



AGENDA ITEM: 1
MEETING DATE: 1/31/2012
TO: City Council
FROM: Water and Power Department
PRESENTER: Andy Tenbraak and John McGee

TITLE: Cross Connection Control Program (CCCP) for the City of Loveland

RECOMMENDED CITY COUNCIL ACTION:
Information only, no action required.

DESCRIPTION:

Water & Power staff will be presenting information regarding the Cross Connection Control Program (CCCP) for the City of Loveland. The primary purpose of the study session is to educate City Council on the CCCP and offer recommendations on the implementation of the program.

BUDGET IMPACT:

- Positive
 - Negative
 - Neutral or negligible: To be discussed at the Study Session.
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SUMMARY:

See Attachment A: Staff Report Memo "Cross Connection Control Program"

REVIEWED BY CITY MANAGER:

LIST OF ATTACHMENTS:

Attachment A: Staff Report Memo "Cross Connection Control Program"



MEMORANDUM

To: City Council
Through: Bill Cahill, City Manger
From: Steve Adams, Water and Power Director
Subject: Cross Connection Control Program (CCCP)
Date: January 19, 2012
Cc: Chris Matkins, Andy Tenbraak, John McGee
Enclosure A: *Figure 1: Containment vs. Isolation*
Enclosure B: *Draft CCCP Ordinance*

At the January 31, 2012 City Council Study Session, Water & Power staff will be presenting information regarding the CCCP for the City of Loveland. The primary purpose of the study session is to educate city council on the CCCP and offer recommendations on the implementation of the program.

To date, staff has presented the CCCP to the LUC during the November and December 2011 meetings and to the Construction Advisory Board (CAB) in December 2011. Both the LUC and CAB have supported the implementation of the CCCP and LUC approved a motion for City Council to approve the CCCP ordinance.

The City of Loveland is dedicated to supplying clean, safe water to its customers. When water is used improperly, creating a cross connection and the possibility of backflow, the health and safety of all the customers connected to the water system is threatened. Backflow due to improper use of water within a customer's premises could result in the contamination of the City's water supply mains. This could cause disease carrying organisms, toxic materials, or other hazardous substances to adversely affect large numbers of people. The City is taking every reasonable precaution to prevent cross connections from contaminating the water being distributed to its customers. The best protection against such occurrences is the implementation and maintenance of an effective cross connection control program (CCCP).

The City's Municipal Code Sections 13.10.302, 13.04.220, 15.08.020 and the Water and Wastewater Development standards Section 4.4.9 specifically mentions backflow prevention or cross connection control prevention. However, the City does not have an enforcement mechanism for regulating cross connection control within the City's domestic water service area. The purpose of the draft CCCP ordinance is to have an enforcement mechanism that cross connection control is implemented to the degree necessary to protect contamination of the domestic water supply within the City's service areas.

In May 2003 the Colorado Department of Public Health and Environment (CDPHE) adopted Article 12 of the Colorado Primary Drinking Water Regulations which specifically addressed Hazardous Cross Connections. This regulation requires that the City enforce cross connection control within the area of potable water service operated and maintained by the City. As part of this enforcement the City is

required to implement a program that will identify any potential hazards that exist, categorize and prioritize the degrees of hazards, require systems to install and maintain **containment devices** and enforce that proper devices are installed to eliminate the hazards. The City is also required to implement a tracking system that will notify customers with backflow devices that annual testing of the device be conducted by a Colorado Certified Technician. The City must maintain records of all inspections and maintenance performed on containment devices for a three year period. Further, a public water system is required to notify CDPHE of any cross connections within 10 calendar days following its discovery. Violations of the above requirements are subject to penalties as prescribed in sections 25.1.114 and 25.1.114.1 Colorado Revised Statutes.

In May 2007 the Loveland Utilities Commission received a presentation by staff on a draft cross-connection control ordinance. However, following the presentation staff learned from other Front Range communities that they were experiencing difficulties in operating and enforcing their cross-connection control ordinances. Staff then conducted a survey of best management practices and procedures to be used in redrafting the ordinance. In September 2010, the consulting firm Backflow Management Inc. was hired to update the redrafted ordinance and assist with the development of the CCCP. City staff has been working with them since that time to develop the CCCP ordinance that is shown as Attachment B.

City staff has continued on with creating a draft cross-connection control handbook that will include guidance on how to implement the CCCP. The handbook will outline procedures for installation, testing, and maintenance of approved backflow devices. Upon approval of the regulatory driven ordinance by city council, staff will being an extensive stakeholder information process involving plumbers, irrigation companies, customers, vendors, suppliers, consultants and contractors. Feedback from these stakeholders will help finalize the handbook, educate them on the elements of the CCCP program and assist with implementation of the program.

An important element to a cross-connection control program is what approach used to control backflow from occurring. The enclosed Figure 1 shows location and use for containment and isolation backflow prevention devices. Definitions for containment and isolation are as follows:

Containment – Protection by containment shall mean the installation of an approved backflow prevention assembly, or method, **on the service line(s) serving any premise**, location, facility or area. Protection by containment shall be used when the potable water system may be contaminated or polluted by substances used or stored within a building or premises.

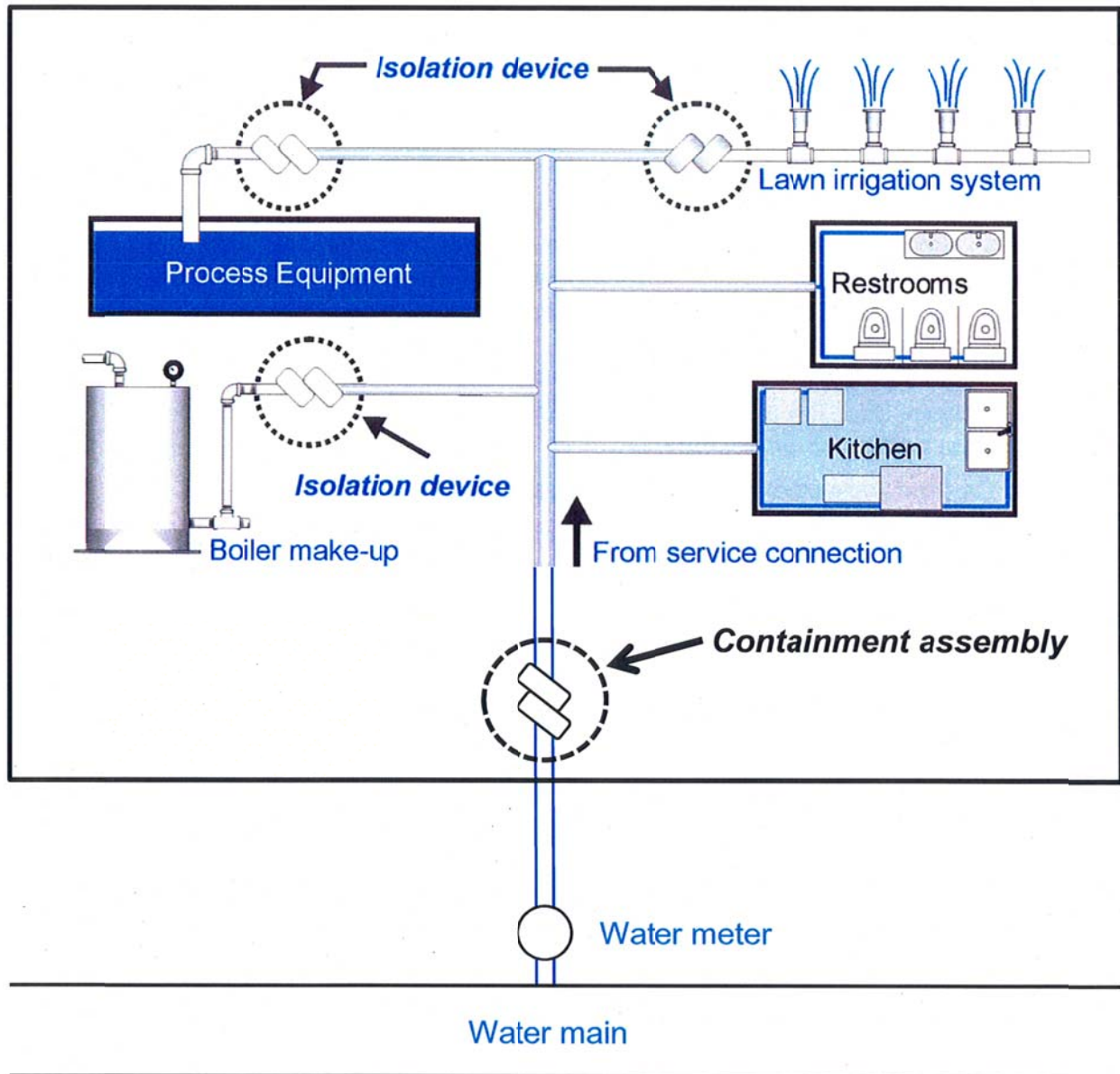
Isolation – The control of cross connections **within a buildings plumbing system** by the installation of an approved backflow prevention assembly or method at or near the potential sources of pollution or contamination. Plumbing codes usually specify when and where these devices are used.

