Central Second Subdivision Preliminary Plat, subject to all conditions placed on the project by Planning Commission, plus the following two condition:

1. *The south gate shall be operated by manual controls.*
2. *Streets within the gated community shall be private.*

- **Alternative B:**

Move to make the findings listed in Section V of the October 11, 2010 Planning Commission staff report, and based on those findings, approve Alternative B, subject to those conditions placed on the project by Planning Commission that are consistent with Alternative B, plus all of the following conditions:

1. *The gate at the south entrance to the project shall be for emergency vehicles only.*
2. *Streets within the gated community shall be private.*
3. *22nd Street shall remain restricted to emergency vehicle access only.*
4. *No parking spaces shall be provided for the recreational trail at the south entrance.*
5. *Prior to approval of the Namaqua Hills Central Second Subdivision final plat the developer shall submit to the City a plan satisfactory to the City that will impose on the property owners within the Namaqua Hills Central Second Subdivision a legally enforceable obligation to equitably share with the County GID #8 its costs to maintain and repair Morning Drive if at any time in the future the south entrance is modified to allow unrestricted vehicular access to Morning Drive.*

- **Alternative C:**

Move to make the findings listed in Section V of the October 11, 2010 Planning Commission staff report, and based on those findings and pursuant to Section 16.20.050.C of the Loveland Municipal Code, grant an exception to the subdivision regulations limiting dead-end streets to no more than 1,000 feet and approve Alternative C subject to those conditions placed on the project by Planning Commission that are consistent with Alternative C, plus all of the following conditions:

1. *There shall be no vehicular entrance to the project from Morning Drive.*
2. *Streets within the gated community shall be private.*
3. *No parking spaces shall be provided for the recreational trail at the south entrance.*
4. *Including the cul-du-sac at the southerly end, the total length of Morning Drive within the Namaqua Hills Central Second Subdivision shall not exceed 1,500 feet.*

- **Alternative D:**

City Council can deny the preliminary subdivision plat for Namaqua Hills Central Second Subdivision. . If the Council votes to deny the preliminary plat, the City Attorney will prepare a resolution to present to Council at its March 1, 2011 meeting, which resolution will set forth the Council's findings and conclusions supporting its denial of approval.

REVIEWED BY CITY MANAGER

APPEAL FORM

RECEIVED OCT 18 2010

I, Mike Thompson, hereby appeal the decision of the Planning Commission
issued on 10/11/2010 concerning the Namagua Central
Development Plan.

Mike Thompson
Appellant

10/18/2010
Date

miketho16@gmail.com

ATTACHMENT A

Mike and Shari Thompson
1713 Sunnyside Dr
Loveland CO 80538

Erik and Karen Nagle
1801 Skyrock Rd
Loveland CO 80538

Jodi Radke
1709 Sunnyside Dr
Loveland CO 80538

November 10th, 2010

Mr. Troy Bliss
Senior Planner
Current Planning
Development Services
City of Loveland

Mr Bliss,

We are asking the Loveland City Council to hear an appeal of the decision made by the Loveland City Planning Commission on 10/11/2010 concerning the Namaqua Hills Central Second Subdivision: Preliminary Plat Application (Namaqua Central).

As some councilors and city staff will remember, our neighbors turned out on December 16th 2008 in large numbers to testify at the annexation hearings for the Namaqua Central property. Testimony continued until after 11pm. At the time, Council acknowledged that we had valid concerns over safety, traffic, and additional maintenance burden placed on GID #8. The following points were generally acknowledged:

- Although Morning Drive south of the proposed development is designated a collector street, it is not constructed to the standards associated with this designation.
- Additional traffic on Morning Drive would pose a safety hazard. The elevation profile of Morning drive is such that there are numerous blind spots. This hazard is compounded by the fact that there are no sidewalks; residents and non residents alike make extensive use of the road for walking, running, biking and skateboarding; and most residents must back directly from their driveways to Morning Drive.

However, in making its annexation decision in 2008, Council stated that these concerns were not pertinent to the annexation question, and needed to be addressed later. The informal instruction to the developer and city staff was "take care of these people" and "we will be watching."

Although the developer has gone to considerable lengths to modify their plan, key issues remain. Key issues which we believe the developer, based on comments made by their representative at the 10/11/2010 Planning Commission Meeting, would be willing to address. The alternative measures presented here address these issues and are largely cost neutral, preserve the nature of present

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neighborhoods, enhance the attractiveness of the new development, enhance connection between neighborhoods, and, in some cases, make for better emergency access. In short, everyone wins!

The developer and city staff have come up with a plan that has the following major features:

- Namaqua Central will be a gated community.
- Restrictive covenants in property deeds will discourage residents of Namaqua Central from entering or exiting development via south gate (separating Namaqua Central from existing neighborhood)
- Establishment of a recreational trail and trail head for public use in the new development, *but outside the south gate (i.e. on the existing neighborhood side)*.
- Road maintenance cost sharing between a future home owners association and Larimer County on behalf of GID #8.
- The opening of 22nd street. This was *a new part of the plan* as of the 10/11/2010 Planning Commission Meeting. It was not part of the original plan presented at the annexation hearing, nor was it part of the ones presented at subsequent hearings.

We have the following issues with the plan approved by the Planning Commission:

- The plan still puts additional traffic on Morning Drive, not only from residents of the new development, but also from the opening of 22nd street (which will increase cut through and joy riding traffic) and the new trail head. The traffic study presented by the developer didn't take into account these additional sources.
- We feel that restrictive covenants in the deeds of the Namaqua Central "encouraging" residents of that development to not use the south entrance would be all but worthless.
- The trail head will create parking problems for current residents. Although the plan calls for the creation of six parking spaces outside the south gate of the development there will be little to stop overflow traffic from parking along the existing Morning Drive. Many residents use Morning Drive for parking their family vehicles and they could be prevented from easy access to their property if trail users park along Morning Drive. Since this "overflow" parking would be outside the city, the city could not be called to enforce any parking limitations, and it is not clear if it would even be possible to establish "resident only" parking limitations. Although Morning Drive is a "public street", residents will never the less be adversely and unfairly impacted.
- It is not unheard of for home owners associations (HOAs) to go defunct or otherwise cease to exist. Who will be responsible for the contributions Namaqua Central's share of Morning Drive's maintenance if this should happen, and who will maintain the gates – vital for reducing cut through traffic – in this event?

We testified at the Planning Commission meeting on 10/11/2010 along with many of our neighbors. We proposed a different plan. The plan is presented below along with some modifications developed subsequent to the meeting.

- Make the gate at the south end of the development emergency use only. Use the same type of gate as would be used for a gated community, but only allow emergency vehicles access.
- Add traffic calming devices, such as "traffic humps", "chicanes", or "curb extensions" between the development and present neighborhood so that if the south gate were ever removed, or if that part of our plan is rejected, we would not be relying solely on restrictive covenants to discourage people in Namaqua Central from using the south entrance. As one elected city official observed at the December 16th 2008 annexation hearing, "there are many neighborhoods in Loveland where one can cut through, but they have been designed so no one would want to

do that.”

- Remove gate at the north end of the development to improve connectivity and emergency access to new development (i.e. It would no longer be a “gated community” in the common sense of the term).
- Move the trail head so that it is on the Namaqua Central side of the south gate, this, along with removal of the north gate will allow the trail head to be accessed without increasing traffic loads on Morning Drive, nor creating parking headaches for current residents.
- Leave 22nd street closed.

There will certainly be arguments against such a plan, as there was at the Planning Commission Meeting. Since the public hearing format at Planning Commission meetings only allows rebuttal by the applicant, we have summarized the arguments given against our plan during that meeting, and provided our responses, which we didn't have a chance to present at the hearing.

- Having emergency access only barriers runs counter to the city's goal of having connected neighborhoods.
 - While this is true, it should be pointed out that a gated community is only “connected” for the residents of that neighborhood. Thus it will be “connected” for 38 households, or approximately less than three tenths of a percent of all Loveland residents. By removing the north gate, our plan actually provides for better neighborhood connectivity.
- Emergency only access barriers can slow emergency response.
 - Again, while there may be truth to this statement, the delay is no less than due to that created by a gated community. Our plan calls for use of the exact style of gating used for gated communities. The only difference being that the mechanism to open the gate could only be activated by emergency services. In addition, under our plan, emergency access to Namaqua Central will be better as it will not have a north gate.
- Emergency only access barriers are expensive to maintain.
 - No more expensive than maintaining a gate in a gated community.
- Having 22nd street open serves current residents well, and increases safety.
 - Perhaps, but let's deal with this as a separate stand alone issue. With the emergency access only gate in place at the south of the new development, there is no reason to open 22nd street.
- Having 22nd street open will “bleed” traffic off of Morning Drive.
 - With our plan this is not necessary.

We appreciate your time, and that of the Loveland City Council in consideration of this matter.

Sincerely

Mike and Shari Thompson

Erik and Karen Nagle

Jodi Radke

Dakota Ridge
Maximum Number of Units: 265

Lee Farm
Maximum Number of Units: 882

Hunters Run West
Maximum Number of Units: 223

Namaqua Central

Meadowbrook Ridge
Maximum Number of Units: 300

Hunters Run West
Maximum Number of Units: 314

FUTURE SCHOOL SITE

Namaqua Hills







Trimble Hills

CHURCH

Rist Benson Reservoir

Legend

Street types

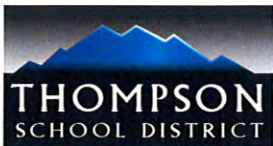
-  Existing major collector
-  Existing minor arterial
-  Existing minor collector
-  Future major collector
-  Future minor arterial
-  Future minor collector

APPROXIMATE LOCATION OF PROPOSED PEDESTRIAN TRAIL



ATTACHMENT B

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Superintendent's Office

800 South Taft Avenue • Loveland, CO 80537 • Office (970) 613-5013 • Fax (970) 613-5088

Ronald G. Cabrera, Ph.D.
Superintendent of Schools

December 16, 2010

Mr. Troy Bliss, Senior Planner
City of Loveland
500 East 3rd Street
Loveland, CO 80537

Dear Mr. Bliss,

As you are aware, the Thompson School District R2-J is in full support of the extension of West 22nd Street to its logical intersection with Morning Drive. The district has been working closely with City staff to achieve this goal for the previous two years. The district's Board of Education has formally indicated their intent to accept a 10-acre school site from Hunters Run West PUD with the understanding that this extension was going to occur. Extending West 22nd Street to Morning Drive is critical to district plans for safe transportation of students, either walking or bussed, to this future elementary school site.

Please address questions to Skip Armatoski, geographic information systems specialist, at 970.613.5017.

Sincerely,

Ronald G. Cabrera, Ph.D.
Superintendent of Schools

ATTACHMENT C

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ATTACHMENT D



DEVELOPMENT SERVICES Current Planning

500 East Third Street, Suite 310 • Loveland, CO 80537
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MEMORANDUM

TO: City Council

FROM: Troy Bliss, Current Planning Division

DATE: February 1, 2011

SUBJECT: Namaqua Hills Central Second Subdivision - Appeal

I. EXHIBITS

1. October 11, 2010 Planning Commission Minutes
2. October 11, 2010 Planning Commission Staff Report including plat maps

II. PROJECT SUMMARY

The preliminary plat for the Namaqua Central Second Subdivision includes 49.4 acres. The western portion of the site consists of a 27-acre outlot, zoned Developing Resource (DR); this area rises steeply in elevation and is reserved as open space through a conservation easement in association with the Hogback Natural Area. With the new development, a trail will be extended through this area. The eastern 22 acres consists of a 38-lot, single family development that is zoned R1. Lots range in size from approximately 10,000 square feet to over 17,000 square feet; these lots are consistent in size with lots in abutting development sites. This density is in line with the Comprehensive Plan.

The project site is located immediately north of the existing Namaqua Hills neighborhood. This neighborhood is accessed from Eisenhower Boulevard by Morning Drive which connects northward to the northern edge of the neighborhood. Maintenance for this portion of Morning Drive provide by a General Improvement District (GID) administered through Larimer County. As proposed, the extension of Morning Drive would be a public street; the street would be gated at the northern and southern ends of the subdivision. Primary access to the site is designed to be from the extension of 29th Street to Morning Drive, providing connections to the east. The project design also includes a full connection between 22nd Street and Morning Drive, providing further connection to the east with Cascade Avenue, a two-lane arterial. Cascade allows for

vehicles to travel north to 22nd Street (and in the future to 50th Street) or south to the signalized intersection at Eisenhower. At the present time, the 22nd Street – Morning Drive connection (located at the NW portion of Namaqua Hills) is only for emergency access. This access point would become fully operational with the new development.

A. Key Issues: Key issues have now been summarized and evaluated further in the Council coversheet for this project.

B. Background:

Namaqua Hills Central Background:

- Namaqua Hills Central was first approved for subdivision (prior to annexation) by Larimer County in 1979 and then recorded in March of 1980.
- The subdivision was annexed into the City with the Namaqua Hills Central Addition and the lots, tracts, and right-of-way came under City of Loveland jurisdiction in January of 2009. This included 128 single family lots distributed throughout the 49 acre site.
- The western portion of this site is considered the Hogback Natural Area by the City of Loveland's Natural Area Sites document. It has an overall habitat rating of 9 on a scale of 10. Prior to the annexation, a Conservation Easement was dedicated to the City and the Legacy Land Trust on the western 27 acres of the Namaqua Hills Central Addition that corresponds to the Hogback Natural Area. This Conservation Easement prevents any development except for the installation of a soft surfaced trail. The Namaqua Hills Central Addition zoned this 27-acre area DR – Developing Resource.
- The eastern portion of the Namaqua Hills Central Addition was zoned R1 - Developing Low Density Residential.
- Following annexation, an application to vacate the obsolete subdivision created through Larimer in 1979 was approved by the City removing all previous lots of record.
- The Namaqua Hills Central First Subdivision was approved in July of 2009 creating Tract A which corresponds to the R1 zoning and Outlot A which corresponds to the DR zoning established at the time of annexation.

C. Planning Commission Action: The Planning Commission held a public hearing on the Namaqua Hills Central Second Subdivision Preliminary Plat request on October 11, 2010. The Planning Commission approved the proposal with the motion passing 4 - 2. The minutes of that meeting are attached as **Exhibit 1**. The full Planning Commission staff report, which includes the findings that must be made to approve the project, is attached as **Exhibit 2**.

III. RECOMMENDATION

The staff recommendation for Council action and alternative actions are included in the Council coversheet.

1 not brought enough community events to the downtown area.

2
3 **Mr. Scholl** commented that the currently the downtown is failing. He emphasized that it cannot
4 remain as is and that it will either flourish or fail. He further stated the issue of holding large
5 events in the downtown area has to do more with problems with the current infrastructure and the
6 need to invest money in improving that infrastructure specifically power.

7
8 **Chairman Molloy** asked if the Vision Book called the downtown area "Historic Downtown"
9 and asked if it would be identified as historic.

10
11 **Mr. Scholl** stated that staff would soon be presenting changes to the BE Zone, including
12 amending certain guidelines. He stated one of the amendments would be to lower building
13 heights in the BE Zone for 4th Street.

14
15 After further discussion, Mr. Scholl stated that safeguards are in place which would prohibit
16 someone from buying up the historic properties in the downtown area and demolishing them.

17
18 **Vice Chair Ray** commented that he does not like the look of the final design (of the proposed
19 downtown projects) and felt there were conflicting feedback on what residents and business owners
20 in the area see for the Downtown. While acknowledging his difference of opinion, he thanked staff
21 for all their hard work and efforts.

22
23 **Mr. Scholl** concluded his presentation, stating that he believed the merchants were anxious and want
24 to see something happen.

25
26
27 **2. Namaqua Hills Central Second Subdivision: Preliminary Plat Application**

28
29 This is a public hearing to consider a Preliminary Plat for approximately 49.4 acres located to the
30 west of Wilson Avenue between the future alignments of 29th and 22nd streets, and north of the
31 current terminus of Morning Drive. The Preliminary Plat proposes the creation of 38 single family
32 lots and associated outlots and open space for detention purposes. The eastern portion of the
33 property is zoned R1 (22.7 acres); the western portion is zoned DR (26.7 acres known as Outlot A)
34 and is encumbered with conservation easement. The Planning Commission action is quasi-judicial
35 and is final barring appeal.

36
37 **Troy Bliss, Project Planner**, gave a staff report on the project. He stated that applicant had
38 significantly reduced the number of allowed dwelling units as a result of density conditions imposed
39 by the City Council at the time of annexation. Also, as a condition to the annexation, the applicant
40 was to propose a solution to reducing the amount of traffic on Morning Drive as verified through a
41 Traffic Impact Study. In describing the project location, he noted that the majority of surrounding
42 properties are undeveloped, he stated that due to the cost of the infrastructure needed for the

1 development of this project, it would be very expensive for the applicant to begin construction
 2 anytime in the near future. The infrastructure needs are reason why a number of conditions are being
 3 recommended from City staff. He concluded his remarks by indicating that staff is in support of the
 4 application.

5
 6 **Ken Merritt, Landmark Engineering**, representing the applicant, presented a description of the
 7 project and described the factors that were taken into consideration in the design of the subdivision.
 8 He spoke of the location of the proposed project and how the property fits with the City's
 9 Comprehensive Plan. He clarified that the conservation easement is approximately 112 acres (when
 10 combining two projects) and has been in place for the past two years. Mr. Merritt clarified that the
 11 applicant is not extending the road west of the property. He clarified that the Annexation Agreement
 12 describes what is allowed in the R1 Zoning District and also clarified that the density cannot exceed
 13 more than 2 dwelling units per acre, emphasizing that the requested number of lots would only allow
 14 for 1.7 dwelling units per acre. He spoke of the lot configurations, reporting that smaller lots would
 15 be placed adjacent to Hunter's Run, mirroring the lot sizes in Hunters Run.

16
 17 **Mr. Merritt** stated that the following were key issues expressed by the neighbors:

- 18 • Extending Morning Drive North to 29th Street would create cut through traffic from future
 19 developments to the north and east created by traffic wanting to go to Highway 34
- 20 • Who will pay for the maintenance of Morning Drive due to increased traffic
- 21 • Impact to the wildlife in the area
- 22 • Some residents had issues with opening 22nd Street making the existing Namaqua Hills
 23 neighborhood not as secluded as it currently is.
- 24 • As a condition of the Trimble Hills PUD, Council has stated that 22nd Street could not be
 25 opened

26
 27 **Mr. Merritt** reported that there would be 38 single family lots on approximately 22 acres within a
 28 gated community. He stated that the single family lots would range in size from approximately
 29 10,000 square feet to over 17,000 square feet. He reported that creating a gated community would
 30 help in mitigating the number of residents who would actually use Morning Drive. He clarified that
 31 at the time of final plat the applicant would agree to contribute the amount of money equal to the
 32 volume of traffic generated by the residents of Namaqua Hills Central for the maintenance of the
 33 existing portion of Morning Drive through the County neighborhood. Mr. Merritt described how
 34 much traffic there would be if the connection between 22nd Street and Morning Drive was fully
 35 opened to traffic.

36
 37 **Mr. Merritt** clarified that there would be an additional buffer between the lots furthest to the west
 38 and the conservation easement and commented that the open space buffer would provide additional
 39 access for pedestrians as well as wildlife.

40
 41 **Mr. Merritt** clarified that the HOA would make their street maintenance contribution to Larimer
 42 County who is the Administrator for GID #8. He further reported that at the time of Final Plat, the

1 applicant would have to apply for a restricted right-of-way permit before they could proceed; he
2 explained that a restricted right-of-way permit would be needed to allow installation of the access
3 gates.
4

5 Public Participation

6

7 **Mike Thompson, 1713 Sunnyside Drive**, spoke of why Morning Drive is not suitable for carrying
8 additional traffic and presented photographic slides of the numerous blind spots on Morning Drive.
9 He stated he did not believe people would use Cascade as an alternative to Morning Drive. He stated
10 that the trail is a great attribute but expressed concerns about parking. He suggested making the
11 access from the south, emergency access only and include a one-way gate into the development.
12

13 **Keith Olson, 2140 Morning Drive**, expressed concerns regarding the fair share contributions and
14 questioned what would happen to the contribution of road maintenance to the GID if the HOA
15 become insolvent. He spoke of his concerns regarding parking at the trailhead and people parking
16 along W. 22nd Street.
17

18 **Dr. Michael McKenna, 2100 Morning Drive**, stated he was under the belief that all issues relating
19 to Morning Drive had been resolved and that Morning Drive should be an emergency egress/ingress
20 only to allow for fire and police only. He expressed concerns regarding safety and commented that
21 all residents who live on Morning Drive back directly onto Morning Drive. He stated that a decision
22 to not open 22nd Street had been decided and questioned why the subject had again been raised. He
23 supported access to the trail and urged that the parking be located on the Namaqua Hills Central
24 property. He emphasized the need to keep Morning Drive closed to emergency access only at the
25 south of the development.
26

27 **Bill Moninger, 2201 Skyrock Road and President of GID #8**, stated that he appreciated the fair
28 share policy and would like to see it in writing. He questioned how road repairs and payments to
29 GID #8 would occur if the Namaqua Hills Central HOA were to become defunct. He further stated
30 that from a safety and convenience standpoint he would support opening up 22nd Street.
31

32 **Jon Zahourek, 1908 Morning Drive**, spoke in support of the community being gated. He
33 expressed his concerns regarding pedestrian safety on Morning Drive and suggested that some type
34 of traffic calming be done.
35

36 **Bret Nye, 1704 Fire Rock Drive**, questioned where the parking for the trail would be and if it was a
37 pedestrian only trail. He stated that he would not support placing houses on the hogback that would
38 be visible from the east or the west. He questioned the language of the Transportation Condition 11,
39 regarding the connection of 22nd Street with Trimble Hills as written in the staff report. He indicated
40 that he did not understand what was meant by the reference to Trimble Hills GDP.
41

1 **Cheryl Reneple, 2209 Morning Drive**, stated that her community could be destroyed if 22nd Street
2 were allowed to go through and expressed concerns regarding traffic counts. She asked if the City's
3 Comprehensive Plan addresses destruction of a community as a result of providing connectivity.
4

5 **Kevin Chandler, 2108 Skyrock Road**, stated that he opposed opening 22nd Street stating that it
6 would reroute additional traffic through Morning Drive. He showed an old graphic that was used
7 when the issue came up years ago (**Exhibit A** – Mr. Chandler took his Exhibit with him at the end of
8 the evening. If needed for the record he can be reached at (970) 663-1688). He stated that he
9 supported the project but opposed opening up 22nd Street.
10

11 **Jeannie Essling, 2108 Skyrock Road**, stated that she does not believe enough emphasis has been
12 placed on safety concerns on Morning Drive if 22nd Street were to be opened. She stated that she
13 has been in front of the Planning Commission and City Council on three separate occasions to
14 address the 22nd Street connection and questioned why the subject keeps coming up. She urged that
15 22nd Street be left as emergency access only.
16

17 **Sherrie Valentine, 2201 Morning Drive**, reported that the City has put up bollards on 22nd Street
18 and that there would not be any issues for emergency access vehicles. She thanked Mr. Merritt and
19 the developer for all the efforts put into the project stating it was a very nice project. She urged the
20 Commission to keep 22nd Street open only for emergency access. She questioned where the
21 compensation agreement is if the roads in GID #8 were to be used as she indicated that she had never
22 seen a copy. Ms. Valentine also stated that the language in the Annexation Agreement is not
23 enforceable, She further stated that the City Council told the GID #8 that a written agreement would
24 be worked out with the County and the Developer and stated that they have not seen any agreement.
25 She stated that the Annexation Agreement also states that the trail would be permanently maintained
26 by the HOA and questioned what happens if the HOA were to go defunct. She suggested that the
27 City maintain the trail and asked why the City would not be responsible for the trail maintenance.
28 She urged that the Commission only approve the application if there is only one access to the
29 development and stated that if the Commission can not approve it in that manner, then let City
30 Council decide.
31

32 **Felicia Horman, 2309 Ponderosa Drive**, thanked the applicant for their efforts. Spoke of access
33 issues and recommended that a condition be placed that says do not build the roads until ready for
34 development.
35

36 **Dick Lubinski, 2000 Skyrock Drive**, concurred with all comments by previous speakers. He
37 expressed concerns regarding additional traffic and noted that there is only one entry and egress into
38 the existing Namaqua Hills neighborhood. He stated his major concern was with safety and thanked
39 Landmark Engineering for doing such a great job.
40

1 **Jodi Radke, 1709 Sunnyside Drive**, expressed safety issues in the area and opposed opening 22nd
2 Street. She stated that she did not believe that the Developer had adequately addressed the impact to
3 the wildlife in the area.
4

5 **Ranee Zahourek, 1908 Morning Drive**, stated she is tired of having to defend the neighborhood.
6 She did not want anyone to gain access to Morning Drive from another neighborhood and supported
7 only allowing emergency access from 22nd Street.
8

9 **Julie Fay, 2101 Skyrock Road**, supported opening 22nd Street stating it would not be that great of
10 an impact on her.
11

12 Applicant Responses

13

14 **Mr. Merritt** responded to many questions regarding access on Morning Drive and opening 22nd
15 Street. He reported that the 2030 Transportation Master Plan identifies Morning Drive as a Collector
16 Street. He spoke of the various alternatives proposed and believed that gating the proposed
17 development would alleviate most of the concerns raised by the surrounding neighborhoods. He
18 stated that the roads in the Namaqua Central Second Subdivision would be owned and maintained by
19 the City. He clarified that roads built in County subdivisions are typically the responsibility of the
20 homeowners to maintain.
21

22 He responded to questions regarding how fees will be collected and paid for the shared access. He
23 stated that the only mechanism for collecting maintenance fees is to assess a HOA fee for the
24 residents of Namaqua Central and those fees would be given to Larimer County who is in charge of
25 administering the GID #8 fees. He further stated that until the subdivision is 80% full, the developer
26 is effectively the HOA and would be responsible for the payment of the fees. He also clarified that a
27 final plat could not be approved without an agreement with Larimer County.
28

29 **Mr. Merritt** stated that the trail is a condition of the Parks and Recreation Department and clarified
30 that there is no trailhead parking lot and that the trail is a pedestrian only hiking trail. He reported
31 that the applicant has designated a portion of the property to accommodate some on-street parking.
32 He stated that the applicant would support emergency vehicle access only at the southern entry to the
33 project.
34

35 **Mr. Merritt** reported that there has been a dedication of land for a school in the Trimble Hills
36 neighborhood and when the school is built, which might be 10-years away, there is an agreement that
37 there would be access on 22nd Street. He clarified it was always the intent that Morning Drive would
38 be a collector street.
39

40 **Mr. Merritt** stated that if there is a requirement for opening 22nd Street, he would have to have to
41 hold a public hearing with the City Council to have the condition on Trimble Hills General
42 Development Plan eliminated to allow public traffic.

1 **Mr. Merritt** stated that he believes that a gated community would adequately address traffic and
2 safety issues. He further commented that there would be some impact to the residents on Morning
3 Drive and that opening the access on 22nd Street is up to the discretion of the Planning Commission.
4 He commented that the line of demarcation between development and ridgeline was originally
5 further up the hill but it was lowered to create a larger buffer so that the ridgeline would not be
6 disturbed.

7 8 Commissioner Questions 9

10 **Jeff Bailey Transportation Development Review**, in response to a Commission question, stated
11 that City Council, at the time of annexation, directed staff to develop a compromise transportation
12 solution for the project. The compromise would include restricting full access on Morning Drive
13 through the existing County portion of the Namaqua Hills neighborhood from 29th Street to Highway
14 34. He stated that he did not believe that Morning Drive, with its existing design deficiencies, was a
15 good choice for a collector street, but the classification had originally been assigned years ago based
16 on the number of pending/approved dwellings proposed to access Morning Drive. He stated that
17 LCUASS requires two points of full-movement access to all proposed subdivisions. Under previous
18 standards, he noted that some developments had been approved with only one full movement and
19 one emergency access. He stated that such arrangements have become an ongoing maintenance issue
20 for the City, particularly with the placement and replacement of bollards. As an example, he stated
21 that people are currently using the 22nd Street emergency connection to Morning Drive and he
22 indicated that the traffic unit has replaced the safe hits (bollards) on numerous occasions since the
23 access was constructed.

24
25 **Mr. Bailey** commented that while the Transportation Development Review Division supports the
26 current compromise solution, they do not generally favor gated communities due to their restriction
27 of connectivity. He further stated that LCUASS requires proposed development connectivity to all
28 platted roadways, particularly those roadways terminated at property lines for the purpose of future
29 extension. He noted that Morning Drive through the existing Namaqua Hills development meet that
30 criteria. He clarified that 22nd Street was required by Council to be closed as a condition of the
31 approval of the adjacent Trimble Hills development due to concerns raised during public input by the
32 residents of Namaqua Hills.

33
34 **Commissioner Fancher** asked why are the county roads not up to LCUASS standards.
35

36 **Mr. Bailey** stated that he was not an expert in how Larimer County designs and maintains their
37 roads, but suggested that since the county has substantially more miles of roads to maintain, they do
38 what they can with the funds that are available to them. This means that they generally maintain
39 their arterial and collector streets with funds available and rely on local street maintenance to be
40 funded by the various GID's. Also, the design and construction of Morning Drive predated the
41 initial adoption of the LCUASS in 2001.
42

1 **Commissioner Ray** questioned whether it would be possible to remove the proposed gates at the
2 north entrance to the subdivision and have only the south access (Morning Drive) gated.
3

4 **Mr. Bailey** stated that if only the south access were gated, it would create a situation where
5 unfamiliar drivers might assume it was a through street and get trapped by a dead-end.
6

7 In response to a Commissioner's question on what would be required to make the portion of
8 Morning Drive from 22nd Street to the proposed south gate a city street, **Mr. Bailey** indicated that the
9 subject portion of Morning Drive would need to be brought up to current LCUASS design standards
10 before it would be recommended for adoption/. He clarified that based on a recommended condition
11 of approval, no construction traffic would be allowed on Morning Drive and noted that the City
12 would be enforcing that condition. He stated that he couldn't answer questions regarding what it
13 would take to bring county roads up to city standards without a detailed design study.
14

15 **Commissioner Fancher** asked why the Parks Department started the trail at the south end rather
16 than the north end.
17

18 **Mr. Bliss** responded to the question, explaining that the trail goes through both Dakota Ridge and
19 Namaqua Hills Central. He stated that there is already a walking trail on the site that represents the
20 approximate location of the future trail location; while this existing trail has been used over time, it
21 has not been maintained.
22

23 **Vice Chair Ray** inquired as to what is the number of additional trips on Morning Drive.
24

25 **Matt Delich, Delich Associates**, addressed a series of transportation questions. He reported that
26 when the development is completed it would generate an additional 150 trips per day and that would
27 not be enough trips to re-classify the street as a collector street. He also addressed questions about
28 the recreational trail, indicating that parks and recreation areas always generate traffic and explained
29 how he would determine how many trips would be added with the trail. He stated that opening 22nd
30 Street would not create additional traffic on Morning Drive but it would allow people access to a
31 signalized intersection. He concurred with Jeff Bailey stating that connectivity is very important and
32 he would not support emergency access at the south end only and that he also believed that 22nd
33 street should be opened.
34

35 **Romeo Gervais, Loveland Fire Department**, indicated that Fire would not support emergency
36 access only at the south end of the project site and spoke of maintenance and other issues relating to
37 emergency access facilities. He stated that emergency access streets tend to get overlooked and not
38 plowed and then the road conditions deteriorate or get blocked with rocks and debris.
39

40 **Mr. Gervais** clarified that the 2006 Fire Code has gotten away from emergency access only routes
41 which is why the dead end distances were increased to a 1,000 maximum without requiring a
42 secondary access. He stated that once the 1,000 feet has been reached, then Fire would call for two

1 access points. He stated that he personally does not favor gated communities and spoke of the
2 components that are used to access the gates in the communities.

3
4 **Commissioner Fancher** asked Mr. Gervais how important 22nd Street is to the project and asked if it
5 served as a secondary access for Namaqua Hills at this time.

6
7 **Mr. Gervais** stated that 22nd Street would not be constructed today as it currently exists. He stated
8 that it currently functions, but not in the preferred manner and that he would prefer the gated access
9 for the proposed subdivision along with the opening of 22nd Street.

10
11 **Vice Chair Ray** asked if not opening 22nd Street would create significantly more trips on Morning
12 Drive.

13
14 **Mr. Delich** stated if 22nd Street is not opened (and if Morning Drive were not gated at the southern
15 portion of the project site) then there would be an increase of traffic on Morning Drive of 150
16 vehicles daily, but if 22nd Street were to open there would only be 20 vehicles coming through on
17 Morning Drive, basically traveling to Estes Park.

18
19 **Commissioner Middleton** asked if the additional homes would put a burden on the Boosted
20 Pressure Zone 2 and if the developer were only paying for additional design fees or would he be
21 paying for the expansion of Boosted Pressure Zone 2.

22
23 **Melissa Morin, Water and Power Department**, she stated because the utility is an enterprise
24 department they make the developer pay their own way. She stated that the expansion of the Boosted
25 Pressure Zone 2 ("BPZ2") would be funded by the applicant who develops first. She reported that
26 the developer would be required to pay for the complete the design as well as building the station
27 which would include all the lines that lead up to the station. She commented that the Developer
28 could then put in for a reimbursement agreement to be reimbursed from other developers who come
29 later and would benefit from the Station.

30
31 **Commissioner Comments**

32
33 **Commissioner Fancher**, in reference to the decision to be made by the Planning Commission, stated
34 that this was a very difficult decision, but looking at the issue from a common sense, safety-oriented
35 point of view she supported opening 22nd Street. She further commented that she did not find a
36 compelling reason to close the south end of Morning Drive and supported staff's recommendation.

37
38 **Commissioner Leadbetter** stated that he was opposed to gated communities, commenting that the
39 issues are is only delayed by installing gates, and that at some point the gates will come down. He
40 stated that if the Master Plan requires connectivity then he would oppose the gates and he would not
41 support the application. He further stated that he believed there was another solution available.

1 **Commissioner Middleton** stated that if you're going to put in a neighborhood you have to bring it
2 up to LCUASS standards.

3
4 **Vice Chair Ray** stated that the applicant has given more concessions than he needed to. He
5 concurred with others stating he does not like gated communities. He stated that he would support
6 giving the applicant back the three lots taken previously for the trail parking.

7
8 **Commissioner Crescibene** stated that he did not believe that there would be an issue on Morning
9 Drive and he supported the staff's recommendation.

10
11 **Chair Molloy** commented that the original County plat had over 130 home sites—an amount which
12 was drastically reduced under the current proposal. He stated that he felt the applicant has given a lot
13 of concessions and stated that the Planning Commission has no control on whether 22nd Street should
14 be opened. He commented that he did not like gated communities either, however, he believed that
15 the proposed development looked outstanding and the gates would solve the traffic issue raised by
16 the surrounding neighborhoods.

17
18 *Commissioner Fancher made a motion to make the findings listed in Section V of the staff report*
19 *dated October 11, 2010 and approve the Preliminary Subdivision Plat for Namaqua Hills Central*
20 *Second Subdivision, subject to the conditions of approval in Section VI of said report, as amended*
21 *on the record. Upon a second by Commissioner Crescibene the motion was as follows: Yeas:*
22 *Commissioners Crescibene, Fancher, Ray and Molloy. Nays: Commissioners Middleton and*
23 *Leadbetter. The motion passed 4-2.*

24 25 **CONDITIONS**

26
27 The following conditions were adopted:

28 29 ***Current Planning***

- 30 1. Building/structural encroachments of any kind shall not be permissible within easements
31 established on any lot or outlot.
- 32
33 2. This subdivision will be subject to a development agreement which at the time of final
34 platting will be recorded in the real property records of Larimer County.
- 35
36 3. Unless otherwise approved by the City, all unsatisfied conditions of approval for the
37 Namaqua Hills Central First Subdivision shall continue to apply to this property.
- 38
39 4. All expenses involving necessary improvements for water system, sanitary sewer system,
40 storm sewer system, curbs and gutters, sidewalks, street improvements, street signs, traffic control
41 signs, alley grading and surfacing, gas service, electric system, grading and landscaping shall be paid
42 by the developer or their assigns.

1
2 ***Transportation Development Review***

3 5. Notwithstanding any information presented in the preliminary plat or accompanying
4 preliminary construction plan documents (text or graphical depictions), all public improvements
5 shall conform to the Larimer County Urban Area Street Standards, as amended, unless specific
6 variances are requested and approved in writing by the City.

7
8 6. The development shall be responsible for a portion of the future maintenance of the
9 applicable portions of Morning Drive that are in Larimer County right-of-way. Prior to approval of
10 the final plat for the subdivision, the developer shall provide to the City a copy of a written
11 agreement, acceptable to the City, between the developer and Larimer County pertaining to the
12 development's responsibility for a portion of the future maintenance of the section of Morning Drive
13 that is in Larimer County right-of-way.

14
15 7. No construction traffic for the development of this subdivision shall use Morning Drive
16 south of this property.

17
18 8. The following public improvements shall be designed and constructed by the developer
19 unless designed and constructed by others:

- 20 a. West 29th Street from the east property line to Cascade Avenue as shown on the approved
21 construction plans;
22 b. Cascade Avenue from West 29th Street south to the existing portion of Cascade Avenue at
23 West 22nd Street as shown on the approved construction plans;
24 c. A northbound left-turn lane at the intersection of Cascade Avenue and 29th Street;
25 d. The opening of the west end of 22nd Street to through traffic (between Morning Drive and
26 Cascade Avenue); including removal of the 6-inch vertical curbed grade break and replacing it
27 with a vertical curve with a 25 mph design speed per the approval of both the City and Larimer
28 County.

29
30 All improvements listed above shall be completed prior to the issuance of any building permits,
31 unless otherwise approved pursuant to the provisions in Section 16.40 of the Loveland Municipal
32 Code.

33
34 9. Prior to submittal of the final plat, the developer shall submit documentation satisfactory to
35 the City establishing the developer's unrestricted ability to acquire sufficient offsite public right-of-
36 way for the construction of the off-site portions of Cascade Avenue and West 29th Street.

37
38 10. Prior to approval of the final public improvement construction plans and/or the final plat, the
39 developer shall submit recorded deeds of dedication to the City for all offsite right-of-way required
40 for transportation facilities needed to meet City Standards.

41
42 11. Prior to approval of the final plat, the developer shall amend Engineering Condition number

1 14 on the Trimble Hills General Development Plan to allow for the opening of West 22nd Street to
 2 public traffic, unless this condition has already been amended by others.

3
 4 12. Prior to approval of the Final Plat the developer shall obtain a revocable right-of-way
 5 obstruction permit from the City for the proposed gates in Morning Drive.

6
 7 *Water Wastewater*

8 13. Unless constructed by others, the Developer shall obtain all necessary easements and shall
 9 design and construct the following public improvements, prior to the issuance of any building
 10 permits:

11
 12 a. All portions of the water utility infrastructure system which is necessary to convey service and
 13 looping requirements for water quality as illustrated in the Public Improvement Construction Plans
 14 (PICPs) for Vanguard-Famleco 13th Subdivision, otherwise known as Hunters Run West Filing 1.

15
 16 b. All portions of the water infrastructure system which is necessary to convey service and looping
 17 requirements for water quality as well as all portions of the wastewater infrastructure system which is
 18 necessary to convey service as illustrated in the Public Improvement Construction Plans (PICPs) for
 19 Vanguard-Famleco 16th Subdivision, otherwise known as Hunters Run West Filing 2.

20
 21 14. The entire development lies within the water Boosted Pressure Zone 2 (BPZ2) and in order to
 22 provide water to the development the Developer shall participate with the City in the expansion of
 23 the 29th Street Booster Station, unless designed and constructed by others. The Developer shall be
 24 responsible for additional design fees required to finalize the pump station expansion design. The
 25 Developer shall be responsible to bid the project with a minimum of three qualified bids. The
 26 Developer may execute an Oversize Agreement pursuant to City policy if desired, in which the City
 27 will reimburse the Developer a portion of the base bid. No building permits shall be issued for any
 28 phase of the development within the BPZ2 region until pump station improvements have been
 29 completed, activated, and accepted by the City.