The State of Colorado requires that a **containment assembly** be installed on all service connections that pose a potential health risk to the public water supply.

The CCC program will have a small financial impact on the City for implementation, tracking and surveys to identify potential cross connection hazards. The City has recently purchased special software for assisting in implementation, tracking, surveys and on-going operations of the CCC program. The 2012 O&M budget for this program is \$70,000. The budget will be reviewed each year to assess the financial impacts of the City operating and managing the program and will be updated as necessary.

ENCLOSURE A

FIGURE 1: CONTAINMENT ASSEMBLY VS ISOLATION DEVICES



ENCLOSURE B

FIRST READING _____

SECOND READING _____

ORDINANCE NO. _____

AN ORDINANCE AMENDING TITLE 13 OF THE LOVELAND MUNICIPAL CODE BY THE ADDITION OF A NEW CHAPTER 13.06 REGARDING CROSS-CONNECTION CONTROL

WHEREAS, pursuant to Article 12 of the Colorado Primary Drinking Water Regulations, it is the responsibility of the City of Loveland to protect its drinking water from the backflow of any substance into the public water supply system by instituting and enforcing a cross-connection control program; and

WHEREAS, City Council finds that the addition of Chapter 13.06 to the Loveland Municipal Code implementing a cross-connection control program is in the best interests of the rate payers of the City of Loveland and necessary for the public's health, safety, and welfare.

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

Section 1. That the Loveland Municipal Code is hereby amended by the addition of a new Chapter 13.06 to read as follows:

Chapter 13.06

CROSS-CONNECTION CONTROL

Sections:

- 13.06.010** **Definitions.**
- 13.06.020** **Purpose.**
- 13.06.030** **Cross-connections regulated.**
- 13.06.040** **Application and responsibilities.**
- 13.06.050** **Backflow prevention assembly requirements.**
- 13.06.060** **Containment protection.**
- 13.06.070** **Irrigation systems.**
- 13.06.080** **Fire systems.**
- 13.06.090** **Temporary meters.**
- 13.06.100** **Wholesale customers.**
- 13.06.110** **Mobile units.**
- 13.06.120** **Right-of-way encroachment.**
- 13.06.130** **Plumbing code.**
- 13.06.140** **Access to premises and records.**

September 12, 2011

13.06.150	Testing and repairs.
13.06.160	Responsibilities of cross-connection control technicians.
13.06.170	Maintenance of assemblies.
13.06.180	Installation requirements and specifications.
13.06.190	Thermal expansion.
13.06.200	Pressure loss.
13.06.210	Parallel installation.
13.06.220	New construction.
13.06.230	Residential service connections.
13.06.240	Rental properties.
13.06.250	Retrofitting.
13.06.260	Costs of compliance.
13.06.270	Emergency suspension of service.
13.06.280	Non-emergency suspension of service.
13.06.290	Termination of service.
13.06.300	Recovery of costs.
13.06.310	Violations.
13.06.320	Falsifying information; tampering.

13.06.010 Definitions.

Except where specifically designated in this section, all words used in this Chapter 13.06 shall carry their customary meanings. Any word, term, or phrase not found in this section shall be determined as set forth in the Colorado Primary Drinking Water Regulations or in the Colorado Cross-Connection Control Manual, if not found in such regulations.

- A. "Air gap" means a physical separation between the free-flowing end of a potable water supply pipeline and the overflow rim of an open or non-pressure-receiving vessel. To be an "approved air gap," the separation must be at least twice the diameter of the inlet piping (supply pipe) measured vertically, and never be less than one inch.
- B. "Approved backflow prevention assembly," "backflow assembly," or "assembly" means an assembly to counteract backpressures or prevent backsiphonage. This assembly must be approved by the American Society of Sanitary Engineers ("ASSE") or the University of Southern California ("USC") and must be purchased and installed as a complete unit including shut-off valves and test cocks.
- C. "Auxiliary supply" means any water source or system other than the city's water.
- D. "Backflow" means the flow of water or other liquids, gases, or solids from any source back into the public water system in the opposite direction of its intended flow.
- E. "Certified Cross-Connection Control Technician" or "CCCCT" means a person holding a valid CCCCT certification issued in accordance with the Colorado Department of Public Health and Environment Water Quality Control Division.

- F. “Closed system” means any water system or portion of a water system in which water is closed to atmosphere.
- G. “Colorado Cross-Connection Control Manual” means the latest version of the manual published by the Backflow Prevention Education Council of Colorado and is endorsed by the State addressing cross-connection control practices, which shall be used as a guidance document for the water supplier in implementing a Cross-Connection Control Program.
- H. “Colorado Primary Drinking Water Regulations” or “CPDWR” means the most recent edition of the regulations adopted by the Colorado Department of Public Health and Environment Water Quality Control Division.
- I. “Containment” means a method of protecting the public water system by the installation of an approved air gap or approved backflow prevention assembly at the point of service (end of the city’s service pipe) to separate the customer’s plumbing system from the city’s distribution system.
- J. “Contamination” means the entry into or presence in a public water system of any substance which may be harmful to health and/or quality of the water.
- K. “Cross-connection” means any physical arrangement where the public water system is connected, directly or indirectly, actual or potential, with any other non-potable water system or auxiliary system, well, sewer, drain conduit, swimming pool, storage reservoir, plumbing fixture, swamp cooler, or any other device which contains, or may contain, contaminated or polluted water, sewage, used water, or other liquid of unknown or unsafe quality which may be capable of imparting contamination or pollution to the public water system as a result of backflow. Bypass arrangements, jumper connections, removable sections, swivel or changeover devices, or other temporary or permanent devices through which, or because of which, backflow may occur are considered to be cross-connections.
- L. “Degree of hazard” means the low or high hazard classification that shall be attached to all actual or potential cross-connections.
- M. “Director” means the director of the water and power department or his designee.
- N. “Double check valve backflow prevention assembly,” “double check assembly,” “double check,” “DCVA,” or “DC” means an assembly which consists of two independently operating check valves which are spring-loaded or weighted. This assembly comes complete with a shut-off valve on each side of the checks, as well as test cocks.
- O. “High hazard” means the classification assigned to an actual or potential cross-connection that potentially could allow a substance that may cause illness or death to backflow into the public water system.
- P. “In-premises protection” means a method of protecting the health of consumers served by the customer’s plumbing system (*i.e.* located within the property lines of the customer’s premises) by the installation of an approved air gap or backflow prevention assembly at the point of hazard.
- Q. “Low hazard” means the classification assigned to an actual or potential cross-connection that could allow a substance that may be objectionable, but

not hazardous to one's health, to backflow into the public water system.