30
 31 15. Prior to approval of the Final Plat the City of Loveland 25 foot utility easement (Rec # 2008
 32 005 2968) will need to be vacated via an ordinance by City Council.

33
 34 *Fire*

35 16. All residential occupancies shall be provided with heat detectors in attached garages unless
 36 protected with residential fire sprinklers.

37
 38 17. Installation of defensible space in compliance with current Colorado State Forest Service
 39 guidelines shall be required on all new construction.

40
 41 18. All new structures shall have fire-resistive construction of one of the following types:
 42 a. One-hour fire-resistive shell which shall provide not less than one-hour fire-resistive construction

1 at all exterior walls, EXCLUDING ALL OPENINGS AND DECKS.

2 b. Exterior siding materials shall have a flame-spread classification of Class III or better.

3
4 19. The final construction drawings shall indicate "Fire Lane - No Parking" signage in the cul-
5 de-sac bulb.

6
7 20. Prior to construction of this subdivision, 29th Street shall be constructed to an existing street.

8
9 **Parks**

10 21. Prior to the issuance of any building permits within the subdivision, the Public Access
11 Pedestrian Trail shall be built by the developer and inspected by the Parks and Recreation
12 Department. The developer shall notify the Parks and Recreation Department at the start of public
13 improvement construction, requesting inspection and approval of the trail prior to the first building
14 permit being issued. This condition shall be included in the Development Agreement and on the
15 Final Public Improvement Construction Plans.

16 22. In conjunction with any final plat approval, the developer shall dedicate a public access
17 easement in the location of where the public access pedestrian trail would be constructed. The
18 location will be coordinated with the developer and the City during the final plat review process.

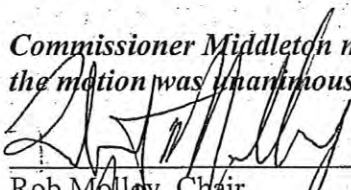
19
20 23. The developer and/or permanent Homeowners' Association (HOA) shall be required to
21 manage and maintain, in perpetuity, the Public Access Pedestrian Trail upon it being constructed
22 with the future development of the Namaqua Hills Central Second Subdivision. This condition shall
23 be included in the Development Agreement and on the Final Plat.

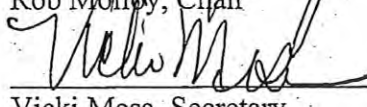
24
25 **Stormwater**

26 24. The Namaqua Hills Central 2nd Subdivision shall not be constructed until after the
27 adjacent Hunters Run West Filing 2 Subdivision storm drainage infrastructure has been
28 constructed.

29
30 **ADJOURNMENT**

31
32 *Commissioner Middleton made a motion to adjourn. Upon a second by Commissioner Ray*
33 *the motion was unanimously adopted.*

34
35 
36 _____
37 Rob Molloy, Chair

38 
39 _____
40 Vicki Mesa, Secretary



**Development Services
Current Planning**

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OCTOBER 11, 2010

**PLANNING COMMISSION STAFF
REPORT**

- Agenda #:** Regular - Item #1
- Title:** Namaqua Hills Central Second Subdivision
- Applicant:** Dakota Ridge, LLC
- Request:** Preliminary Subdivision Plat
- Legal Description:** Tract A and Outlot A of the Namaqua Hills Central First Subdivision
- Location:** West of Wilson Avenue between future alignments of 29th and 22nd Streets, and north of the current terminus of Morning Drive.
- Existing Zoning:** R1 - Developing Low Density Residential and DR - Developing Resource
- Staff Planner:** Troy Bliss

Summary of Analysis

This is a public hearing to consider a Preliminary Subdivision Plat on approximately 49.4 acres. The proposed subdivision would create 38 single family lots along with associated outlots for open space and detention purposes within the R1 zoned portion. The remaining 26.7 acres zoned DR, known as Outlot A of the Namaqua Hills Central First Subdivision would be retained. No development is to occur on this property. Planning Commission action is quasi-judicial. Planning Commission action is final, but subject to appeal to City Council. Staff believes that all key issues have been resolved, based on City codes and standards.

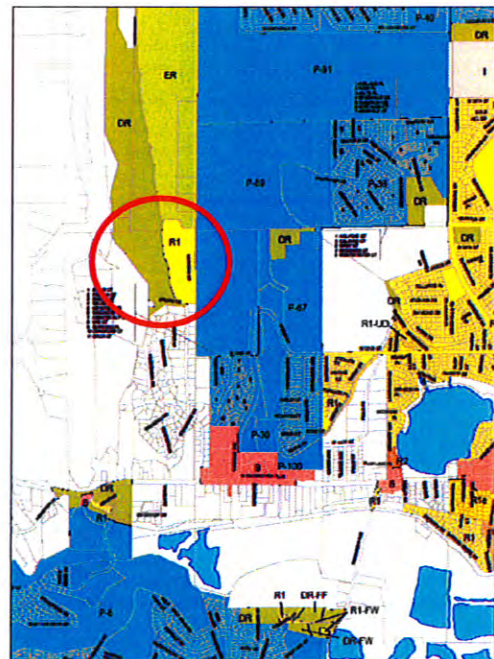
Staff Recommendation

APPROVAL of the Preliminary Subdivision Plat, subject to the Conditions of Approval listed in Section VI of the October 11, 2010 staff report, and subject to additional evidence presented at the public hearing.

Recommended Motion

“Move to make the findings listed in Section V of the staff report dated October 11, 2010 and approve the Preliminary Subdivision Plat for Namaqua Hills Central Second Subdivision, subject to the conditions of approval in Section VII of said report, as amended on the record”.

Vicinity Map



I. PROJECT SUMMARY

A. Requested Action

This is a public hearing for consideration of a Preliminary Subdivision Plat w/ Preliminary Public Improvements Construction Plans (PICPs). The Planning Commission action on the applications are quasi-judicial, meaning that the Planning Commission must make a determination if the applications are consistent with adopted City codes, standards and policies for this type of development.

B. Project Background

Namaqua Hills Central Background:

- Namaqua Hills Central was first subdivided prior to annexation approved by Larimer County in 1979 and then recorded in March of 1980.
- The subdivision was annexed into the City with the Namaqua Hills Central Addition and the lots, tracts, and right-of-way came under City of Loveland jurisdiction in January of 2009.
- The western portion of this site is considered the Hogback Natural Area by the City of Loveland's Natural Area Sites document. It has an overall habitat rating of 9 on a scale of 10. Prior to the annexation, a Conservation Easement was dedicated to the City and the Legacy Land Trust on the western 27 acres of the Namaqua Hills Central Addition that corresponds to the Hogback Natural Area. This Conservation Easement prevents any development except for the installation of a soft surfaced trail. The Namaqua Hills Central Addition zoned this 27-acre area t DR – Developing Resource.
- The eastern portion of the Namaqua Hills Central Addition was zoned R1 - Developing Low Density Residential.
- Following annexation, an application to vacate the obsolete subdivision created through Larimer in 1979 was approved by the City removing all previous lots of record.
- The Namaqua Hills Central First Subdivision was approved in July of 2009 creating Tract A which corresponds to the R1 zoning and Outlot A which corresponds to the DR zoning established at the time of annexation.

C. General Description

This application proposes to plat the eastern portion of the 49.4 total acres for 38 single family lots along with associated outlots for open space and detention purposes, approximately 22 acres of the site. The City of Loveland's Comprehensive Land Use Plan designates the area covered by the Namaqua Hills Central First Filing as LDR – Low Density Residential and ER – Estate Residential. The annexation of Namaqua Hills Central contained a condition limiting the density of the developable portion of the site to

less than 2 dwelling units per acre with a total of 38 lots allowed, a density that is in line with the Comprehensive Plan.

The site is located west of Wilson Avenue and the future alignment of Cascade Avenue between future alignments of 29th and 22nd Streets, and north of the current terminus of Morning Drive.

The preliminary plat proposes:

- 38 single family lots on approximately 22 acres within a gated community;
- Single family lots range in size from approximately 10,000 square feet on up to over 17,000 square feet;
- Retaining Outlot A (approximately 27 acres) of the Namaqua Hills First Subdivision associated to a portion of the Hogback Natural Area;

The housing types around this site are traditional or estate single family units, with lot sizes consistent with the abutting existing neighborhoods.

D. Neighborhood response

A neighborhood meeting was held on February 18, 2009 at the Gertrude B. Scott Meeting Room of the Loveland Public Library. The attendance sheet indicates 15 persons attended the meeting. Concerns and questions that were raised at the meeting included the following:

- Concerns relative to how future development of this site would contribute to the Namaqua Hills (abutting Larimer County residential subdivision to the south) General Improvement District (GID) regarding the use of Morning Drive.
- Concerns relative to limiting or eliminating traffic along Morning Drive to access this subdivision. The introduction of a gated community for the Namaqua Hills Central Second Subdivision was generally a well received solution.
- Concerns with having West 22nd Street opened to facilitate future development for Namaqua Hills Central Second Subdivision.
- Gates, fencing, etc. coming into conflict with the wildlife.

In general, the proposal for Namaqua Hills Central Second Subdivision was well received by the neighbors in attendance. However, there are some that continue to express concerns specific to the items mentioned above.

E. Key Issues

Staff review has given careful attention to each aspect of the proposed development that is governed by City codes and standards and the provisions of the approved Namaqua Hills Central Addition for the site. From a City staff standpoint, all standards, requirements, etc. have been resolved on the basis of applicable codes, standards, and recommended conditions (Section VI). Section V of this staff report outlines City staff's justification.

II. ATTACHMENTS:

1. Vicinity Map
2. Excerpts of Traffic Impact Study prepared by Delich Assoc.
3. Namaqua Hills Central Second Subdivision Preliminary Plat
4. Namaqua Hills Central Second Subdivision Conceptual Housing and Gate Designs

III. SITE DATA

ACREAGE OF SITE (GROSS ACRES).....	49,409 AC
EXISTING ZONING	R1 AND DR
PROPOSED ZONING.....	NA
MASTER PLAN DESIGNATION	LDR/ER
EXISTING USE	VACANT/OPEN SPACE
PROPOSED USE.....	SINGLE FAMILY
.....	RESIDENTIAL/OPEN SPACE
NUMBER OF DWELLING UNITS PROPOSED	0 (UP TO 38 FUTURE DU'S)
GROSS DENSITY (DU/A)	1.3 DU/AC
EXISTING ADJACENT ZONING AND USE - NORTH.....	ER AND DR, DAKOTA RIDGE ADDITION (VACANT)
EXISTING ADJACENT ZONING AND USE - EAST	P-89 (HUNTER'S RUN WEST PUD), SINGLE FAMILY (VACANT)
EXISTING ADJACENT ZONING AND USE - SOUTH	UNINCORPORATED LARIMER COUNTY, NAMAQUA HILLS (EXISTING SINGLE FAMILY RESIDENCES)
EXISTING ADJACENT ZONING AND USE - WEST	UNINCORPORATED LARIMER COUNTY, OPEN SPACE
UTILITY SERVICE PROVIDER - SEWER	CITY OF LOVELAND
UTILITY SERVICE PROVIDER - ELECTRIC.....	CITY OF LOVELAND
UTILITY SERVICE PROVIDER - WATER.....	CITY OF LOVELAND

IV. STAFF, APPLICANT, AND NEIGHBORHOOD INTERACTION

- A. **Notification:** An affidavit was received from Landmark Engineering, certifying that written notice was mailed to all owners of property within 1,000 feet of the site on September 24, 2010; and notices were posted in prominent locations on the perimeter of the project site at least 15 days prior to the date of the hearing. In addition, a notice was published in the Reporter Herald on September 25, 2010. All notices stated that the Planning Commission would hold a public hearing on October 11, 2010.

There are no severed mineral estates for the property. Therefore, no notice was required, and no element of mineral rights must be considered in the public hearing.

- B. Neighborhood Response:** A neighborhood meeting was held at 6:00 pm on February 18, 2009 in the Gertrude B. Scott Meeting Room of the Loveland Public Library. The attendance sheet for the meeting indicates that 15 persons attended the meeting, along with City staff and the Applicant. See information in Section I. above for concerns voiced at the meeting.

V. FINDINGS AND ANALYSIS

Findings A through D below are the required findings for the Namaqua Hills Central Second Subdivision Preliminary Plat.

A. City Utilities and Services

1. Loveland Municipal Code

a. Section 16.20.030:

(i) The proposed public facilities and services are adequate, consistent with the City's utility planning, and capable of being provided in a timely and efficient manner

(ii) The subdivision complies with the water rights requirements in Title 19.

(iii) The subdivision has been reviewed in accordance with the Loveland Comprehensive Master Plan, including the Parks and Recreation Functional Master Plan, and other pertinent plans approved and adopted by the City, to insure that the subdivision is designed in accordance with good engineering practices and provides for safe and convenient movement.

- c. Section 16.24.012:** *Electric and water distribution system improvements, sewer collection improvements, storm drainage control facilities, and other improvements as required to be constructed with the subdivision have been designed in accordance with the City of Loveland "Storm Drainage Criteria Manual," 1986 Edition, as amended and the latest edition of the "Development Standards and Specifications Governing the Construction of Public Improvements."*

d. Section 16.24.090:

(i) All new and replacement sanitary sewer and water supply systems have been designed to minimize or eliminate infiltration of floodwaters in the system.

(ii) The subdivision proposal has adequate drainage provided to reduce exposure to flood damage.

(iii) The subdivision proposal has public utilities and facilities such as sewer, gas, electrical, and water systems located and constructed to minimize flood damage.

(iv) The development proposal conforms to all federal, state, and local floodplain regulations

(v) *When deemed necessary by the Director of Community Services or the Planning Commission for the health, safety, or welfare of the present or future population of the area or necessary to the conservation of water, drainage, and sanitary facilities, the subdivision of land within the flood fringe and floodway, or any stream, river, or drainage course has been prohibited.*

- e. **Section 16.24.140:** *All proposed utility facilities, including, but not limited to, gas, electric power, telephone, and CATV cables, are located underground. Where practical, existing utility facilities located above ground, except when located in a public right-of-way, are to be removed and placed underground.*
- f. **Chapter 16.41:** *A positive determination of adequacy, or a positive determination of adequacy with conditions, has been made in accordance with Section 16.41.100 for fire protection and emergency rescue services, Section 16.41.120 for water facilities and services, Section 16.41.130 for wastewater facilities and services, and Section 16.41.140 for storm drainage facilities.*

Fire Department:

- The furthest point within this development is approximately 2 ½ miles from the first due Engine Company (Station 2). In order to comply with the response distance requirements in the ACF ordinance, the first due Engine Company should be within 1 ½ miles of the furthest point within the development. Future preliminary development plan applications must comply with the requirements of the Adequate Community Facilities ordinance. This project shall comply with the interim standards in Table 2.3 of the ACF ordinance. The interim standards in Table 2.3 are designed to provide an increased level of individual structure fire protection where a project is outside the fire service areas.
- The proposed project is in low or moderate wildfire hazard areas in accordance with Larimer County regulations. Since this area is more susceptible to wildfires additional safety measures must be applied. The conditions on this project follow Larimer County requirements for structures built in wildfire hazard areas.
- **ACF ANALYSIS**
Fire This project complies with the Adequate Community Services ordinance outlined in the Loveland Municipal Code, Section 16.41.100.

Parks and Recreation Department:

- A large portion of the Namaqua Hills Central property has been identified as a natural area in the city's natural areas inventory, *Natural Areas Sites 2008*. Natural Area #74 – Hogback was rated 9 out of 10 for overall habitat quality. The majority of the Namaqua Hills Central 2nd Subdivision property zoned DR (Outlot A) consists of Natural Area #74. Outlot A is protected by a Conservation Easement co-held by the City of Loveland and Legacy Land Trust. The Conservation Easement permits the construction of a soft-surface foot trail for pedestrian use by the public on Outlot A, accessible from a public street or right-of-way in the Namaqua Hills Central

2nd Subdivision. The Annexation Agreement for the Namaqua Hills Central Addition requires the location of the trail and the connection to a public street or right-of-way to be shown on the Preliminary Plat for Namaqua Hills Central 2nd Subdivision. The Annexation Agreement also requires the public access pedestrian trail to be built by the developer of Namaqua Hills Central 2nd Subdivision.

Power Division:

- Most of the proposed annexation lies primarily in the certified service territory of Xcel Energy, and some of the proposed annexation may lie in the certified service territory of Poudre Valley REA. Upon completion of successful annexation to the City of Loveland, the City will provide electric service to any future development of the proposed annexation. The portion of the development located in REA territory will be subject to a five percent (5%) surcharge on electrical energy as defined in 40-915-204, CRS, and the City of Loveland Municipal Code 13.12.180. This surcharge applies to any subsequent subdivisions of property annexed after January 31, 1987 within REA Certified service territory and expires ten years after effective date of the annexation proposed development currently lies within the Poudre Valley REA certified service territory. A note to this effect must be included on the final plat.
- 200-amp three-phase underground power is available at the current west end of West 29th Street and the north end of Cascade Boulevard. Power will be extended onto the development site from one or all of these source locations at the developer's expense per City Municipal codes.
- ACF Analysis:
The existing electric facilities are adequate and available for extension to the projected uses. The proposed development meets the criteria for level of service as outlined in the ACF ordinance.

Storm Drainage Division:

- When final designed and built, the proposed development will not negatively impact City storm drainage utilities.
- When final designed and constructed, the proposed development will comply with the Adequate Community Services ordinance outlined in the Loveland Municipal Code, Section 16.41.140.
- No irrigation ditches traverse the site.
- No natural drainage courses/open channels traverse the site.

Waste Water Division:

- This development is situated within the City's current service area for both water and wastewater. The Department finds that the Development will be compliant to ACF for the following reasons:
 - The proposed development will not negatively impact City water and wastewater facilities. However to serve the development with water

and wastewater extensive off-site infrastructure will need to be constructed by the developer or by others to reach the site.

- The proposed public facilities and services are adequate and consistent with the City's utility planning and provides for efficient and cost-effective delivery of City water and wastewater service. Regarding water, the subject development is situated in a boosted water pressure zone. Typically, highest finished floor elevations below an elevation of approximately 5280 will be in the City's Master Plan boosted pressure zone #2 (BPZ2).
- The proposed facilities shown on the Preliminary PICPs have been designed pursuant to the City's Development Standards.
- The proposed facilities have been design to minimize flood damage and infiltration.

B. Transportation

1. **Section 16.20.030:** *The subdivision has been reviewed in accordance with the Loveland Transportation Master Plan to insure that the subdivision is designed in accordance with good engineering practices and provides for safe and convenient movement.*
2. **Section 16.24.015:** *Streets, street signs, highways, curb and gutter, traffic control devices, and other improvements as required to be constructed with the subdivision have been designed in accordance with the Larimer County Urban Area Street Standards, as amended.*
3. **Section 16.24.040:**
 - a. *Streets have been designed to have a logical relationship to topography and to the location of existing or platted streets in adjacent properties. Certain proposed streets, as determined by the City engineer, have been extended to the boundary of the subdivision to provide for traffic circulation within the vicinity*
 - b. *As required by the Director, perpetual unobstructed pedestrian easements at least 20 feet in width have been provided within the subdivision to facilitate pedestrian access from roads to schools, parks, playgrounds, or other community or commercial services. Such easements shall generally not follow road rights-of-way.*
4. **Section 16.41.110:** *A positive determination of adequacy, or a positive determination of adequacy with conditions, has been made for transportation facilities in accordance with Chapter 16.41 of the Loveland Municipal Code.*

Transportation Engineering Division:

Transportation Engineering: Staff believes that this finding can be met, due to the following:

- 1) A Traffic Impact Study has been submitted with the Namaqua Hills Central Second Subdivision Preliminary Plat application which demonstrates that the transportation system, incorporating the required roadway improvements, can adequately serve the land uses proposed.

2) Primary access to the site will be from the future 29th Street and Morning Drive intersection to the north and the connection of Morning Drive to the south. The project will be responsible for designing and constructing the connection of 29th Street from Morning Drive to Cascade Avenue. Additionally, this project will be responsible for the opening of W. 22nd Street between Morning Drive and Cascade Avenue to local traffic.

3) The applicant's traffic engineer, Matt Delich, P.E., has submitted a Traffic Impact Study (TIS) that indicates that the traffic associated with the proposed development will meet the City's standards. The proposed Namaqua Hills Central Second Subdivision is estimated to generate approximately 370 daily trips, 28 weekday AM peak hour trips, and 38 weekday PM peak hour trips. Excerpts from the Traffic Impact Study are included in **Attachment 2**.

In conclusion, the development of the subject property pursuant to any of the uses permitted by right under the zoning district will not adversely impact any existing City infrastructure when typical roadway improvements are constructed. A positive determination of adequacy for transportation facilities for the proposed Preliminary Plat has been made under the provisions of paragraph ii, above.

C. Land Use

1. Loveland Comprehensive Master Plan

a. Section 4.1 -Growth Management Plan

(iii) *Whether the preliminary plat discourages leapfrog, scattered-site, and flagpole development.*

(iv) *Whether the preliminary plat encourages infill development.*

(vi) *Whether the preliminary plat is contiguous to other land that is already receiving public services.*

(vii) *Whether the preliminary plat is at least 1/6 contiguous with existing development, as defined in Section 4.1 GM:3(D-1) of the Comprehensive Master Plan.*

Current Planning Division: These findings can be met. This preliminary plat does not encourage leapfrog development as it is surrounded by land currently within the City limits of Loveland. It encourages infill development by readying for development on land that exists as somewhat of a "hole" of undeveloped land in this portion of Loveland. This preliminary plat is contiguous to land already receiving City services and is at least 1/6 contiguous with existing development.

2. **Section 16.20.030:** *The subdivision does not create, or mitigates to the extent possible, negative impacts on the surrounding property.*

Current Planning Division: This finding can be met. This subdivision will not create negative impacts on surrounding properties.

3. **Section 16.20.030:** *The subdivision provides desirable settings for buildings, protects views, and affords privacy, protect from noise and traffic, and uses resources such as energy and water in keeping with responsible resource stewardship.*

Current Planning Division: This finding can be met. This preliminary plat proposes 38 single family lots along the foothills. In conjunction with the preliminary plat, the applicant provided an exhibit (**Attachment 4**) to help illustrate how with future single family development the subdivision will comply with this finding.

4. **Section 16.20.030:** *The lots and tracts are laid out to allow efficient use of the property to be platted.*

Current Planning Division: This finding can be met. The Lots and Outlots are laid out in such a manner as to allow for efficient use of the property. Future development of this property will rely upon other developments to occur and off-site improvements to be made.

6. **Section 16.24.120:**
 - a. *Street trees are located in compliance with the City's Site Development Performance Standards and guidelines, unless waived by the Director.*
 - b. *The subdivision plat includes open space fields in compliance with the requirements set forth in Section 16.24.150, unless waived by the Planning Commission. The open space play fields are designed with respect to size, dimension, topography, and general character to be suitable for outdoor play activities*

Current Planning Division: These findings can be met. The landscaping proposed as part of this preliminary plat complies with the City's Site Development Performance Standards and Guidelines (SDPSG).

D. Environmental Impacts:

Section 16.20.030: *The subdivision preserves natural features and environmentally sensitive areas to the extent possible.*

Current Planning Division: This finding can be met; the environmentally sensitive area which exists (Outlot A) on the site will not be disturbed with future development and will continue to be preserved as open space.

VI. RECOMMENDED CONDITIONS

The following conditions are recommended by City staff:

Current Planning

1. Building/structural encroachments of any kind shall not be permissible within easements established on any lot or outlot.
2. This subdivision will be subject to a development agreement which at the time of final platting will be recorded in the real property records of Larimer County.
3. Unless otherwise approved by the City, all unsatisfied conditions of approval for the Namaqua Hills Central First Subdivision shall continue to apply to this property.
4. All expenses involving necessary improvements for water system, sanitary sewer system, storm sewer system, curbs and gutters, sidewalks, street improvements, street signs, traffic control signs, alley grading and surfacing, gas service, electric system, grading and landscaping shall be paid by the developer or their assigns.

Transportation Development Review

5. Notwithstanding any information presented in the preliminary plat or accompanying preliminary construction plan documents (text or graphical depictions), all public improvements shall conform to the Larimer County Urban Area Street Standards, as amended, unless specific variances are requested and approved in writing by the City.
6. The development shall be responsible for a portion of the future maintenance of the applicable portions of Morning Drive that are in Larimer County right-of-way. Prior to approval of the final plat for the subdivision, the developer shall provide to the City a copy of a written agreement between the developer and Larimer County pertaining to the development's responsibility for a portion of the future maintenance of the section of Morning Drive that is in Larimer County right-of-way.
7. No construction traffic for the development of this subdivision shall use Morning Drive south of this property.
8. The following public improvements shall be designed and constructed by the developer unless designed and constructed by others:
 - a. West 29th Street from the east property line to Cascade Avenue as shown on the approved construction plans;
 - b. Cascade Avenue from West 29th Street south to the existing portion of Cascade Avenue at West 22nd Street as shown on the approved construction plans;
 - c. A northbound left-turn lane at the intersection of Cascade Avenue and 29th Street;
 - d. The opening of the west end of 22nd Street to through traffic (between Morning Drive and Cascade Avenue); including removal of the 6-inch vertical curbed grade break and replacing it with a vertical curve with a 25 mph design speed per the approval of both the City and Larimer County.

All improvements listed above shall be completed prior to the issuance of any building permits, unless otherwise approved pursuant to the provisions in Section 16.40 of the Loveland Municipal Code.

9. Prior to submittal of the final plat, the developer shall submit documentation satisfactory to the City establishing the developer's unrestricted ability to acquire sufficient offsite public right-of-way for the construction of the off-site portions of Cascade Avenue and West 29th Street.
10. Prior to approval of the final public improvement construction plans and/or the final plat, the developer shall submit recorded deeds of dedication to the City for all offsite right-of-way required for transportation facilities needed to meet City Standards.
11. Prior to approval of the final plat, the developer shall amend Engineering Condition number 14 on the Trimble Hills General Development Plan to allow for the opening of West 22nd Street to public traffic, unless this condition has already been amended by others.
12. Prior to approval of the Final Plat the developer shall obtain a revocable right-of-way obstruction permit from the City for the proposed gates in Morning Drive.

Water Wastewater

13. Unless constructed by others, the Developer shall obtain all necessary easements and shall design and construct the following public improvements, prior to the issuance of any building permits:
 - a. All portions of the water utility infrastructure system which is necessary to convey service and looping requirements for water quality as illustrated in the Public Improvement Construction Plans (PICPs) for Vanguard-Famleco 13th Subdivision, otherwise known as Hunters Run West Filing 1.
 - b. All portions of the water infrastructure system which is necessary to convey service and looping requirements for water quality as well as all portions of the wastewater infrastructure system which is necessary to convey service as illustrated in the Public Improvement Construction Plans (PICPs) for Vanguard-Famleco 16th Subdivision, otherwise known as Hunters Run West Filing 2.
14. The entire development lies within the water Boosted Pressure Zone 2 (BPZ2) and in order to provide water to the development the Developer shall participate with the City in the expansion of the 29th Street Booster Station, unless designed and constructed by others. The Developer shall be responsible for additional design fees required to finalize the pump station expansion design. The Developer shall be responsible to bid the project with a minimum of three qualified bids. The Developer may execute an Oversize Agreement pursuant to City policy if desired, in which the City will reimburse the Developer a portion of the base bid. No building permits shall be issued for any phase of the development within the BPZ2 region until pump station improvements have been completed, activated, and accepted by the City.
15. Prior to approval of the Final Plat the City of Loveland 25 foot utility easement (Rec # 2008 005 2968) will need to be vacated via an ordinance by City Council.

Fire

16. All residential occupancies shall be provided with heat detectors in attached garages unless protected with residential fire sprinklers.
17. Installation of defensible space in compliance with current Colorado State Forest Service guidelines shall be required on all new construction.
18. All new structures shall have fire-resistive construction of one of the following types:
- a. One-hour fire-resistive shell which shall provide not less than one-hour fire-resistive construction at all exterior walls, EXCLUDING ALL OPENINGS AND DECKS.
 - b. Exterior siding materials shall have a flame-spread classification of Class III or better.
19. The final construction drawings shall indicate "Fire Lane – No Parking" signage in the cul-de-sac bulb.
20. Prior to construction of this subdivision, 29th Street shall be constructed to an existing street.

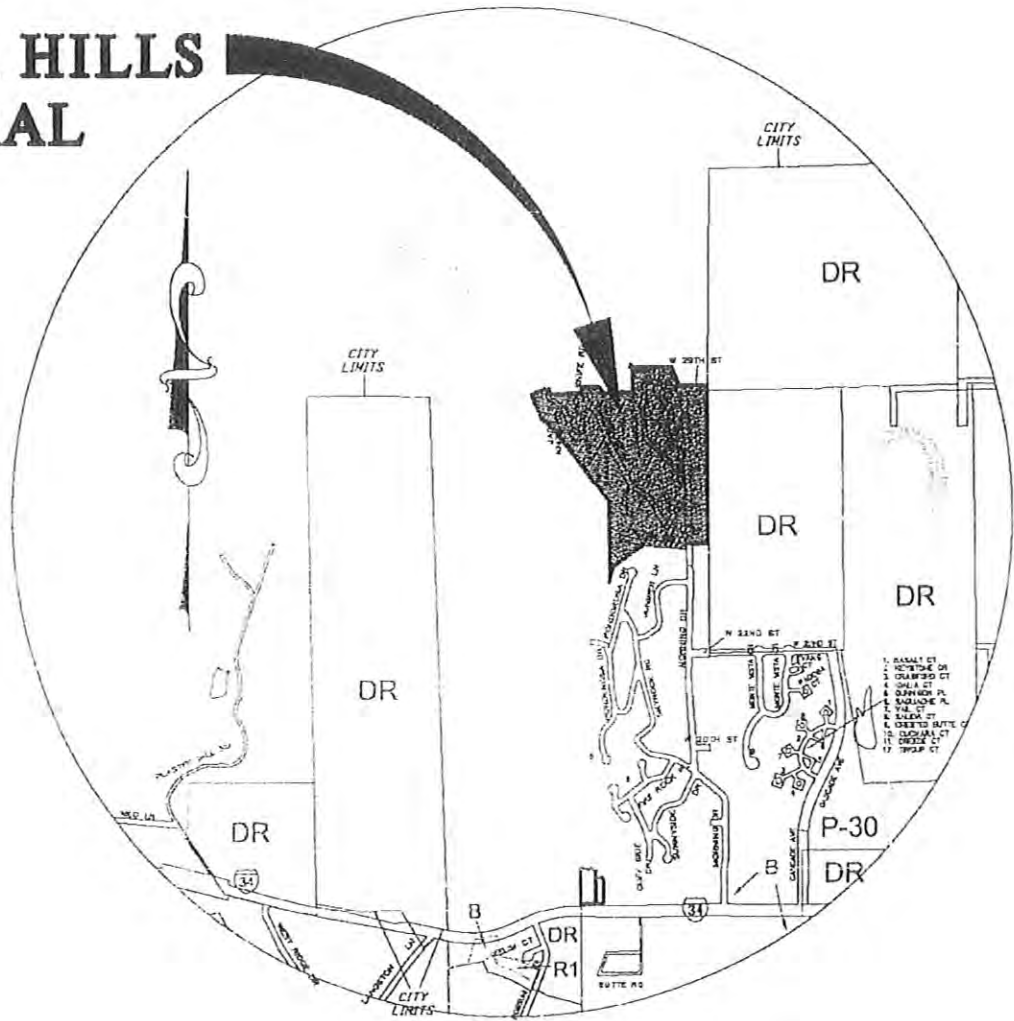
Parks

21. Prior to the issuance of any building permits within the subdivision, the Public Access Pedestrian Trail shall be built by the developer and inspected by the Parks and Recreation Department. The developer shall notify the Parks and Recreation Department at the start of public improvement construction, requesting inspection and approval of the trail prior to the first building permit being issued. This condition shall be included in the Development Agreement and on the Final Public Improvement Construction Plans.
22. In conjunction with any final plat approval, the developer shall dedicate a public access easement in the location of where the public access pedestrian trail would be constructed. The location will be coordinated with the developer and the City during the final plat review process.
23. The developer and/or permanent Homeowners' Association (HOA) shall be required to manage and maintain, in perpetuity, the Public Access Pedestrian Trail upon it being constructed with the future development of the Namaqua Hills Central Second Subdivision. This condition shall be included in the Development Agreement and on the Final Plat.

Stormwater

24. The Namaqua Hills Central 2nd Subdivision shall not be constructed until after the adjacent Hunters Run West Filing 2 Subdivision storm drainage infrastructure has been constructed.

NAMAQUA HILLS CENTRAL



VICINITY MAP

NAMAQUA HILLS CENTRAL, SECOND SUBDIVISION
TRAFFIC IMPACT STUDY

LOVELAND, COLORADO

DECEMBER 2009

Prepared for:

Landmark Engineering
3521 West Eisenhower Boulevard
Loveland, CO 80537

Prepared by:

DELICH ASSOCIATES
2272 Glen Haven Drive
Loveland, CO 80538
Phone: 970-669-2061
FAX: 970-669-5034



ATTACHMENT 2

III. PROPOSED DEVELOPMENT

The Namaqua Hills Central, Second Subdivision is a proposed residential development with 38 dwelling units. Figure 4 shows the site plan for the Namaqua Hills Central, Second Subdivision development. The north and south access to the site (Morning Drive extended) will be controlled by gates that the residents will use to access the site. This was done to prevent "cut-through" traffic on Morning Drive. Since Morning Drive will not be available to the public as a through street, the classification of Morning Drive, from the Morning/Skyrock-Sunnyside intersection to 29th Street, was evaluated with regard to reclassification as a local street. The project is expected to be built in the next 3-4 years following approval by the City of Loveland. The short range future was determined to be the year 2013. The long range future is the year 2030.

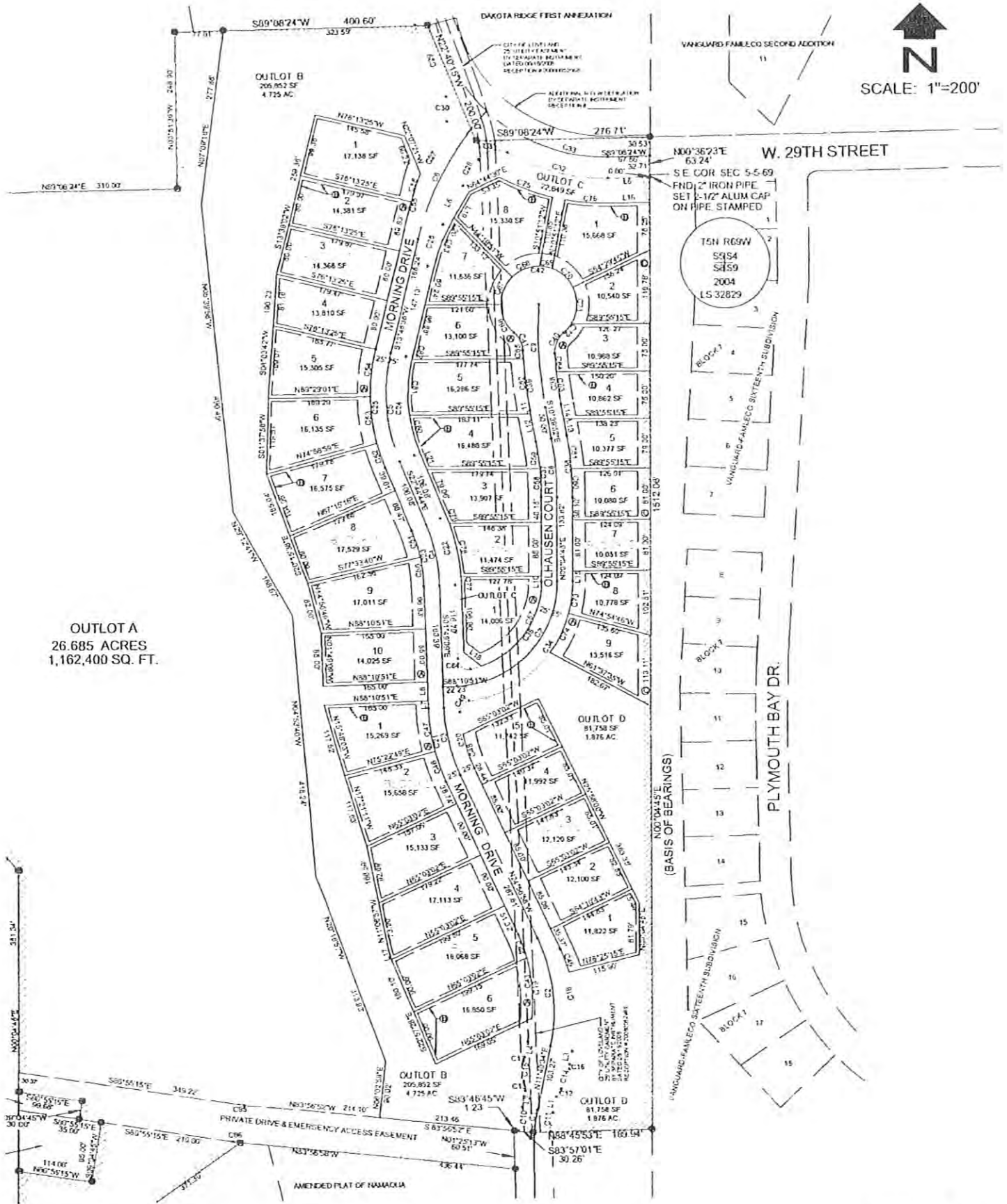
Trip Generation

Trip generation is important in considering the impact of a development such as this upon the existing and proposed street system. Trip generation information contained in Trip Generation, 8th Edition, ITE was used to estimate trips that would be generated by the proposed use at this site. A trip is defined as a one-way vehicle movement from origin to destination. The Namaqua Hills Central, Second Subdivision is proposed to be 38 single family dwelling units. Table 2 shows the expected trip generation on a daily and peak hour basis. The trip generation of the Namaqua Hills Central, Second Subdivision resulted in 370 daily trip ends, 28 morning peak hour trip ends, and 38 afternoon peak hour trip ends.