- R. "Mobile unit" means a unit connecting to the public water system through a hydrant, hose bibb, or other appurtenance of a permanent nature that is part of the public water system. Examples include, but are not limited to, the following: water trucks, pesticide applicator vehicles, chemical mixing units or tanks, waste or septage hauler trucks or units, sewer cleaning equipment, carpet or steam cleaning equipment, rock quarry or asphalt/concrete batch plants, or any other mobile equipment or vessel. Uses that are excluded from this definition are recreational vehicles at assigned sites or parked in accordance with city ordinances pertaining to recreational vehicles, and homeowner devices that are used by the property owner in accordance with city ordinances pertaining to the provision of water service to a premises.
- S. "Plumbing code" means the most current plumbing code adopted by the city.
- T. "Plumbing hazard" means an internal or plumbing-type cross-connection in a consumer's potable water system that may be either a pollutional or a contamination-type hazard. This includes, but is not limited to, cross-connections to toilets, sinks, lavatories, wash trays, domestic washing machines, and lawn sprinkling systems. Plumbing-type cross-connections can be located in all types of structures including, but not limited to, homes, manufactured homes, apartment houses, hotels, and commercial or industrial establishments.
- U. "Pollutional hazard" means an actual or potential threat to the physical properties of the public water system or the potability of the public's or the consumer's potable water system but which would not constitute a health or system hazard. The maximum degree of intensity of pollution to which the public water system could be degraded under this definition would cause a nuisance or be aesthetically objectionable or could cause minor damage to the public water system or its appurtenances.
- V. "Potable water supply" means any system of water supply intended or used for human consumption or other domestic use that meets all requirements established by the Safe Drinking Water Act and the CPDWR.
- W. "Premises" means any piece of property to which water is provided including, but not limited to, all improvements, mobile structures, and structures located on it.
- X. "Public water system" means that part of the water system that is owned and maintained by the city including all pipes, valves, and appurtenances up to the outlet side of the curb stop or meter connection.
- Y. "Reduced pressure principle backflow prevention assembly" or "reduced pressure backflow assembly" or "RP assembly" means an assembly containing two independently acting approved check valves together with a hydraulically-operated, mechanically independent pressure differential relief valve located between the check valves. The assembly shall include properly located test cocks and tightly closing shut-off valves at each end of the assembly.
- Z. "Specialist" means an employee or contractor of the city who meets the requirements of this Chapter 13.06 and the city's Standard Operating

Procedures Manual to carry out inspections and surveys for cross-connections.

- AA. “Standard Operating Procedures Manual” or “SOP Manual” means the most recent edition of the city’s Standard Operating Procedures Manual related to cross-connection control.
- AB. “Technician” means a Cross-connection Control Technician certified to test backflow assemblies.
- AC. “Thermal expansion” means the pressure created by the expansion of heated water.
- AD. “Unapproved substance” means any substance, gas, or liquid other than the city’s drinking water or the city’s used drinking water.
- AE. “Used water” means any water supplied by the city to a customer’s property after it has passed through the service connection and is no longer under the control of the city.

13.06.020 Purpose.

The purpose of this Chapter 13.06 is to protect the public water system from contamination or pollution due to any existing or potential cross-connections as defined in CPDWR Article 12, or as amended, and this Chapter 13.06 which is necessary for the public’s health, safety, and welfare.

13.06.030 Cross-connections regulated.

- A. No cross-connections shall be created, installed, used, or maintained within the territory served by the city, except in accordance with this Chapter 13.06.
- B. The specialist shall carry out or cause inspections and surveys to be carried out to determine if any actual or potential cross-connections exist. If found necessary by the specialist, an assembly commensurate with the degree of hazard will be required to be installed at the service connection or at the point of hazard. The location will be determined by the specialist.
- C. The owner, occupant, or person in control of the property shall be responsible for all cross-connection control within the premises.
- D. Notwithstanding anything in this section to the contrary, the Director of Water and Power shall be authorized to require such additional information or documentation he deems reasonably necessary, in his sole discretion, to ensure the safety of the city’s water supply.

13.06.040 Application and responsibilities.

This Chapter 13.06 applies throughout the city and to every premises and property served by the public water system. It applies to any premises, public or private, regardless of date of connection to the public water system. Every owner, occupant, and person in control of any concerned premises is responsible for compliance with the terms and provisions contained herein.

13.06.050 Backflow prevention assembly requirements.

The specialist shall approve the type of backflow assembly to be installed within the area served by the city. All users shall install an approved backflow

assembly commensurate with the degree of hazard determined by the specialist on each service line that is directly connected to the city's water supply system. All assemblies shall be installed within the user's potable water system between the service connection and the first branch line leading off the service line, unless it is determined by the specialist to install the assembly at an alternate location for containment protection or in-premises protection. The cross-connection shall be eliminated or an assembly shall be required by the specialist to be installed in each of the following circumstances, but the specialist is in no way limited to the following circumstances:

- A. The nature and extent of any activity on the premises, or the materials used in connection with any activity on the premises, or materials stored on the premises, could contaminate or pollute the potable water supply.
- B. Premises having any one or more cross-connections or potential cross-connections.
- C. When a cross-connection survey report form is required by the city to be filled out and returned and it has not been received by the city.
- D. Internal cross-connections are present that are not correctable.
- E. Intricate plumbing arrangements exist or plumbing subject to frequent changes is present that make it impractical to ascertain whether or not cross-connections exist.
- F. There is a repeated history of cross-connections being established or re-established.
- G. There is unduly restricted entry so that inspections and surveys for cross-connections cannot be made with sufficient frequency to assure that cross-connections do not exist.
- H. Materials, chemicals, or other substances or apparatus are being used and if backflow occurred, contamination or pollution could result.
- I. Installation of an approved backflow prevention assembly is deemed to be necessary in the judgment of the specialist to comply with any provision of CPDWR Article 12 or this Chapter 13.06.
- J. Any premises having an auxiliary water supply.
- K. In the event an in-premises assembly that protects the distribution system has not been tested or repaired as required by CPDWR Article 12 and this Chapter 13.06, a containment assembly will be required or water service will be terminated in accordance with this Chapter 13.06.
- L. If it is determined that additions or rearrangements have been made to the plumbing system without obtaining proper permits as required by City Code.
- M. When a garden hose attachment is connected to the premises' plumbing, including, but not limited to, fertilizer applicators, pesticide applicators, and radiator flush kits.
- N. If the required building or sprinkler permits are not obtained.

13.06.060 Containment protection.

- A. Service connections to premises posing a high health cross-connection hazard shall have an approved air gap or reduced pressure backflow assembly installed for containment protection.

- B. If the specialist determines that no hazard exists for a connection serving such a premises, the requirements of subsection 13.06.060A. shall not apply.

13.06.070 Irrigation systems.

- A. All irrigation systems which are plumbed off of the main service line to the premises shall be protected in accordance with the plumbing code.
- B. All designated laterals which serve only irrigation systems shall install a reduced pressure backflow assembly or a pressure vacuum breaker assembly. These assemblies must be installed at a location established by the specialist and tested in accordance with this Chapter 13.06 and the SOP Manual.

13.06.080 Fire systems.

- A. An approved double check backflow prevention assembly shall be the minimum protection on all fire sprinkler systems using piping material that is not approved for potable water use or that does not provide for periodic flow-through. A reduced pressure backflow assembly must be installed if any solution other than the potable water can be introduced into the sprinkler system.
- B. All fire system assembly testing shall be in accordance with the Colorado Cross-Connection Control Manual, this Chapter 13.06, and the SOP Manual. Any conflict between the requirements set forth therein shall be resolved in favor of the more stringent requirement.

13.06.090 Temporary meters.

Backflow protection shall be required on temporary meters. The type of assembly shall be commensurate with the degree of hazard and shall be determined on a case-by-case basis by the specialist.

13.06.100 Wholesale customers.

Any customer or special water district that has a wholesale contract for water services with the city must have an active, ongoing cross-connection program. The cross-connection program must be in compliance with CPWDR Article 12 requirements pertaining to public water systems. The city reserves the right at all times to require a reduced pressure backflow assembly at the interconnect.

13.06.110 Mobile units.

Unless a city's designated fill station is being used, any mobile unit that uses the city's water from any premises or piping shall have an air gap or RP assembly installed. Mobile units not using the designated fill station may be subject to inspection or survey by the city to ensure compliance with this section.

13.06.120 Right-of-way encroachment.

- A. No person shall install or maintain a backflow prevention assembly upon or within any city right-of-way except as provided in this Section 13.06.120.
- B. The city reserves the right to require that a backflow prevention assembly be installed in the right-of-way.

- C. A backflow prevention assembly required by the city may be installed upon or within any city right-of-way only if the owner proves to the city that there is no other feasible location for installing the assembly and that installing it in the right-of-way will not interfere with traffic or utilities. The city retains the right to approve the location, height, depth, enclosure, and other requisites of the assembly prior to its installation.
- D. All permits required by the Loveland Municipal Code to perform work in the right-of-way shall be obtained.
- E. A property owner shall, at the request of the city and at the owner's expense, relocate a backflow prevention assembly which encroaches upon any city right-of-way when such relocation is necessary for street or utility construction or repairs.
- F. All city ordinances relevant to right-of-way encroachment shall be abided by.

13.06.130 Plumbing code.

As a condition of water service, customers shall install, maintain, and operate their piping and plumbing systems in accordance with the plumbing code.

13.06.140 Access to premises and records.

The specialist, authorized city employees, and persons contracted by the city to perform cross-connection inspections and surveys shall, at all reasonable times, have clear access, as defined in Section 13.02.135, to any premises within or outside the city served by the city's water utility for the purpose of inspecting, surveying, or testing any connection or potential connection to the public water system or for any other purpose whatsoever in connection with the necessary discharge of their duties and the enforcement provisions of this chapter. Said specialist, employees, and contractors shall also have access to all relevant records. If clear access to the premises or access to records is denied, a reduced pressure backflow assembly shall be required to be installed at the service connection to that premises, or service may be suspended in accordance with Section 13.06.280.

13.06.150 Testing and repairs.

Containment backflow prevention assemblies, or assemblies which have been identified and accepted by the city as protection for the public water system, shall be tested, and retested following repair, by a CCCCT in accordance with the requirements set forth in CPDWR Article 12, this Chapter 13.06, and the SOP Manual. Any conflict between the requirements set forth therein shall be resolved in favor of the more stringent requirement.

13.06.160 Responsibilities of cross-connection control technicians.

All cross-connection control technicians operating within the city shall be certified in accordance with all applicable regulations and shall comply with all requirements in this Chapter 13.06 and the SOP Manual.

13.06.170 Maintenance of assemblies.

Backflow prevention assemblies shall be maintained in accordance with the

requirements set forth in the Colorado Cross-Connection Control Manual and the SOP Manual.

13.06.180 Installation requirements and specifications.

- A. Backflow prevention assemblies shall be installed in accordance with the requirements set forth in the Colorado Cross-Connection Control Manual and the SOP Manual.
- B. In the event the specialist allows a containment assembly to be installed at an alternate location, there shall be no connection between the meter and the backflow assembly.

13.06.190 Thermal expansion.

If a closed system has been created by the installation of a backflow prevention assembly, it shall be the responsibility of the property owner to eliminate the possibility of thermal expansion.

13.06.200 Pressure loss.

Any reduction in water pressure caused by the installation of a backflow assembly shall not be the responsibility of the city.

13.06.210 Parallel installation.

Premises where non-interruption of water supply is critical shall have two assemblies of the same type installed in parallel. They shall be sized in such a manner that either assembly will provide the minimum water requirements while the two together will provide the maximum water requirements.

13.06.220 New construction.

In all new non-residential buildings, an approved reduced pressure backflow assembly shall be installed on each potable water service line directly connected to the city's water system. All assemblies shall be installed within the user's potable water system between the service connection and the first branch line leading off the service line.

13.06.230 Residential service connections.

Any residential property that has been determined to have an actual or potential cross-connection or has violated the plumbing code or this Chapter 13.06 in any way shall be required to install an approved backflow prevention assembly in accordance with this Chapter 13.06.

13.06.240 Rental properties.

The property owner shall be responsible for the installation, testing, and repair of all backflow assemblies on owner's property or approved right-of-way locations. When tenants change, or if the plumbing is altered in any way, it shall be the owner's responsibility to notify the City.

13.06.250 Retrofitting.

Retrofitting shall be required on all service connections where an actual or potential cross-connection exists, and wherever else the specialist deems retrofitting necessary.

13.06.260 Costs of compliance.

All costs and expenses associated with the purchase, installation, inspection, survey, testing, replacement, maintenance, parts, and repair of the backflow assembly are the financial responsibility of the property owner.

13.06.270 Emergency suspension of service.

The director or his designee may, without prior notice, suspend water service to any premises when such suspension is necessary to stop the imminent threat of any actual or potential cross-connection as defined in this Chapter 13.06 and the SOP Manual.

13.06.280 Non-emergency suspension of service.

The director or his designee may suspend, with twenty-four hours notice, the water service to any premises where the conditions of this Chapter 13.06 or the SOP Manual have been violated.

13.06.290 Termination of service.

Failure on the part of any property owner to discontinue the use of all cross-connections, to physically separate cross-connections, or to abide by all the conditions of this Chapter 13.06 is sufficient cause for the immediate termination of water service by the city to the premises.

13.06.300 Recovery of costs.

Any property owner who violates any provision of this Chapter 13.06 shall be liable to the city for all costs and expenses incurred by the city as a result of such violation, including, without limitation, all costs and expenses related to suspending or terminating service and costs of labor, materials, and specified fees. Refusal to pay the assessed costs and expenses shall constitute a violation of this Chapter 13.06 and may result in termination of water service. All said costs and expenses shall constitute a lien upon the property where the water is used from the time of use and shall be a perpetual charge against said property until paid, and in the event the charges are not paid when due, the city clerk may certify such delinquent charges to the treasurer of Larimer County and the charges may be collected in the same manner as though they were part of the taxes.