Code	Use	Size	AWDTE		AM Peak Hour				PM Peak Hour			
			Rate	Trips	Rate	In	Rate	Out	Rate	In	Rate	Out
210	Single Family	38 D.U.	9.57	370	0.19	7	0.56	21	0.64	24	0.37	14

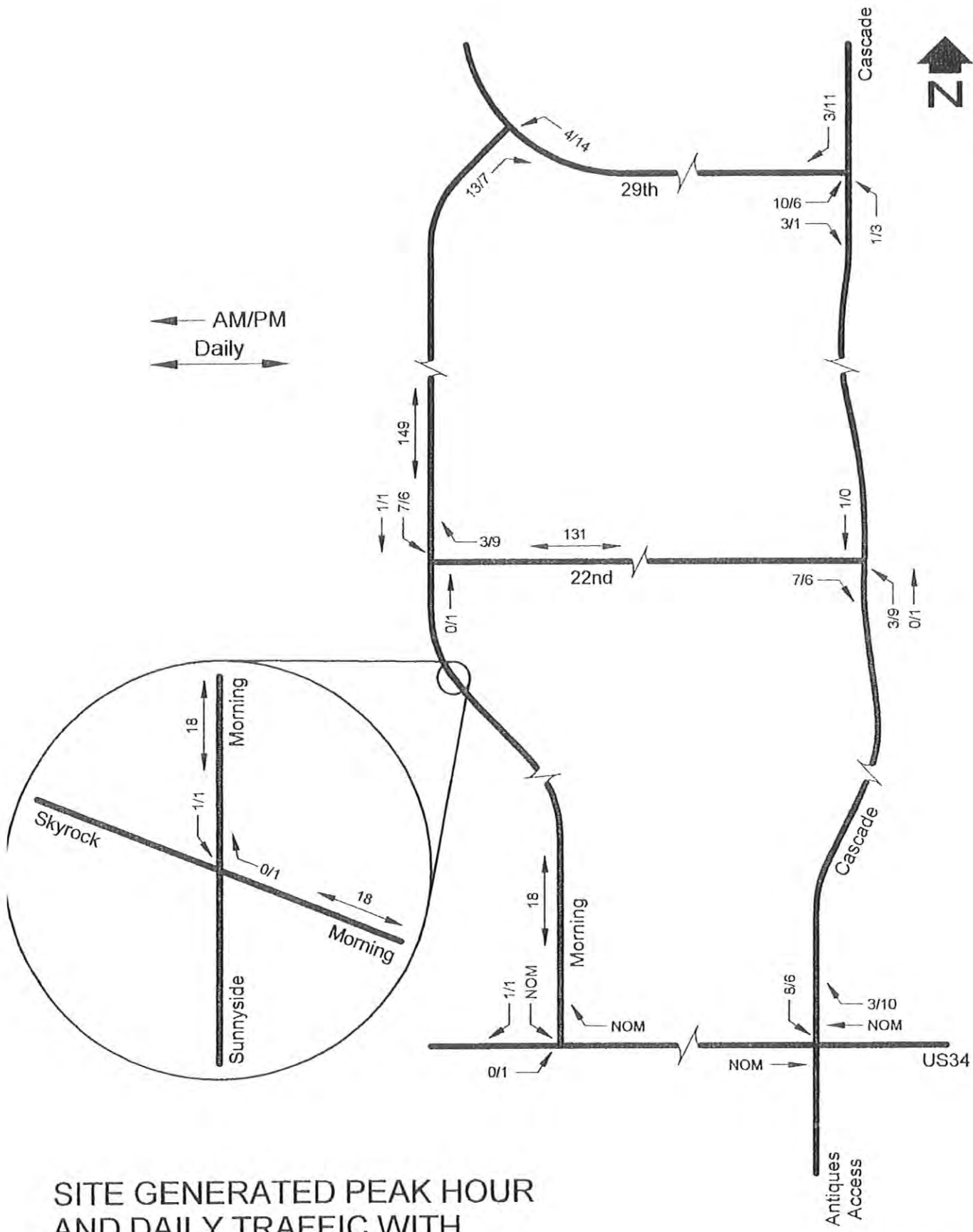
Trip Distribution

Trip distribution is a function of the origin and destination of site users and the available roadway system. Trip distribution for the Namaqua Hills Central, Second Subdivision development was estimated using knowledge of the existing and planned street system, development trends in the area, and engineering judgment. The trip distribution was agreed to in the scoping meeting. Figure 5 shows the trip distribution for the Namaqua Hills Central, Second Subdivision development.



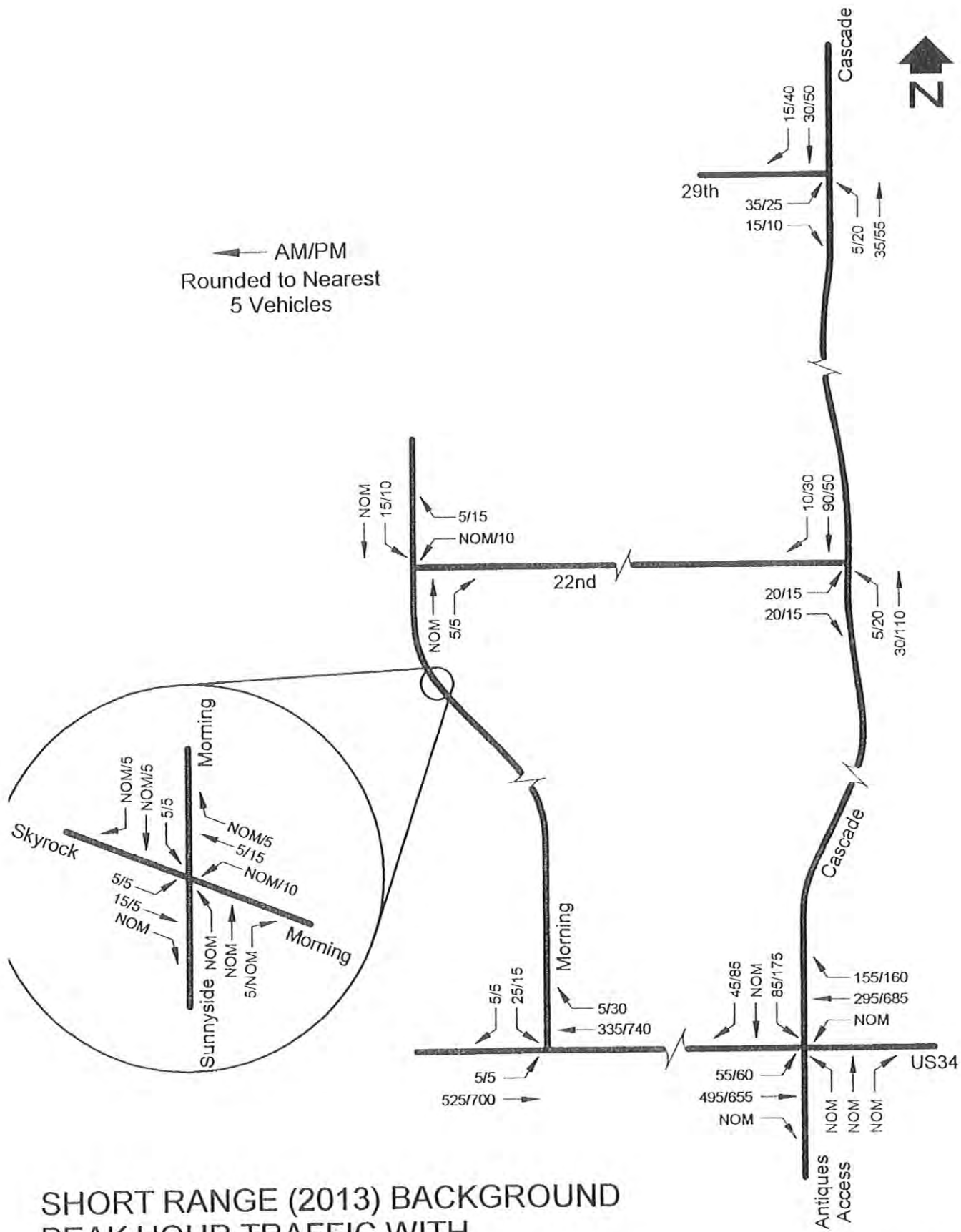
SITE PLAN

Figure 4



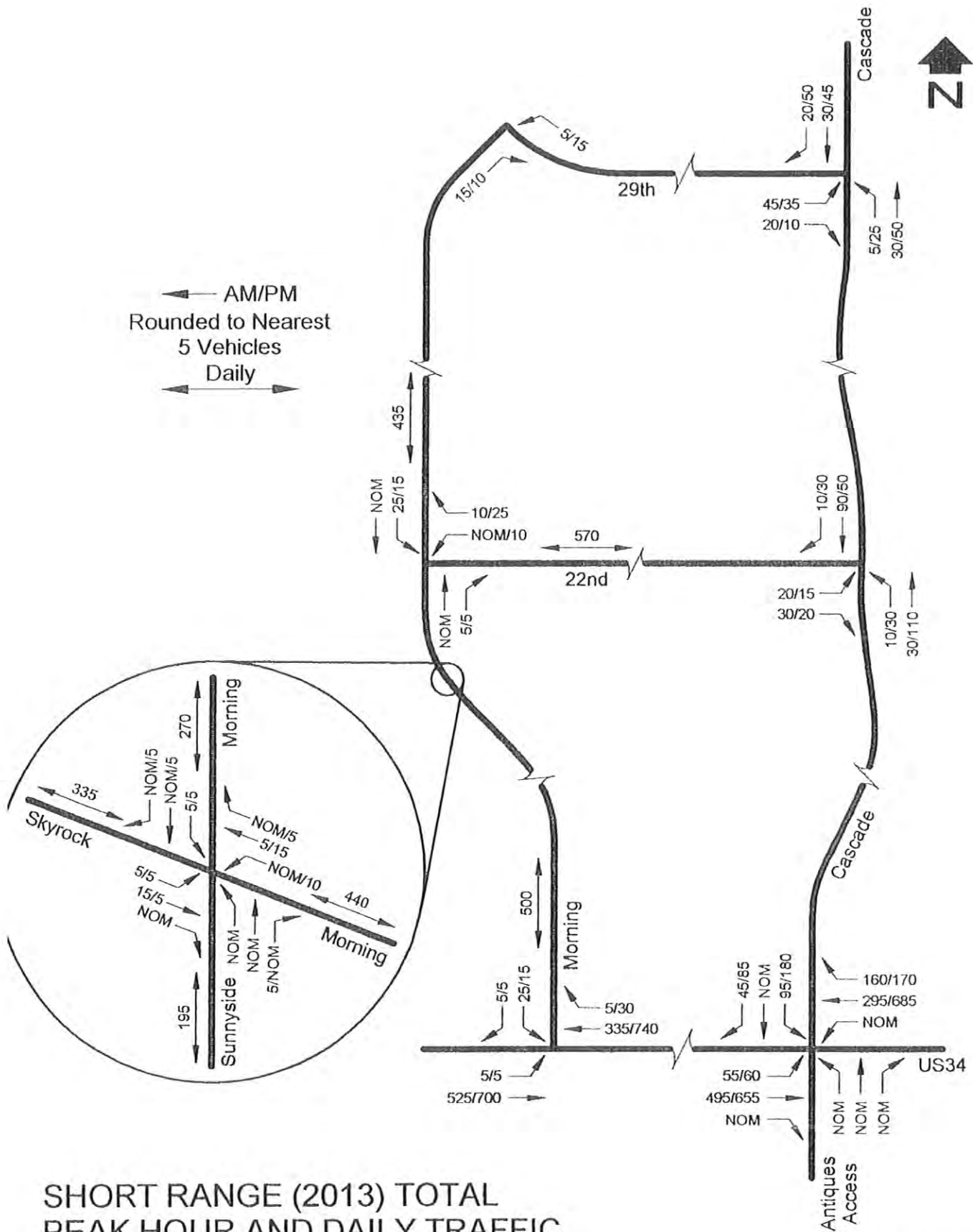
SITE GENERATED PEAK HOUR AND DAILY TRAFFIC WITH 22nd STREET CONNECTION

Figure 7



SHORT RANGE (2013) BACKGROUND PEAK HOUR TRAFFIC WITH 22nd STREET CONNECTION

Figure 9



SHORT RANGE (2013) TOTAL PEAK HOUR AND DAILY TRAFFIC WITH 22nd STREET CONNECTION

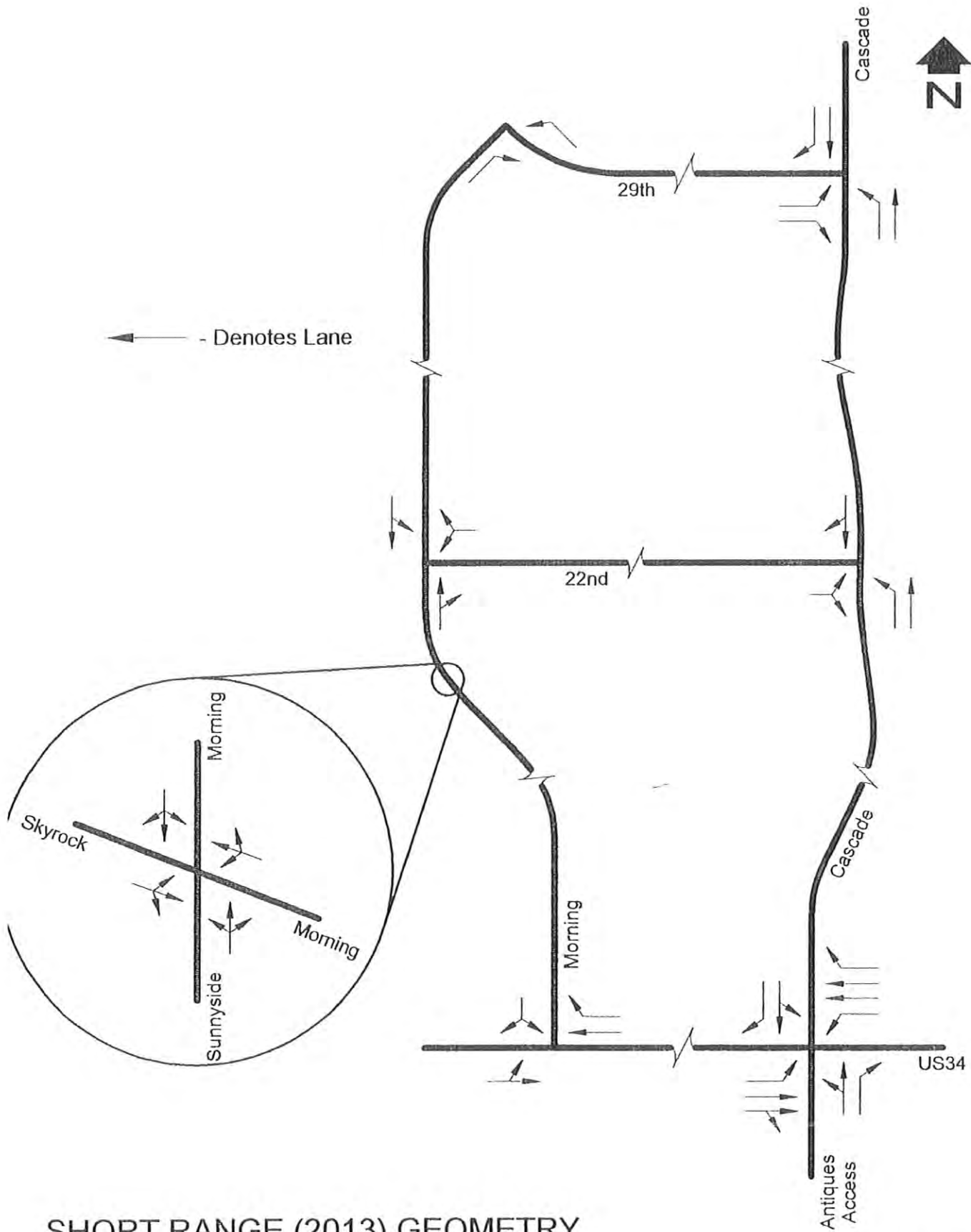
Figure 12

TABLE 4
Street Traffic Volume Summary Table with the 22nd Street Connection

Street Segment	Direction	Existing Traffic Volume (AM/PM)	Date Existing Volume Taken	Regional Growth and Traffic from Build-out of Other Proposed Development* (AM/PM)	Site Generated Traffic (2013) (AM/PM)	Total Traffic (2013) (AM/PM)	ACF Traffic Threshold	ACF Compliance (AM/PM)
1 US34 east of Cascade Avenue	EB	518/740	11/09	580/830	8/6	590/835	1980	Y/Y
	WB	378/768	11/09	450/845	3/10	455/855	1980	Y/Y
2 US34 west of Morning Drive	EB	475/630	11/09	530/705	0/1	530/705	840	Y/Y
	WB	294/671	11/09	340/745	1/1	340/745	840	Y/Y
3 Cascade Avenue north of US34	NB	108/93	11/09	210/220	3/10	215/230	965	Y/Y
	SB	36/126	11/09	130/260	8/6	140/265	965	Y/Y
4 Cascade Avenue north of 29 th Street	NB	N/A	N/A	70/80	10/6	75/85	965	Y/Y
	SB	N/A	N/A	45/90	3/11	50/95	965	Y/Y
5 Morning Drive north of US34	NB	8/46	11/09	10/35	0/1	10/35	265/60 (1)	Y/Y
	SB	39/26	11/09	30/20	1/1	30/20	265/60 (1)	Y/Y
6 Morning Drive north of Skyrock Road	NB	5/12	11/09	5/10	0/1	5/10	265/60 (1)	Y/Y
	SB	16/9	11/09	5/15	1/1	5/15	265/60 (1)	Y/Y
7 Morning Drive south of 29 th Street	NB	N/A	N/A	N/A	13/7	15/10	335/60 (1)	Y/Y
	SB	N/A	N/A	N/A	4/14	5/15	335/60 (1)	Y/Y
8 22 nd Street west of Cascade Avenue	EB	19/15	11/09	40/30	7/6	45/30	60	Y/Y
	WB	6/20	11/09	15/50	3/9	20/55	60	Y/Y
9 29 th Street west of Cascade Avenue	EB	N/A	N/A	50/35	13/7	65/45	365	Y/Y
	WB	N/A	N/A	20/60	4/14	25/75	365	Y/Y
* Approved developments, not yet built:		Hunters Run West, Eslan Park, Lee Farm						
Notes/Comments		Total traffic is rounded to the nearest 5 vehicles. (1) Minor Collector/Local						

TABLE 9
Short Range (2013) Total Peak Hour Operation
With the 22nd Street Connection

Intersection	Movement	Level of Service	
		AM	PM
US34/Cascade (signal)	EB LT	A	A
	EB T/RT	A	A
	EB APPROACH	A	A
	WB LT	A	A
	WB T	A	B
	WB RT	A	A
	WB APPROACH	A	B
	NB LT/T	D	C
	NB RT	D	C
	NB APPROACH	D	C
	SB LT/T	D	D
	SB RT	D	C
	SB APPROACH	D	D
	OVERALL	A	B
US34/Morning (stop sign)	SB LT/RT	C	D
	EB LT/T	A	A
	OVERALL	A	A
Cascade/22 nd (stop sign)	EB LT/RT	B	B
	NB LT	A	A
	OVERALL	A	A
Cascade/29 th (stop sign)	EB LT	B	B
	EB RT	A	A
	EB APPROACH	B	B
	NB LT	A	A
	OVERALL	A	A
Morning/22 nd (stop sign)	WB LT/RT	A	A
	SB LT/T	A	A
	OVERALL	A	A
Morning/Skyrock-Sunnyside (stop sign)	NB LT/T/RT	A	A
	SB LT/T/RT	A	A
	EB LT/T/RT	A	A
	WB LT/T/RT	A	A
	OVERALL	A	A



SHORT RANGE (2013) GEOMETRY WITH 22nd STREET CONNECTION

Figure 14

IV. CONCLUSIONS AND RECOMMENDATIONS

This study assessed the transportation impacts associated with the development of the Namaqua Hills Central, Second Subdivision in Loveland, Colorado. This study analyzed the transportation impacts in the short range (2013) future and long range (2030) future. As a result of these analyses, the following is concluded:

- The development of the Namaqua Hills Central, Second Subdivision project is feasible from a traffic engineering standpoint. The project will generate approximately 370 daily trip ends, 28 morning peak hour trip ends, and 38 afternoon peak hour trip ends.
- Current operation at the key intersections is acceptable based on the City of Loveland evaluation criteria.
- Peak hour signal warrants are not expected to be met at any of the stop sign controlled intersections.
- Using the short range (2013) background traffic, the key intersections will operate at acceptable levels of service with and without 22nd Street open between Cascade Avenue and Morning Drive.
- Given the development of the Namaqua Hills Central, Second Subdivision in the short range (2013) future, all the key intersections will operate acceptably with and without 22nd Street open between Cascade Avenue and Morning Drive.
- The forecasted traffic volumes meet the Adequate Community Facilities ordinance with regard to traffic, with Morning Drive as a local street north of Skyrock Road.
- Morning Drive may be classified as a local street, from the Morning/Skyrock-Sunnyside intersection to 29th Street with and without 22nd Street open between Cascade Avenue and Morning Drive. It is suggested that the City consider classifying Morning Drive as a local street north of US34, in consideration of long range analyses in this TIS.
- In the long range (2030) future, all of the key intersections will operate acceptably.
- It is recommended that the City of Loveland consider opening the 22nd Street connection by or before the future elementary school is built. Twenty-second Street, between Morning Drive and Cascade Avenue, is shown on the Loveland 2030 Street Plan.
- Sidewalks will be incorporated into the street system within Namaqua Hills Central, Second Subdivision.

NAMAQUA HILLS CENTRAL SECOND SUBDIVISION BEING A SUBDIVISION OF NAMAQUA HILLS CENTRAL FIRST SUBDIVISION TO THE CITY OF LOVELAND SITUATE IN THE EAST HALF OF SECTIONS 5 & 6, TOWNSHIP 3 NORTH, RANGE 69 WEST, OF THE 6TH MAIN MERIDIAN, COUNTY OF LARIMER, STATE OF COLORADO.

Table with 3 columns: LOT #, AREA (SQ. FT.), AREA (ACRES)

NOTICE TO PROPERTY OWNERS... THIS PLAT... IS A PRELIMINARY PLAT... THE CITY OF LOVELAND APPROVES... THE CITY OF LOVELAND APPROVES...



Table with 12 columns: LOT #, AREA (SQ. FT.), AREA (ACRES), ELEVATION, BEARING, DISTANCE

OUTLOT A 26.895 ACRES 1,162,400 SQ. FT. GRAPHIC SCALE 1 inch = 100 ft. DATE: MARCH 2010 SCALE: 1"=100'

ATTORNEY'S CERTIFICATE... I, the undersigned, a duly licensed attorney in the State of Colorado, do hereby certify that the foregoing plat was prepared by me or under my direct supervision...

CITY OF LOVELAND APPROVAL... I, the Mayor, do hereby approve this plat for the City of Loveland... I, the City Engineer, do hereby approve this plat for the City of Loveland...

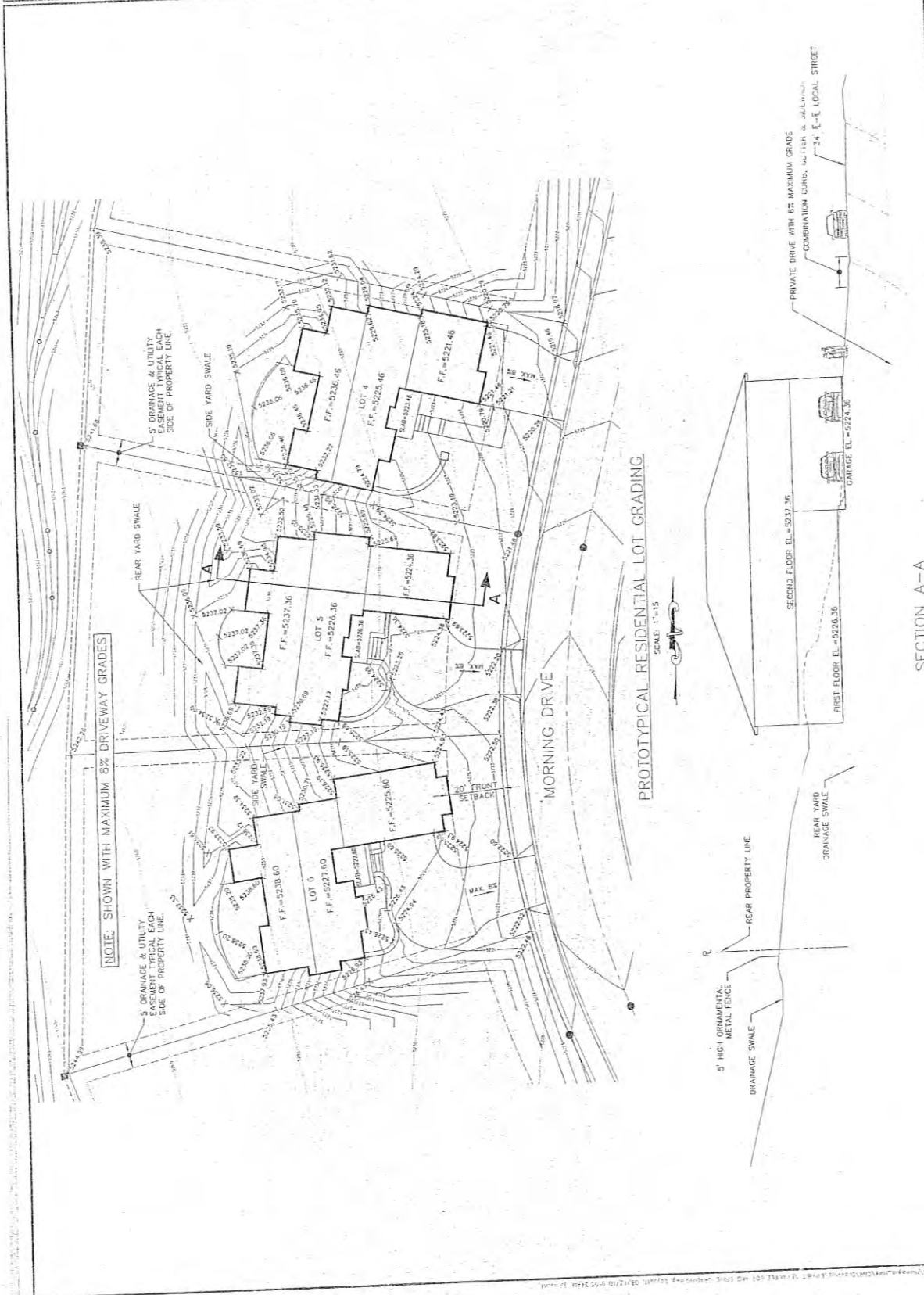
Engineering title block for 'NAMAQUA HILLS CENTRAL SECOND SUBDIVISION' by 'NAMAQUA CENTRAL, LLC'. Includes fields for DATE, SCALE, PREPARED BY, CHECKED BY, and APPROVED BY, along with the 'NAMAQUA HILLS CENTRAL SECOND SUBDIVISION' logo.

Legal and technical text block containing 'OUTLET A' notes, 'OUTLOT B, C, & D' notes, and 'SUBJECTS CERTIFICATE'. It includes the text 'This plat is prepared for the City of Loveland' and 'The City of Loveland approves this plat for the City of Loveland'.

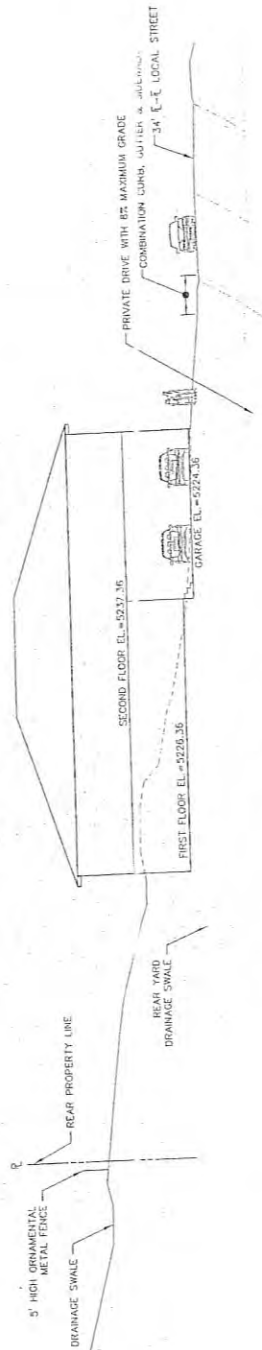
Technical drawing area labeled 'ATTACHMENT 3'. It features a north arrow, a graphic scale (1 inch = 100 ft.), and various survey points and boundary lines.

Final title block for 'NAMAQUA CENTRAL, LLC'. Includes fields for DATE, SCALE, PREPARED BY, CHECKED BY, and APPROVED BY, along with the 'NAMAQUA CENTRAL, LLC' logo and 'PRELIMINARY PLAT' and 'NAMAQUA HILLS CENTRAL SECOND SUBDIVISION' text.

ENGINEERING ENGINEERING FIRM 10000 W. 10TH AVENUE, SUITE 100 DENVER, CO 80202 PHONE: (303) 750-1000 FAX: (303) 750-1001 WWW: WWW.ENR.COM		DATE: 01.15.2012 SCALE: AS SHOWN DRAWING NO.: 12-012 PROJECT NO.: 12-012
PROTOTYPICAL RESIDENTIAL LOT GRADING NAMAQUA HILLS CENTRAL 2ND SUBDIVISION NAMAQUA CENTRAL LLC		SHEET NO.: 12-012 OF 12



PROTOTYPICAL RESIDENTIAL LOT GRADING
 SCALE: 1"=15'



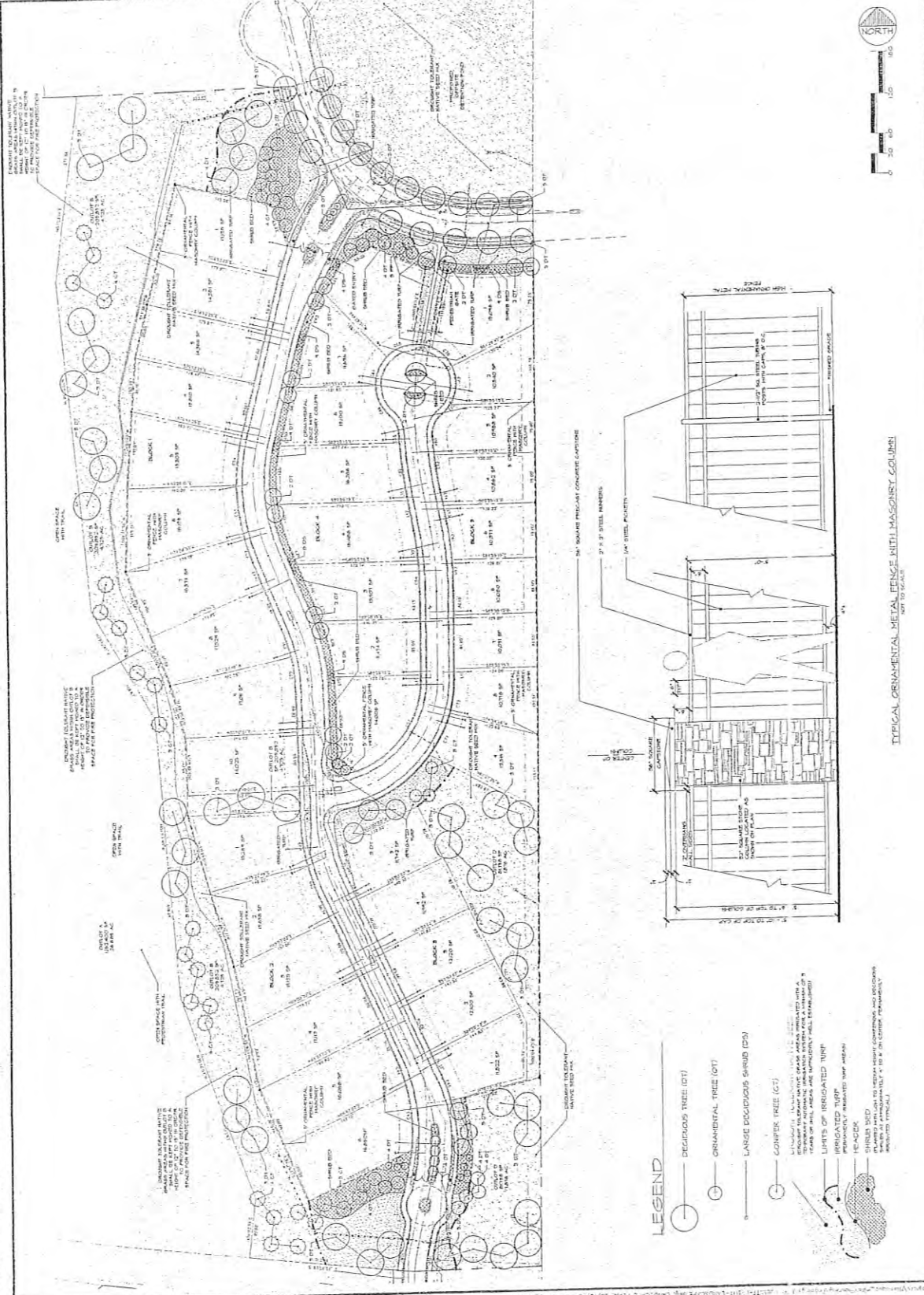
ATTACHMENT 4

LANDSCAPE PLAN
 NANAQUA HILLS CENTRAL AND SUBDIVISION
 NANAQUA CENTRAL LLC

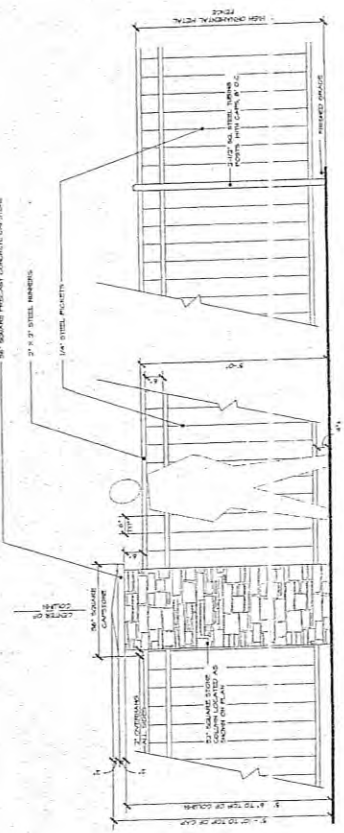
DATE: 11/14/2008
DRAWN: [Name]
CHECKED: [Name]
APPROVED: [Name]

LANDSCAPE ARCHITECT
 1324 N. UNIVERSITY AVENUE, SUITE 100
 DENVER, COLORADO 80202
 PHONE: (303) 733-1100
 WWW.LANDSCAPEARCHITECTS.COM

NO.	REVISION	DATE



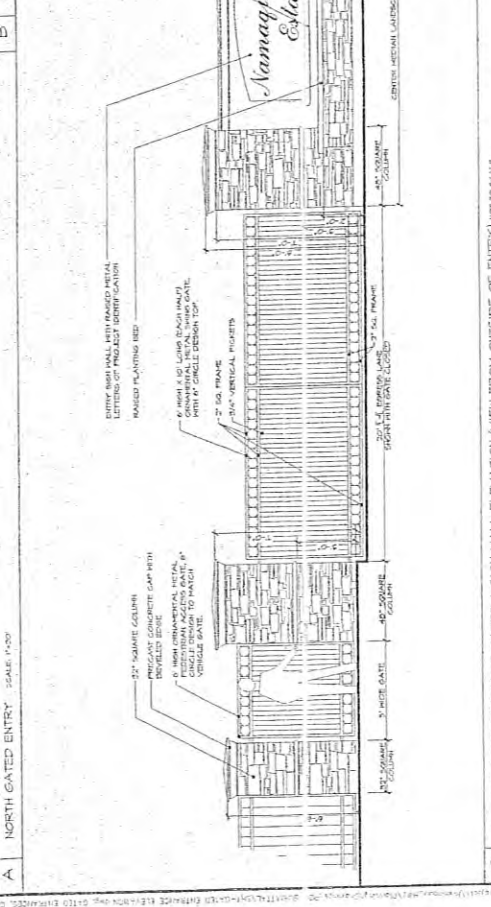
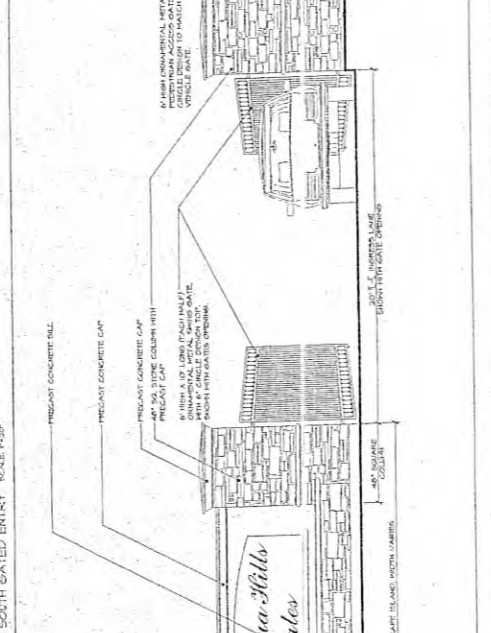
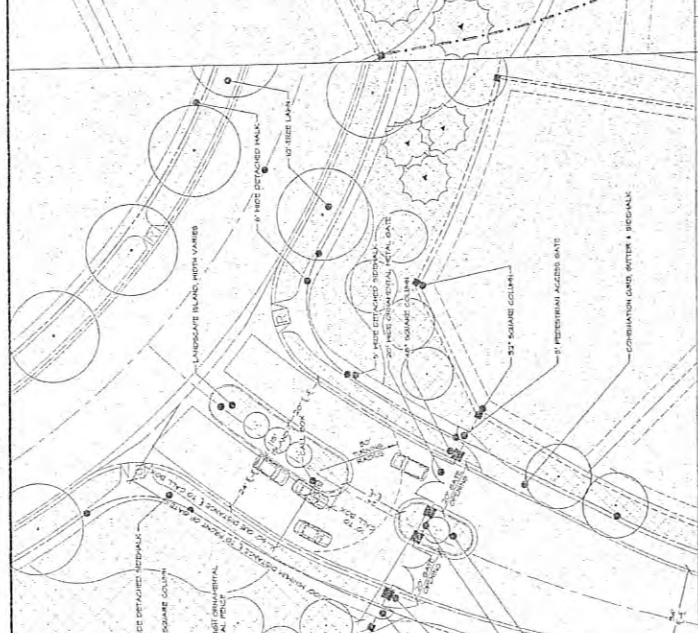
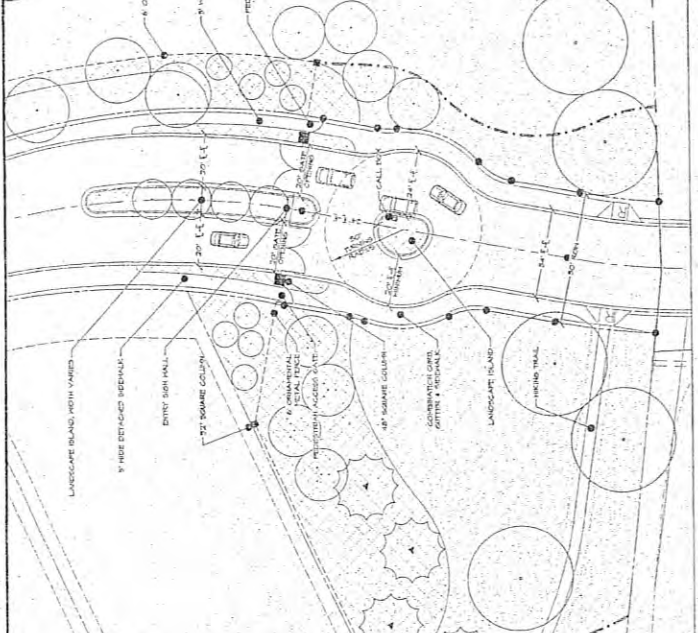
TYPICAL ORNAMENTAL METAL FENCE WITH MASONRY COLUMN
 NOT TO SCALE



- LEGEND**
- DECIDUOUS TREE (DT)
 - ORNAMENTAL TREE (OT)
 - LARGE DECIDUOUS SHRUB (DS)
 - CONIFER TREE (CT)
 - SHRUB BED
 - PEACE
- Includes the following notes:
 1. Includes all shrub beds and beds with trees, shrubs, and trees.
 2. Shrubs and trees are to be planted within 60 days of construction.
 3. Includes all shrub beds and beds with trees, shrubs, and trees.
 4. Includes all shrub beds and beds with trees, shrubs, and trees.
 5. Includes all shrub beds and beds with trees, shrubs, and trees.
 6. Includes all shrub beds and beds with trees, shrubs, and trees.
 7. Includes all shrub beds and beds with trees, shrubs, and trees.
 8. Includes all shrub beds and beds with trees, shrubs, and trees.
 9. Includes all shrub beds and beds with trees, shrubs, and trees.
 10. Includes all shrub beds and beds with trees, shrubs, and trees.