13.06.310 Violations.

Any person who violates any provision of this Chapter 13.06 shall be guilty of a misdemeanor subject to the general penalty clause of the Loveland Municipal Code.

13.06.320 Falsifying information; tampering.

Any person who knowingly makes any false statement, representation,

record, report or other document filed or required to be maintained pursuant to this Chapter 13.06, or who falsifies, tampers with, or knowingly renders inaccurate any backflow assembly or method required under this Chapter 13.06 shall, in addition to civil and criminal penalties provided by state law, be guilty of a misdemeanor subject to the general penalty clause of the Loveland Municipal Code.

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).

ADOPTED this ____ day of _____, 2011.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Assistant City Attorney



AGENDA ITEM: 2
MEETING DATE: 1/31/2012
TO: City Council
FROM: Randy Mirowski, Loveland Fire Rescue **rm**
PRESENTER: Randy Mirowski

TITLE:
Loveland Fire Rescue Authority Update

RECOMMENDED CITY COUNCIL ACTION:
Information only is the primary focus of this study session; some direction from City Council members for confirmation of our direction for the future is anticipated.

DESCRIPTION:
This presentation will be an update for City Council members in the form of a progress report on Loveland Fire Rescue Authority with a focus on the Model 1 Basic Services Plan; a brief explanation and visual display for the relocation of Fire Station 2 will also be included.

BUDGET IMPACT:
 Neutral or negligible:
There is no budgetary impact from this presentation. However, implementation of the Model 1 Basic Services Plan will have a negative budgetary impact for the City over a period of years 2014-2020.

SUMMARY:
The Fire Authority has been researched and evaluated as the best and most effective governance model for nearly three years. The result of the evaluation and the work of three separate committees indicated that the Fire Authority was the best model of governance, was a feasible model of governance with certain provisions related to increases in staffing and resources, and was doable within certain parameters. Important parameters identified had to do with real and personal property (fire stations and firefighting equipment) and the reassignment of all fire department personnel, including the fire chief, to the Fire Authority. These parameters were spelled out in detail within the IGA that was approved by City Council in November of 2011. Loveland Fire Rescue Authority became a reality on January 1, 2012 with approval of City Council and the Loveland Rural Fire Protection District.

Tonight's presentation will provide City Council members with:

- A brief history of the Fire Authority's process for implementation

- An explanation for the Model 1 Basic Expansion Plan
- Relocation of Fire Station 2
- Transitioning Model 1 from concept to implementation and management
- An update on the Rural Fire District's mill levy election
- Commentary on the active partnership between the City and Rural Fire District
- Time for Council members questions

The major focus of this evening's presentation will be on the specifics of the staffing and capital expansion plan for the Fire Authority over the next 8-10 years (2012-2020). Details and costs for the plan will be shared, along with some discussion of what the financial needs are to make the plan become a reality. In addition, a brief overview of the proposal for relocating Fire Station 2 will be covered and ample opportunity for Council members to ask questions about this initiative will be included.

REVIEWED BY CITY MANAGER: 

LIST OF ATTACHMENTS:

1. Model 1 Basic Services Plan
2. PowerPoint Presentation
3. Land purchase and building Fire Station 2

V. Model 1 Basic Services Expansion Plan

During the years of 2010-2011, the Fire Authority Review Committee was charged with the task of determining what it would take to be able to implement and manage a Fire Authority. A significant amount of time was spent evaluating the department's resources and its ability to provide adequate staffing and equipment for the variety of emergency response calls in the city and rural district. There were three clear objectives established for addressing the department's current and future needs:

1. Establish an adequate initial response for both staff and equipment
2. Provide for reliability in the emergency response system beyond the 1st Alarm Assignment, utilizing department resources and not being reliant on mutual aid response for system coverage
3. Plan for expansion in the emergency response system to address future gaps in coverage

Several other criteria were evaluated, including the appropriate minimum staffing model that would be utilized. The committee spent months in the evaluation of the department's resources and compared those resources to the community risk. Other departments were also evaluated for their level of services provided and their community risk.

Other criteria that entered into the analysis included the department's evaluation by the Insurance Services Office (ISO) in 2008. During this evaluation, it was noted that the department was short on overall personnel and two fire companies; one a service or support/truck company and another engine company in the district.

At the conclusion of the analysis, two models were developed. The first model had at its core an expansion of services to include three person fire companies as the minimum staffing model. The second model utilized a four-person crew for its minimum staffing model. In addition to the staffing component other expansion, such as the service (support) company and the expansion of an additional engine company were included in both models.

Both of these models were presented to the Loveland City Council and Rural Board in the early portion of 2011. Both governing bodies chose to endorse, in concept Model 1 Basic Services Plan as the model of choice for the strategic plan for the fire authority. The components of that model are included in the following pages.

In the early part of 2012, the Model 1 Basic Services Expansion Plan was presented to the new Loveland Fire Rescue Authority Board. The plan has been broken out into four phases of expansion with the years targeted for expansion and the total estimated costs listed at 2013 dollars. The fully detailed phased plan is shown in figure 5-1.

General funding sources for the Model 1 Basic Services Plan have been identified through discussions and presentations with City Council and the Rural District Board. Specific and targeted funding for the entirety of the plan, and identification of where funding gaps exist for both O & M and capital issues, will be developed over the first six months of 2012. Management of the plan and of the various capital and O & M resources will be an ongoing work throughout the life of this strategic plan.

PHASED IN PLAN FOR MODEL #1 BASIC SERVICES PLAN-

2012-2020

The Model #1 Basic Services Expansion Plan consists of four phases, the first three phases having a major construction project, a major hiring project, and other significant large capital projects. The fourth phase, by design, is the smallest expansion phase. This fourth phase will allow for any unanticipated capital or operational and maintenance growth, or options for implementation in the event of unforeseen economic downturns that delay the expansion plans timelines. The fourth phase, by design, provides for some flexibility within the plan for expansion. Each phase will be highlighted below for its major emphasis in three categories: hiring, construction projects and apparatus expansion. The next pages will provide a more defined expansion per phase, including cost estimates that are gleaned from best assessments possible.

The remaining pages in this section provide individual details for Model #1 expansion, including: staffing and costs for implementation, large capital replacement options, secondary apparatus replacement schedule and costs, updated Fire Rescue City of Loveland capital replacement plan, and improvement and construction costs for fire stations.

The abbreviated summary of the phased in plan for Model #1 is as follows:

PHASE	TIME	HIRING FOCUS	CONSTRUCTION	NEW APPARATUS
One	2012-2013	Public Safety Admin. Director Min. Staffing: E-6 & Trk. 6 Part-Time Paid Program Community Safety Staff	Expansion of Station Six	New Engine
Two	2014-2015	Staffing for New Rescue 6 Lieutenants & 6 Engineers	Construction of New Station Two	New Aerial
Three	2016-2017	Staffing for Station Ten Admin./Sec Position	Construction of New Station Ten	New Engine
Four	2018-2020	Coverage Positions/ Rovers	None	New Engine

PHASE 1 2012-2013	YEAR	DOLLARS	SOURCE
Add 6 FT firefighters for Engine 6 & Truck 6	2013	\$ 426,777*	
Additional funding for part time paid F/F program	2013	\$ 70,420*	
Add Public Safety Administrative Director position	2013	\$ 130,000*	
Add 1 Lieutenant position to Community Safety Division	2013	\$ 106,140*	
TOTAL \$ Increase for O&M for Phase 1		\$ 733,337	City/Rural
Expansion for Station 6 (updated cost 12/2011)	2012	\$ 925,000	City/CEF
Fire Engine (Replacement-updated cost 12/2011)	2012	\$ 475,000	City
TOTAL Capital \$ for Phase 1		\$1,400,000	

PHASE 2 2014-2015	YEAR	DOLLARS	SOURCE
Add 6 FT positions for new Heavy Rescue- Squad 2 (3 Lieutenants and 3 Engineers)	2014	\$ 694,389*	
TOTAL \$ Increase for O&M for Phase 2		\$ 694,389	City/Rural
Construction of new Station Two	2013	\$2,900,000**	City/CEF
New Heavy Rescue Truck	2014	\$ 500,000	City/CEF
Aerial Tower Replacement	2014	\$1,200,000	City
Refurbish 2000 Smeal Aerial Ladder for Reserve Truck	2015	\$ 475,000	City
TOTAL Capital \$ for Phase 2		\$5,075,000	

PHASE 3 2016-2017	YEAR	DOLLARS	SOURCE
Add 9 FT position for New Station Ten (Lt., Eng., FF)	2016	\$ 980,434*	
Add 1 Administrative (secretarial) position	2016	\$ 54,450*	
TOTAL \$ Increase for O&M for Phase 3		\$1,034,884	City/Rural
<i>O&M costs are also expected to increase in 2017 for insurance costs by \$62,324 and the annual amortization for equipment replacement as the Fire Authority becomes responsible for these costs as a separate organization</i>			
Build New Station Ten	2016	\$2,299,000**	City CEF/ Rural
Fire Engine Replacement	2016	\$ 530,000	City
Refurbish Water Tender 1	2016	\$ 237,000	Rural
TOTAL Capital \$ for Phase 1		\$3,066,000	

PHASE 4 2018-2020	YEAR	DOLLARS	SOURCE
Add 3 FT firefighters for coverage/rover positions	2019	\$ 262,308*	
TOTAL \$ Increase for O&M for Phase 4		\$ 262,308	City/Rural
Refurbish Water Tender 5	2018	\$ 357,000	LFRA
Replace Front Line Engine	2020	\$ 597,388	LFRA
TOTAL Capital \$ for Phase 4		\$ 954,388	

*All O & M costs include a 3.5% annual inflationary increase

** These estimates were provided by City of Loveland Facilities in late 2011, they will need to be re-evaluated in the coming years based on the construction trends and costs per square foot

MODEL #1- BASIC SERVICES PLAN-**2012-2020**

This Basic Service Plan offers a minimum staffing of each fire company with 3 firefighters and utilizes the current 3-tiered workforce of volunteers, part-time paid (PTP) and full-time (FT) firefighters. The total build-out of this plan would result in the targeted numbers of .95 ffs/1000.

ADDITIONS/CHANGES TO BUILD THE PLAN:	Targeted Year
* Add 6 FT firefighters for Engine 6 and Truck 6 to provide for minimum staffing of three firefighters per engine or truck	2013
* Continue funding for PTP program expanding to include 18 total PTP FFs- the part-time-paid program is a part of the minimum staffing plan	2013
* Add Public Safety Administrative Director- needed to address the department's administrative needs to manage and administrate the fire authority	2013*
* Add 1 Lieutenant for FPB/CSD- needed to address the current deficiencies in the business inspection program (down 65% since budget reductions in 2009)	2013
* Add 6 FT positions (Lts & Engs.) for Heavy Rescue Company, Station Two- this Squad company helps meet minimum staffing levels and the recommendations from ISO (Insurance Services Office)	2014
* Add 9 FT positions (LTs/Engs./FF)for new Station 10- required staffing to open the new west side station which is important for minimum staffing levels and district/area coverage for the 5-minute response	2016
* Add 1 Administrative Assistant- needed to help address the increase in workload at the admin/secretarial level (currently the department has only two administrative specialist positions)	2016
* Add 3 FT positions for rover/coverage- these positions are needed to cover vacancies due to injury, sick, leave, vacation, etc.	2019

* This position comes on line in 2012, however is budgeted for the department as an expenditure beginning in 2013

Large Capital Replacement Options-

Fire Authority Large Capital Replacement Plan 2010-2025

■ Apparatus Remaining from Current 2010 Capital Program-

- 2010 SVI Engine Replaces 1995 General Telesqurt
- 2012 New Engine Replaces 1998 General ALF
- 2014 New Aerial Replaces 2000 Smeal HME
- 2016 New Engine Replaces 2004 General Spartan

■ Primary Apparatus Replacement Schedule 2016-2025-

Primary Vehicle/	Year In Service	Replace (12)	New/Old Plan	Reserve/Retire (3)
E-1 SVI/Spartan	2011	2023	New	2026
E-2 Crim./Spart.	2008	2020	New	2023
E-3 Crim./Intl.	2009	2021	New	2024
E-5 Pierce	2010	2022	New	2025
E-6 Gen./Spart.	2004	2016	Old	2019
Trk.6 Smeal/HME	2000	2014	Old	2020 (refurb?)
Res. 6 SVI/Spart.	2003	---	New	2024 (refurb?)
Eng R Smeal/Spart.	2003	2015	---	2020
Eng. R Gen./ALF	1998	2010	---	2016
Trk. R Gen./T-Sq.	1995	2010	---	2014

■ New Plan Replacement Costs for Primary Apparatus-

1. 2020	Engine 2	Crimson/Spartan	\$ 597,388
2. 2021	Engine 3	Crimson/International	\$ 618,297
3. 2022	Engine 5	Pierce	\$ 639,937
4. 2023	Engine 1	SVI/Spartan	\$ 662,335
5. 2024	Rescue 6	SVI/Spartan	\$ 390,000 (Refurbished)

TOTAL COSTS -PRIMARY APPARATUS REPLACEMENT \$2,907,957

■ Secondary Apparatus Replacement Schedule 2016-2025-

Secondary Vehicle/	Year In Service	Replace (20)	New/Old Plan	Reserve/Retire
WT-1 Gen./Frtlin.	1996	2016	New (RF)	2026
WT-8 Gen./Frtlin.	1996	2017	New (RF)	2027
WT-5 Gen./F.L. 4x4	1998	2018	New (RF)	2028
D-2 SVI/Frtlin.	2004	2024	New (RF)	2034
HR-2 Hackney	2006	2026	New (RF)	2034

* Note: All of these secondary apparatus, except D-2, are planned for a refurb. (RF) with replacement of cab and chassis as opposed to new replacement vehicles

■ New Plan Refurbishment Costs for Secondary Apparatus-

1. 2016	WT-1	Gen./Frtlin.	\$ 237,000
2. 2017	WT-8	Gen./Frtlin.	\$ 245,295
3. 2018	WT-5	Gen./Frtlin. (4x4)	\$ 180,000
5. 2026	HR-2	Hackney	\$ 357,000