CLIENT: NAMAGUA HILLS CENTRAL 2ND SUBDIVISION
 GATED ENTRANCES
 DATE: JAN 2020
 SCALE: AS SHOWN
 DRAWN: [REDACTED]
 CHECKED: [REDACTED]
 APPROVED: [REDACTED]

DATE: JAN 2020	SCALE: AS SHOWN
DRAWN: [REDACTED]	CHECKED: [REDACTED]
APPROVED: [REDACTED]	



C NORTH GATED ENTRY SIGN WALL ELEVATION (VIEW FROM OUTSIDE OF ENTRY) NOT TO SCALE

B SOUTH GATED ENTRY SIGN WALL ELEVATION (VIEW FROM OUTSIDE OF ENTRY) NOT TO SCALE

REVISIONS
 DATE: 01/20/20
 DESCRIPTION: [REDACTED]

PLANNING
 ARCHITECTURE
 ENGINEERING

DATE: JAN 2020
 SCALE: AS SHOWN
 DRAWN: [REDACTED]
 CHECKED: [REDACTED]
 APPROVED: [REDACTED]



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: 13

MEETING DATE: 2/1/2011

TO: City Council

FROM: Betsey Hale, Business Development Manager
Alan Krcmarik, Executive Fiscal Advisor

PRESENTER: Betsey Hale and Alan Krcmarik

TITLE: Items related to the Loveland Jobs Development Program

- A. An ordinance changing the name of the City of Loveland Economic Development Policy and establishing criteria for and approval of the agreement to administer the Loveland Jobs Development Program
- B. An ordinance amending the Loveland Municipal Code Section 3.04.070 authorizing investment of City funds and the City investment policy

DESCRIPTION: This legislative action is a result of discussion from the November 2nd meeting of the City Council Economic Development Subcommittee, the November 16th City Council Meeting, the December 8th meeting of the Citizens' Finance Advisory Commission, and the January 11th Council Study Session. The amendments to the Municipal Code, Economic Development Policy, and Investment Policy will provide the City a means to invest in economic development and community redevelopment projects. This is the first reading of the amendments.

BUDGET IMPACT: If the Council adopts the Ordinances, up to \$5 million of the City's investment portfolio may be invested in projects that meet the criteria of the revised economic development policy and the credit review requirements of the Loveland Jobs Development Program third-party administrator.

Yes No

SUMMARY: The City of Loveland uses a variety of tools to provide economic incentives for primary job growth and redevelopment of blighted areas. The Loveland Jobs Development Program will target the City's resources to projects which have measurable economic impact and complete rigorous credit evaluation by a bank or financial institution, a third-party program administrator, its affiliated review committee, and City staff, and furthermore meet the minimum

standards of the City of Loveland Economic Development Policy, as amended. At the Council meeting on November 16, 2010, the Council provided direction to bring the change to the Economic Development Policy and the amendment to the Investment Policy to a regular meeting of Council. The Loveland Citizens' Finance Advisory Commission reviewed the proposed change to the Investment Policy on December 8, 2010, and unanimously recommends the change in policy to the Council. The Council, convened in the January 11, 2011, Study Session, further discussed the proposed amendments and at the end of the meeting indicated that there were no further questions.

LIST OF ATTACHMENTS:

1. Ordinance amending the Economic Development Policy
 2. Exhibit A: Copy of the Amended Economic Development Policy
 3. Exhibit B: Copy of the Third Party Administrator Agreement
 4. Ordinance amending the Investment Policy
 5. Exhibit A: Copy of Amendments to the Investment Policy
-

RECOMMENDED CITY COUNCIL ACTION:

A motion to adopt each of the two ordinances on first reading

REVIEWED BY CITY MANAGER:

FIRST READING February 1, 2011

SECOND READING _____

ORDINANCE NO. _____

**AN ORDINANCE CHANGING THE NAME OF THE CITY OF
LOVELAND ECONOMIC DEVELOPMENT POLICY AND
ESTABLISHING CRITERIA FOR AND APPROVAL OF THE
AGREEMENT TO ADMINISTER THE LOVELAND JOBS
DEVELOPMENT PROGRAM**

WHEREAS, the City is a home-rule municipality under Article XX of the Colorado Constitution, with the authority to exercise as large a measure of home rule in municipal affairs as may be granted in the republican form of government which the State of Colorado is obligated to maintain under its enabling act ; and

WHEREAS, the health, safety, and welfare of the citizens of the City of Loveland are matters of local concern advanced by the development, growth, and expansion of private enterprise within the City; and

WHEREAS, the creation and retention of primary jobs, stimulation of economic activity, increase in private sector development, and increase in sales and property tax revenues in the City will further the public purposes of providing significant social and economic benefits to the citizens of Loveland; and

WHEREAS, the City is authorized by Loveland Municipal Code Section 3.04.090 to appropriate money for all corporate, municipal and public purposes to the full extent authorized by the Colorado Constitution and the City Charter; and

WHEREAS, the City has adopted, by Resolution #R-103-2009, an economic development policy (the “Loveland Economic Development Policy”) to further the public purposes of creating or retaining primary jobs, stimulating economic activity, increasing private sector development, and increasing sales and property tax revenues; and

WHEREAS, the City Council desires to change the name of the Loveland Economic Development Policy as hereinafter set forth; and

WHEREAS, the City Council desires to amend the Loveland Economic Development Policy to create the Loveland Jobs Development Program (the “Program”) to further the public purposes of social and economic development by providing bridge or gap financing for projects within the City to create or retain primary jobs, stimulate economic activity, increase private sector development, and increase sales and property tax revenues; and

WHEREAS, the City Council will also consider adoption of or has adopted Ordinance No. ___ amending Loveland Municipal Code Section 3.04.070 and the City Investment Policy to

authorize the investment of City funds in projects meeting the requirements of the Program.

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

Section 1. That the City Council hereby finds and declares that the creation of the Loveland Jobs Development Program and the investment of City funds in projects meeting the requirements thereof is in the best interests of the public and the City and will further the public purposes of providing significant social and economic benefits to the citizens of Loveland through the creation of primary jobs, stimulation of economic activity, increase in private sector development, and increase in sales and property tax revenues.

Section 2. That the Loveland Jobs Development Program is hereby created for the public purposes of providing bridge or gap financing for projects within the City to create or retain primary jobs, stimulate economic activity, increase private sector development, and increase sales and property tax revenues.

Section 3. That the City of Loveland Economic Development Policy is hereby amended by changing the name to the “Loveland Economic Incentive Policy” and the addition of the provisions set forth on **Exhibit A** attached hereto and incorporated herein by this reference, which set forth the criteria, requirements and guidelines for the Loveland Jobs Development Program.

Section 4. That the Loveland Jobs Development Program shall be administered by a third party administrator who shall recommend projects that meet the requirements and guidelines of the Loveland Jobs Development Program and the underwriting standards and guidelines of the third party administrator for final approval as set forth in the provisions of the Economic Incentive Policy attached hereto as **Exhibit A**.

Section 5. That the Council approves the general form of the Agreement to Administer the Loveland Jobs Development Program attached hereto as **Exhibit B** (the “Agreement”) is hereby approved.

Section 6. That the City Manager is authorized, in consultation with the City Attorney, to negotiate and finalize the Agreement in form or substance as deemed necessary to effectuate the purposes of this ordinance or to protect the interests of the City.

Section 7. That the City Manager and the City Clerk are hereby authorized and directed to execute the Agreement on behalf of the City of Loveland.

Section 8. 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).

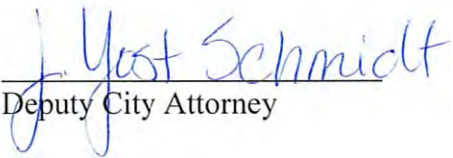
ADOPTED this ___ day of _____, 2011.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Deputy City Attorney

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Economic Incentive Policy February 2011



City of Loveland Economic Incentive Policy

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City of Loveland Economic Incentive Policy

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Purpose: Guiding Principle 13 of the City of Loveland Comprehensive Plan states that the City will, “Promote the adequate provision of employment opportunities in an effort to sustain the economic health of the Loveland community and the Northern Colorado Region.”

Process: The City utilizes a multifaceted approach to job creation, business retention, and attraction. This effort leverages the City’s financial resources with those of our economic development partners in Loveland, Larimer County and the State of Colorado. The City also supports assistance programs for small business development, entrepreneurship, and technology incubation.

City of Loveland Business Development Office

The City of Loveland employs a full-time Business Development Manager and a half-time administrative technician to oversee and carry out the City’s economic development strategy. The Business Development Office staff maintains a website that provides prospective and existing employers the City of Loveland Small Business Resource Guide and City of Loveland Demographic information. In addition, the website provides information on the Aviation Development Zone, the Enterprise Zone, and State of Colorado Economic Development Programs.

The Business Development Manager is responsible for the preparation of responses to all inquiries from new and existing employers about the City’s economic incentive policy, business assistance services and development review issues. The Business Development Manager serves as the ombudsman for the business community and seeks to engineer solutions with the many City departments business owners may encounter.

The Business Development Manager maintains the City’s relationships with the area’s business assistance partners. The Loveland Business Assistance Network (LBAN) meets quarterly and these meetings provide an opportunity for the members to update the City on the results of their efforts and their current projects. In addition, LBAN helps organize the City’s annual Business Appreciation Breakfast and Resource Expo.



Small Business Development and Entrepreneurship Assistance

The Larimer County Small Business Development Center at Loveland:

The City recognizes the significant contribution small business and entrepreneurs make to the community. Since the early 1990s, the City has fully funded a small business development center in Loveland. The Small Business Development Center-Loveland is a 501 (c) 3 organization that operates as a partner with the Larimer County SBDC.

The Loveland Economic Gardening Program:

In 2005, the City in cooperation with the Loveland Chamber of Commerce and the SBDC, established the Loveland Economic Gardening Program. This effort seeks to create jobs in Loveland by assisting small businesses with market research and consumer expenditure, demographic and competition analysis. The Services of the Loveland Economic Gardening Program are provided free of charge to Loveland business owners.

Special Projects with the Loveland Chamber of Commerce and Engaging Loveland:

The City also supports the Loveland Chamber of Commerce. The City provides support resources for the Chamber's Corn Roast Festival, as well as special projects such as tourism advertising, speakers, and other small business development tools. The special projects budget is used for tourism advertising, event planning and visitor information.

The City, in cooperation with the Loveland Chamber of Commerce and the business community, established the Engaging Loveland Program in 2006. The City made a three- year commitment to assist the "start-up" of this effort, which will ultimately stand on its own in 2010. The organization has hired a full-time Community Event Coordinator to focus on the development and marketing of events in Loveland.

Innovation and Business Incubation:

In an effort to stimulate business development and job creation in the technology arena, the City of Loveland became a partner in the Rocky Mountain Innovation Initiative (RMII) in 2007. The purpose of RMII is to accelerate the success and development of innovation-based entrepreneurs of Northern Colorado through targeted and strategic delivery of free business assistance services, mentoring, and virtual incubation. RMII currently provides "virtual" incubation services to Loveland clients.

Primary Employment and Business Retention, Expansion and Attraction

Northern Colorado Economic Development Corporation:

The City of Loveland is a member of the Northern Colorado Economic Development Corporation (NCEDC). NCEDC acts as the principal business attraction and marketing representative for the City of Loveland, as it pertains to the attraction and retention of primary sector jobs. NCEDC representatives work directly with the Business Development Manager to prepare responses for site selectors and new business prospects. NCEDC staff and City staff conduct business retention and expansion visits together.

NCEDC also provides the services of the Colorado State University Regional Economist. The CSU Regional Economist is available to complete Economic Impact Analysis Reports on economic development projects that might qualify for economic incentives from the City of Loveland. These services are provided for new business and existing business projects. In addition, NCEDC is the conduit for new business leads from the State of Colorado Office of Economic Development and International Trade.

City Council Economic Development Incentive Fund:

The Loveland City Council has created an economic incentive fund which has been budgeted annually at **\$350,000**. The City Council currently considers requests for assistance on a case-by-case basis in accordance with the guidelines which follow. Companies interested in applying for economic assistance should contact the business development manager at 970-962-2304.



City of Loveland Primary Employment Incentive Guidelines

In an effort to encourage high quality, primary job creation and private sector investment, the City of Loveland has established the following incentive guidelines.

Eligibility Requirements:

1. The incentives described will be available on a case-by-case basis to new or existing “primary” employers engaged in manufacturing, distribution, research, and development or other business activity which export more than 50% of their goods/services outside of Larimer County. In addition, to be eligible for incentive consideration the business should meet the following minimum standards.
2. Meet with the City of Loveland Business Development Manager to discuss the project and determine if the company meets the definition of a primary employer.
3. Review the City of Loveland Primary Employer Checklist of Requirements with the Business Development Manager. A copy is attached to this policy.
4. Provide company information to the City of Loveland, for staff review and analysis in an economic impact model provided by Colorado State University. This model would estimate the potential economic benefits, including direct revenues, costs and induced/indirect impact to the community over the proposed incentive performance period or payback period. (Other universities or organizations may be used to complete this analysis.) To be eligible for incentives a payback period will be no longer than 5 years unless otherwise agreed upon.
5. The results of the Economic Impact Analysis must show a positive net new revenue impact to the City of Loveland.
6. The applicant must submit a Letter of Intent to request incentives from the City of Loveland.
7. It is required that the Company makes a minimum investment of \$500,000 in plant and/or equipment during the first year following approval of the incentive. This requirement may be evaluated by the City Council if the project does not require construction of a new building or significant purchases of new equipment. This requirement may be waived for companies that are clients of the Rocky Mountain Innovation Initiative and/or Small Business Development Center of Loveland.
8. The business must offer an employee health plan where the employer pays at least 80% of the employee only premium.
9. The business must offer group health insurance to the employee dependents at the employee cost.

10. The company must provide the City a copy of the project budget for relocation and/or expansion.

11. The business must provide ongoing company information for monitoring purposes at least twice a year. Upon incentive approval by the Loveland City Council, the company will be required to enter into an agreement with the City, guaranteeing that mutually agreed upon investment/jobs will be created within a specific period of time. If the company is unable to achieve guaranteed results as outlined by the performance agreement, the City of Loveland reserves the right to recover incentive payments on either a full or prorated basis as established in a performance agreement. Personal Guarantee of repayment obligations may be required.

Possible Incentives

Development Fees and Use taxes: The following fees and/or taxes may be waived or deferred upon approval of the Loveland City Council. These include:

- City construction materials use taxes (not county use taxes)
- Building Permit and Inspection Fees
- Street Capital Expansion Fees
- Law Enforcement Capital Expansion Fees
- General Government Capital Expansion Fees
- Fire Protection Capital Expansion Fees

This incentive will not exceed the fees or taxes due with respect to a particular project. System Impact Fees and Fees related to the City's Utility Enterprises are not eligible.

Cash Incentives for New Primary Jobs: The City of Loveland will consider cash incentives on a case-by case basis. This is a performance based incentive payment to qualifying companies that have created **net** new full-time permanent positions paying above average wages. The program is designed to support and encourage new business development, business expansions and relocations that generate new jobs in the City of Loveland. The cash paid per job is based on the % of Larimer County Average Annual Wage at the time of application for the incentive.

Cash incentives are not available for jobs which do not pay 120% or more of Larimer County Average Annual Wage. As of February 2011 the minimum would be \$48,000.

Average Annual Wage Company Wide	Possible Cash Incentive Per Job
120%	\$500
130%	\$1000
140%	\$1500
150% or >	\$2000
(This incentive is subject to availability of funding)	

Net New Job: A net new job is a full time position which did not exist at a Loveland location in the 12 months prior to application for assistance. The position must exist for a minimum period of 12 months and the compensation must include the employer payment of 80% of the employee only health insurance premium and the availability of coverage for dependents.

Regional Relocation: The City of Loveland **will not** generally provide incentives for **existing** jobs which are relocated from communities within the North Front Range Metropolitan Planning Organization (NFRMPO) area. A map of the NFRMPO area is attached to this policy. The City will consider the provision of incentives to companies located in the NFRMPO area if **net new jobs** will be created as a result of relocation or expansion into Loveland.

Job Verification: Recipients of an Economic Incentive from the City of Loveland will be asked to complete an Employment Verification form twice a year unless otherwise agreed to in the Performance Agreement. The Loveland City Manager or his designee reserves the right to verify employment levels with the Colorado Department of Labor.

Public Infrastructure Requirements: The City of Loveland will review on a case-by-case basis the possible relief of the costs of public infrastructure requirements and may also make application for Federal and State Grant funds which may be available if deemed appropriate.

Personal Property Tax Rebate: As defined by Section 31-15-903 of the Colorado Revised Statutes, up to 50% of the qualifying new business personal property tax received by the City of Loveland may be rebated back to a qualifying company, on a case-by-case basis for up to 10 years if the new/expanding business meets the City of Loveland eligibility requirements previously described and the new/expanding business qualifies as a New Business Facility as defined by the State of Colorado. A new business facility is a newly acquired, constructed or leased facility used by the taxpayer to

operate a revenue producing enterprise. This includes any factory, mill, plant, refinery, warehouse, feedlot, building or complex of buildings, including land, buildings, machinery and equipment, located at the facility and used in connection with the operation of the facility. C.R.S.39-30-105(7) (e).

This incentive may not be available if it is prohibited by previous agreements such as Urban Renewal Areas.

Enterprise Zone Tax Benefits: This program is intended to assist with the revitalization of economically distressed areas in the State of Colorado. Companies located in the City of Loveland Enterprise Zone are eligible for various state income tax credits. These incentives are dependent on the approval of the local enterprise zone administrator and the State of Colorado Department of Revenue. For a complete list of State of Colorado and Enterprise Zone Benefits and the Loveland Enterprise Zone Map see The City of Loveland Business Development webpage www.cityofloveland.org and select "Business Assistance."

Aviation Development Zone Benefits: The Fort Collins/Loveland Airport received Aviation Development Zone designation in 2007. This designation provides a State of Colorado income tax credit of \$1200 per aircraft manufacturing job created within the zone. For more information see the Colorado Department of Revenue website at: www.revenue.state.co.us

City of Loveland Job Training Dollars: On a case by case basis the City of Loveland may consider up to a dollar for dollar match to the State of Colorado Job Training Fund if the Colorado Economic Development Commission approves such incentive for a new or expanding employer in Loveland. This request should come from the employer with a copy of the approved incentive from the State of Colorado.

Expedited Review: The City of Loveland will offer a "Rapid Response Team" and an expedited review process to facilitate the efficient review of the proposed project for qualified businesses.

Sponsorship of Private Activity Bonds: If a project meets the requirements of Section 141 of the Internal Revenue Code and the State of Colorado Tax Reform Act of 1987, the City of Loveland will consider sponsorship of Private Activity Bonds for Economic Development.

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Downtown Loveland: Primary Employers considering locating in Historic Downtown Loveland may benefit from assistance in addition to the incentives listed above. Those additional incentives may include:

- Façade improvement grants
- Urban Renewal Area Programs
- Historic Preservation Tax credit programs
- Economic Gardening Market Research Assistance
- Fee Waivers: exemption from approximately 20 City Fees
- General Improvement District #1
- Others as approved by the Loveland City Council



For more information see the Community and Strategic Planning Webpage at www.cityofloveland.org

Additional Incentives

The Loveland City Council will consider additional types of requests from Primary Employers on a case-by-case basis. The City Council may alter this policy at any time. Applicants are encouraged to contact the Business Development Manager for more information and a copy of the current policy at the time of application.

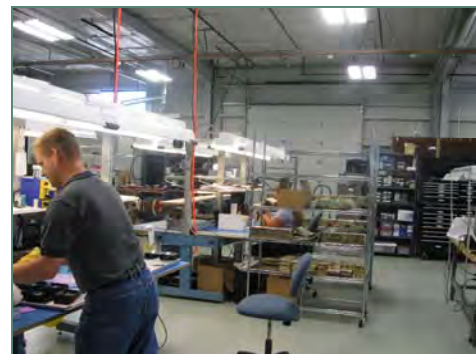
City of Loveland Commercial and Retail Development Incentive Guidelines

In an effort to encourage high quality, development of retail and commercial properties and assist with the redevelopment of dated vacant retail and commercial properties, the City of Loveland has established the following incentive guidelines.

Eligibility Requirements: The incentives described will be available on a case-by-case basis to new or existing retailers and redevelopers which seek to build new buildings or reuse vacant buildings which were at one time occupied for retail or office purposes and have been vacant a minimum of 24 months.

To be eligible for an incentive the project must meet the following criterion.

1. The company must meet with the Business Development Manager
2. The company or its representatives must provide company information to the City of Loveland, for staff review and analysis in an economic impact model provided by Colorado State University and/or the Loveland Economic Gardening Program. This model would estimate the economic benefits including direct revenues, costs and induced/indirect impact to the community over the proposed incentive performance period or payback period. To be eligible for incentives, a payback period will be no longer than 5 years unless otherwise agreed upon.
3. The results of the Economic Impact Analysis must show a positive net new revenue impact to the City of Loveland.
4. The Applicant must submit a letter of Intent to Request economic assistance from the City of Loveland.
5. There must be a minimum investment of \$500,000 in building and/or equipment during the first year after which application is made for incentives and awarded.
6. The company will provide information requested by the City for monitoring of the performance agreement twice a year during the term of the agreement. Upon incentive approval by the Loveland City Council, the company will be required to enter into an agreement with the City guaranteeing that mutually agreed upon investment/sales tax or other outcomes will be created within a specific period of time. If the company is unable to achieve guaranteed results, the City of Loveland reserves the right to recover incentive payments on either a full or prorated basis as outlined in a performance agreement. A personal guarantee maybe required for repayment of incentives.



Possible Incentives

Development Fees, Sales and Use taxes on construction materials:

The following fees and/or taxes may be waived, or deferred upon approval of the Loveland City Council. These include:

- Construction materials use taxes
- All Building Permit and Inspection Fees
- Street Capital Expansion Fees
- Law Enforcement Capital Expansion Fees
- General Government Capital Expansion Fees
- Fire Protection Capital Expansion Fees

This incentive will not exceed the fees or taxes due with respect to a particular project. System Impact Fees and Fees related to the City's Utility Enterprises are not eligible.

Public Infrastructure Requirements: The City of Loveland will review on a case-by-case basis the possible relief of the costs of public infrastructure requirements and may also apply for Federal and State Grant funds which may be available if deemed appropriate.

Sales Tax Rebate: The City Council will consider on a case by case basis a rebate of a portion of sales tax collected by the retailer over a specific period of time not to exceed 5 years or 5% of the overall redevelopment project budget.

Downtown Loveland: Projects considering a location in Historic Downtown Loveland may benefit from additional assistance such as:

- Façade improvement grants
- Urban Renewal Area Programs
- Historic Preservation Tax credit programs
- Economic Gardening Market Research Assistance
- Fee Waivers: exemption from approximately 20 City Fees
- General Improvement District
- Others as approved by the Loveland City Council

For more information on Downtown Business Assistance see the Community and Strategic Planning Webpage at www.cityofloveland.org

The Loveland City Council may consider, upon staff recommendation, additional types of requests on a case-by-case basis. Contact the Business Development Manager for more information.



City of Loveland Economic Incentive Review Process

1. Applicant will meet with Business Development Manager
2. Applicant must meet minimum criterion as set forth in policy unless otherwise agreed to. The City of Loveland Economic Incentive Policy is subject to change or discontinuance at anytime.
3. The Economic Impact Analysis Intake Form must be completed and submitted for an economic impact analysis. City of Loveland Business Development and Finance Department staff will review the information submitted. The analysis may be completed by an outside organization such as CSU.
4. Applicant must submit a Letter of Intent to Request Incentives
5. Applicant must submit a Project Budget
6. Once the Economic Impact Analysis is complete if it is determined that there will be a positive “net new revenue” impact as a result of the businesses activities in Loveland, City Staff will review the overall project to determine what a “potential” economic incentive package would include.
7. This staff recommendation will be submitted to the City Manager for consideration.

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8. If the Loveland City Manager determines the proposal is consistent with the City's policies and that a positive economic benefit will occur the project will be taken to the City Council for consideration at a study session and possible approval at a City Council meeting.
9. Presentation of an incentive request to a City Council does not guarantee award of an economic incentive.
10. No economic incentive award is final or legally binding until full execution of a written agreement approved by City Council or its duly authorized delegate, as the same may be modified in accordance with any authority delegated by City Council.
11. All economic incentives or commitments included in any incentive agreement by City Council are subject to funding being budgeted, appropriated, and otherwise made available and do not constitute a multi-year fiscal obligation.
12. Any economic incentive or other commitment of City funds to an applicant in furtherance of this Economic Incentive Policy must serve a public purpose, as determined by the City Council in its discretion, including but not limited to providing significant cultural, social, and/or economic benefits to the Citizens of Loveland in the form of jobs, economic development, increased tax revenues and cultural and social opportunities.



The Loveland Jobs Development Program (LJDP): The purpose of the LJDP is to provide significant economic and societal benefits to the citizens of Loveland through the creation of new jobs, stimulation of economic activity and the increase of private sector investment, property taxes and sales taxes.

Basic Program Guidelines:

1. Projects desired include: redevelopment of the City of Loveland's historic downtown, vacant buildings or blighted properties and projects which include the retention, expansion, creation or attraction of primary employment.
2. The project must be in the City of Loveland or be annexed into the City by completion of the construction project.
3. The term of the project investment from the LJDP is the construction period (24-36 months).
4. The project must have a permanent financing commitment in place.
5. The maximum amount of any investment in a construction project is \$1.5 million.
6. The limit of City funds to a total project costs is 25%.
7. As of February 2011, the interest rate will be prime plus 300 basis points and the rate adjusts quarterly. This is subject to change by the City Manager, based on the advice from the City's Executive Fiscal advisor and without an update to this policy.
8. All projects must meet the City of Loveland Economic Incentive Policy requirements, complete an economic impact analysis (EIA) with Colorado State University or another City approved provider and all 3rd Party Underwriting Standards and processes as follows.

The process for participation in the Loveland Jobs Development Program:

Businesses interested in having the City invest in a job creating economic development project must follow the process described.

1. Meet with the City of Loveland Business Development Manager.
2. Complete an Economic Impact Analysis Form for review by CSU or other approved provider.
3. Must submit an itemized budget.
4. For a Primary Employer Project, employee wages must be greater than or equal to 100% of the Larimer County Average Annual Wage (2009=\$40,000).
5. For a Primary Employment Project the employees must have access to group health insurance.
6. The Applicant must invest no less than \$2,000,000 in the project.
7. The results of the EIA must show net new revenue.

8. The City Manager, Business Development Manager and Executive Fiscal Advisor will review the project and determine if the request should go to a City Council Study Session
9. The applicant must attend the study session with the City Council to present the project.
10. The City Council will provide direction at the Study Session recommending the project for evaluation by the 3rd Party Administrator, Funding Partners.
11. The Applicant must complete the Funding Partners LJD application and provide personal and business financial statements to the 3rd Party Administrator.
12. The applicant must attend a pre-application meeting with the LJD Project Investment Committee and the 3rd Party Administrator, Funding Partners.
13. City staff will determine if the project is building permit eligible and if all other City rules and ordinances are met.
14. The 3rd Party Administrator's staff, (Funding Partners) will underwrite and evaluate the project for credit worthiness.
15. With the Funding Partners staff recommendation, the project will be reviewed by the Funding Partners Loan Committee.
16. The Funding Partners Loan Committee will make a credit assessment and refer the project back to the City if it meets prudent underwriting standards. The Funding Partners credit assessment must result in a high quality credit rating to move forward in the process.
17. The City of Loveland Project Investment Committee will review the 3rd Party Underwriters decision and make a recommendation to City Council at a formal City Council meeting.
18. The City Council will make the final determination and may approve a resolution which finds the public purpose for the investment and authorizes the investment.

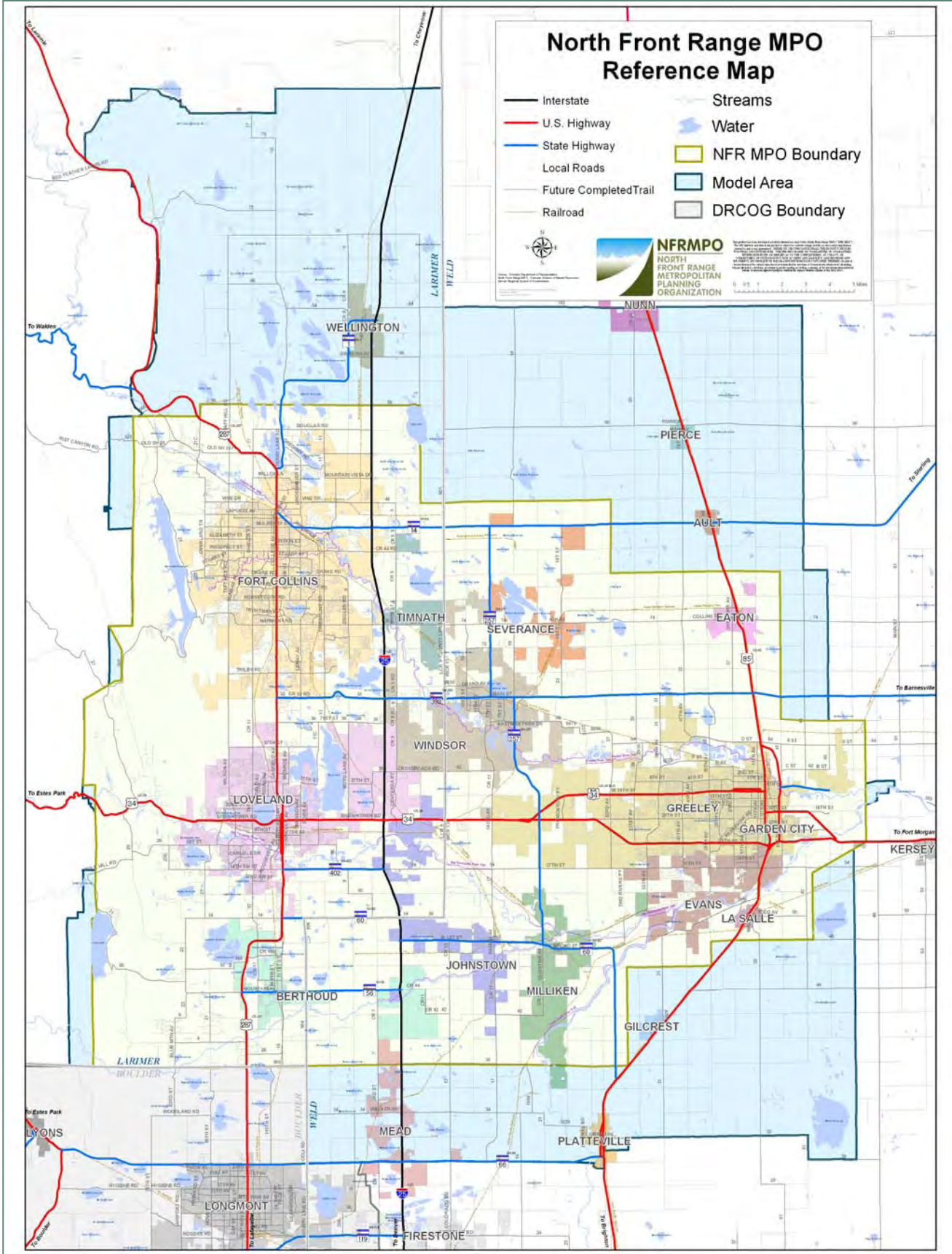
Project Investment Committee:

The Project Investment Committee will consist of three members: The Executive Fiscal Advisor or the City Manager's designee and two community members with experience in underwriting, banking and public revolving loan funds.

Third Party Administrator:

The function of the Third Party Administrator will be to review and determine the financial strength of the applicant and the project to establish whether they meet acceptable underwriting guidelines. The Third Party Administrator will present projects to the Project Review Committee for final review and determination. As of February 2011, the 3rd Party underwriter is Funding Partners.

City of Loveland Economic Incentive Policy Project Checklist		Sep-09	
Primary Employer Guidelines			
Company Name :			
Requirement	Completed	Date	Details
Meeting with the Business Development Manager			
Letter of Intent/Request			
Economic Impact Analysis Data Submitted			
Impact Analysis shows Positive Net New Revenue			
Pays 80% of Employee Health Ins. Premium			
Offers Group Health Ins. Coverage to Dependents			
Performance Agreement			
Minimum investment of \$500,000			
Net New Jobs to Loveland			
Project Budget Submitted			
Study Session			
Council Meeting and Approval			
Average Annual Wages Company wide	Meets		Details
100% of Larimer County Ave Annual Wage			
110% of Larimer County Ave Annual Wage			
120% of Larimer County Ave Annual Wage			
130% of Larimer County Ave Annual Wage			
140% of Larimer County Ave Annual Wage			
150% or > Larimer County Ave Annual Wage			
Encouraged but not required	Meets		Details
Located in an Enterprise Zone			
Located in Downtown Loveland			
Reuse of an existing vacant facility			
Clean Energy Company			
Health Care			
Aerospace/Aviation			
Bio-Science			
Arts/Sculpture Related			
Rocky Mountain Innovation Initiative Client			
Proposed Incentive			



DRAFT Exhibit B
AGREEMENT TO ADMINISTER THE
LOVELAND JOB DEVELOPMENT PROGRAM

THIS AGREEMENT (“Agreement”), to administer the Loveland Job Development Program (the “LJDP”) (a program to allow City investment in projects meeting public purposes and eligibility requirements set forth in the Loveland Economic Incentive Policy (“EIP”)) dated for reference purposes on this ___ day of _____, 2011, is made and entered into by and between the City of Loveland, Colorado, a Colorado home-rule municipality, (the “City”) and FUNDING PARTNERS LENDING, LLC, a Colorado limited liability company whose sole member is Funding Partners for Housing Solutions, Inc., (“FP”), a Colorado not-for-profit corporation.

RECITALS

WHEREAS, the City has created a program to promote economic and community development activities for the general benefit of the residents of the City of Loveland through the investment in qualified commercial projects as further described under the Program Description and attached herein as Exhibit 3 (“Programs”); and

WHEREAS, the City, through application of a portion of its investment portfolio, has identified the means to invest in and provide funding support for eligible economic development projects and anticipates attraction of additional Program funds in the future from various sources, which may be further governed under contractual agreement between which would hereby extend to FP as its designated agent (“Capital Contract”); and

WHEREAS, the City envisions expansion of the availability of financial and supportive resources for the public purpose of promotion of economic vitality, community development and general welfare of its citizens within its political boundaries or extended area of influence; and

WHEREAS, FP has special expertise in administering financial programs and technical assistance, including those described herein and is experienced in administering such programs in compliance with federal, state and local law or regulation applicable to Programs, including those applicable to federal entitlement programs; and

WHEREAS, the City wants FP to provide underwriting expertise and administer the Programs and FP is willing to do so, and both parties want to set forth here the terms on which FP will perform such duties,

TERMS AND CONDITIONS

NOW, THEREFORE, for and in consideration of the monies to be received, the covenants and conditions set forth herein, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **SCOPE OF SERVICES.** FP shall provide all labor, services, equipment and materials reasonably necessary to administer the Programs in accordance with the terms, conditions and other provisions of this Agreement, of Capital Contracts, and of the loan agreements providing funding for the Programs. Without limiting the foregoing, FP shall expeditiously perform and carry out, in a satisfactory and proper manner, the “Scope of Services” as described and set forth in Exhibit 1, further described within the Program Description, set forth as Exhibit 3, both of which are attached hereto and made a part hereof by this reference; and FP shall timely perform those obligations of the City noted within Exhibit 1 under Capital Contracts and made part hereof by this reference, and such other grants and loans which the City may obtain during the Term of this Agreement. For purposes of this paragraph only, notwithstanding anything to the contrary stated elsewhere in this Agreement, this Agreement may be amended by the City giving notice in writing to FP identifying additional grant, loan and other agreements that the City may enter into to fund the Programs and such amendment shall become effective twenty-one (21) calendar days after such

notice or upon FP’s acceptance of funds originating from those additional sources, unless FP within that time gives written notice to THE CITY that it declines to perform the obligations contained in those additional grants, loans and other agreements.

2. PROJECT PAYMENTS.

- a. At time of settlement of Program loans, the City shall make available to the settlement agent (which may be FP) an amount equal approved project investment as set forth more specifically in Exhibit 1.
- b. P shall be compensated for its services by the following: FP shall assess a one-time, non-refundable Application Fee of \$250 upon acceptance of an eligible request under described Programs. Upon successful funding of a request, FP shall be entitled to receive an origination fee not less than 1%, nor greater than 2% of the loan amount, dependent upon the nature and complexity of the proposed funding request. Any and all such fees shall be the sole responsibility of the Loan Applicant. FP fees may be adjusted from time to time, as dictated by various factors and upon written agreement to modify such fee by The City and FP.
- c. In no event shall the City be liable for the payment of any costs of performing the scope of services for which FP is responsible. Costs are to be paid by the project.

3. PERIOD OF PERFORMANCE. The period of performance of this Agreement shall begin on _____, 2011, and continue for a term of one year, subject to renewal for up to five (5) years, provided that the term of this Agreement and all provisions herein shall extend to and cover any additional time period during which FP remains in control of the City’s funds or other assets.

The City shall have the right to terminate this Agreement if FP fails to substantially adhere to the Scope of Services set forth in Exhibit 1, and otherwise in accordance with the terms of this Agreement. FP shall have the right to terminate this Agreement if the City fails to substantially adhere to its responsibilities set forth in Exhibit 1, and otherwise in accordance with the terms of this Agreement.

4. CONTROL OF FUNDS. In administering funds delivered to a project or to FP by the City and funds received by FP from program borrowers, FP shall be acting as agent for the City, and subject to the City’s instructions, determined at the City’s sole discretion. The City in its sole discretion may change Program Description by written notice to FP. All such funds shall be used only for the benefit of the City in accordance with the terms of this Agreement.

5. ACTIVITY RESPONSIBILITY AND REPRESENTATIVES. All applicable invoices, statements, notices, inquiries, and replies shall be addressed and served upon respective representatives at the addresses below. The following individuals are designated for the purposes of this Agreement as representatives of THE CITY and FP (or their successors or assigns) respectively:

THE CITY:	Title Organization Address	City Manager City of Loveland 500 E. Third Street
FP:	Title Organization Address	Joe Rowan Executive Director Funding Partners for Housing Solutions, Inc. As its Member/Manager 214 S. College Avenue, 2 nd Floor Fort Collins, CO 80524 Tel. (970) 494.2021 Fax (970) 494.2022 E-Mail joe@fundingpartners.org

The parties may change their representatives at any time by written notice to the other party.

6. INSURANCE. FP shall procure and maintain commercial general liability insurance, on a comprehensive form, in the amount of at least \$1,000,000 per occurrence and \$2,000,000 general aggregate at its own expense during the life of this Agreement, which affords coverage for all bodily injury, including death, and all claims for destruction of or damage to property and personal injury arising out of or in connection with any operations or services performed under this Agreement. FP shall furnish the City with certificates of insurance giving evidence of such coverages and containing a provision that the City shall be given thirty (30) days written notice of cancellation or material change of coverage. The certificates shall be filed within ten (10) days following execution of this Agreement.

7. WORKER'S COMPENSATION INSURANCE. FP shall procure and maintain Worker's Compensation Insurance and Unemployment Compensation Insurance with the Colorado statutory limits at its own expense and as required by law. FP shall also procure and maintain Employer's Liability coverage in amount at least equal to the minimum coverage thresholds required under State of Colorado regulation(s). All volunteers used by FP in the performance of this Agreement must be covered under FP's Worker's Compensation Insurance or covered under a Medical, Accident, Death or Dismemberment Policy with limits of not less than the prescribed amount. FP shall furnish the City with certificates of insurance giving evidence of such coverages and containing a provision that the City shall be given thirty (30) days written notice of cancellation or material change of coverage. The certificates shall be filed within ten (10) days following execution of this Agreement.

8. INDEPENDENT CONTRACTOR. In performing this Agreement, FP acts as an independent contractor responsible for calculating, withholding, and paying all Federal and State taxes and for obtaining necessary and adequate worker's compensation insurance, general liability insurance and any other insurance required under this Agreement. FP employees are not and shall not become employees, agents or servants of the City hereunder. FP and FP employees are not entitled to unemployment insurance benefits unless unemployment compensation coverage is provided by FP or some other entity, and FP is obligated to pay Federal and State income tax on any monies paid pursuant to this Agreement.

9. INDEMNIFICATION. FP agrees to and does indemnify and hold the City, its agents and employees, harmless from and against any and all claims, losses, damages, injuries and expenses (including attorney's fees) related to or arising out of the performance of this Agreement by the City or FP due to the intentional or negligent acts or omissions of FP, its subcontractors, officers, employees and agents, in the performance of this Agreement. This indemnification shall survive completion of the Scope of Services and termination of this Agreement. Nothing herein shall be construed as a waiver of defenses or immunities available to the City under the Governmental Immunity Act.