TOTAL COSTS -SECONDARY APPARATUS REPLACEMENT \$1,324,000

Available Capital Funds 2016-2025 (\$575,000 X 10 years) \$5,750,000

- Primary Apparatus Costs 2016-2025 - (\$2,907,957)
- Secondary Apparatus Costs 2016-2025 - (\$1,324,000)
- Misc. Equipment (Air-Paks, Radios TICs) - (\$1,518,043)
(The need for this equipment has been estimated at \$150,000/ per year)

TOTAL NEEDED FOR LG. CAPITAL REPLACEMENT (2016-2025) \$5,750,000

Updated Loveland Fire and Rescue 2012-2021 Capital Programs

FIRE APPARATUS

Current Replacement Schedule:

<u>Year</u>	<u>Replaces</u>	<u>Cost</u>
- 2012	ALF/General Engine	\$ 515,000
- 2013	-----	\$ 0
- 2014	Smeal Ladder Truck	\$1,200,000
- 2015	Engine	\$ 475,000
- 2016	2 Engines	\$1,060,000
TOTAL EXPENDITURES		<u>\$3,250,000</u>

Proposed Replacement Schedule*:

<u>Year</u>	<u>Replaces</u>	<u>Cost</u>
- 2012	ALF/ General Engine (revised)	\$ 475,000
- 2013	-----	\$ 0
- 2014	Smeal Ladder Truck	\$ 1,200,000
- 2015	1995 General Telesqurt (Refurbishing Smeal Ladder Truck)	\$ 475,000
- 2016	Smeal Engine	\$ 530,000
TOTAL EXPENDITURES		<u>\$ 2,680,000</u>

New Fire Apparatus: (Funded with CEFs)

<u>Year</u>	<u>Purchase</u>	<u>Cost</u>
- 2014	NW Heavy Rescue Truck (For new Company @ Sta. 2)	<u>\$ 500,000</u>

* Note: The current plans for the Fire Authority targets 2016 as the last year for LFR to be involved in the capital replacement plan. From 2017 on a factor of \$575,000 annually is needed for large capital replacement- of that amount 82% would be the City's responsibility or \$471,500 annual for large capital.

Improvement Costs for Fire Stations –

CONSTRUCTION COSTS FOR LFR BUILDING PROJECTS

The following are costs estimates for three building projects associated with the expansion planned for Loveland Fire and Rescue for the Model 1 Basic Services Plan.

CONSTRUCT OF NEW FIRE STATION TWO-

• General Conditions		\$ 230,000
• Site Costs		\$ 400,000
• Building Costs (11,885 sq. ft X \$191 per sq. ft.)*		\$2,270,000
TOTAL COSTS- Station Two		\$2,900,000

ADDITIONS TO STATION SIX-

• General Conditions		\$ 269,150
• Site Costs		\$ 135,000
• Additions:		
- New Community Room	500 sq. feet	
- New Sleeping Quarters	1,200 sq. feet	
- Bathrooms	250 sq feet	
- Office	200 sq feet	
- Storage	200 sq feet	
Total Space Added	2,350 sq feet (X \$191)*	\$ 448,850
• Remodel Existing:		
- Exercise Area and Com. Room	900 sq feet (X \$ \$80)*	\$ 72,000
TOTAL COSTS- Station Six		\$ 925,000

NEW STATION TEN-

• General Conditions		\$ 230,000
• Site Costs		\$ 350,000
• Building Costs (9,000 sq. feet X \$191 per sq feet)*		\$1,719,000
TOTAL COSTS- Station Ten		\$2,299,000

* These estimates were provided by City of Loveland Facilities in late 2011; they will need to be re-evaluated in the coming years based on the construction trends and costs per square foot

Loveland Fire Rescue Authority Basic Services Model

**Fire Authority Review and Model 1-
Conceptual Transition to
Phased Implementation
City Council Study Session
January 31-2012**



Loveland Fire Rescue Authority Fire Authority Update

► **Tonight's presentation will focus on:**

- * Brief history of Fire Authority implementation
- * Model 1 Basic Services Plan- Transition
- * Update on Rural District's Mill Levy Election
- * Partnership between City & Rural District
- * Questions...



Loveland Fire Rescue Authority Fire Authority Update

► Brief Fire Authority History for LFRA:

- * 3-Year Project
- * Examined governance models, feasibility and the methodology for implementation
- * Developed all IGA's and By-Laws
- * Became a Fire Authority January 1, 2012



Loveland Fire Rescue Authority Fire Authority Update

► Model 1 Basic Services Plan:

- * Emerged from feasibility, developed by Review Com.
- * Addresses long-term staffing and deployment plan and capital expansion (apparatus/facilities)
- * Basic Plan, no opulence, meets basic response needs
- * 3-person staffing and adding needed companies



Loveland Fire Rescue Authority Fire Authority Update

► Relocation of Fire Station Two:

- Integral component to emergency services in West, Northwest and system-wide
- Has been an identified issue since 2008 (ISO review)
- Two options have been developed
- Significant capital and O & M cost differences



Loveland Fire Rescue Authority Basic Services Model

Conceptual Transition to
Phased Implementation
City Council Study Session



Phase 1: Attain Minimum Staffing

Description	Year	Cost	Source
Additional funding for part time paid firefighter program	2013	\$ 70,420*	
Add Public Safety Administrative Director position	2013	\$ 130,000*	
Add 6 FT firefighters for Engine 6 & Truck 6	2013	\$ 426,777*	
Add 1 Lieutenant position to Community Safety Division	2013	\$ 106,140*	
TOTAL \$ Increase for O&M for Phase 1 (City \$601,336, Rural \$132,001)		\$ 733,337	City 82% Rural 18%
Expansion for Station 6	2012	\$ 925,000	City/CEF
Fire Engine Replacement	2012	\$ 475,000	City
TOTAL Capital \$ for Phase 1		\$1,400,000	

* All O & M costs include a 3.5% annual inflationary increase

**These estimates were provided by City of Loveland Facilities in late 2011, they will need to be re-evaluated in the coming years based on the construction trends and costs per square foot



Phase 2 & 3: Reliability, Sustainability, & Growth

Description	Year	Cost	Source(s)
Add 6 FT positions for new Heavy Rescue-Squad 2 (3 Lieutenants and 3 Engineers)	2014	\$ 694,389*	
TOTAL \$ Increase for O&M for Phase 2 (City \$569,399, Rural \$124,990)		\$ 694,389	City 82% Rural 18%
Construction of new Station Two	2013	\$2,900,000**	City/CEF
New Heavy Rescue Truck	2013	\$ 500,000	City/CEF
Aerial Tower Replacement	2014	\$1,200,000	City
Refurbish 2000 Smeal Aerial Ladder for Reserve Truck	2015	\$ 475,000	City
TOTAL Capital \$ for Phase 2		\$5,075,000	

* All O & M costs include a 3.5% annual inflationary increase

**These estimates were provided by City of Loveland Facilities in late 2011, they will need to be re-evaluated in the coming years based on the construction trends and costs per square foot

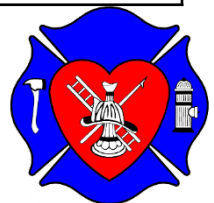


Phase 2 & 3: Reliability, Sustainability, & Growth

Description	Year	Cost	Source(s)
Add 9 FT position for New Station Ten (Lt., Eng., FF)	2016	\$ 980,434*	
Add 1 Administrative (secretarial) position	2016	\$ 54,450*	
TOTAL \$ Increase for O&M for Phase 3 (City \$848,605, Rural \$186,279)		\$1,034,884	City 82% Rural 18%
<i>O&M costs are also expected to increase in 2017 for insurance costs by \$62,324 and the \$575,000 annual amortization for equipment replacement as the Fire Authority becomes responsible for these costs as a separate organization</i>			
Build New Station Ten	2016	\$2,299,000**	City CEF/Rural
Fire Engine Replacement	2016	\$ 530,000	City
Refurbish Water Tender 1	2016	\$ 237,000	Rural
TOTAL Capital \$ for Phase 1		\$3,066,000	