10. COMPLIANCE WITH LOCAL, STATE AND FEDERAL LAWS. FP specifically agrees to comply in the performance hereof with all of the requirements set forth within local, state and federal ordinances, codes, laws, rules, regulations, orders and guidelines that are referred to herein and applicable to the Scope of Services or that may be or become applicable to the Scope of Services even though not stated herein, including but not limited to any financial reporting and privacy notification, reporting or similar requirements arising from underwriting and lending investment funds provided by the City pursuant to this Agreement. The following federal regulations are attached to this Agreement and are also incorporated into this Agreement by reference as Exhibits 4, 5 and 6 respectively: OMB Circular A-110, "Uniform Administration Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and other Non-Profit Organizations"; OMB Circular A-122 "Cost Principals for Non Profit Organizations"; and OMB Circular A-133 "Audits of Institutions of Higher Education and Other Nonprofit Institutions".

11. PERFORMANCE REPORTS AND RECORDS.

- a. FP shall prepare and submit to the City monthly a detailed Performance Report no later than fifteen (15) days after the end of each month. Said report shall be in a format approved by the

City and shall be directly related to the Scope of Services. The contents of the report shall provide data and information to THE CITY to be used for coordinating, monitoring and evaluating the Scope of Services to its completion. Failure to submit these reports shall constitute a material breach of this Agreement.

- b. All or some of the grants, loans and other agreements providing funding for the Programs require periodic reporting to or made available for inspection by the funding source. FP shall prepare all such reports and copies shall be sent directly to the funding source and the City. If those reports provide the information required by the City pursuant to subparagraph 'a' hereof, then those reports shall satisfy the requirements of that subparagraph.
- c. FP shall provide the City a copy of its annual report with audited financial statements within thirty (30) days after it is completed.
- d. FP shall maintain records of funds received and disbursed, correspondence, loan applications, loans funded, promissory notes, security instruments, and such other records as may be required by the City's funding sources for the duration of this Agreement, and for such longer time as may be required by a funding source. In no event shall such records be destroyed or discarded prior to their being tendered to the City upon the termination of this Agreement or as may be agreed otherwise, in writing, between parties. The City, its funding sources, and, if applicable, state and federal auditors, shall have access to those records, with or without notice, in accordance with the grants, contracts and other agreements and in accordance with laws, rules and regulations applicable to them.

12. TERMINATION.

- a. Termination for Cause by the City. If, for any reason, FP shall fail to substantially perform the work required by the Scope of Services under this Agreement or fails to ensure the performance of, by legal means if necessary, the work called for herein with such diligence as will ensure its completion, or materially fails to comply with any of the terms, conditions, or other provisions of this Agreement which shall constitute a violation or breach of this Agreement, and shall fail to cure the default within fifteen (15) days following written notice thereof by the City, the City may terminate this Agreement by giving written notice to FP. In addition to the other remedies available to it, in the event The City terminates this Agreement due to FP's failure to cure any default as provided hereinabove or due to FP's breach or violation of any covenant, agreement or assurance herein, the City retains the right and may, at its option, make written demand for repayment of, and FP shall immediately upon receipt of such written demand of the City, repay all sums received by FP from the City under this Agreement as of the date of said demand, net of loan disbursements pursuant to this Agreement, plus interest thereon at a rate equal to the rate established by the funding sources plus reasonable expenses incurred by the City, including reasonable attorney's fees incurred in recovering said sums. If the City does not prevail, FP is entitled to recover its attorney's fees.
- b. Termination for Cause by FP. If, for any reason, the City shall fail to substantially perform the work required of it by this Agreement, or fails to ensure the performance of, by legal means if necessary, the work called for herein with such diligence as will ensure its completion, or materially fails to comply with any of the terms, conditions, or other provisions of this Agreement which shall constitute a violation or breach of this Agreement, and shall fail to cure the default within fifteen (15) days following written notice thereof by FP, FP may terminate this Agreement by giving written notice to the City. In addition to the other remedies available to it, in the event FP terminates this Agreement due to THE CITY's failure to cure any default as provided hereinabove or due to the City's breach or violation of any covenant, agreement or assurance herein, FP is entitled to recover all expenses incurred by it as a result of the violation, including reasonable attorney's fees incurred in enforcing its rights under this Agreement. If FP does not prevail, THE CITY is entitled to recover its attorney's fees.
- c. Termination for the Convenience of the City. This Agreement may be terminated by the City at any such time in advance of the end of the Period of Performance. The City shall give

FP written notice of any such termination at least sixty (60) days in advance of the effective date thereof and shall state in the notice the reason or reasons for the termination and the effective date of termination. FP shall be entitled to receive payment for the documented direct and incidental termination expenses due to the termination as are mutually agreed.

- d. Termination for the Convenience of FP. FP may terminate this Agreement at any time in advance of the end of the Period of Performance. FP shall give the City written notice of any such termination at least sixty (60) days in advance of the effective date thereof and shall state in the notice the reason or reasons for the termination and the effective date of termination. FP shall neither be paid nor be considered eligible for payment of termination expenses, incidental, direct or consequential costs or damages or loss of profits due to the termination.
- e. Records. Upon any termination of this Agreement in advance of its expiration date, undelivered documents, maps, models, photographs, reports or copies thereof prepared by FP or its subcontractors for use in performance under this Agreement, shall be delivered immediately to the City in their state of preparation at the time of termination subject to the provisions of any termination agreement or order providing otherwise. FP shall also immediately notify the City of all subcontracts, purchase orders, pending loans or other commitments of FP which shall be outstanding on the termination date and shall take such action with respect thereto as the parties hereto shall mutually determine. No termination hereunder shall relieve FP of its responsibilities to maintain Scope of Services records in accordance with this Agreement.
- f. Reversion of Funds. Upon termination of this Agreement, FP shall transfer to the City all funds, notes, accounts receivable, and deeds of trust attributable to the Programs on hand at the time of termination.
- g. Close-outs. FP obligations to the City shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials or equipment that is the property of the City, unspent cash advances, notes, deeds of trust, security, program income balances, copies of transferred records, and receivable accounts to the City upon close-out or upon the City's request), and determining the custodianship of records.

13. AMENDMENTS.

- a. Either party to this Agreement may request Amendments to this Agreement at any time, but no change shall be binding unless it is mutually agreed upon by both parties to this Agreement. All Amendments shall be in writing and authorized prior to any work being done thereon by an executed amendment to this Agreement. This paragraph notwithstanding, additions to Exhibit 2 may be made in accordance with Paragraph 1 hereof.
- b. Any change in or new federal, state or local law, rule, Executive Order, Office of Management & Budget Circular, or regulation under which this Scope of Services is to be performed which may constitutionally applied to this Scope of Services and which, by its terms, is intended to be applied to this Scope of Services, shall be deemed to be incorporated into this Agreement.

14. INTEGRATED DOCUMENT. This Agreement including all exhibits embodies the entire understanding between THE CITY and FP for the Scope of Services and their terms and conditions. No verbal agreements or conversation with any officer, agent or employee of the City or FP prior to or subsequent to the execution of this Agreement shall affect or modify any of the terms or obligations contained in any documents comprising this Agreement.

15. NON-ASSIGNABILITY. FP may subcontract the performance under this Agreement in whole or in part; however, the responsibility for the performance of this Agreement shall not be assigned or transferred by FP without the prior written consent of the City, which the City may grant or withhold in its sole discretion.

16. SUCCESSORS. FP covenants that the provisions of this Agreement shall be binding upon its heirs, successors, subcontractors, representatives and agents.

17. INCORPORATION BY REFERENCE. All of the parts of this Agreement and those which may become properly appended hereto, and all applicable federal, state and local laws, rules, regulations, circulars, Executive Orders pertaining to the Community Development Block Grant Program and this Scope of Services, and any other document referenced for incorporation are incorporated herein by this reference.

18. SEVERABILITY CLAUSE. The declaration by any court or other binding legal authority that any provision of this contract is illegal and void shall not affect the legality and enforceability of any other provision of this contract unless said provisions are mutually dependent.

19. PUBLIC DISCLOSURE. Parties acknowledge that certain terms and conditions, as shown within this contract, may be subject to public disclosure requirements and as such may be disclosed to the public through various means. This is required pursuant to certain rules, regulations and statutes to which FP is, or may be, subject in accordance to FP's legal organization under IRS Code 501(c)(3).

IN WITNESS WHEREOF, the parties have caused this agreement to be duly executed on this _____th day of _____, 2011.

FUNDING PARTNERS LENDING LLC
A Colorado limited liability company:

By: _____
Joe Rowan – Executive Director
Funding Partners for Housing Solutions, Inc.
As its Member/Manager

Organization **The City of Loveland, Colorado.**
A Colorado Home Rule Municipal Corporation :

By: _____
Name - Title
William D. Cahill, City Manager

EXHIBIT 1

SCOPE OF SERVICES

A. The City shall adopt all elements of the Program and assume a leadership role to inform the public, economic development partners and other constituents of the availability and general guidelines of the Loveland Jobs Development Program as set forth in the Loveland Economic Incentive Policy (“Programs”), whereas FP shall administer all functional aspects of the Programs, performing all those acts reasonably necessary to evaluate, underwrite, execute, extend, document and service loans to borrowers the City has determined have met the eligibility requirements of the LJDP as set forth in the Loveland Economic Incentive Policy, and whom FP has determined have met prudent underwriting standards and are creditworthy and qualified according to the underwriting standards set forth herein. This includes, but is not limited to:

FP will receive investment funds from the City for use in the Programs. FP will exercise reasonable diligence to safeguard such funds from loss or misuse, preserving those funds for the implementation of these Programs. FP may, though shall not be required, to maintain a separate loan fund, but FP shall be required to account for all monies received from or held for the benefit of the City.

The City’s funding sources for the Programs include or may include monies held in the City’s investment portfolio, local appropriations, Authorities created under local auspices, grants and loans from the federal government, State of Colorado, philanthropic organizations, and corporate contributions. The laws, rules and regulations applicable to, and the terms and conditions of, these respective sources of funds may differ. FP therefore must account for the funds received from each of these respective sources of funds separately. The City shall be responsible for informing FP as to the origin and identity of all funds upon delivery to FP.

Loans originated and funded under these Programs may be attributable to more than one source, as permitted under the agreement between the City and applicable funding sources and terms of the Programs loan are compatible with the underlying funding source(s). When it has sufficient funds from multiple sources to fund any given Programs loan, FP shall select the source in the order specified by the City. If sufficient funds are available and the City has not otherwise limited participation, loan applicants may select from available Program loan term offerings, subject to applicant qualifications, compatibility with other financing sources and individual preference.

The City will deliver monies for the Programs to FP as needed for the Programs. As available capital allows, FP shall fund individual loan closings under the Programs and seek reimbursement from the City upon presentation of payment request and supporting documentation to evidence the existence of such Program loans. FP acknowledges that the City ordinarily requires thirty (30) days’ notice to process and deliver funds to FP. If sufficient FP capital is not available to fund loans, FP shall coordinate loan funding with the City and applicable source of Program funds to insure timely performance under terms of the real estate sales contract.

FP will receive, review and accept or reject loan applications from, or on behalf of, prospective borrowers in the Programs, utilizing the Program Description adopted by the City. The Program Description is attached hereto as Exhibit 3 and incorporated herein by reference. The Program Description may be changed from time-to-time by the City, in its sole discretion, by written notice of such change to FP, with any such change applied to loan applications which have not been accepted by FP as of the date such changes are received by FP, or the effective date stated in the notice, if any.

If an application is accepted, FP shall prepare all of the documents necessary to manifest the loan, the City’s security interest, the conformance of the loan to the respective Program, and compliance

with all applicable laws, rules and regulations, in addition to conformance with terms and conditions of the underlying funding source of the loan.

FP shall coordinate with other financial participants to a qualified project to facilitate the origination of loans under Programs. FP shall assist the City with lender education regarding the criteria for these Programs, though the City shall retain responsibility for such education. FP may elect to delegate its documentation and loan document presentation responsibilities to the primary lender or other sufficiently qualified party in the purchase transaction, though such delegation shall not relieve FP of the responsibility to the City for proper documentation and final presentation.

FP shall invoice borrowers periodically, when applicable, according to the terms of the loan agreement, receive payments, record transactions, deposit payments for the benefit of the City, and perform all necessary accounting functions for such activities as may be required by the City or underlying funding sources, when appropriate. FP shall process the cancellation of evidence of indebtedness and release of security interest as loans are fully satisfied. FP shall inform the City of a borrower's default or suspected default of any term or condition of the loan agreement, though the City will assume full responsibility for exercising remedies of default as specified in the loan and security instrument, including foreclosure or treatment under bankruptcy proceedings of the borrower.

FP will act to fulfill any and all regulatory requirements applicable to making of loan under LJDP, including any recording keeping, reporting, notification or other regulatory requirements arising from loan to qualified borrowers.

B. FP shall prepare those periodic reports as are required by respective funding sources, and deliver copies directly to THE City.

C. All funds held for the benefit of the City shall be held in federally-insured, interest-bearing accounts, in compliance with Colorado law applicable to the investment of county government funds. FP shall notify the City of the institution(s) and the respective account identification(s). The City retains the right to approve such institutions, approval for which shall not be unreasonably withheld. In the event the City should become dissatisfied with a depository institution for any reason, the City shall notify FP in writing and FP shall transfer all funds to an approved institution within thirty (30) calendar days of such notice.

D. FP shall exercise reasonable interpretation of Program Description and community interests to determine eligibility of loan applicants covered under this Agreement. Prior to formal action, FP shall prepare and deliver a comprehensive credit memorandum describing, but not limited to: applicant; business principals; project description; financial projections; proposed financing terms and conditions; other financial or project participants; market conditions; collateral and estimated valuation; economic and community impact projections; underwriting findings and recommendations; and, other detail or compensating factors, as appropriate. The City's assigned review committee, shall receive and consider a formal presentation of recommended action and issue a final credit determination. FP shall accept and record formal action taken by the City and proceed accordingly. By resolution of Council, the investment in the project will be authorized.

E. In the event an application is declined, FP shall deliver written notice ("Notice of Credit Denial"), specifying the reasons for denial and source(s) of any adverse verification, if applicable, to the applicant and the City within three (3) business days of such determination. Except giving Notice of Credit Denial, FP shall assume no responsibility with respect to The City loan approval or borrower appeal where any appeal process shall be determined solely by the City. FP reserves the right to refer applicant to alternate sources of financing in the event of denial by the City or in the event terms offered by the City are deemed unacceptable by applicant. Further compensation for which FP may be eligible for such referral shall not be restricted by terms of the agency relationship established herein.

F. FP shall execute, as loan servicing agent for the City, security instruments, releases, conveyances, and such other documents as are reasonably necessary to document, enforce and release loans and the security therefore, subject to the limitations and conditions of, and only to the extent authorized to do so by, where evidence of such power is demonstrated by the agreement herein.

EXHIBIT 2

CITY OF LOVELAND INVESTMENT POLICY February, 2003 Approved by City Council 2-4-03 Amended by Ordinance No. ____, 2011

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VIII. SUITABLE AND AUTHORIZED INVESTMENTS

Most City funds are scheduled for specific purposes with maturities selected to coincide as closely as possible with the periods in which monies will be spent for their intended purpose, even though new money is coming in to replace the expended funds. Since the nature of the yield curve tends to be positive (i.e. the longer the term of investment the higher the rates that are available) the City will attempt to stagger the maturity dates on investments to meet the anticipated cash flow needs based on a cash flow analysis and the available yield curve information. However, it is the intention of the City to maximize investment return within the constraints delineated in this policy and according to investment marketability and diversification. In maximizing investment return, it is anticipated that specific securities may be sold prior to maturity.

Eligible Investments:

- All investments authorized by C.R.S. 24-75-601 and 24-75-702 (exhibit A) –
- Fully insured and/or collateralized certificates of deposit of commercial banks who have submitted a letter documenting that they are a Colorado Banking Board Eligible Public Depository –
- Interest bearing advances from one city fund to any other city fund –
- Investment in projects meeting the requirements of the Loveland Job Development Program. Adopted by City Council, Ordinance 2010. [Note: This bullet point will be amended to be consistent with the wording contained in the Ordinance.]

Prohibited Investments:

- Purchases on margin or short sales –
- Derivative securities that are in effect a leveraged anticipation of future movements in interest rates or some price indices –
- Collateralized mortgage obligations due to their complexity and prepayment rate uncertainty –
- Lending securities with an agreement to buy them back after a stated period of time.
- If an eligible investment drops in its credit rating below the required level, the investment will be considered a prohibited investment and will be sold as soon as practical.

IX. INVESTMENT PARAMETERS

1. Diversification –

Investments should be diversified by security type and institution.

2. Maximum maturities –

Investments of the City shall be limited to maturities not to exceed five (5) years, unless specific authority is given by the Loveland City Council to exceed that limit. To the extent possible the City will attempt to match its investments with anticipated cash flow needs. Unless matched to a specific cash flow requirement, the City will not directly invest in securities maturing more than five (5) years from the date of purchase.

3. Pooling of City Monies –

For investment purposes, all City monies will be pooled and no investments will necessarily be directly those of any particular fund except in extraordinary circumstances that may legally or for some other particular reason require separate accountability. All funds will receive their proportionate share of investment earnings, including losses if any.

EXHIBIT 3

PROGRAM DESCRIPTION

Program Description

The Council of the City of Loveland has approved Ordinance No. ____ 2010 which provides the elements of the Loveland Job Development Program

Sources and Limitations on City Funding. The Loveland Job Development Program is to be funded through investments of monies held in the City's pooled investment portfolio. The amount of money to be invested in the LJDP at any one time is limited to \$5 million.

Maximum Term. The term for loans under the LJDP program is up to 36 months for projects. The project must have a permanent loan commitment in place prior to any commitment (investment) of city funds.

Maximum Amount of Loan. The maximum amount of City investment through the LJDP to any one project as a construction loan is \$1.5 million. The limit of City investment to total project cost is 25%.

Interest rate on investments. The interest rate is to be the prime rate (as set forth in the Wall Street Journal) plus 3.0 percent. Such rate shall adjust every quarter from the first date that a project receives financial support from the LJDP. For example, the initial interest rate will be the WSJ Prime Rate plus three percent set at the date the loan to the project is signed. The first interest payment will be on the day of the end of the first full month from the date of closing.

Program Eligibility Criteria. Projects must meet City standards set forth in the City's Economic Incentive Policy, which include a i third party economic impact analysis reflecting positive net new revenue, creation of new jobs, and third party underwriting standards. Staff from the City of Loveland will determine and inform the FP when the City's economic development standards, including the Economic Impact Analysis criteria, have been met. The Project Review (Loan Committee) Committee shall determine when the underwriting standards have been met.

Examples of Projects within the City of Loveland:

- Downtown Loveland Urban Renewal Area
- Enterprise Zones within the City of Loveland
- City owned Property
- Aviation Development Zone
- Industrial Zoned Property through the City
- Other Areas of the City

Loan Policies & Procedures Manual

PREFACE to Project Review and Loan Analysis Policies

The purpose of this document is to provide a framework for managing the Loveland Jobs Development Program, to support the City's economic development and urban revitalization objectives. All financial programs offered through the City provide equal opportunity for all qualified applicants. Factors such as race, color, religion, gender, disabilities, sexual orientation, family status or national origin are expressly prohibited from consideration in the analysis of investment and loan applications.

Individual transactions are screened and assessed on a range of community, economic and financial criteria. The purpose of the assessment is to determine if the project is of sufficient quality to allow the City to make an investment. Throughout the project review and loan process, the City seeks to balance funding proposals with high community benefit and relatively high degrees of financial risk with other proposals that are financially sound but may offer fewer community returns. On balance, the City will strive to create a sound, profitable investment portfolio while strictly adhering to federal, state and local policies and statute relative to all activities.

The City understands that it can increase its impact by revolving its capital as quickly as is feasible for projects. Therefore, without jeopardizing project feasibility, the City will seek to identify the shortest possible loan term, within the parameters of sound lending.

As written herein, "policies and procedures" should be interpreted as a framework for decision-making, creating a standard for project review and lending functions of the organization. Policy statements are an expression of City Council, serving as clear directive to City management and oversight committees who are, in turn, charged with developing operating guidelines and procedures consistent with those stated directions.

It is the intent and expectation of City Council that the following policies and procedures may be altered, added to, or deleted to reflect the changing needs of the organization, its investors and its constituencies. Council acknowledges that these policies are not designed to be inflexible rules to which all cases are expected to conform. Rather, they represent standards to which most cases are expected to conform, but from which deviation is permitted or even encouraged if good reasons exist for such deviation.

The City's interest in developing standards of efficiency dictate the use of lending policies, but Council and management alike recognize the inherent limitations. With the exception of the Underwriting Matrix and other specific policy parameters which state that deviation is not allowed (i.e. "must"), the policies contained herein should not be applied rigidly. In all cases, policies and procedures shall not be used as a substitute for sound credit judgment.

Finally, this document shall be reviewed periodically to reflect changes in the City's strategic emphasis, portfolio growth, and other factors that may affect the nature and assessment of risk.

I. ROLE OF SERVICE PROVIDER, LOAN COMMITTEE AND CITY COUNCIL

A. PROJECT FINANCING

Programs included: Loveland Jobs Development Program (the “Program”)

1. Service Provider (“Servicer”) – The third party loan services agent and its employed Servicer shall be collectively referred to as “Servicer”. Servicer shall perform all supervisory functions of its Servicer and direct efforts in soliciting, reviewing and analyzing potential relationships, as described below:

- a. Within identified geographic service areas, public and private entities will be solicited for acquisition, development, re-development and business retention projects that meet the objectives of the Program. Projects will be evaluated for financial viability, community impact, organizational capacity, collateral valuation, market characteristics, economic influences and other foreseeable risk factors.
- b. Preliminary review will assess whether the proposed project fits the funding objectives of the Program based on information provided within the official funding request and all documentation listed in Section II(A)(1).
- c. Based upon a favorable review of the proposed project, formal underwriting of the file will require completion of documentation procedures detailed in Section II(A)(2). To the extent practical, Servicer shall conduct a visual site inspection of the proposed subject property, noting any limitations to loan program objectives.
- d. Servicer will prepare a credit memorandum, assess and assign a risk classification identified in, Section III(A)(3), and provide a formal underwriting recommendation based upon the documentation provided, third party contact and professional evaluation. This recommendation will be acted upon according to the approval matrix defined in Section III.
- e. When requested, Servicer will advise the applicant, in writing, of the underwriting decision. If approved, the notification will include all terms and conditions of the loan commitment, including a request for acceptance from the applicant. Applicant shall be given a minimum of three (3) days to accept or decline the offer. The commitment shall be valid for no more than 120 days. If the loan is declined, applicant will be advised of the reasons for the decision and any recommendations for further consideration, if appropriate. Whenever possible, Servicer will contact the applicant by telephone or in person to review the underwriting decision.

Servicer shall retain the right to decline any loan application, based on sound judgment and interpretation of stated policies of the Program without further consideration of the Project Review Committee (“PRC”). Servicer will provide quarterly reports to the PRC of any and all such actions.

- f. The Project must have received a building permit from the City prior to any disbursement.
- g. In addition to any documentation identified in the underwriting process, the borrower shall provide prior to closing satisfactory completion of all financing conditions and evidence of all documentation listed in Section II(A)(3), initial draw request (if revolving or construction loan), and any executed financial agreements related to the proposed project.
- h. Prior to loan closing, Servicer will coordinate closing arrangements with Borrower, escrow agent and other parties to the transaction. Wiring instructions for escrow agent and any other payees shall be obtained, and review of the preliminary settlement statement for accuracy will be required 48 hours prior to the scheduled closing. Servicer will coordinate the wire transfer or physical delivery of certified funds from the City for the full principal amount of the loan, less any applicable fees retained by the City prior to the scheduled close date. Whenever possible, copies of all loan documents will be provided to Borrower in advance of closing.

- i. Servicer shall prepare and review all loan documents for accuracy, present loan documents and facilitate the closing procedure. The LC must approve any exceptions to this policy.
- j. The Escrow Agent enlisted by the seller in a real property transfer shall be engaged to record any documents with the Public Trustee, or appropriate jurisdiction agency where the Borrower issues a security interest in collateral to the City. Any agency shall be instructed to return the recorded document to Servicer.
- k. Servicer shall maintain all executed documents in a secure manner, where the Promissory Note and Commercial Loan Agreement are stored in safe deposit with a financial institution. Specifically designated Servicer representatives will have sole access authority to such deposits. Servicer shall follow-up with the recording agency if any original recorded documents are not received within a reasonable period of time. All executed loan documents shall be stored electronically, or similar method to achieve redundancy.
- l. Within a reasonable time period of loan closing, Servicer will conduct a post-closing audit of the loan file to verify all required documentation is accurate and present, with any appropriate action taken immediately.
- m. Servicer shall monitor compliance with all loan provisions and advise Borrower, in writing and by telephone or personal contact of any non-compliance issues. If, in the opinion of Servicer, non-compliance is of a material nature, the LC will be advised of the situation in a manner deemed most appropriate. Servicer will provide sufficient detail and recommend a course of action for consideration by the LC.
- n. Servicer will accept payments on all outstanding loans and duly record transactions to Borrowers' account in a timely manner. Payments received will be applied first, to accrued interest, followed by other outstanding fees, late charges and principal balance. Any deficiency of the scheduled payment amount shall be considered a late payment, with the late charge and deficiency balance added to the outstanding principal. Payments will credit to the account as of the date of such receipts. Accurate written records for all loan and servicing activity will be maintained in a secure manner.
- o. Ongoing accounting functions, including all loan registries, payment posting, monitoring delinquency, loan satisfaction, write-down or write-off of Program accounts shall be distinctly separated from internal Servicer staff assigned to solicitation and underwriting functions.
- p. Servicer will assess and prepare a risk evaluation of all outstanding loans and present these findings to the LC each calendar quarter. Other ongoing portfolio management functions of Servicer are identified in Section III.
- p. For loan terms greater than six (6) months, Servicer will prepare and deliver an Advisory Letter to Borrower thirty (30) days prior to loan maturity. When a request for loan payoff is received, Servicer will complete and mail a Payoff Statement within a reasonable time period. In both cases, particular care will be given to the completeness and accuracy of all such detail.
- q. Acceptable forms of payment in full will include certified and negotiable funds from Borrower or other third parties on behalf of Borrower and/or a new loan agreement with the City intended to supercede the existing obligation. Any other form must have prior written agreement from the LC with appropriate adjustments made to all action timeframes. Borrowers' account will be credited as of the date of receipt of payment, while reserving sufficient time for funds to clear any holding period of the depository institution.

- r. Within a reasonable period of time following receipt of payment in full, Servicer will prepare and execute a Release of Deed of Trust, Assignment of Rents, and any other recorded instruments with the appropriate jurisdiction agency securing the satisfied promissory note. The original recorded Release shall be returned to Servicer and retained in a secure manner. Copies of all documents will be retained in the Borrowers' permanent file, with original note marked as "Paid", initialed and dated by a Servicer representative and forwarded to the Borrower, or Public Trustee where appropriate.
- s. To facilitate a mortgage refinance or property sale, Servicer may provide the original Note marked "Paid", as above, Deed of Trust and Release document(s) to the escrow agent engaged in the transaction upon receipt of acceptable payment in full.
- t. Servicer will follow-up with the appropriate agency(s) if the recorded Release documents are not received within a reasonable period of time.

2. Project Review Committee ("PRC") - This Committee shall be appointed by and serve at the pleasure of the Council of the City of Loveland. The Committee shall consist of one member of the City staff, and two members of the community experienced in the operation of banks and public revolving loan funds.

PRC will schedule monthly meetings, or more frequently as dictated by loan activity and membership availability. To accommodate urgent responses, items may be reviewed and appropriate action taken by the committee via, fax, telephone, and/or e-mail. Such alternate polling is subject to the provisions identified below.

PRC will be comprised of members appointed by the Council as its voting members. A quorum shall be established by a majority of appointed members and empowered to take formal action, including loan decisions, remands, or recommendations to Council for further consideration. A simple majority of the quorum shall be required to approve any formal action.

The PRC will oversee Servicer's lending activity, including:

- a. Review and recommend modifications of the Loan Policies and Procedures to Council for approval as deemed appropriate. Servicer will provide valuable input in this process.
- b. Oversee implementation of adopted Policies and Procedures, complete periodic review of Servicer reports. Make appropriate recommendations to Council for further action, if necessary.
- c. Receive Servicer recommendations with supporting financial and organizational analysis of the Borrower, proposed project, risk classification, project pro-forma statements, maps, site plans, building elevations and other information deemed relevant by Servicer.
- d. According to the decision matrix in Section III, PRC will provide an underwriting decision and set terms accordingly. For loan requests outside the decision parameters of the committee, PRC may forward a recommendation to amend established policies to Council for final determination independent of specific funding requests.
- e. Quarterly review of Portfolio Management reports identified in Section III, in addition, Servicer will provide such reports to PRC more frequently in situations where delinquency, loss, capital imbalance, or loan activity warrant more frequent committee input. LC shall forward to Council any information deemed appropriate for additional consideration.

3. City Council (“Council”) – As stipulated within the governing charter of the City, Council shall retain ultimate authority and oversight of all activities of the Program through its senior management team (“Management”) including:

- a. Approval for adoption, and subsequent modifications, to Loan Policies and Procedures.
- b. Appointment of representatives to the PRC and review of Servicer reports to insure compliance with established standards.
- c. Establish priorities related to lending activity and consistency of such activity to the strategic mission of the Program.
- d. Review and act upon recommendations from PRC and Servicer regarding loan policy and implementation procedures. Additionally, Management will consider items related to Portfolio Management identified in Section III, as referred by PRC.
- e. Management will provide a valuable resource for identifying emerging resources and opportunities to strengthen the impact of the Program.

II. DOCUMENTATION AND UNDERWRITING CRITERIA

A. PROJECT FINANCING

1. Preliminary Project Review – As Servicer considers funding opportunities, several factors will determine whether a project is an appropriate use of resources.

- a. Objectives of Servicer – Servicer shall not solicit nor consider funding any projects that fail to promote the mission of the City. Servicer, its affiliates, PRC, Council or employees of the City are expressly prohibited from extending any representations to applicants, or other outside parties that may be construed as preferential consideration for assistance.
- b. Service Areas – Solicitation of opportunities will be confined within the boundaries of the Program, as defined by Council. Projects outside the primary service areas may be considered to meet the objectives and financial goals of the City with a compelling impact on the community served. Such requests must be approved by LC and forwarded to Council for consideration, as appropriate.
- c. Community Impact – Projects will be examined for both quantitative and qualitative measures in reaching objectives of Council in promoting economic vitality and community development. Quantitative measures include: economic impact within the local jurisdiction; permanent and temporary job creation; square footage of developed property; market demand of intended property use; and, financial projections and assumptions of the project. Preference will be given to projects that are unable to attract sufficient interim financing to become viable, though clearly demonstrate long-term beneficial impact and sound managerial strength.

Qualitative measures will allow prudent judgment of the need for project funding based on local circumstances and absence of financing alternatives. The proposed project shall also demonstrate a commitment to improving market area conditions in design, construction and maintenance that will sustain a positive impact within the community. The Program may also consider proximity of interrelated facilities and services such as housing, transit and transportation network, utility infrastructure and employment base. Consideration will also be given to level and length of Program commitment to a project based on the mix of quantitative measures noted above.

- d. Project Outline – Applicants shall provide a written summary of parties to be obligated on the note, how the note will be secured, loan amount and preferred terms, how the note will be repaid, sources and terms of additional capital, pro forma cash flow projections, acquisition and development costs, markets to be served, needs assessment, managerial credentials, organizational capacity, project timeline, and any assumptions material to the success of the project. The summary shall also detail the marketing strategy, contingency plans and other participants in the project.
- e. Financial Viability – Within the context of the objectives of the City, loan terms shall create short-term opportunities for the borrower. Repayment of the loan may be based on interest-only, partial- or fully amortizing, graduated, cash flow percentage or balloon structures with a monthly or quarterly payment cycle. Semi-annual, annual or maturity payments may be considered as warranted by project/borrower capacity and attainment of community objectives.
- f. The term structure shall be designed to provide reasonable opportunity for a project to proceed without creating a debt service burden. However, this consideration must be weighed against sound financial principals, so as to maintain the integrity of the loan portfolio and organizational cash flow requirements. Proposed terms that result in a Debt Coverage ratio of less than 1.25:1 shall be underwritten with extreme caution.

Additionally, sources of all other capital, credit and loan repayment shall be realistic and confirmed by Servicer according to pro forma projections prior to loan closing. Every effort shall be made to obtain firm, written commitments for permanent financing prior to executing loan documents. When applicable, an Assignment of Rents and Leases shall be executed and recorded with the applicable public office to further secure repayment terms.

- g. Collateral Valuation – Security interest in real property shall be used as repayment collateral and evidenced by a duly recorded Deed of Trust or other appropriate assignment of security interest. Subordination Agreements and assumption of third priority lien positions or less *must* be approved according to the Underwriting Matrix in Section III.
- h. Loan-to-Value limitations will be imposed to preserve the security interest of the City and shall be based on the lesser of purchase price (project cost for predevelopment or construction transactions) or appraised value, except where a bargain sale provides borrower with a gift of equity. In such cases, the total of all financing shall not exceed actual costs without specific approval of the Loan Committee, according to approval authority defined within the Underwriting Matrix in Section III. Requests for financing in excess of 85% LTV shall be considered with caution.
- i. Property Mix – The Program will consider funding applications for owner-occupied, for sale condominium and non-owner occupied commercial properties. Proposed property use may include light industrial, commercial, office and residential, or an appropriate mix of multiple uses. However, certain consideration will be given to the mix of properties and projected absorption rate according to the income targets within the project.
- j. Organizational Capacity - The borrower’s ability to manage the proposed project and timely performance of all provisions of loan terms shall be gauged according to previous experience. The size and scope of the proposed project shall not materially exceed the demonstrated capacity or expertise of the borrower and designated development team. Borrower shall provide a detailed description of all participants, corresponding functions, assumption of financial responsibilities, and credentials for all parties.
- k. Where the size and scope of a project does exceed previous experience, borrower and Servicer shall prepare an explanation of strategies to overcome the capacity gap and provided within the credit memorandum.

The legal status of all participants shall be established, with borrower providing a copy of Articles of Organization, Trade Name Affidavit, Certificate of Good Standing and Federal Tax ID number of the borrower. Prior to funding the loan, borrower shall provide a signed and dated Resolution to Enter Agreement that authorizes the assumption of liability for the stated purpose and designates the authorized signer(s) to the agreement if the loan parameters exceed the limits delineated within the Articles of Organization and/or Bylaws of the borrower. For loans greater than \$1,000,000, Borrower may be required to provide an Attorney Opinion Letter from licensed counsel in good standing with the Colorado State Bar Association attesting to the right to enter the liability agreement. FP retains the right to obtain all other forms deemed appropriate to establish credentials of the borrower and development team members, provided such sources are reputable and proper disclosure and/or authorization from the subject party is provided, as appropriate.

1. Financial Projections – Borrower shall provide a spreadsheet(s) that details all project costs and revenue sources by category, assumptions, and timing of all components (pro forma projections). Cash flow shall be projected by month over the term of construction, if applicable, and by annual basis for a minimum of ten (10) years for all projects. Projections and assumptions shall be carefully examined to match with similar projects, appropriate for market conditions, feasible according to time constraints and political environment and provide a reasonable allowance for loss and other contingencies.

2. Underwriting Analysis – Provided the borrower has established the need and viability of a proposed project, Servicer will request a complete underwriting package with which to verify the accuracy of preliminary data and assess the risks associated with the loan. Loan risk shall be based upon two measurable factors: Borrowers’ willingness and ability to repay principal, accrued interest and all other charges within the terms of the loan. The risk attributed to these two factors for each loan request will be used to establish the interest rate, terms and loan loss reserve requirements for the note, as prescribed in Section III(A)(2). Funding applications that have been declined or withdrawn by applicant shall be retained on file for a period of two (2) years from the date of application. A complete file will contain

- a. Financial Statements – Borrower will submit a complete year-end Balance Sheet and Income Statement for the most recent three (3) year period, plus year-to-date statements if six (6) or more months have elapsed since the end of the fiscal year. Audited statements are not necessary, but preferred. Servicer will analyze the documents to establish borrower’s ability to assume additional debt (should the project fail to cash flow independently), likelihood of sustained solvency, sources and timing of organizational funding, capacity to manage financial responsibilities of the proposed project and adherence to sound accounting practices. **At minimum, the most recent year-end or year-to-date financial statement shall be required of all applicants.**
- b. Participation Commitments – Borrower shall provide conditional commitments from all financial participants to the proposed project that detail funding limits, terms, stipulations of participation and expiration of the commitment. All terms and conditions shall be compared to financial projections and weighed against all other commitments to determine if discrepancies and/or conflicts exist. Any outside source of funding proposed to take out the Program loan shall be in writing from a lender and under terms acceptable to LC prior to funding the loan. If urgency prevents firm commitment from future funding sources, Servicer shall document any written or verbal contacts with such sources, showing them to be prudent and demonstrate a reasonable likelihood of performance. In such case, an underwriting decision shall provide for contingency measures to limit the City’s exposure to loss or portfolio risk.
- c. Market Assessment – Where the purpose of the proposed loan requires redevelopment of a property that materially changes the existing use or intensity, or new construction of units, borrower shall provide a professional third-party assessment of the market conditions, demand,

absorption and other factors that will help substantiate the feasibility of the project. This requirement may be waived where LC deems the risks as manageable without such information.

In cases where a proposed project is defined as “special need”, whereby the target population is narrowly focused, the market assessment may consist of referral lists or other data from service providers working within that population. All data provided shall be verified by Servicer and evaluated for appropriateness.

- d. Property Appraisal – Borrower shall provide a copy of a property valuation report for the secured property, performed by a state-licensed appraiser at arms-length to the transaction and according to established FIRREA and USPAP standards. The report shall provide a market valuation based upon land and any improvements, income and cost of reconstruction. The valuations shall provide “As Is” and “As Proposed” comparisons where improvements are scheduled under the terms of the project outline. Additionally, data for comparable sale and rental properties (where appropriate) shall be included within the report.

Where loan collateral consists of improved real property that is currently zoned for the intended use, an appraisal, as defined above, shall be required for all loan requests where the Program represents a senior lien position and the proposed loan amount is greater than \$ 200,000 and the combined Loan to Cost exceeds 80% for the subject property. This requirement may be suspended where additional real property is pledged as cross-collateral for the proposed loan and the cumulative collateral position reduces Program exposure to 80% or less Loan to Cost.

Where loan collateral consists of unimproved real property, or where existing improvements are scheduled for demolition, major rehabilitation or subject to zoning change, an appraisal, as defined above, shall be required for all loan requests where the Program will hold the senior lien position and the proposed loan amount is greater than \$100,000 and the combined Loan to Cost exceeds 60% for the subject property. This requirement may be suspended where additional real property is pledged as cross-collateral and the cumulative collateral position reduces Program exposure to 60% or less Loan to Cost.

All loan requests secured by real property that relies upon the ‘as proposed’ valuation to secure the Program’s position, regardless of lien priority, loan amount or Loan to Value must be supported by a satisfactory appraisal unless abundant cross-collateral is pledged and the cumulative collateral position reduces Program exposure to 60% or less Loan to Cost.

Loan requests that do not require a formal appraisal should be supported by alternate valuation techniques within a format that exhibits reasonable detail, objective evaluation and performed by a qualified source that are deemed acceptable to the Program. Such qualified source may include Servicer evaluation. Alternate valuation techniques must demonstrate reasonable diligence and include notations of such factors as: property square footage and lot size; age of all structures; location; physical conditions of the property and surrounding neighborhood; evidence of health, safety or environmental deficiencies; land use designations and zoning requirements; and, photographic record.

In all cases where policy or underwriting determination dictate completion of a property appraisal, Servicer must verify the appraisal conforms to the format noted above and contains all detail prescribed within the loan commitment conditions. The valuation determination contained within the appraisal must support the collateral position for which the loan commitment was predicated and does not contradict nor present material deviations from information contained within the loan file.

Appraisals must be dated within six (6) months of loan closing, assuming a stable market. Otherwise, borrower shall provide a new or updated property appraisal. The appraisal shall be carefully reviewed to determine if comparable sales and rental data adequately reflects the subject property and assumptions associated with the project. Proximity of comparable

properties to the subject, compatible markets served and similar physical condition of each property can be established through adjustments made by the appraiser. Any adjustment, in either direction, greater than twenty percent (20%) of the appraised value of the subject property from comparable properties should be reviewed with caution. In reviewing the income valuation for the subject property, particular attention should be afforded to rental income data between properties. As the subject will rely on below market rent schedules, comparable property income should be adjusted accordingly where market rents exist.

- f. Permitted Use – Where a change of existing use or new development are components of the proposed project, borrower shall provide a copy of the building permit, plat map, zoning restrictions and evidence of local participation (if applicable). A valid building permit shall serve as evidence that the governing jurisdiction has authorized commencement of the project. The permit, plat map and zoning restrictions shall be compared against the project description provided by borrower for consistency. Evidence of local participation shall establish the responsibilities of the local jurisdiction for on- and off-site improvements and any beneficial waivers or exceptions to established codes or administrative policy.
- g. Certain projects may not have all permits in place prior to loan closing, as the Program may be used to perform preceding requirements, or financial constraints may require receipt of loan proceeds before the expense of permitting is incurred. In such case, Servicer shall verify with the local jurisdiction that all preconditions for permit have been satisfied.
- h. Environmental Assessment – The underwriting decision shall provide reasonable expectation that any redevelopment or new construction project is in compliance with all applicable environmental laws. The loan file will require the following documentation:

Loans under \$100,000 – Borrower indemnification from liability as stipulated in the Deed of Trust

Loans of \$100,000 to \$500,000 – Borrower to provide a copy of Phase I report. In lieu of a formal report, Servicer shall interview all relevant parties, conduct a visual examination of the property and document all findings to the permanent loan file. Additionally, Servicer may be requested to submit such informal report for a transaction screen to a third party for more detailed background.

Loans greater than \$500,000 – Borrower shall provide a complete Phase I Environmental Assessment and/or Phase II Environmental Report as necessary, including results from any additional testing or remedies noted in the report.

- i. Performance Contracts – Any transfer of real property must be evidenced by a fully executed real estate contract that details all provisions and performance dates of the transaction. A fully executed Amend/Extend Agreement between parties shall evidence any modifications of the original terms. Where borrower has contracted a third party (General Contractor, subcontractor, Architect, or developer) to provide services to complete the project, copies of the agreements shall be provided for review. Terms and provisions of all contracts shall be deemed appropriate for the nature and scope of the project and supersede any conflicting details contained in the project outline.
- j. Architectural Plans and Specifications – Any redevelopment or construction projects must be supported by floor plans, elevations and cost breakdown, provided by borrower, completed by a licensed professional. Such documents shall also include a structural and environmental engineering report, as well as a soils report from licensed professionals. These documents shall be examined to verify project descriptions included in the outline, cost figures utilized in pro forma projections, suitability of the project for the target market, quality of construction, and any issues that may affect the timing or overall cost of the project not addressed in the pro forma statements. Suitability measures shall include unit square footage, relative to the

proposed tenant population, room and building configurations, and other amenities to be included in the overall project.

- k. Title Commitment – Borrower must provide an ALTA Commitment from a duly licensed agency that lists the Program as an insured party according to the lien position priority. The Program shall be indemnified for the full amount of the proposed loan. All requirements stipulated for such coverage shall be resolved to the insurers satisfaction prior to loan funding. Any exceptions for coverage shall not be in conflict with the security interest taken by the Program or compromise the proposed intent of the project. Any existing Restrictive Covenants shall omit restrictions or covenants based on race, color, religion, sex, handicap, familial status or national origin. Endorsements to the title policy that insure over listed exceptions shall be deemed acceptable.
- l. For purchase of existing improvements, an Improvement Location Certificate (ILC) shall be provided by borrower from a licensed Land Surveyor and submitted to the Title Insurance agent for review and indemnification. The survey (or ILC) shall be examined to identify any potential easement or property boundary conflicts that may compromise the proposed project. Where improvements are to be constructed or relocated, an ILC shall be provided within thirty (30) days of completion of the foundation.
- m. Certificate of Taxes Due for the most recent year shall be provided by the Title Insurance agent and included in the preliminary Title Commitment. Borrower, prior to loan funding, shall provide proof of payment for any taxes shown as due and payable. The Program shall not require an independent escrow account for the payment of subsequent taxes and other assessments.
- n. Insurance – Borrower must provide evidence of coverage, listing the Program as an insured party according to the lien position, for Property and Casualty insurance, Worker’s Compensation, and Builder’s Risk Insurance from reputable and licensed insurers. P & C coverage shall provide coverage equal to the value of improvements with guaranteed full replacement value and general liability coverage for a minimum of \$1,000,000 per occurrence and \$2,000,000 aggregate. These amounts should be adjusted higher dependent on the scope of the proposed project. Worker’s Compensation coverage shall be evidenced prior to commencement of construction, redevelopment or rehabilitation activities upon the subject property, providing at least the minimum amount prescribed by state statute. A Builder’s Risk policy shall be enforce at the time of loan funding for an amount not less than the total outstanding loan obligation, not to exceed the value of improvements to the property.
- o. Flood Insurance – Any loan secured by real property shall require a Flood Certificate, provided by borrower or contained within other assessment reports, which establishes the flood zone designation for the property. Ideally, all dwelling improvements shall be located outside the FEMA designated 100-year floodplain and in compliance with any local floodplain designations and development ordinances, as evidenced by the building permit. For any loan secured by real estate improvements to be used as dwellings and where those dwellings exist within the 100-year boundary, borrower shall provide adequate floodproofing measures and evidence of flood insurance prior to loan closing. Where improvements are within, or in close proximity to, the designated 100-year floodplain boundary, borrower shall institute a procedure for notification to all tenants or homeowners of the risks associated with the designation. The procedure shall be ongoing to account for turnover of units. Where *any* portion of the subject property lies within a 100-year floodplain, all dwelling units must be permanently affixed to a foundation. In no case shall the amount of the Program loan exceed the limit of flood insurance coverage.

- p. Historic Designation – Where the subject property will rely on Historic Preservation Tax Credits or other local, state or federal preservation grants, borrower shall provide evidence of the designation from the appropriate registry.
- q. Third Party Verifications – At the discretion of Servicer or its advisors, the Program shall retain the right to verify any information provided by borrower, financial participants, or others contracted to perform services through third parties associated with the proposed project. Such verifications shall be treated as confidential due diligence to determine credit worthiness of the borrower, suitability of the project as collateral, appropriateness of the project in advancing the mission of the Program, and likelihood of future participation and contingency planning. Prior to obtaining third party reports, Servicer shall provide adequate disclosure of such inquiry and obtain written authorization, as appropriate or prescribed by law.

3. Loan Funding – At such point that all underwriting conditions have been satisfied and in accordance with timing requirements of performance contracts, Servicer will provide a written detail of any conditions or documents necessary prior to executing the loan documents. To the extent possible, borrower shall be provided copies of all documents to be executed in advance of loan closing for their review. To the extent practical, all loan documents utilized by the Program shall adequately protect the interests of the organization while conforming to all applicable federal, state and local statute. At a minimum, loan documents shall be reviewed for enforceability and compliance by qualified counsel at least annually.

The Servicer representative presenting the loan documents shall assume responsibility for satisfying funding requirements prior to disbursing loan funds to *any* party. All multi-page documents shall bear the initial(s) of all borrower(s) at the bottom of the document, except where signature(s) are required. The loan package must include the following:

- a. Original Settlement of Escrow Statement - Prepared by the escrow agent engaged by the parties, Servicer shall request a copy in advance of closing to review for completeness and accuracy of all entries. City shall be listed as a lender, with all applicable loan fees listed by category. The file copy shall have signatures of all parties to the transaction.
- b. Promissory Note – Servicer shall prepare and review for accuracy a Promissory Note to be executed by borrower at loan closing. The terms of the approved loan shall be accurately reflected on the appropriate Note form, with any specific provisions in addition to, or in lieu of, the standard document text inserted under “Additional Terms”. Standard provisions shall reflect an actual over 360-day interest accrual basis, accelerated default rate, no minimum finance charge, late charge of 5% of unpaid payment amount if received more than 10 days beyond due date, unless otherwise approved.
- c. Commercial Loan Agreement – Servicer shall prepare and review for accuracy a Commercial Loan Agreement to be executed by borrower at loan closing. All terms and parties to the transaction shown shall be an exact match of the Promissory Note. Additional Representations and Warranties (Schedule A) shall detail the approved use of loan proceeds. Annual financial reporting (Schedule B), within 90 days of borrowers’ fiscal year end, shall be deemed acceptable unless special circumstances are known to exist. Any other special requirements in need of prior Program consent noted in the loan approval shall be detailed in Schedule C.

If, as a result of the annual review, it is determined that the project, or borrower, has failed to maintain sufficient credit capacity or provide reasonable assurance of credit quality, the Program shall retain the right to call the loan. In such case, Borrower shall be provided thirty (30) days from the date of Notice of Cancellation to satisfy all outstanding principal, accrued interest, penalties and loan fees. If payment in full has not been received within the timeframe established, the loan shall be deemed to be in default, subject to any and all measures sanctioned by local, state and federal codes and ordinances.

- d. Deed of Trust – Servicer shall prepare and review for accuracy a Deed of Trust that corresponds to the nature of the collateral property, if applicable. All terms and parties to the transaction shall be an exact match of the Promissory Note. The standard provision for change or modification of insurance coverage shall be 15 days. The escrow agent engaged by parties to the transaction shall be employed to notarize and record the executed document with the appropriate public office. If applicable, all necessary riders to the Deed of Trust will be prepared and executed in a similar manner.

Where the proposed loan is approved and issued without benefit of real property collateral, Servicer shall prepare and review for accuracy a Commercial Security Agreement that identifies any and all forms of collateral pledged by the borrower, as prescribed within the commitment. All terms and parties to the transaction shall be an exact match of the Promissory Note. The standard provision for change or modification of insurance coverage shall be 15 days, with a deductible amount of \$5,000, unless otherwise negotiated with the borrower at a reasonable level. Servicer, or assigned representative shall notarize and record the executed document with the appropriate public office and further evidenced through filing of a UCC Statement.

- e. Assignment of Rents and Leases – Servicer shall prepare and review for accuracy an Assignment that corresponds to the nature of the loan, if applicable. All terms and parties to the transaction shall be an exact match of the Promissory Note. The escrow agent engaged by parties to the transaction shall be employed to notarize and record the executed document with the appropriate public office.
- f. Uniform Commercial Code – For loans deemed appropriate to sell to a third party or unsecured by real property, Servicer shall prepare and review for accuracy a financing statement in accordance with UCC standards for a security interest in personal property, fixtures and chattels located at the property securing the Promissory Note, or in lieu of a real property security interest. Such instrument shall be recorded with the appropriate state agency of the property location. Fees for filing the instrument will be the responsibility of the borrower.
- g. Loan Proceeds – At least 24 hours prior to the scheduled loan closing, Servicer shall set up a wire transfer to the bank account of the escrow agent engaged by parties to the transaction in the amount of loan amount, less any fees to be collected from borrower payable to Servicer and the Program. Where an escrow agent is not engaged, certified funds (cashier’s check) will be drawn for the amount of the loan, less any fees to be collected from borrower and payable to Servicer and/or the Program. Loan proceeds check(s) shall be payable to the property seller and/or contracted agents, service providers, or those contracted to perform specific functions identified as the purpose of the loan.
- h. Initial Draw Request – If the purpose of the loan is a revolving line of credit or construction loan, borrower shall provide a completed draw request for any proceeds payable at closing. All subsequent requests will be maintained in the permanent file.

4. Post Closing Procedures – Within 48 hours after a loan has been closed, Servicer must conduct a complete review of the loan file to insure all documents are correct, complete, and secured in the permanent loan file. The Promissory Note shall be placed in safe deposit with a financial institution, while the original Commercial Loan Agreement and all recorded instruments maintained within the file. Additionally, Servicer will assume responsibility for monitoring:

- a. Receipt of recorded documents – Within 60 days of loan closing, Servicer should be in receipt of the all recorded documents. If not received, Servicer will contact the appropriate public office to determine if the instrument has been received, recorded, or subject to processing delays. If recording has been delayed, an appropriate follow up period will be established. If recorded more than 7 business days prior, Servicer shall request the public office perform a document search and report their findings within 10 days. If not received within such time, Servicer shall request that the public office provide a certified copy of the document and

forwarded by registered delivery. If the document has not been received by the public office within 60 days, Servicer shall contact the escrow agent to request a document search. Escrow agent shall be instructed to provide gap coverage for the title insurance policy, obtain new signatures on replacement documents, if necessary, and record the document at the earliest possibility.

- b. Registration – Upon execution of the loan, Servicer shall enter the new loan into the loan servicing system and establish follow-up dates for insurance renewals, permits, annual reporting, maturity notice and all other relevant schedules.
- c. Receipt of Permits – At the time of loan closing, certain projects may not have all applicable permits from the local jurisdiction. In such cases, Servicer will follow-up within an appropriate period of time with the borrower and/or local jurisdiction to receive such permits. If it is determined that permits cannot be issued, Servicer will inform LC for further instruction.

5. Construction Loan Procedures – Construction loans shall be specifically designated for the costs directly associated with the construction or rehabilitation of real property. Direct costs may include labor, materials, professional contractors, permits, licenses, testing and other public fees. Administrative allowance and supervision expense may be included, though shall not exceed eight percent (8%) of the project cost. Developer profit shall not be included in the overall project cost basis for determining the Program loan amount. Additionally, Draw Request amounts shall be subject to a ten percent (10%) retainage of any non-developer profit inclusions.

Construction loan terms shall not exceed twenty-four (24) months and shall be subject to annual review of borrower financial strength, and that of the project. The annual review shall occur within sixty (60) days of each anniversary, with borrower providing a complete Balance Sheet and Income Statement for the most recent year, plus year-to-date statements if more than six (6) months have elapsed since the end of the fiscal year, as well as updated financial and production statements for the project. The annual review shall assess the credit capacity of the borrower as if the request were a new loan application and in accordance with the decision matrix in Section III. Additionally, Servicer shall complete a progress report that compares the actual and budget costs to-date, as well as the projected and actual completion schedule. If necessary, borrower may be required to supply any additional documentation deemed appropriate for the review, or to provide alternate financing arrangements should the loan not be extended.

If it is determined that the project, or borrower, has failed to maintain sufficient credit capacity or provide reasonable assurance of credit quality, the Program shall retain the right to call the loan. In such case, Borrower shall be provided thirty (30) days from the date of Notice of Cancellation to satisfy all outstanding principal, accrued interest, penalties and loan fees. If payment in full has not been received within the timeframe established, the loan shall be deemed to be in default, subject to any and all measures sanctioned by local, state and federal codes and ordinances.

Upon execution of a construction loan, borrower shall be provided with Draw Request forms and a Completion Report, which shall be completed by borrower and submitted to Servicer for release of funds. Servicer shall provide ongoing assistance to the borrower in completing and submitting any necessary documentation, as well as tracking actual versus budget costs. Servicer will draft payments in the name of specified vendors upon receipt of the following:

- a. Draw Request – Must be completed and signed by borrower and General Contractor, if applicable, accompanied by copies of all invoices to be paid under the request. All previous draw payments must have a corresponding lien waiver signed by payee. Prior arrangements must be approved anytime payments are made to anyone other than the vendors listed on the invoices provided or the General Contractor authorized to accept and remit such payment items. Draws shall be limited to one (1) per month without prior Program approval.

- b. Completion Report – Borrower shall provide an accounting of the invoices to be paid and corresponding cost category to the initial construction budget. Servicer shall transfer this information to a file copy that reflects cumulative totals and provided to borrower within fifteen (15) days of the draw request to identify any potential budget conflicts.
- c. Inspection Report – Servicer shall perform a visual interior and exterior inspection of the construction project, where appropriate, prior to issuing checks. Particular care should be taken to compare permit inspections with the progress shown on the Completion Report. Servicer shall verify that materials shown on invoices are physically present on site.
- d. Improvement Location Certificate – Within thirty (30) days of the completion of improvement foundation, borrower shall provide an ILC, which demonstrates the improvement lies within the property boundaries and does not encroach upon easements, or setbacks that cannot otherwise be remedied by title insurance endorsements.

6. Revolving Loan Advance Procedures – Line of Credit loans shall be specifically designated for the costs associated with acquisition, predevelopment, minor rehabilitation, gap or bridge financing for eligible projects. In all cases, the term of the line shall not exceed three (3) years and require annual full financial review. Credit facilities issued for terms longer than 12 months shall include a provision requiring the borrower to clear all outstanding balances against the line for a minimum of thirty (30) days per year. To maximize impact of the Program, line amounts shall provide reasonable capacity for borrower activity without over-committing credit limits that tie-up capital unnecessarily. The annual review shall occur within sixty (60) days of each anniversary, with borrower providing a complete Balance Sheet and Income Statement for the most recent year, plus year-to-date statements if more than six (6) months have elapsed since the end of the fiscal year. The annual review shall assess the credit capacity of the borrower as if the request were a new loan application, according to the decision matrix in Section III. As part of the review process, Servicer may recommend adjustments to the line amount based upon usage, or by borrower request. Fees associated with such adjustments shall be considered on loan-specific circumstances.

If, as a result of the annual review, it is determined that the project, or borrower, has failed to maintain sufficient credit capacity or provide reasonable assurance of credit quality, the Program shall retain the right to call the loan. In such case, Borrower shall be provided thirty (30) days from the date of Notice of Cancellation to satisfy all outstanding principal, accrued interest, penalties and loan fees. If payment in full has not been received within the timeframe established, the loan shall be deemed to be in default, subject to any and all measures sanctioned by local, state and federal codes and ordinances.

Borrower shall be provided with a supply of Advance Request forms for completion prior to any disbursements. Advances shall be limited to two (2) requests per month for a minimum amount of \$3,000 without prior Program approval.

III. PROGRAM PARAMETERS & UNDERWRITING MATRIX

A. Program Parameters – Exceptions to program descriptions may be allowed according to Underwriting Matrix

Description	Predevelopment	Bridge/ Acquisition	Construction/ Rehabilitation
Borrower	Private for-profit or non-profit entities	Private for-profit or non-profit entities; Owner Occupant Proprietor	Private for-profit or non-profit entities; Owner Occupant Proprietor
Loan Amount	Up to \$250,000	Up to \$1,500,000	Up to \$1,500,000
Use of Funds	Third party development costs	Bridge third party financing or acquire property for development	Fund a portion of construction/rehabilitation costs prior to permanent financing
Term	Line of Credit: 1 year with no rest period; 2 years with 30-day annual rest period.	Up to 3 years	Up to 3 years
Loan Fees	1.0 to 2.0% Origination, plus third party charges	1.0 to 2.0% Origination, plus third party charges	1.0 to 2.0% Origination, plus third party charges
Collateral	Negotiable	Real Property; Subordination allowed	Real Property; Subordination allowed
Cost Recovery Fees	Third party service fees to be paid by borrower	Third party service fees to be paid by borrower	Third party service fees to be paid by borrower
Rates	Variable; Prime Rate Plus 3.0%	Variable; Prime Rate Plus 3.0%	Variable; Prime Rate Plus 3.0%

B. Underwriting Matrix

1. Loan Committee is empowered to operate within the established loan approval parameters, expressed below.
2. In the event LC seeks approval authority beyond stated policy, special request may be made to City Council without remanding credit decision authority to Council.
3. (*) Denotes review as overall Cost of Funds changes.

Aspect	Loan Committee
Service Areas	Colorado
Collateral Type	Secured by real property up to \$1,500,000; Unsecured or chattel up to \$250,000.
Payment Terms	Deferred up 3 months; payment amounts less than, or equal to 75% Borrower cash flow.
Interest Rate Margin¹	Cost of Funds margin less than 1.0%.
Term Length	30 year amortization; due in 3 years, or less
L Loan Amount	Less than, or equal to, \$1,500,000 per Borrower or Source of Repayment;

¹ Cost of Funds shall be demonstrated from the most recent internal cash management report of the City, to include those funds allocated to the subject loan program, excluding variable rate capital sources.

Lien Position	3 rd position; Participation; Re-subordination
Debt Service Ratio	Greater than or equal to 1.10 of net project income.
Loan-to-Value	Less than, or equal to 90% of appraised market value or sales price, whichever is lower.
Risk Classification	3
Organizational Capacity	Less than 2 year operational experience.
Aspect	Loan Committee
Appraisals	Line item adjustments less than, or equal to, 25% of market value; Determination of appraisal form require- ments; Interpretation of formal appraisal policy; Waiver of formal appraisal requirement on loan amounts of \$300,000, or less.
Flood Designation	Within 100-year flood zone <i>and</i> meets other policies
Loan Document Provisions	Establish required documents
Portfolio Considerations	Loan restructure within underwriting guidelines; write-down less than, or equal to, 25% of total of payments
Modifications	Loan maturity or payment extensions between 31-90 days.
Subsequent Loan Approvals (Previously approved loans, at any level, where no substantive changes are made to parties, terms or financial consideration)	Loan amount increases up to \$500,000. Resulting loan amount shall not exceed maximum approval level authority.

IV. PORTFOLIO MANAGEMENT

A. PROJECT FINANCING

1. **Diversification** – In exercising sound portfolio management practices, the Program shall pursue reasonable loan diversification relative to loan size, term, payment structure, interest rate, geographic location and individual borrowers.
 - a. **Maximum Loan Limit** – Loan requests in excess of \$500,000 shall be subject to particular scrutiny, based on total capitalization of the related loan fund. In addition, no single borrower shall be obligated to outstanding Program loans that constitute 30% of the related loan pool. This restriction shall be waived in cases where dedicated outside funding sources have substantially mitigated potential losses on a loan that would otherwise count against the borrower. This restriction shall be extended to cover any single project that includes multiple borrowers, such that capital exposure is not circumvented.
 - b. **Loan Terms** – In structuring loan commitments, consideration shall be given to matching the terms, interest rate and repayment structure with internal sources of funding to avoid negative capital positions, cash flow imbalances, or margins insufficient to cover operating costs. Conversely, excessive idle capital or interest spread shall be viewed as a considerable deviation from the Program’s mission.
 - c. **Borrower Definition** – For the purpose of limiting capital exposure to any one entity, the term “Borrower” shall be defined as the entity(s) or individual(s) assuming liability for repayment of principal, interest and all other loan fees. This definition shall be extended to all other entities or individuals that possess an ownership interest of twenty-five (25%) percent, or more, in any entity obligated to the Promissory Note.
2. **Reporting, Risk and Compliance Review** – Servicer shall conduct ongoing review of outstanding loans to identify potential compliance issues as to the purpose or effect of the loan, changes in financial position of the borrower, their contractors, subcontractors, affiliates or contributors, progression of project construction and/or rehabilitation, financial commitment and adherence to all other specifications. Servicer shall prepare and present to LC the following reports at least quarterly, more frequently as circumstances may dictate.
 - a. **Cash Flow Report** – A rolling sixteen (16) month report that demonstrates month-by-month capital receipts, principal recapture, loan disbursements, and forward commitments of the loan program. This information will provide the means for monitoring the cash position of the Program, project timing and ability to fund new applications or extend existing loans. This report will always show year-to-date activity.
 - b. **Loan Capitalization Report** – A detail of all existing sources of capital, terms, receipt and maturity dates, capitalization rate and funding restrictions. Utilizing this report, loan requests can be evaluated against limitations of fund sources, priced according to the current cost of funds and predictability of future resources.
 - c. **Loan Terms** – A summary of all existing and past loan agreements that reflects loan amount, execution, maturity and payoff dates, interest rate, payment terms and deployment rate of Program capital. This report shall be used a guide for determining terms for similar loan requests and evaluating relationship activity.
 - d. **Loan Fund Accounting** – A year-by-year detail of borrower activity, project impacts, project mix, and participant demographics. This report will demonstrate the community impact of lending activity in meeting the objectives of the Program, while providing a barometer for cost effectiveness for future funding activities.

- e. **Risk Aging** – A year-by-year detail of past and existing loans that reflects borrower, loan amount, terms, execution and maturity dates, risk rating, reserve provision, percentage of loan portfolio, delinquency, actual loss, loss recovery and payment rating. This report shall provide a detailed analysis of the overall loan portfolio condition and identify the necessity for corrective measures to insure the integrity of the loan program.
 - f. **Change in Loan Condition** – Based upon ongoing loan review, Servicer shall present a report specific to any outstanding loan that exhibits conditions that may affect the risk rating (positive or negative) of the loan. Such issues may include environmental, market or political conditions, project costs or specifications, financial participation, organizational or management changes, progression of construction or rehabilitation, or other material deviations from conditions at the time of loan approval.
 - g. **Loan Analysis** – Servicer shall prepare a reconciliation report to show adjustments, itemized according to loan pool, to demonstrate entries to the Program Financial Statements. This report will illustrate the impact of individual loan performance, aggregate portfolio growth and credit quality of underlying loans within the portfolio.
- 3. Risk Rating and Loan Loss Reserves** – As a component of the underwriting process, loan applications shall be assessed for risk qualities at the time of the loan request and assigned a rating according to the matrix below. If, at any time, Servicer identifies material changes to the factors considered in the initial rating, a reassessment shall be appropriate. The assignment of a rating shall be based upon sound judgment of borrower characteristics and analysis of all documentation provided to achieve a loan decision. Specific factors shall include: borrower capacity, scope and quality of the proposed project, collateral strength, and repayment ability. As the rating is a direct reflection of the likelihood of loan default, particular care shall be taken to compare the loan request with past performance of the borrower, similarities to other past or present Program projects, local economic trends and input from other financial partners.

The need for reserve provisions may be re-evaluated from time to time to reflect the overall portfolio quality, historical losses and delinquency rates, national and local economic conditions, Program credit administration policies, and loan concentrations geographically, by project type and individual borrowers.

QUALITY	CHARACTERISTICS
1 High	Loan is considered very low risk. Cash flow and collateral in the project is very strong with stable margins. Borrower has solid financial capacity, high liquidity and strong organizational capacity. No more than one 10-day delinquency for prior loans to borrower. All purchase money Residential Assistance loans secured by real property shall be rated at 1 due to program parameters for collateral. Financial capacity is considered sound.
2 Sound	Loan is considered low risk with sufficient margins for protection. Cash flow may be erratic or tight, but greater than 1.1 debt coverage over the term of the loan. Collateral strength may be limited, but less than 100%. Borrower has reasonable financial capacity, liquid and organizational capacity. No more than two 10-day delinquencies in any prior 12-month period, no 30+-day delinquencies for prior loans to borrower.
3 Acceptable	Loan risk is considered acceptable. Declining or highly erratic cash flow may not be uncommon, with a debt coverage ratio less than 1.1. Collateral strength may be limited, though no greater than 100%. Limited organizational capacity or lack of managerial experience may not be uncommon. No more than three 10-day delinquencies in any prior 12-month period, no more than one 30-day delinquency for prior loans to borrower.
4 Unacceptable	Loan risk is high due to delinquency or other threat of loan default. Organizational capacity is highly suspect. All restructured performing loans shall be classified as Unacceptable.
5 Doubtful	Loans considered unlikely to perform according to terms, but not yet charged off.

4. Loan Repayment – In establishing the terms of repayment of a loan, the Program will make all reasonable attempts to provide borrower with a manageable payment schedule that provides the greatest opportunity for the project to succeed. However, that effort shall be balanced against the need to practice sound financial management. Portfolio considerations in establishing payment terms shall include:

- a. **Recency** – Where payment cycles are greater than thirty (30) days, the ability to monitor borrowers’ willingness and ability to repay are diminished. Due consideration of borrowers’ risk classification and cash flow components of the project shall be accepted prior to extending any such offer.
 - b. **Interest Accrual** – Although interest accrual shall be simple, rather than compounding, borrowers’ ability to repay larger lump sums of interest shall not present undue burden on projected cash flows.
 - c. **Internal Cash Flow** – As FP relies on repayment of principal and interest to replenish the loan fund and service internal commitments, deferred or extended payment cycles on individual loans shall not be permitted where internal cash flow is materially compromised.
- 5. Delinquency** – In all cases, all payments of principal, interest and other charges are due no later than the close of business of the date specified within the loan documents. After such time, the affected payment shall be considered delinquent, though penalties shall not apply until ten (10) business days have lapsed. If, by the close of business on the tenth day, the scheduled payment has not yet been received, a penalty equal to five (5%) of the payment amount shall be collected in addition to the scheduled amount. If the subsequent payment is insufficient to satisfy the penalty, the remaining penalty shall be added to the principal amount of the loan. Until the point when payment is forty-five (45) days past due, Servicer shall retain the ability to make all satisfactory arrangements for payment, including waiver of any penalties where appropriate.

The following procedures shall be taken in cases of delinquency:

- a. **10 days past due** – A late payment notice is mailed to the borrower, reflecting the scheduled payment amount, due date, penalty amount and request for immediate response. Direct communication with the borrower shall occur if delinquency has occurred within the prior 12-month period.
- b. **20 days past due** – A phone call and/or site visit shall be arranged to determine status of the project and resolve delinquency. Arrangements shall be made to insure future compliance with the established payment schedule.
- c. **30 days past due** – A second notice shall be mailed to borrower and mandatory site visit shall be performed. Demand for current financial statements shall be delivered under separate cover.
- d. **45 days past due** – Servicer shall complete a full report that details the nature of all contact with borrower, any outstanding concerns of the borrower, results of all discussions with borrower, its representatives and/or counsel, and analysis of updated borrower financial statements. The report shall be submitted to PRC for further consideration.
- e. **60 days past due** – A default committee consisting of Servicer, one or more members of PRC, and the City’s legal counsel shall be convened to discuss all appropriate measures, including, but not limited to, sending notice of Right to Cure and loan restructure options. Recommendations shall be made to PRC for approval prior to action.
- f. **90 days past due** – Default committee shall recommend further action strategy to PRC for approval, which may include form and tone of further communication with borrower and/or its legal counsel, loan restructure, recognition of loan loss, sale of the loan or foreclosure on security interest.

- g. Dependent upon the extent of delinquency and other factors identified through the process, Servicer and/or default committee shall re-evaluate risk rating of the loan. Any adjustments shall be approved by LC and reported to the Council at its next subsequent meeting.

6. Restructuring – Prior to loan maturity or payment default, outstanding loans may be refinanced under a new obligation or benefit from renegotiated terms without negative implications to the Program. Borrowers shall not necessarily be considered higher risk applicants, depending on relative circumstances. However, in those cases where default has occurred (more than 30 days beyond maturity or payment date), negotiations to deviate from the original terms of the Promissory Note and imply reduced earnings or extension of principal recapture to the Program shall be deemed a Loan Restructure. Such action may have negative implications to the overall rating of the Program loan portfolio and shall be cause to increase the risk rating of the borrower.

Although restructuring a loan is preferable to outright loss, considerable evaluation of the financial condition of the borrower, viability of the associated project, impacts from and to other project participants, alternative capitalization of the project and/or borrower and impacts to Program's financial condition shall be evident in such negotiation. Preference shall be given to terms that offer principal reduction, terms less than twenty-four (24) months and without deferred payments. Restructure terms shall be approved according to the standard decision matrix in Section III.

7. Foreclosure – As the recourse of last resort, the default committee assigned to a particular loan file shall clearly demonstrate the exhaustion of all other prudent alternatives in a presentation to Council for approval. Prior to any formal action, a Notice of Right to Cure, Notice of Loan Acceleration and personal meeting with borrower and legal counsel shall be complete and documented in the borrower's file. Occasionally, a deed-in-lieu of foreclosure may be accepted where prior or junior liens, judgment or tax liens have not been filed against the property. Where those exist, foreclosure is typically a better option.

- a. Where foreclosure, or deed-in-lieu of, becomes a formal action, every effort shall be pursued to factor the mortgage and security interest to a third party. It is not within the scope of the organization nor in the best interest of public relations to take a property to sale or assume ownership of loan collateral.
- b. If Servicer is in receipt of a Notice to Foreclose through the action of any other lienholder, or Notice of Tax Sale from the County Treasurer, Servicer shall conduct a thorough review of the loan file to identify any limitations to the security interest held, remedy any deficiencies, to the extent possible, and prepare a summary report for immediate consideration by LC for appropriate action. Should the outstanding principal and accrued interest exceed \$400,000, LC shall provide a recommendation and refer the item to the Council for determination of further action.
- c. Servicer shall immediately issue a Notice of Acceleration to the borrower advising of default under the terms of the security instrument and demand for payment of all outstanding principal, accrued interest, public recording fees and applicable charges under the Note.
- d. Upon verification that any third party has acquired full entitlement to the Public Trustees Deed, or where a public entity has seized FP loan collateral, Servicer shall recommend loan loss recognition to the LC and Board for the full amount of outstanding principal balance.

8. Bankruptcy – Upon advisement of bankruptcy petition, all direct collection efforts with the borrower will cease, with the City's legal counsel engaged to direct further procedure. Servicer shall obtain official copies of the Bankruptcy Petition, payment plan (if applicable) and legal representation contact information for the debtor to verify accuracy of the Program debt, borrower information and

proposed treatment of the Program obligation. Servicer shall establish an appropriate schedule for follow up with City's counsel and reporting to the LC and Council.

- a. Servicer shall conduct a full review of the loan file for completeness and accuracy, noting any deficiencies that may affect ability to recover losses.
- b. Servicer shall prepare and deliver to borrower and/or borrower's legal representation a Notice of Acceleration advising that all outstanding principal, accrued interest, public recording fees and other applicable charges due under terms of Note are immediately due and payable. Subject to prevailing federal code, acceleration of the Note may be limited or prohibited. However, proper notice must be delivered to borrower so as not to preclude potential remedies under such code.
- c. Servicer shall prepare and deliver to the adjudicating court a Proof of Claim and attending support documentation of the obligation to insure proper recognition and treatment of the Note throughout legal proceedings. Where borrower has petitioned under Chapters 11 or 13 of federal bankruptcy code, Servicer may seek advisement of counsel, Default Committee, or LC to determine the most appropriate payment plan proposal.
- d. Loan loss recognition shall occur at such time counsel issues an opinion that recovery of any portion of the outstanding principal is unlikely. Such loss recognition shall be equal to that portion of principal balance unlikely to be recovered.

V. VALUE-ADDED SERVICES

A. PROJECT FINANCING

1. Application Process – In fulfilling the mission of the Program, Servicer shall provide a high level of assistance to potential loan applicants in completing the application, assembling supporting documentation, identify strengths and weaknesses of the proposed project and management team, identify beneficial partners for the success of the proposed project, explore sophisticated financial strategies that offer greater opportunity for success, and frequent communication with loan applicant to provide valuable insight on status and findings.

- a. Recognizing that some applicants may be uninitiated to traditional finance methods, downtown redevelopment, and economic development incentives, providing sound advice and constructive criticism throughout the process will amplify the impact of Servicer activities.
- b. It is the intent of the Program to request no greater level of documentation to render a credit decision than that required by traditional lending sources. In most cases, the Program will require less detail than other financial partners, provided other financial participants have collected and adequately assessed risk factors deemed relevant to the Program credit decision. When possible, Servicer will assist applicants collect and understand the components of the application package and underwriting rationale.
- c. As an ongoing strategy, Servicer shall explore and become very familiar with emerging and complex financial tools and strategies that offer opportunities unfamiliar to housing developers. A component of the Servicer marketing shall emphasize the technical resources of Servicer and other known experts within its referral network.
- d. Providing feedback and critical assessment of the application package, Servicer shall strive to gain genuine rapport with applicants, while providing the opportunity to obtain a more comprehensive view of issues and challenges. Additionally, applicants will benefit from learning first-hand how decisions are made, as well as receiving objective analysis of the application. Such efforts will aid future efforts of all parties.

2. Funding Sources – Servicer shall research and coordinate efforts to bring outside resources to bear in securing adequate funding packages for existing and potential borrowers. In addition to other capitalization activities, Servicer will develop a network of alternate funding sources in situations where the Program is unable to approve loan requests. This may include private placements, loan brokering, or outright referral.

3. Development Services – To fulfill its mission, Servicer shall develop a network of private sector developers, economic and community development agencies, governmental agencies, educational resource providers and other professionals. This network, along with internal capacities, shall form the basis for technical assistance that will provide both practical experience and professional perspective to greatly enhance the economic success and community impact of the proposed project. By incorporating greater experience in the management team and outside contributors, applications that might otherwise pose significant credit risks may be deemed quite sound.



Product Guideline
Loveland Jobs Development Program
(the “Program”)

Eligible Borrowers:	Public, private or non-profit entities or owner-occupant proprietors that propose to acquire, develop, rehabilitate or otherwise preserve commercial or mixed-use properties within the areas designated for the program.
Loan Amount:	Maximum loan for any single project is \$1,500,000. Collateral requirements and approval authority level defined within Section III of the Loan Policies & Procedures Manual.
Compatible Financing:	Program loans may be issued where terms and conditions of other financings do not compromise the credit or collateral quality of the Program investment without express knowledge of the Program.
Loan to Value:	Maximum Combined Loan to Value is 85% of contract purchase price or appraised valuation, whichever is less.
Debt Coverage Ratio:	Proposed projects should demonstrate a debt coverage ratio not less than 1.25% through the projected term of the Program loan.
Financial Statements:	Borrower must provide balance sheet and income statements cumulative through the current and prior years in a form sufficient to evaluate repayment capacity. The Program reserves the right to engage public and private third-party verification sources, including credit reporting agencies, to assess relevant risk factors of the proposed loan.
Repayment:	Principal and interest payments must be repaid according to the terms and conditions set forth within the loan documents, as defined within the credit approval memorandum.
Use of Funds:	Proceeds may be used in the assessment, acquisition or construction of the project where all disbursements have been verified to meet all conditions set forth in the credit approval memorandum and loan documents.
Term:	Maximum term is 3 years.
Loan Fees:	A minimum of 1.0% or \$500, whichever is greater, is considered a standard assessment at the time of loan origination. All third party services and public recording fees are the sole responsibility of the borrower.
Collateral:	Real property located within the legal description of the project. In the absence of real property, the loan shall be deemed unsecured and subject to approval authority defined within Section III of the Loan Policies & Procedures Manual.
Interest Rate:	Rate pricing shall be prime plus 3.00% as established by the approval authority.
Exceptions Policy:	All aspects of Program eligibility and underwriting criteria are subject to approval authority defined within Section III of the Loan Policies & Procedures Manual.

EXHIBIT 4

OMB CIRCULAR A-110

<http://www.whitehouse.gov/omb/circulars/a110/a110.html>

EXHIBIT 5

OMB CIRCULAR A-122

http://www.whitehouse.gov/omb/circulars/a122/a122_2004.pdf

EXHIBIT 6

OMB CIRCULAR 1-133

<http://www.whitehouse.gov/omb/circulars/a133/a133.pdf>

<http://www.whitehouse.gov/goodbye/994d4168ead0937e11473dc94060d9b8d8da71a3.html>

http://www.whitehouse.gov/omb/circulars/a133_compliance/04/04toc.html

FIRST READING February 1, 2011

SECOND READING _____

ORDINANCE NO. _____

**AN ORDINANCE AMENDING LOVELAND MUNICIPAL CODE
SECTION 3.04.070 AUTHORIZING INVESTMENT OF CITY FUNDS
AND THE CITY INVESTMENT POLICY**

WHEREAS, the City is a home-rule municipality under Article XX of the Colorado Constitution, with the authority to exercise as large a measure of home rule in municipal affairs as may be granted in the republican form of government which the State of Colorado is obligated to maintain under its enabling act ; and

WHEREAS, the health, safety, and welfare of the citizens of the City of Loveland are matters of local concern advanced by the development, growth, and expansion of private enterprise within the City; and

WHEREAS, the creation and retention of primary jobs, stimulation of economic activity, increase in private sector development, and increase in sales and property tax revenues in the City will further the public purposes of providing significant social and economic benefits to the citizens of Loveland; and

WHEREAS, the City has adopted, by Resolution #R-103-2009, an economic development policy (the “Loveland Economic Development Policy”) to further the public purposes of creating or retaining primary jobs, stimulating economic activity, increasing private sector development, and increasing sales and property tax revenues; and

WHEREAS, by Ordinance No. ___ the City has amended the Loveland Economic Development Policy to rename it and establish criteria for the Loveland Jobs Development Program (the “Program”) to further the public purposes of social and economic development by providing bridge or gap financing for projects within the City to create or retain primary jobs, stimulate economic activity, increase private sector development, and increase sales and property tax revenues; and

WHEREAS, the City has also adopted, by Resolution #R-9-2003, the City of Loveland Investment Policy dated February, 2003 (the “City Investment Policy”) in accordance with Loveland Municipal Code Section 3.04.070, which permits the investment of City funds as authorized by State law; and

WHEREAS, Colorado Revised Statutes, §24-75-601.1(3)(b) expressly states that the statutory limits on investment of public funds do not limit the power of a home rule city to invest in any security or other investment permitted under the charter and ordinances of such city; and

WHEREAS, the City desires to amend Loveland Municipal Code Section 3.04.070 and the City Investment Policy to authorize the investment of City funds in projects meeting the requirements of the Program to further the public purposes of social and economic development

for the benefit of the citizens of Loveland.

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

Section 1. That Section 3.04.070 of the Loveland Municipal Code is hereby amended to read as follows:

3.04.070 Deposits--Investments.

The city council may from time to time designate by resolution those banks, savings and loan associations, and other such institutions, which meet the qualifications required by the laws of the state for depositories of municipal funds, in which funds and moneys of the city may be deposited. The finance director shall deposit all city funds in the name of the City in one or more of such institutions as may from time to time be directed by the city council. The city council shall by ordinance authorize investment of all or any part of such funds and moneys in securities and other investments which are authorized for such investment by the ordinances and resolutions of the City and state law.

Section 2. That the City Council hereby finds and declares that the investment of City funds in projects meeting the requirements of the Program is in the best interests of the public and the City and will further the public purposes of providing significant social and economic benefits to the citizens of Loveland through the creation and retention of primary jobs, stimulation of economic activity, increase in private sector development, and increase in sales and property tax revenues.

Section 3. That the City Council hereby amends the City Investment Policy to permit investment of City funds in projects meeting the requirements of the Program, as more specifically set forth on **Exhibit A** attached hereto and incorporated herein by this reference. The total investment of City funds in projects meeting the requirements of the Program shall not exceed Five Million Dollars (\$5,000,000.00) at any time.

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 ____ day of _____, 2011.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

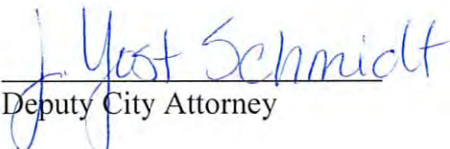

Deputy City Attorney

Exhibit ACITY OF LOVELAND **INVESTMENT POLICY** February, 2003 Approved by City Council 2-4-03

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VIII. SUITABLE AND AUTHORIZED INVESTMENTS

Most City funds are scheduled for specific purposes with maturities selected to coincide as closely as possible with the periods in which monies will be spent for their intended purpose, even though new money is coming in to replace the expended funds. Since the nature of the yield curve tends to be positive (i.e. the longer the term of investment the higher the rates that are available) the City will attempt to stagger the maturity dates on investments to meet the anticipated cash flow needs based on a cash flow analysis and the available yield curve information. However, it is the intention of the City to maximize investment return within the constraints delineated in this policy and according to investment marketability and diversification. In maximizing investment return, it is anticipated that specific securities may be sold prior to maturity.

Eligible Investments:

- All investments authorized by C.R.S. 24-75-601 and 24-75-702 (exhibit A) –
- Fully insured and/or collateralized certificates of deposit of commercial banks who have submitted a letter documenting that they are a Colorado Banking Board Eligible Public Depository –
- Interest bearing advances from one city fund to any other city fund –
- Investment in projects meeting the requirements of the Loveland Job Development Program Adopted by City Council, Ordinance No. _____, 2010, provided that the maximum total amount available for such investment shall be designated by ordinance of City Council from time to time and shall remain in the City investment pool until invested in specific eligible projects under the Loveland Jobs Development Program

Prohibited Investments:

- Purchases on margin or short sales –
- Derivative securities that are in effect a leveraged anticipation of future movements in interest rates or some price indices –
- Collateralized mortgage obligations due to their complexity and prepayment rate uncertainty –
- Lending securities with an agreement to buy them back after a stated period of time.
- If an eligible investment drops in its credit rating below the required level, the investment will be considered a prohibited investment and will be sold as soon as practical.



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

AGENDA ITEM: 14
MEETING DATE: 2/1/2011
TO: City Council
FROM: Betsey Hale, Business Development Manager
PRESENTER: Betsey Hale, Business Development Manager

TITLE:

A Resolution supporting location of the Ace Manufacturing and Innovation Center at the Agilent campus in Loveland, Colorado and authorizing a submission of expression of interest

DESCRIPTION:

This administrative action is a follow up to the January 18th City Council meeting. In that meeting City Council members considered a presentation from the Colorado Association of Manufacturing and Technology (CAMT) and discussed the City's support for a response to the site selection request for information for the Aerospace Clean Energy Manufacturing and Innovation Center (ACE). The City is proposing the ACE Center be located at the Agilent campus property.

BUDGET IMPACT: Not at this time

Yes No

SUMMARY: Objective 13.4.2 of the City of Loveland Comprehensive Plan states, the City should, "Formulate strategies for attracting large primary employers that satisfy the occupational needs of local residents." The City of Loveland's successful selection as the location of the first ACE Center in Colorado will lead to primary employment opportunities in aerospace, clean energy, electronics manufacturing, machining, engineering, welding and many other fields.

LIST OF ATTACHMENTS:

1. Resolution

RECOMMENDED CITY COUNCIL ACTION: Approve the Resolution

REVIEWED BY CITY MANAGER:

RESOLUTION #R-11-2011**A RESOLUTION SUPPORTING LOCATION OF THE ACE
MANUFACTURING AND INNOVATION CENTER AT THE AGILENT
CAMPUS IN LOVELAND, COLORADO AND AUTHORIZING THE
SUBMISSION OF AN EXPRESSION OF INTEREST**

WHEREAS, the Colorado Association for Manufacturing and Technology (CAMT) is a statewide manufacturing assistance center dedicated to increasing the competitiveness of Colorado manufacturers; and

WHEREAS, CAMT has entered into The Space Act Agreement creating a public-private partnership with NASA designed to strengthen Colorado's clean energy and aerospace manufacturing industries, to create CAMT's Technology Acceleration Program (TAP) to shorten the time between development and production of new clean energy and aerospace technologies, and to spearhead a regional innovation cluster to help Colorado companies leverage existing resources, share services and technology, engage business leaders, and strengthen Colorado's clean energy and aerospace workforce; and

WHEREAS, through the Space Act Agreement and regional innovation cluster, CAMT is connecting private and public enterprises, governmental entities and universities to focus on rapid commercialization of aerospace and clean energy technology; and

WHEREAS, CAMT projects that 10,000 jobs will be created across the state as a result of the regional innovation cluster, which is also anticipated to create a \$7 billion net economic output per year; and

WHEREAS, CAMT will partner with private sector companies to develop an Aerospace and Clean Energy (ACE) Manufacturing and Innovation Center, which will eventually house up to one hundred (100) businesses collaborating in sharing services, educational programs, equipment, and other resources, including access to public and private partner technology and expertise, thereby reducing the time between development and production of clean energy and aerospace technologies; and

WHEREAS, location of the ACE Manufacturing and Innovation Center at the Agilent Campus in the City of Loveland will provide CAMT with a move-in ready, high quality, research and manufacturing facility in a dynamic community with a history of supporting business innovation and collaboration, an existing cadre of businesses engaged in innovation cluster activities, an educated workforce, central access to Colorado's institutions of higher education, and a vibrant and welcoming place to live and work; and

WHEREAS, location of the ACE Manufacturing and Innovation Center at the Agilent Campus in Loveland will also provide significant benefits to the citizens of Loveland, Northern Colorado, and the State by creating jobs, enhancing economic development, creating opportunities for growth, and strengthening the business sector and community vitality; and

WHEREAS, CAMT has requested and the City desires to submit an expression of interest identifying potential sites for the ACE Manufacturing and Innovation Center.

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

Section 1. The City Council supports the location of the ACE Manufacturing and Innovation Center at the Agilent Campus in the City of Loveland.

Section 2. The City Council supports and authorizes the development and submission of an expression of interest by the City of Loveland to locate the ACE Manufacturing and Innovation Center at the Agilent Campus in Loveland.

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

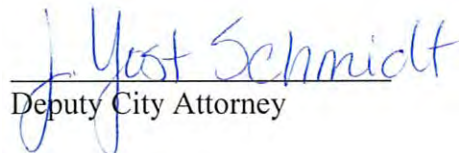
ADOPTED this 1st day of February, 2011.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Deputy City Attorney



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: 15
MEETING DATE: 2/1/2011
TO: City Council
FROM: Renee Wheeler, Assistant City Manager/Finance Director
PRESENTER: Renee Wheeler

TITLE:
December 2010 Financial Report

DESCRIPTION:

This is an information only item. No action is required. The Snapshot Report includes the City's preliminary revenue and expenditures including detailed reports on tax revenue, health claims and cash reserves for the twelve months ending December 31, 2010. Citywide Revenue (excluding internal transfers) of \$185,449,134 is 101.2% of year to date (YTD) budget. Sales tax, the City's single largest source of revenue, is 103.6% of the YTD budget. City wide total expenditures, \$179,955,573 (excluding internal transfers) are 83.1% of YTD budget. The City's health claims paid year to date is \$6,826,006 or 90.3% of YTD budget.

BUDGET IMPACT:

Yes No

SUMMARY:

The Snapshot Report is submitted for Council review and includes the reporting of the City's preliminary revenue and expenditures including detailed reports on tax revenue, health claims and cash reserves for the twelve months ending December 31, 2010. Citywide Revenue (excluding internal transfers) of \$185,449,134 is 101.2% of year to date (YTD) budget or \$2,220,474 over the budget. Sales Tax collections year to date are 103.6% of the YTD budget or \$1,051,113 over budget. Building Material Use Tax is 174.1% of YTD budget, or \$699,635 over budget. The year to date Sales and Use Tax collections were 105.8% of YTD budget or \$1,861,845 over YTD budget. When the combined sales and use tax for the current year are compared to 2009 the same period last year, they are higher by 5.29% or \$1,701,070.

City wide total expenditures of \$179,955,573 (excluding internal transfers) are 83.1% of the YTD budget or \$36,520,437 under the budget, primarily due to the construction timing of capital projects (57.7% YTD budget).

The City's health claims paid year-to-date is \$6,826,006 or 90.3% of budget. Compared to 2009 for the same period, claims paid in 2010 increased \$359,762 or 5.6%. The City's cash and reserve balance year-to-date was \$190,664,583.

LIST OF ATTACHMENTS:

Snapshot report for December 2010

RECOMMENDED CITY COUNCIL ACTION:

No action is required

REVIEWED BY CITY MANAGER:

Snap Shot

Monthly Financial Report

December 2010

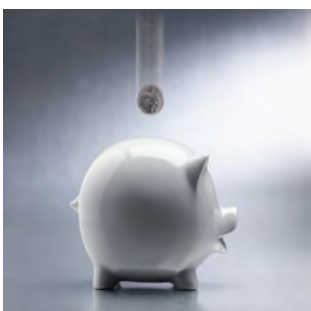
Inside this edition

Citywide Revenues & Expenditures	2
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Tax Totals & Comparison	6
Sales Tax SIC & Geo Codes	8
Health Care Claims	9
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Cash & Reserves	11
Capital Projects	12



A Snapshot In Time

- Citywide Revenue, excluding transfers between funds, \$185.4 million (101.2% of Year-To-Date Budget, 1.2% above projected)
- Sales & Use Tax Collection, \$33.9 million (105.8% of Year-To-Date Budget, 5.8% above projected)
- Citywide Expenditures, excluding transfers between funds, \$179.9 million (83.1% of Year-To-Date Budget, 16.9% below projected)
- Citywide Year-To-Date Revenues exceed Year-To-Date Expenditures by \$5.5 million.
- General Fund Revenue, excluding transfers between funds, \$61.7 million (105.0% of Year-To-Date Budget, 5.0% above projected).
- General Fund Expenditures, excluding transfers between funds, \$57.6 million, (92.9% of Year-To-Date Budget, 7.1% below projected)
- General Fund Revenues exceed Expenditures by \$2.3 million.
- Health Claims, \$6.8 million (90.3% of Year-To-Date Budget, 9.7% below projected)
- Cash & Reserves Year-To-Date Balance, \$190.7 million, \$142.9 million or 75.0% of these funds are restricted or reserved primarily for future capital projects.



The Sales Tax Basics

December YTD	Sales	Motor	Building	Combined
	Tax	Vehicle Use	Materials	
		Tax	Use Tax	
Budget 2010	\$ 29,150,020	\$ 1,908,900	\$ 944,670	\$ 32,003,590
Actual 2010	\$ 30,201,133	\$ 2,019,997	\$ 1,644,412	\$ 33,865,542
% of Budget	103.6%	105.8%	174.1%	105.8%
Actual 2009	\$ 29,115,253	\$ 1,952,766	\$ 1,096,346	\$ 32,164,365
Change from prior year	3.7%	3.4%	50.0%	5.3%



Budget Constraint Strategies

During the development of the 2010 budget sales and use tax projections were reduced significantly to reflect activity in 2009. This reduction set the parameters for resources available in the General Fund and it was reduced to approximately the 2007 level. Expenditures were reduced by \$6.2 million, including the elimination of 25 General Fund positions as well as another 7 positions in other operational funds within the City. Employees will not receive merit raises in 2010 and will experience 4 furlough days throughout the year. Capital projections with operations impacts were delayed in the Capital Improvement Program and the Street Rehabilitation Program was reduced by \$600,000.

Citywide Revenues & Expenditures

Monthly Financial Report

Combined Statement of Revenues and Expenditures

DECEMBER 2010

REVENUE	Current Month	YTD Actual	YTD Revised Budget **	% of Budget
General Governmental				
1 General Fund	\$ 5,141,640	\$ 61,740,907	\$ 58,815,000	105.0%
2 Special Revenue	53,880	862,069	1,119,640	77.0%
3 Other Entities	561,196	15,603,393	15,771,200	98.9%
4 Internal Service	1,379,383	15,920,757	15,772,220	100.9%
5 <i>Subtotal General Govt Operations</i>	\$ 7,136,098	\$ 94,127,126	\$ 91,478,060	102.9%
6 Capital Projects	2,659,642	12,762,340	14,619,400	87.3%
Enterprise Fund				
7 Water & Power	5,424,249	64,024,894	62,326,410	102.7%
8 Stormwater	992,772	4,836,049	4,326,170	111.8%
9 Golf	49,676	3,555,125	4,138,880	85.9%
10 Solid Waste	446,192	6,143,601	6,339,740	96.9%
11 <i>Subtotal Enterprise</i>	\$ 6,912,889	\$ 78,559,668	\$ 77,131,200	101.9%
12 Total Revenue	\$ 16,708,629	\$ 185,449,134	\$ 183,228,660	101.2%
<i>Prior Year External Revenue</i>		172,529,695		
<i>Increase (-Decrease) From Prior Year</i>		7.5%		
13 Internal Transfers	208,996	15,739,226	28,311,870	55.6%
14 Grand Total Revenues	\$ 16,917,625	\$ 201,188,359	\$ 211,540,530	95.1%

EXPENDITURES

General Governmental				
15 General Fund	\$ 4,623,290	\$ 55,910,305	\$ 59,611,910	93.8%
16 Special Revenue	78,090	390,147	846,340	46.1%
17 Other Entities	308,207	13,699,004	14,300,960	95.8%
18 Internal Services	1,221,708	12,874,042	14,675,860	87.7%
19 <i>Subtotal General Gov't Operations</i>	\$ 6,231,295	\$ 82,873,497	\$ 89,435,070	92.7%
20 Capital	6,199,207	38,253,125	66,306,100	57.7%
Enterprise Fund				
21 Water & Power	4,242,856	49,941,806	51,249,430	97.4%
22 Stormwater	139,783	1,854,201	1,972,710	94.0%
23 Golf	182,864	3,034,056	3,146,590	96.4%
24 Solid Waste	340,513	3,998,888	4,366,110	91.6%
25 <i>Subtotal Enterprise</i>	\$ 4,906,015	\$ 58,828,951	\$ 60,734,840	96.9%
26 Total Expenditures	\$ 17,336,517	\$ 179,955,573	\$ 216,476,010	83.1%
<i>Prior Year External Expenditures</i>		165,266,086		
<i>Increase (-Decrease) From Prior Year</i>		8.9%		
27 Internal Transfers	208,996	15,739,226	28,311,870	55.6%
28 Grand Total Expenditures	\$ 17,545,514	\$ 195,694,799	\$ 244,787,880	79.9%

** Based on seasonality of receipts and expenditures since 1995.

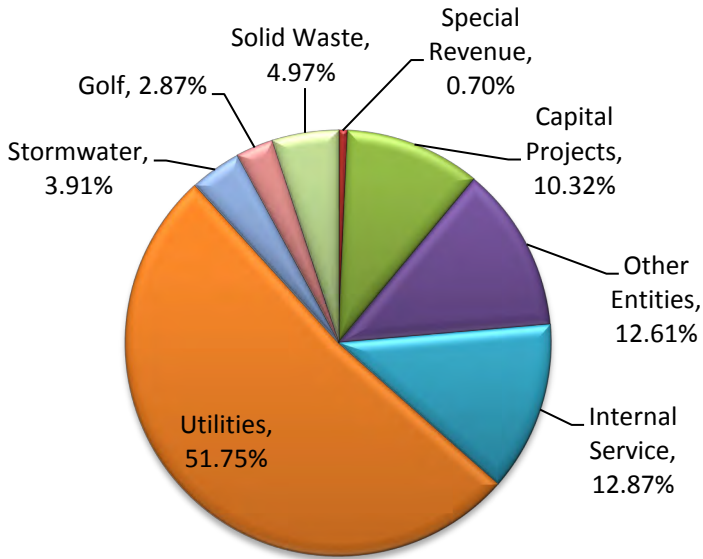
Special Revenue Funds: Community Development Block Grant, Cemetery, Local Improvement District, Lodging Tax, Affordable Housing, Seizure & Forfeitures.

Other Entities Fund: Special Improvement District #1, Airport, General Improvement District #1, Loveland Urban Renewal Authority, Loveland/Larimer Building Authority.

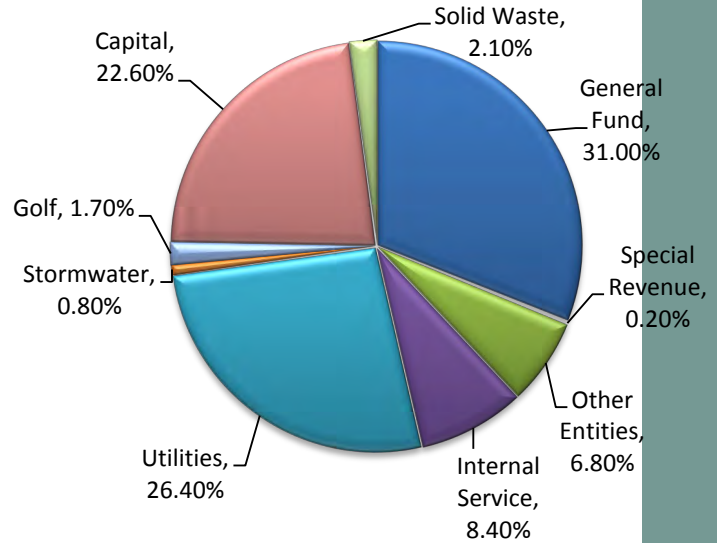
General Government Capital Projects Fund: Capital Expansion Fee Funds, Park Improvement, Conservation Trust, Open Space, Art In Public Places.

Internal Service Funds: Risk/Insurance, Fleet, Employee Benefits.

YTD Operating Revenues of \$185.45 Million



YTD Operating Expenditures of \$179.96 Million



Revenues exceed expenditures YTD by \$5,493,561 (Line #14 less Line #28).

Special Revenues (Line #2) are under budget due to timing of Community Development Block Grants.

Stormwater Revenues (Line #8) is over budget due to early payoff of Centerra Life Style Center deferred fees.

Golf revenue and expenditures (Lines #9 & #23) are under budget due to lower sales of golf rounds, and golf course reductions in staffing and other expenses.

Internal Transfers (Lines #13 & #27) are under budget due to timing of capital projects expenditures.

Special Revenue (Line #16) is under budget due to timing of Community Development Block Grants.

Internal Services (Line #18) is under budget due to timing of health claims, inventory purchases and payments for property, liability, and workers compensation.

Capital expenditures (Line #20) is under budget due to timing of project expenditures.

Stormwater (Line #22) is under budget due to less spending in their purchased services budget.

Solid Waste (Line #24) is under budget due to decreased spending on carts and bins, yard waste and solid waste disposal charges, and an adjustment for a prior year fixed asset that was expensed and shouldn't have been.

YTD Operating Revenue & Expenditures By Comparison, Excluding Transfers



General Fund Revenues & Expenditures

Monthly Financial Report

General Fund Revenue & Expenditures DECEMBER 2010

	REVENUE	DECEMBER 2010	YTD Actual	YTD Revised Budget	% of Budget
1	Taxes				
2	Property Tax	116,759	7,740,585	7,707,960	100.4%
3	Sales Tax	2,455,821	30,201,133	29,150,020	103.6%
4	Building Use Tax	465,626	1,644,305	944,670	174.1%
5	Auto Use Tax	174,664	2,019,997	1,908,900	105.8%
6	Other Taxes	278,988	3,400,993	2,619,320	129.8%
7	Intergovernmental	532,227	5,702,054	6,459,250	88.3%
8	License & Permits				
9	Building Permits	279,564	1,269,631	670,000	189.5%
10	Other Permits	7,431	356,197	252,890	140.9%
11	Charges For Services	307,933	3,068,544	3,131,050	98.0%
12	Fines & Forfeitures	118,803	1,068,275	968,500	110.3%
13	Interest Income	16,667	560,170	520,680	107.6%
14	Miscellaneous	387,158	4,709,023	4,481,760	105.1%
15	<i>Subtotal</i>	<i>\$ 5,141,640</i>	<i>\$ 61,740,907</i>	<i>\$ 58,815,000</i>	<i>105.0%</i>
16	Internal Transfers	180,282	2,074,840	2,074,840	100.0%
17	Total Revenue	\$ 5,321,922	\$ 63,815,747	\$ 60,889,840	104.8%
	EXPENDITURES				
18	Legislative	\$ 11,066	\$ 106,550	\$ 125,880	84.6%
19	Executive & Legal	135,405	1,669,857	1,637,760	102.0%
20	Comm. & Bus. Relations	115,189	619,143	645,730	95.9%
21	Cultural Services	102,842	1,132,063	1,158,860	97.7%
22	Development Services	321,826	3,244,868	4,194,050	77.4%
23	Finance	130,418	1,667,107	1,901,510	87.7%
24	Fire & Rescue	791,746	7,748,814	7,954,050	97.4%
25	Human Resources	69,344	870,323	1,021,060	85.2%
26	Information Technology	223,390	2,947,129	3,269,010	90.2%
27	Library	198,092	2,241,872	2,359,070	95.0%
28	Parks & Recreation	906,661	7,519,268	8,141,710	92.4%
29	Police	1,251,231	15,661,002	15,971,260	98.1%
30	Public Works	774,013	10,423,330	11,009,460	94.7%
31	Non-Departmental	49,837	1,756,852	2,642,650	66.5%
32	<i>Subtotal Operating</i>	<i>\$ 5,081,061</i>	<i>\$ 57,608,178</i>	<i>\$ 62,032,060</i>	<i>92.9%</i>
33	Internal Transfers	9,360	3,915,632	6,480,400	60.4%
34	Total Expenditures	\$ 5,090,421	\$ 61,523,810	\$ 68,512,460	89.8%

Building Use Tax and Building Permits (Lines # 4 & 9) are over budget due to a large multi-family project.

Other Taxes (Line #6) are over budget due to higher collections for road & bridge tax, Alcoholic Beverage, Gas Franchise, and Sales & Use tax audits

Intergovernmental (Line #7) is under budget due to slower spending on various federal grants, traffic signal maintenance, and dispatch services that are on a reimbursement basis.

Other Permits (Line #10) is over budget primarily due to contractor license fees, street cut, and fire permit/inspection fees.

Fines & Forfeitures (Line #12) is over budget due to increased court fees collected.

Interest Income (Line #13) is currently showing over budget, however, it will be reduced to \$295,000 or 57% of YTD budget after yearend entries to record market value unrealized losses.

Miscellaneous (Line #14) is over budget due to rental income, recoveries for property damage, sale of equipment, and donations for cultural services.

Legislative (Line #18) is under budget due to timing on spending their purchased services budget.

Executive & Legal (Line #19) is over budget due to transition compensation benefits.

Development Services (Line #22) is under budget due to timing in spending their supplies, professional services budget, and non-profit grants.

Finance (Line #23) is under budget primarily due to savings in their supplies and professional services budget.

Human Resources (Line #25) is under budget due to timing in spending their supplies and purchased services budget.

Information Technology (Line #26) is under budget due to timing in spending their capital budget.

Parks & Recreation (Line #28) is under budget due to timing in spending their purchased services budget and capital budget.

Public Works (Line #30) is under budget due to lower spending in their supplies, purchased services, and capital budgets.

Non-Departmental (Line #31) is under budget due to economic incentive agreements not given.

Internal Transfers (Line #33) are under budget due to timing of capital projects expenditures. Transfers are made monthly based on actual project costs.

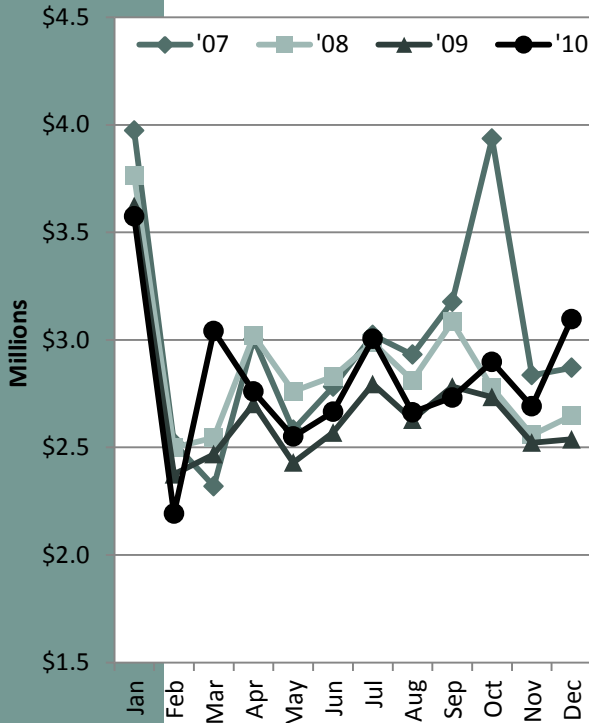
General Fund Operating Revenue & Expenditures By Comparison, Excluding Transfers



Tax Totals & Comparisons

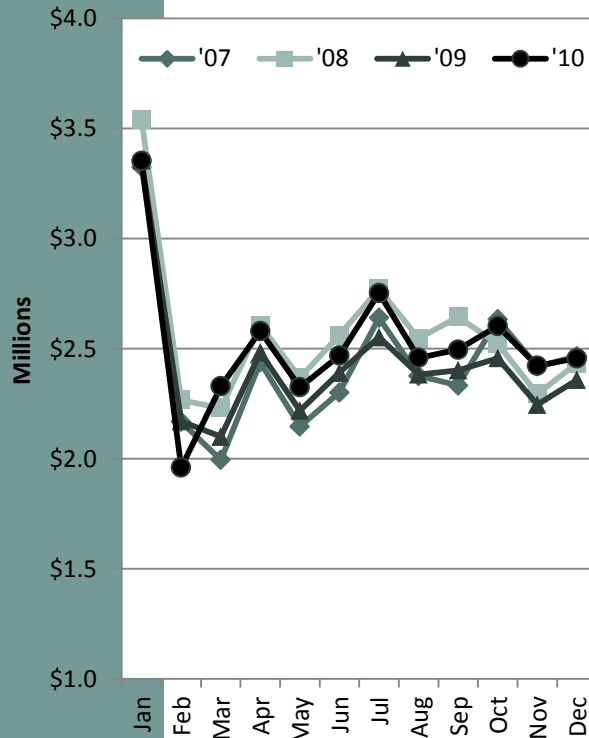
Monthly Financial Report

Sales & Use Tax



	'07	'08	'09	'10	2010 Budget	+ / - Budget
Jan	\$ 3,972,513	\$ 3,763,212	\$ 3,622,251	\$ 3,573,972	\$ 3,525,075	1.4%
Feb	\$ 2,520,486	\$ 2,499,464	\$ 2,374,608	\$ 2,191,609	\$ 2,344,853	-6.5%
Mar	\$ 2,319,579	\$ 2,544,688	\$ 2,468,095	\$ 3,041,068	\$ 2,315,268	31.3%
Apr	\$ 3,003,780	\$ 3,020,580	\$ 2,701,737	\$ 2,759,556	\$ 2,677,590	3.1%
May	\$ 2,581,830	\$ 2,761,197	\$ 2,428,860	\$ 2,550,227	\$ 2,441,619	4.4%
Jun	\$ 2,781,786	\$ 2,829,423	\$ 2,569,125	\$ 2,665,632	\$ 2,568,891	3.8%
Jul	\$ 3,022,815	\$ 2,987,495	\$ 2,794,222	\$ 3,004,324	\$ 2,871,989	4.6%
Aug	\$ 2,931,667	\$ 2,811,579	\$ 2,628,842	\$ 2,662,932	\$ 2,630,843	1.2%
Sep	\$ 3,176,883	\$ 3,082,644	\$ 2,782,768	\$ 2,732,087	\$ 2,666,640	2.5%
Oct	\$ 3,936,330	\$ 2,776,559	\$ 2,733,964	\$ 2,897,370	\$ 2,746,350	5.5%
Nov	\$ 2,835,420	\$ 2,557,802	\$ 2,522,092	\$ 2,690,549	\$ 2,480,669	8.5%
Dec	\$ 2,869,916	\$ 2,646,945	\$ 2,537,802	\$ 3,096,218	\$ 2,733,803	13.3%
	\$ 35,953,006	\$ 34,281,588	\$ 32,164,365	\$ 33,865,542	\$ 32,003,590	
YTD	\$ 35,953,006	\$ 34,281,588	\$ 32,164,365	\$ 33,865,542	\$ 32,003,590	5.8%

Retail Sales Tax

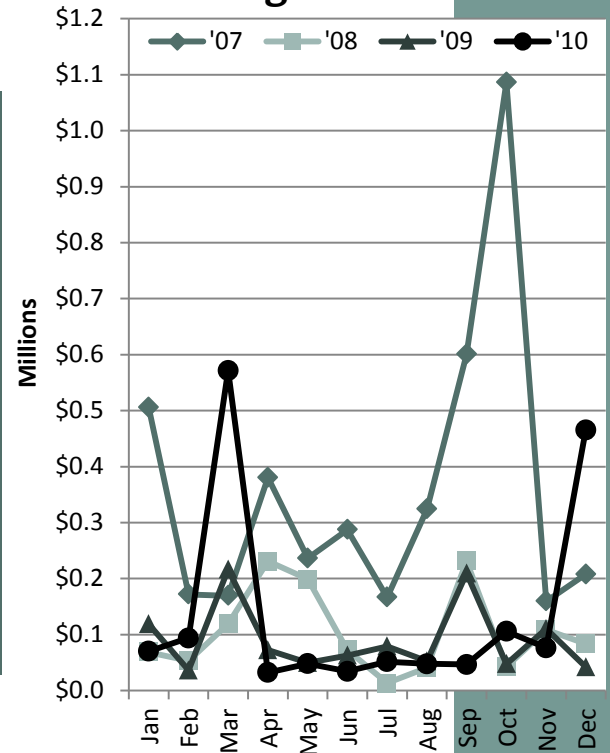


	'07	'08	'09	'10	2010 Budget	+ / - Budget
Jan	\$ 3,324,067	\$ 3,538,021	\$ 3,354,704	\$ 3,352,821	\$ 3,323,120	0.9%
Feb	\$ 2,167,873	\$ 2,266,805	\$ 2,170,562	\$ 1,959,729	\$ 2,127,950	-7.9%
Mar	\$ 1,994,635	\$ 2,229,963	\$ 2,100,216	\$ 2,328,701	\$ 2,069,650	12.5%
Apr	\$ 2,437,958	\$ 2,605,919	\$ 2,482,752	\$ 2,579,918	\$ 2,419,450	6.6%
May	\$ 2,146,685	\$ 2,367,597	\$ 2,218,482	\$ 2,324,395	\$ 2,186,250	6.3%
Jun	\$ 2,300,533	\$ 2,560,453	\$ 2,390,535	\$ 2,468,207	\$ 2,332,000	5.8%
Jul	\$ 2,640,223	\$ 2,770,864	\$ 2,552,195	\$ 2,752,870	\$ 2,623,500	4.9%
Aug	\$ 2,376,534	\$ 2,546,052	\$ 2,383,119	\$ 2,458,382	\$ 2,361,150	4.1%
Sep	\$ 2,332,844	\$ 2,644,113	\$ 2,401,596	\$ 2,495,338	\$ 2,390,300	4.4%
Oct	\$ 2,632,667	\$ 2,521,253	\$ 2,457,158	\$ 2,602,599	\$ 2,477,750	5.0%
Nov	\$ 2,419,051	\$ 2,294,503	\$ 2,245,659	\$ 2,422,352	\$ 2,273,700	6.5%
Dec	\$ 2,464,559	\$ 2,432,635	\$ 2,358,273	\$ 2,455,821	\$ 2,565,200	-4.3%
	\$ 29,237,629	\$ 30,778,179	\$ 29,115,253	\$ 30,201,133	\$ 29,150,020	
YTD	\$ 29,237,629	\$ 30,778,179	\$ 29,115,253	\$ 30,201,133	\$ 29,150,020	3.6%

December 2010

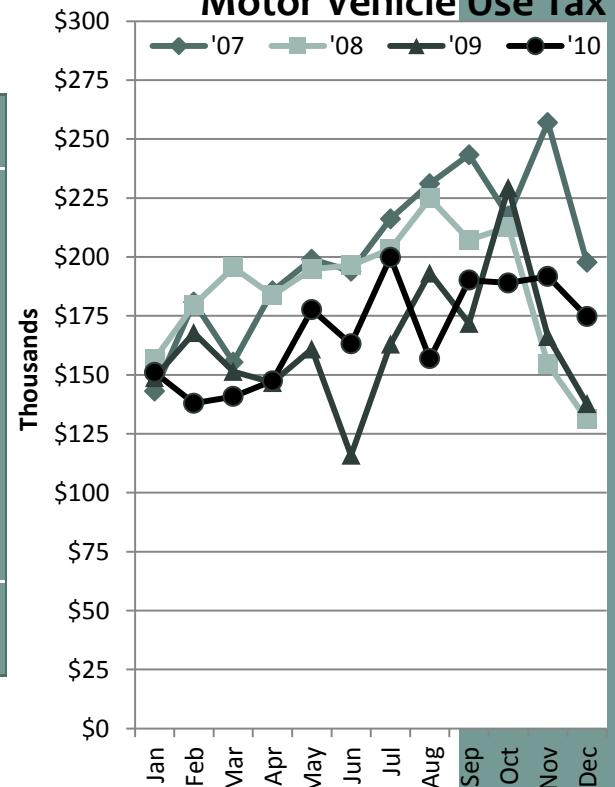
	'07	'08	'09	'10	2010 Budget	+ / - Budget
Jan	\$ 505,441	\$ 68,522	\$ 118,719	\$ 70,117	\$ 68,015	3.1%
Feb	\$ 171,835	\$ 52,986	\$ 36,254	\$ 93,928	\$ 63,293	48.4%
Mar	\$ 169,579	\$ 119,149	\$ 216,500	\$ 571,599	\$ 78,408	629.0%
Apr	\$ 380,285	\$ 230,954	\$ 72,251	\$ 32,260	\$ 101,080	-68.1%
May	\$ 236,140	\$ 198,765	\$ 49,434	\$ 48,145	\$ 88,799	-45.8%
Jun	\$ 287,300	\$ 72,544	\$ 62,723	\$ 34,349	\$ 68,961	-50.2%
Jul	\$ 166,446	\$ 13,276	\$ 79,061	\$ 51,657	\$ 74,629	-30.8%
Aug	\$ 324,125	\$ 40,683	\$ 52,578	\$ 47,716	\$ 77,463	-38.4%
Sep	\$ 600,704	\$ 231,321	\$ 209,338	\$ 46,646	\$ 99,190	-53.0%
Oct	\$ 1,086,325	\$ 42,561	\$ 47,437	\$ 105,818	\$ 86,910	21.8%
Nov	\$ 159,382	\$ 108,737	\$ 110,207	\$ 76,444	\$ 74,629	2.4%
Dec	\$ 207,723	\$ 83,315	\$ 41,844	\$ 465,626	\$ 63,293	635.7%
	\$ 4,295,285	\$ 1,262,815	\$ 1,096,346	\$ 1,644,305	\$ 944,670	
YTD	\$ 4,295,285	\$ 1,262,815	\$ 1,096,346	\$ 1,644,305	\$ 944,670	74.1%

Building Material Use Tax



	'07	'08	'09	'10	2010 Budget	+ / - Budget
Jan	\$ 143,005	\$ 156,669	\$ 148,828	\$ 151,034	\$ 133,940	12.8%
Feb	\$ 180,778	\$ 179,673	\$ 167,793	\$ 137,951	\$ 153,610	-10.2%
Mar	\$ 155,365	\$ 195,576	\$ 151,378	\$ 140,768	\$ 167,210	-15.8%
Apr	\$ 185,537	\$ 183,707	\$ 146,734	\$ 147,378	\$ 157,060	-6.2%
May	\$ 199,005	\$ 194,835	\$ 160,943	\$ 177,687	\$ 166,570	6.7%
Jun	\$ 193,953	\$ 196,426	\$ 115,867	\$ 163,076	\$ 167,930	-2.9%
Jul	\$ 216,146	\$ 203,356	\$ 162,966	\$ 199,797	\$ 173,860	14.9%
Aug	\$ 231,008	\$ 224,843	\$ 193,144	\$ 156,834	\$ 192,230	-18.4%
Sep	\$ 243,336	\$ 207,209	\$ 171,833	\$ 190,102	\$ 177,150	7.3%
Oct	\$ 217,338	\$ 212,745	\$ 229,369	\$ 188,953	\$ 181,690	4.0%
Nov	\$ 256,987	\$ 154,561	\$ 166,225	\$ 191,753	\$ 132,340	44.9%
Dec	\$ 197,634	\$ 130,995	\$ 137,685	\$ 174,664	\$ 105,310	65.9%
	\$ 2,420,092	\$ 2,240,595	\$ 1,952,766	\$ 2,019,997	\$ 1,908,900	
YTD	\$ 2,420,092	\$ 2,240,595	\$ 1,952,766	\$ 2,019,997	\$ 1,908,900	5.8%

Motor Vehicle Use Tax



Sales Tax Collections

Monthly Financial Report

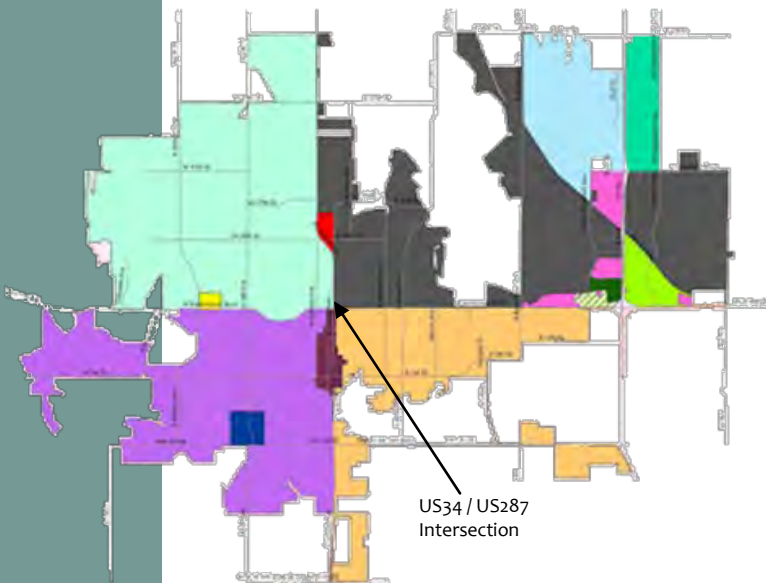
Collections By Standard Industrial Classification Code

Description	YTD 2010	YTD 2009	\$ Change	% Change	% of Total	Cumulative %
1 Department Stores & General Merchandise	\$ 7,297,250	\$ 7,520,238	\$ (222,988)	-3.0%	24.2%	24.2%
2 Restaurants & Bars	3,540,619	3,378,929	161,689	4.8%	11.7%	35.9%
3 Grocery Stores & Specialty Foods	3,087,055	3,048,196	38,859	1.3%	10.2%	46.1%
4 Clothing & Clothing Accessories Stores	2,088,417	2,080,167	8,249	0.4%	6.9%	53.0%
5 Building Material & Lawn & Garden Supplies	2,021,051	1,954,618	66,433	3.4%	6.7%	59.7%
6 Motor Vehicle Dealers, Auto Parts & Leasing	1,798,761	1,701,228	97,532	5.7%	6.0%	65.7%
7 Utilities	1,612,935	1,495,954	116,981	7.8%	5.3%	71.0%
8 Sporting Goods, Hobby, Book & Music Stores	1,444,095	1,420,225	23,870	1.7%	4.8%	75.8%
9 Broadcasting & Telecommunications	1,293,717	1,280,696	13,020	1.0%	4.3%	80.1%
10 Used Merchandise Stores	823,307	726,192	97,114	13.4%	2.7%	82.8%
11 Beer, Wine & Liquor Stores	686,557	669,948	16,609	2.5%	2.3%	85.1%
12 Electronics & Appliance Stores	640,671	587,758	52,913	9.0%	2.1%	87.2%
13 Hotels, Motels & Other Accommodations	607,148	432,608	174,540	40.3%	2.0%	89.2%
14 Health & Personal Care Stores	486,344	498,893	(12,549)	-2.5%	1.6%	90.8%
15 Consumer Goods & Commercial Equipment	449,736	435,247	14,489	3.3%	1.5%	92.3%
16 Electronic Shopping & Mail-Order Houses	387,949	162,712	225,237	138.4%	1.3%	93.6%
17 Furniture & Home Furnishing Stores	387,717	322,087	65,630	20.4%	1.3%	94.9%
18 Office Supplies, Stationery & Gift Stores	323,069	328,587	(5,518)	-1.7%	1.1%	95.9%
19 Gasoline Stations with Convenience Stores	237,048	212,572	24,475	11.5%	0.8%	96.7%
20 All Other Categories	987,688	858,397	129,291	15.1%	3.3%	100.0%
	\$ 30,201,133	\$ 29,115,253	\$ 1,085,880	3.73%	100.0%	

The City ended 2010 up 3.73% in Sales Tax compared to 2009. Nine of the fourteen geographical areas ended the year above 2009 levels. The area designated as The Ranch, (which includes two new businesses, the Event Center and the Fairgrounds) lead the way with a 47.6% increase. Southwest Loveland also ended with a double-digit increase due to improved compliance and several new businesses that opened throughout the year.

By business category, every sector showed small signs of economic recovery with increases over 2009. The Electronic Shopping/Mail Order Houses sector ended the year 138% over 2009 due to aggressive compliance efforts by the City. Hotels, Motels & Other Accommodations finished up by 40% due to an increase in business related travel and the addition of a major hotel in mid 2009. That is good news for our lodging tax.

The year-to-date audit revenue is \$783,440 and \$486,372 has been collected in lodging tax.



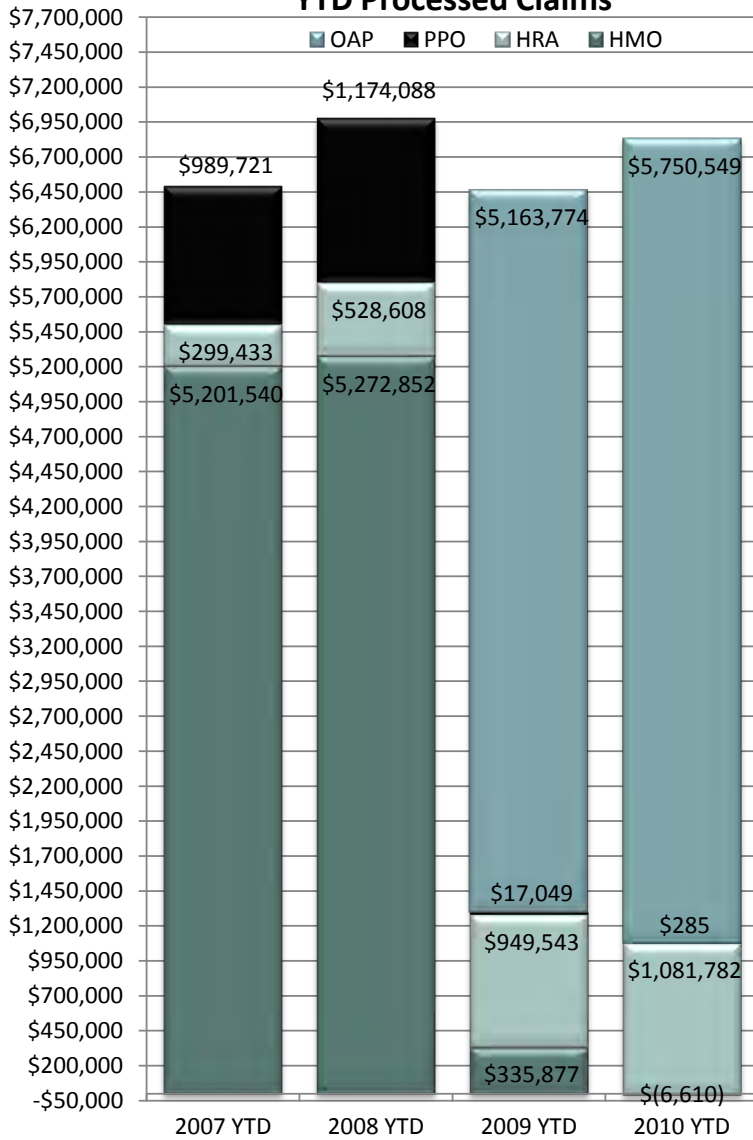
Collections By Geographical Code

Geographical Area	YTD 2010	YTD 2009	% Change
North West Loveland	\$3,679,194	\$3,792,216	-3.0%
South West Loveland	\$1,036,424	\$909,874	13.9%
North East Loveland	\$1,943,609	\$1,784,359	8.9%
South East Loveland	\$7,697,791	\$7,530,686	2.2%
Orchards Shopping Center	\$1,879,680	\$1,919,994	-2.1%
Columbine Shopping Center	\$601,307	\$620,551	-3.1%
Downtown	\$1,012,019	\$1,053,974	-4.0%
Centerra	\$2,750,154	\$2,623,457	4.8%
Promenade Shops	\$2,219,176	\$2,087,748	6.3%
Outlet Mall	\$1,158,156	\$1,197,805	-3.3%
Thompson Valley Shopping Center	\$1,413,501	\$1,354,709	4.3%
The Ranch	\$555,730	\$376,638	47.6%
Airport	\$322,232	\$320,946	0.4%
All Other Areas	\$3,932,159	\$3,542,294	11.0%
	\$30,201,133	\$29,115,253	3.7%

Health Care Claims

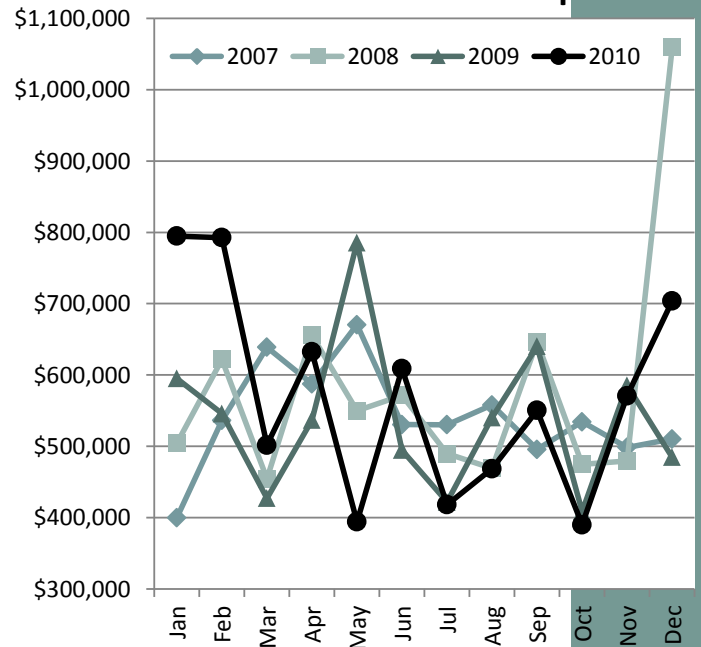
December 2010

YTD Processed Claims



There are currently 37 claims over \$25,000. Four claims have reached stop loss.

Total Incurred Claims Comparison



Cash Basis for Claims Paid

		HMO	OAP	HRA	PPO	Total	Budget	\$ Over / (Under) Budget	% Over / (Under) Budget
2010	December	\$ (3,226)	\$ 617,949	\$ 88,965	\$ -	\$ 703,688	\$ 630,045	\$ 73,643	11.7%
	YTD	\$ (6,610)	\$ 5,750,549	\$ 1,081,782	\$ 285	\$ 6,826,006	\$ 7,560,540	\$ (734,534)	-9.7%
2009	December	\$ (4,033)	\$ 435,196	\$ 53,590	\$ -	\$ 484,753	\$ 608,250	\$ (123,497)	-20.3%
	YTD	\$ 335,877	\$ 5,163,775	\$ 949,543	\$ 17,049	\$ 6,466,244	\$ 7,299,000	\$ (832,756)	-11.4%
Change	December	\$ 807	\$ 182,753	\$ 35,375	\$ -	\$ 218,935			
	% Dec	-20.0%	42.0%	66.0%	0.0%	45.2%			
	YTD	\$ (342,487)	\$ 586,774	\$ 132,239	\$ (16,764)	\$ 359,762			
	% YTD	-102.0%	11.4%	13.9%	-98.3%	5.6%			

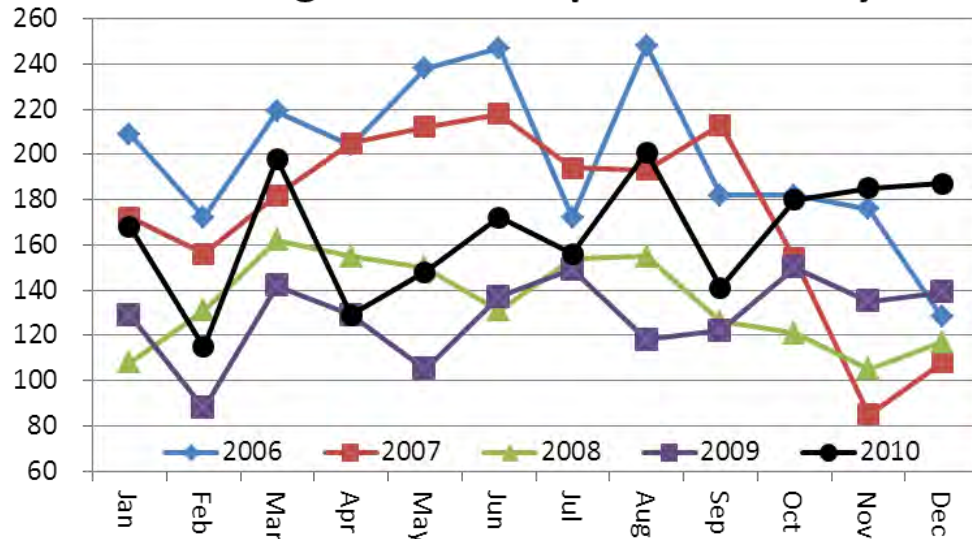
Activity Measures

Monthly Financial Report

Activity Measures

Measures	Dec 08	Dec 09	Dec 10	2008 YTD	2009 YTD	2010 YTD
# of Building Permits	117	139	187	1,615	1,543	1,980
Building Permit Valuations	\$53,336,289	\$ 3,600,714	\$38,053,268	\$ 174,882,479	\$ 79,665,290	\$ 148,784,159
# of Certified Occupancies	30	18	16	430	221	192
Net # of Sales Tax Licenses	(8)	(14)	27	289	131	139
New Residential Electric Meter Sets	6	23	46	265	131	311
# of Utility Bills Sent	33,425	34,951	35,250	395,879	408,316	420,521
Rounds of Golf	805	169	3,634	131,851	126,678	120,494
Health Claim Costs/Emp.	\$ 751	\$ 787	\$ 1,142	\$ 10,143	\$ 10,611	\$ 11,079
# of Vacant Positions	8	4	11			
# of Frozen Vacant Positions	NA	14	13			
# of Eliminated Positions	NA	38	42			
KWH Demand (kH)	104,803	105,472	98,550	1,202,949	1,194,466	1,238,422
KWH Purchased (kwh)	62,697,695	61,935,810	61,462,080	726,135,260	676,930,811	702,481,452
Gallons of Water Sold	152,543,986	146,400,702	146,647,090	3,789,859,647	3,223,096,429	3,574,213,686
# of Workers' Comp Claims	6	5	6	113	124	120
\$ of Workers' Comp Claims Paid	\$ 5,254	\$ 40,882	\$ 209,543	\$ 261,531	\$ 326,474	\$ 1,018,633
# of Open Claims Current Year	NA	NA	13			
# of Total Open Claims	NA	NA	16			
\$ of Total Open Claims	NA	\$ 483,015	\$ 208,903			
# of Hotel Rooms	NA	NA	1,117			
\$ of Lodging Tax Collected	NA	NA	\$ 31,687	NA	NA	\$ 486,372

Building Permit Comparison History



Cash & Reserves

December 2010

Cash & Reserves

Total Cash & Reserves = \$190.7 million, of which \$142.9 million is restricted or reserved, or 75.0%, leaving \$47.7 million unrestricted.

		Statement of Cash December 2010		
		Beginning	YTD Activity	Ending
Restricted				
1	Capital Expansion Fees	\$ 44,091,355	\$ (5,723,759)	\$ 38,367,596
2	Other Special Revenue Funds	18,683,834	1,016,213	19,700,048
3	Capital Projects	2,268,881	(2,641,926)	(373,044)
4	Debt Reserves-Golf	223,500	(223,500)	-
5	Water SIF	4,888,187	709,899	5,598,086
6	Windy Gap	5,181,105	(609,491)	4,571,613
7	Raw Water	22,431,382	587,072	23,018,453
8	Wastewater SIF	3,499,926	766,235	4,266,161
9	Storm Drainage SIF	1,184,952	820,841	2,005,793
10	Power SIF	6,170,614	(430,244)	5,740,371
11	Cemetery	2,296,821	137,171	2,433,992
12	Other Entities	2,094,786	1,404,942	3,499,729
13	Total Restricted	\$ 113,015,343	\$ (4,186,546)	\$ 108,828,797
Reserve Balance Amounts				
14	General Fund			
15	Operating/Emergency ***	1,731,040	-	1,731,040
16	Council Contingency	100,000	(100,000)	-
17	Council Capital Reserve ***	3,994,901	(1,298,581)	2,696,320
18	Liability	125,000	-	125,000
19	Equipment Replacement	150,000	(150,000)	-
20	Police Communication Console Replacement	408,000	104,000	512,000
21	Library Reserve	157,484	3,591	161,075
22	Library Building Reserve	-	16,750	16,750
23	Telephone Switch Reserve	-	261,460	261,460
24	Excess TABOR	7,442,966	(1,425,777)	6,017,189
25	Water	759,229	(44,571)	714,658
26	Wastewater	1,044,335	(257,864)	786,471
27	Storm Water	402,608	(34,746)	367,862
28	Power	2,327,365	298,562	2,625,928
29	Golf	239,090	4,694	243,784
30	Insurance Reserves	4,013,094	582,458	4,595,552
31	Employee Benefits	6,075,362	964,404	7,039,767
32	Fleet Replacement	5,960,114	240,227	6,200,340
33	Total Reserves	\$ 34,930,588	\$ (835,393)	\$ 34,095,196
34	Total Restricted/Reserved	\$ 147,945,931	\$ (5,021,939)	\$ 142,923,993
Unrestricted				
35	General	10,846,574	4,417,386	15,263,961
36	Airport	340,564	309,218	649,782
37	Internal Service - VM	151	37,209	37,360
38	Golf	350,228	544,683	894,911
39	Water	4,302,300	(252,571)	4,049,729
40	Wastewater	5,917,896	1,160,340	7,078,237
41	Power	13,188,404	1,691,852	14,880,256
42	Stormwater	2,281,443	(196,893)	2,084,550
43	Solid Waste	2,736,333	65,472	2,801,805
44	Total Unrestricted	\$ 39,963,894	\$ 7,776,697	\$ 47,740,591
45	Total Cash	\$ 187,909,825	\$ 2,754,758	\$ 190,664,583

(Line #3) Capital projects cash is negative due to transfers not made to cover project costs for December expenditures. They will be done in the 13th accounting period.

*Operating/Emergency: TABOR Amendment requirement for 3% of operating expenditures excluding transfers and debt.

**Other Entities Fund: Special Improvement District #1, Airport, General Improvement District #1, Loveland Urban Renewal Authority, Loveland/Larimer Building Authority

***Contributions made at year end.

(Lines #15-24) - Changes in reserves based on 2010 Budget.

(Line #17) Council Capital Reserve: \$604,106 LHS Pool
\$397,190 Downtown Infrastructure
\$ 42,700 Milner Swartz
\$ 59,790 Juniper Place
\$ 14,860 Putlack
\$179,935 Interfund Loan Payment

(Line #24) Excess TABOR—Main projects are the intersection at Madison Avenue (\$1,223,771) and Boyd Lake at US34 (\$63,642).



Prepared by:
Finance Department

Website: www.cityofloveland.org

Citywide Capital Projects Over \$500,000

Project Title	2010 Budget	2010 Expenditures	Remaining 2010 Budget	% of 2010 Budget (Exp/Bud)	Budget Book Page #
Water Capital					
Raw Water Capital					
Purchase Colorado Big Thompson Water	986,706	863,700	123,006	87.53%	C-101
Wastewater Utility Capital					
Waste Activated Sludge Thickening	582,678	515,047	67,632	88.39%	
Power Capital					
Pole Replacement Program	550,000	130,638	419,362	23.75%	C-54
Sub-To-Sub Tie Between Horseshoe & East Substations	576,000	584,828	(8,828)	101.53%	C-51
Sub-To-Sub Tie Between Airports & East Substations	1,300,000	230,215	1,069,785	17.71%	C-51
Relocate Lines For Road Work Along Madison Ave	675,000	466,637	208,363	69.13%	C-58
1st & Wilson to Namaqua Road (PIF)	597,300	341,440	255,860	57.16%	
East Substation Upgrade	3,600,000	1,570,957	2,029,043	43.64%	
Streets Transportation Program					
Taft/Eisenhower	770,000	27,713	742,287	3.60%	C-42
Boyd Lake Ave - Kauffman Property	1,365,900	971,702	394,198	71.14%	C-42
US34 @ Madison Preliminary Design	3,836,000	3,012,679	823,321	78.54%	C-42
I-25/Crossroads Interchange	4,163,430	3,655,011	508,419	87.79%	
2010 Street Rehabilitation	3,095,410	3,069,405	26,005	99.16%	C-41
Stormwater					
Washington Avenue Outfall Phase 4	3,491,756	297,594	3,194,162	8.52%	
Guiliano Regional Detention Pond	500,000	463,421	36,579	92.68%	
All Other					
Library Expansion	9,606,500	1,311,048	8,295,452	13.65%	C-33
Recreation Trail	2,439,370	313,262	2,126,108	12.84%	C-6
Open Land Acquisition	1,160,000	-	1,160,000	0.00%	C-6
Civic Center Parking	1,054,000	429,118	624,882	40.71%	C-6
Chilson Recreation Center Expansion/Renovation	6,970,710	7,292,076	(321,366)	104.61%	
Total Capital Projects Over \$500,000	\$ 47,320,760	\$ 25,546,490	\$ 21,774,270		

City of Loveland
500 East 3rd Street
Loveland, CO 80537

For more information regarding this report contact:
Renee Wheeler, Assistant City Manager
970.962.2704 or wheeler@ci.loveland.co.us





CITY OF LOVELAND
CITY MANAGER'S OFFICE

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AGENDA ITEM: 16
MEETING DATE: 2/1/2011
TO: City Council
FROM: Alan Krcmarik, Executive Fiscal Advisor
PRESENTER: Alan Krcmarik

TITLE: INVESTMENT REPORT FOR DECEMBER 2010

DESCRIPTION: This is an information only item. No Council action is required. The budget estimate for investment earnings for 2010 is \$4,195,750. For the year to date, the amount posted to the investment account is \$3,775,325 including realized gains. The actual year-to-date earnings are *lower* than the year-to-date budget projection by \$433,415. Based December's monthly statement, the estimated annualized yield is about 2.0%, about 1/10th of a percent higher than last month. Due to record setting fall in interest rates since the budget estimates were done in August 2009, the portfolio did not reach the annual budget projection.

BUDGET IMPACT: Investment earnings provide revenue to the City's various funds.

Yes No

SUMMARY: At the end of December, the City's total portfolio had an estimated market value of \$192.0 million, about \$300,000 less than a month ago. Of this amount, USBank held (including accrued interest) \$183.6 million in trust accounts; other funds are held in local government investment pools, in operating accounts at WellsFargo Bank, and a few miscellaneous accounts. Based on the monthly report from the trustee, USBank, the estimated annualized yield on securities held at the end of December was 2.0%, slightly higher than the prior month. Investments are held in US Treasury Notes, highly-rated US Agency Bonds, highly-rated corporate bonds, money market accounts, 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 \$1.92 million annually. Each basis point would be about \$19,200, annually.

LIST OF ATTACHMENTS: Investment Focus December 2010

RECOMMENDED CITY COUNCIL ACTION: For Council's information; questions welcomed

REVIEWED BY CITY MANAGER:

Loveland Municipal Building

Investment Focus

Monthly Investment Report

December 2010

What's in here?

Focal Points	1
Gain / Loss	
Rate Trends	2
Cash Statement	3
Portfolio size	4
Investment types	
Transactions	5
Maturity	
Future Scan	6

Focal Points

- * For 2010, there were two targets for the portfolio: 1) the interest rate target was 2.75%; 2) the budget = \$4,195,750
- * City investments are in high quality, low risk securities, consistent with state law and the adopted investment policy.
- * Interest received on trust accounts = \$3,955,542. Active management adds value, \$897,363 in realized gains.
- * Each 1% of the total portfolio amounts to about \$1.92 million.
- * The shift in interest rates led to unrealized loss of \$2.1 million.

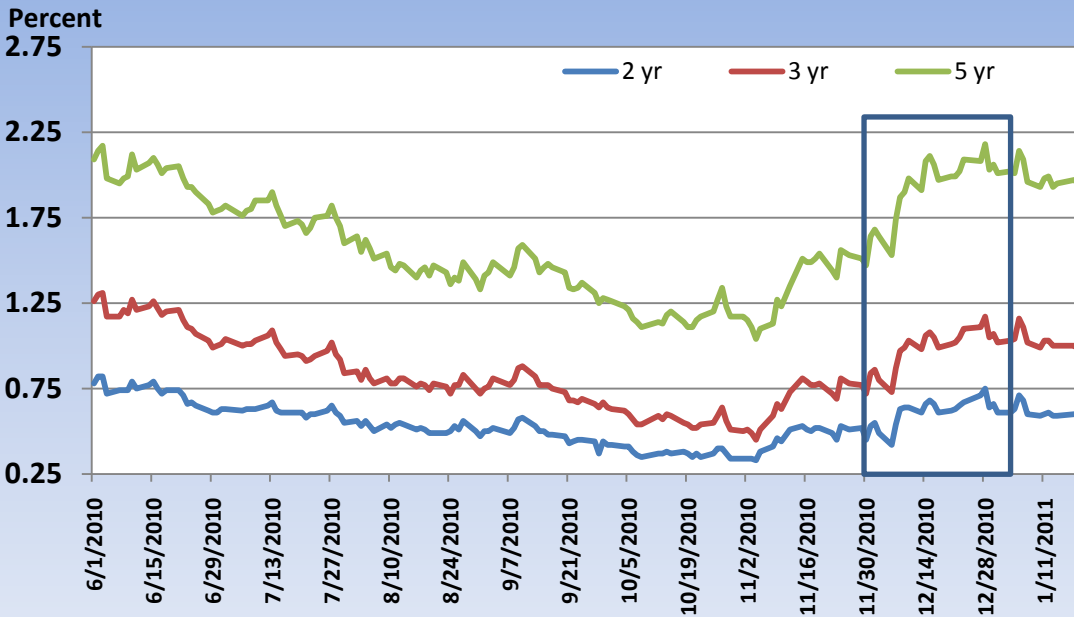
Housing Recovery Stalls, a "Headwind" for Economy; Other Indicators Improve

Declining home prices threaten to hamper the US recovery, just as consumers and the overall economy show signs of healing. . . The housing market appeared on the way to recovery in mid-2010 could be heading for a second downward drift. "This looks like a double dip is pretty much on the way." [David Blitzer, Standard & Poor's index committee.] **Source:** [The Wall Street Journal](#), December 29, 2010.

Type of Investment	Purchase Price	Market Price	Unrealized Gain or Loss
Checking Accounts	\$ 8,166,712	\$ 8,166,712	--
Investment Pools	270,232	270,232	--
Money Markets	<u>6,317,018</u>	<u>6,317,018</u>	--
Subtotal	\$ 14,753,962	\$ 14,753,962	--
Notes and Bonds	<u>178,967,823</u>	<u>177,283,231</u>	(\$ 1,684,592)
Total Portfolio	\$ 193,721,786	\$ 192,037,193	(\$ 1,684,592)
Data Sources	(Morgan Stanley)	(US Bank)	

Monthly Investment Report

Interest rate trends / Housing Prices

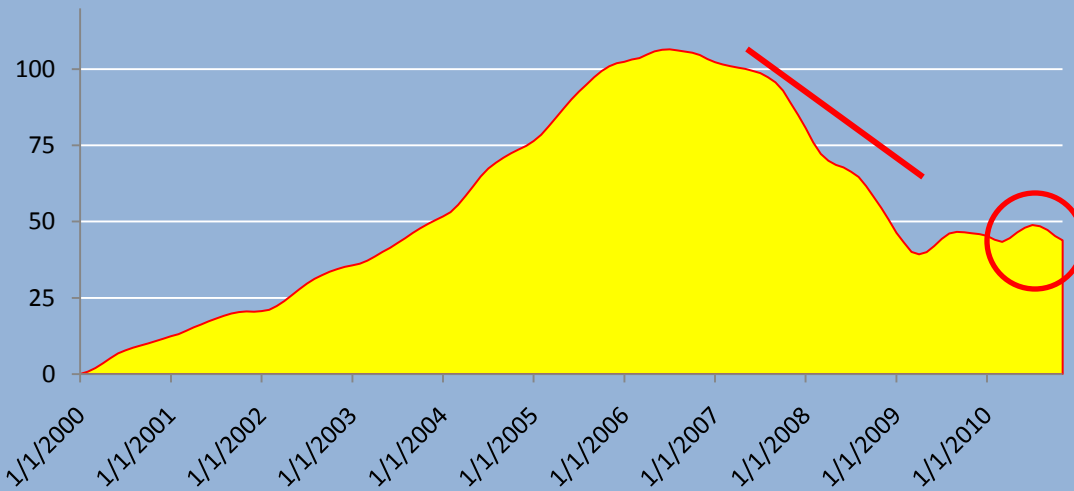


Rate trends reversed in November and continued the trend through December. Prices on bonds have fallen and rates have risen since reaching record lows for the 2-, 3- and 5-year Treasury securities.

This makes prior investments worth less – a shift of over \$1 million in December alone. The upside is that reinvestment yields are much higher.

S&P Case-Shiller Index Since 2000

Home Prices in 20 Metro Areas fell again in November



U.S. Home Prices Keep Weakening

Home prices fell in 19 of 20 Metropolitan Statistical Areas and both Composites fell in November from their October levels. In November, only four MSAs – Los Angeles, San Diego, San Francisco and Washington DC – showed year-over-year gains.

Big Picture “With these numbers more analysts will be calling for a double-dip in home prices. Let’s take a moment to define a double-dip as seeing the index set anew post-peak low. The index is now only 3.3% above its April 2009 low, suggesting that a double-dip could be confirmed before Spring. Certainly eight cities setting new lows, and with the only positive news concentrated in southern California and Washington DC, the data point to weakness in home prices,” said David M. Blitzer, Chairman of the Index Committee at Standard & Poor’s.

Sources: Wall Street Journal, 12/29/2010 and 1/25/2011. S&P Case Shiller 20 City Composite Index, accessed 1.25/2011.

Cash Position Summary

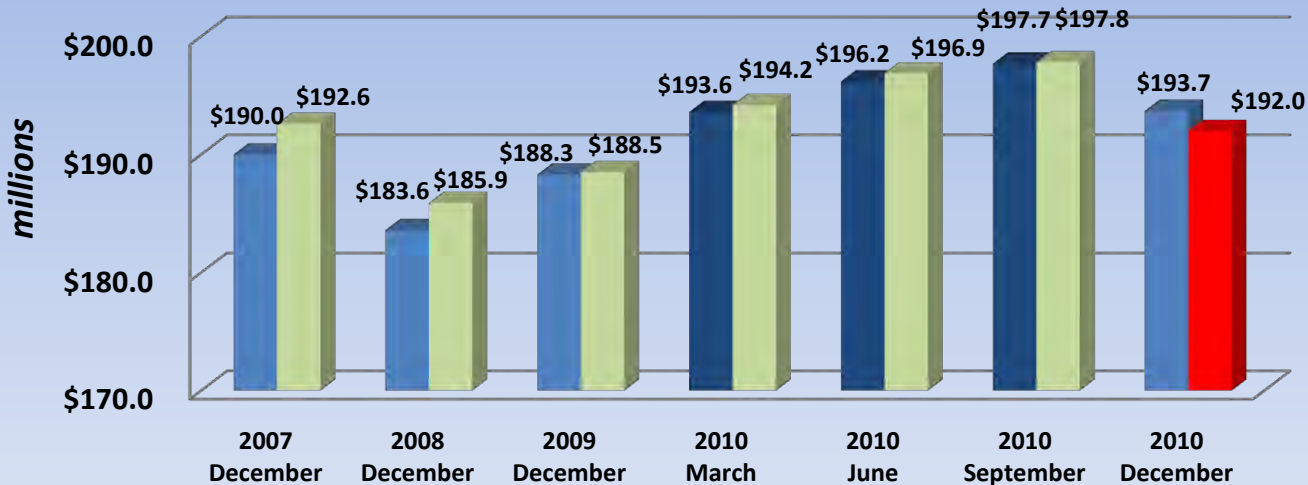
Cash & Reserves (unaudited)

	2010 Beginning	YTD Activity	Month End Total	
Restricted Reserves				
1	Capital Expansion Fees	\$ 44,091,355	\$ (5,723,759)	\$ 38,367,596
2	Water System Impact Fees	4,888,187	709,899	5,598,086
3	Raw Water Revenue – Windy Gap	27,612,486	(22,420)	27,590,067
4	Wastewater System Imp. Fees	3,499,926	766,235	4,266,161
5	Storm Drain System Imp. Fees	1,184,952	820,841	2,005,793
6	Power Plant Investment Fees	6,170,614	(430,244)	5,740,371
7	Cemetery Perpetual Care	2,296,821	137,171	2,433,992
8	Other Restricted	23,271,002	(444,270)	22,826,732
9	Total Restricted	\$ 113,015,343	\$ (4,186,546)	\$ 108,828,797
Reserve Balance Amounts				
10	General Fund	\$ 14,109,391	\$ (2,588,557)	\$ 11,520,834
11	Enterprise Funds	4,772,627	(33,925)	4,738,702
12	Internal Service Funds	16,048,571	1,787,089	17,835,660
13	Total Reserves	\$ 34,930,588	\$ (835,393)	\$ 34,095,196
14	Total Restricted and Reserved	\$ 147,945,931	\$ (5,021,939)	\$ 142,923,993
Unrestricted				
15	General Fund	\$ 10,846,574	\$ 4,417,386	\$ 15,263,961
16	Airport	340,564	309,218	649,782
17	Internal Service – Vehicle Maint	151	37,209	37,360
18	Enterprise Funds	28,776,604	3,012,884	31,789,488
19	Total Unrestricted	\$ 39,963,893	\$ 7,776,697	\$ 47,740,591
20	TOTAL CASH	\$ 187,909,825	\$ 2,754,758	\$ 190,664,583

Monthly Investment Report

Portfolio Size / Types of Investments

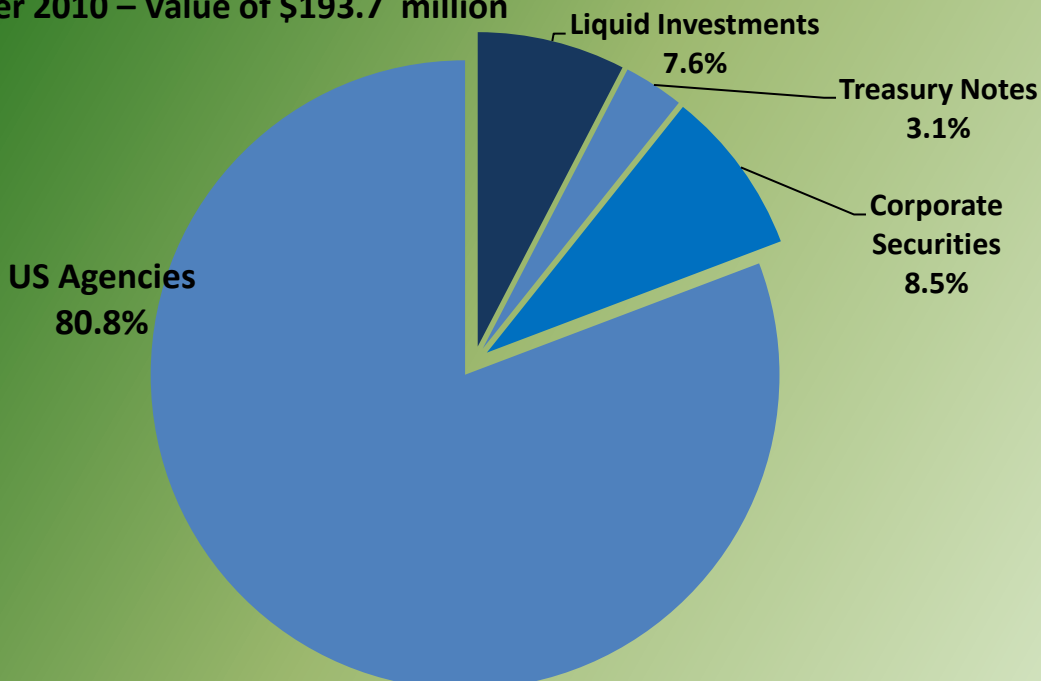
Portfolio Size since December 2007



Blue bars show Purchase value, red and green bars show market value, red = loss and green = gain

Portfolio by Type of Investment

December 2010 – Value of \$193.7 million

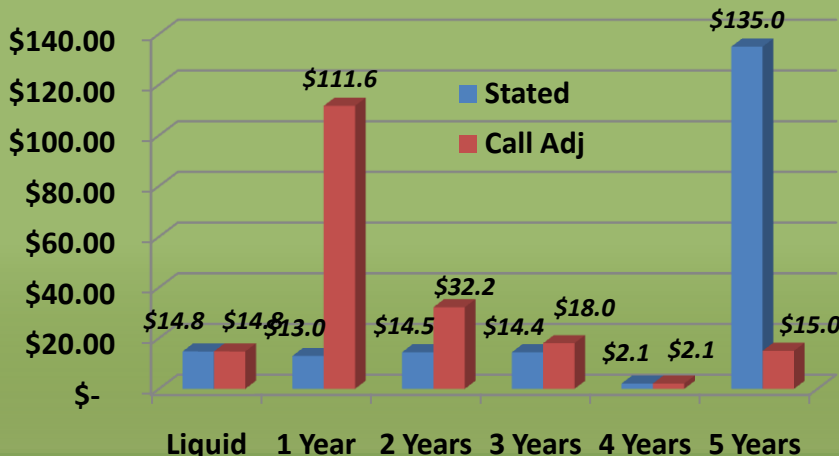


Transactions / Portfolio by Maturity

	Maturity Date	Face Value	Purchase \$	Stated Rate
<u>Purchases</u>				
FED Home Loan Bank	12/15/15	\$ 5,000,000	\$ 5,000,000.00	2.125%
FED Home Loan Mort Corp	12/30/15	5,000,000	5,000,000.00	2.000%
FED Home Loan Mort Corp	12/28/15	5,000,000	5,000,000.00	2.150%
FED Nat'l Mort Assn	12/16/15	5,000,000	5,000,000.00	1.500%
FED Nat'l Mort Assn	12/29/15	5,000,000	5,000,000.00	1.500%
FED Nat'l Mort Assn	12/29/15	<u>5,000,000</u>	5,000,000.00	2.320%
		\$ 30,000,000		
<u>Matured</u>				
FED Home Loan Bank	12/10/12	\$ 5,000,000	\$ 5,000,000.00	3.000%
General Electric Capital	12/01/12	<u>5,000,000</u>	5,000,000.00	5.000%
		\$ 10,000,000		
<u>Called</u>				
FED Home Loan Bank	06/29/15	\$ 2,066,116	<u>Call Value \$</u> \$ 2,066,115.70	2.670%
<u>Sales</u>				
	None this month		<u>\$ Gain on Sale</u>	

Portfolio by Maturity Term

(in millions - Total = \$193.7 as of end of December 2010)



The target rate for 2010 is 2.75%. Rates have been far below this level, so the interest rate target level was not reached for 2010.

To support earnings, several bonds have been sold for gains. Realized gains now exceed \$897,000.

The blue bars show the stated term. Red bars show the calls given the recent interest rate trends. Most of the five year bonds will be called early.



Future Scan

- ❖ The Federal Open Market Committee will meet on January 25-26, 2011; they are expected to again maintain the federal funds target interest rate at 0 to 25 basis points. (25 basis points is 0.25%.) The FOMC strategy is to keep interest rates low to benefit mortgage holders and businesses. This strategy is necessary to help the economy recover. The FOMC is expected to keep rates low throughout 2011.
- ❖ The stock markets continued to grow through December and the first half of January. There is still a lot of money on the sidelines in cash reserves and money is flowing from bond investments back into stocks. Some analysts are concerned that the market is priced too high and will be facing a correction. Volatility should be expected.
- ❖ Several economic indicators now show improvement. Most economists still focus on the lack of job creation leading to slow recovery. Foreclosures and resetting adjustable rate mortgages threaten the banks' stability. Difficulties in European countries' debt management remain concerns on the short-term horizon.
- ❖ Loveland's labor market *contracted* in December with 290 fewer jobs when compared to November. Compared to the revised estimate for December 2009, there are 28 fewer jobs for city residents. In December, the national unemployment rate was 9.4%, the State of Colorado was 8.6%, Larimer County was 7.1%, Fort Collins was 8.1% and Loveland was **6.2%**. Of Colorado cities, only Lafayette and Parker were lower at 5.3% and 4.8% respectively. Lower unemployment should pressure rates to rise.
- ❖ Average interest rates in December rose by 36.5% (basis the two-year treasury). With the higher rates, the City's unrealized gain position switched to an unrealized loss position. The upside is that the City can now invest in securities that pay higher rates. The budget projection was not reached. For 2011 the interest rate projection is 2% and is close to current rate levels for the five-year treasury.

[For more information regarding this report, please contact:](#)

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