* All O & M costs include a 3.5% annual inflationary increase

**These estimates were provided by City of Loveland Facilities in late 2011, they will need to be re-evaluated in the coming years based on the construction trends and costs per square foot



Phase 4: Support for Minimum Staffing

Description	Year	Cost	Source(s)
Add 3 FT firefighters for coverage/rover positions	2019	\$ 262,308*	
TOTAL \$ Increase for O&M for Phase 4 (City \$215,093, Rural \$47,215)		\$ 262,308	City 82% /Rural 18%
Refurbish Water Tender 5	2018	\$ 357,000	LFRA
Replace Front Line Engine	2020	\$ 597,388	LFRA
TOTAL Capital \$ for Phase 4		\$ 954,388	

* All O & M costs include a 3.5% annual inflationary increase

** These estimates were provided by City of Loveland Facilities in late 2011, they will need to be re-evaluated in the coming years based on the construction trends and costs per square foot



Loveland Fire Rescue Authority Fire Authority Update

▶ Questions:

Any Questions regarding the Basic Services Plan and the phased-in process or numbers attached ???



Loveland Fire Rescue Authority Fire Authority Update

► Mill levy Election Update:

- * Active efforts began in 2011
- * Progress Report:
 - Committee formed
 - Consultant chosen and message crafted
 - Preparing for mass information campaign



Loveland Fire Rescue Authority Fire Authority Update

► LFRA Partnership:

- * An important cited benefit of the Fire Authority was the formation of a true partnership between the City and the Rural District
- * After working together for the last 18 months we can tell you that it is working...



Loveland Fire Rescue Authority Fire Authority Update

▶ Questions:

*Any Questions that you have tonight
regarding the Fire Authority or this
presentation???*



Acquiring Property and Building New Fire Station Two

Problem Statement: Loveland Fire and Rescue does not have adequate emergency response resources (staffing and equipment) needed for initial and sustainable deployment in the northwest and west sides of the community.

Background: In 2008, the fire department received an evaluation from the Insurance Services Office (ISO) indicating that the department was significantly lacking in resources in the northwest and west sides of the community by two engine companies and one heavy rescue company ("service truck"). These findings have been consistent with the department's analysis and formed the basis for the *Model 1 Basic Services Expansion Plan* that is now part of the department's *2012 Strategic Plan*.

Countermeasures: The department looked at two options to address the current staffing and deployment needs, and the needs in the future for the anticipated growth in the identified areas. Both options address the needed increases for an adequate initial emergency response in the northwest and west areas, and a sustainable and reliable emergency response system-wide.

The First Option was to remodel and expand Fire Station Two to accommodate an additional heavy rescue company, and to build two fire stations housing single engine companies; one in the northwest and one on the west side of the response area- (Add 3 new fire companies, build two new fire stations and extensively remodel an existing station).

This option proved to be cost-prohibitive, based on current and projected CEFs and future funding streams, on both the capital and the O & M side; this option did not address the numerous concerns associated with the current Fire Station Two.

The Second Option was to build a new Fire Station Two near 29th and Wilson that was adequately sized for an engine company and a heavy rescue company, and build one additional station on the west side of the response area- (Add 2 new fire companies, build two new fire stations, close one existing fire station).

This option is much more cost effective and can be done with the projected CEF's and the projected additional funding for O & M from the City of Loveland and the Loveland Rural Fire Protection District. This option does address the numerous concerns associated with the current fire station two.

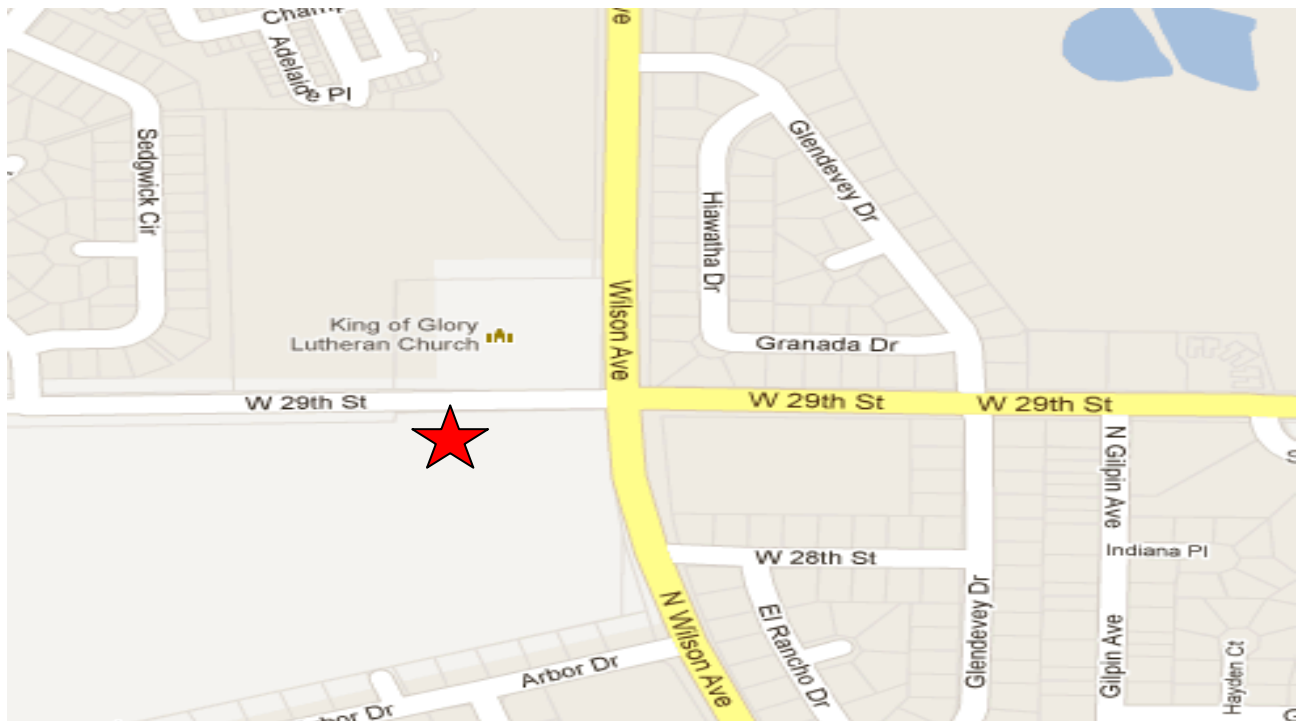
► **Concerns Associated with Current Fire Station Two-**

The existing Fire Station Two has many issues and concerns related to its current and future abilities to provide the needed service levels for the northwest and west portions of the response area. The station was built in the early 1970's and was designed to accommodate two on-duty personnel. The station has 6,000 square feet of space, with the majority of that being utilized by the six truck bays; living quarters and needed storage space is minimal. One of the biggest problems surrounding this station is its location- it does not comply with the targeted 5 minute response model the department has embraced. Other issues include:

- Ineffective response profile with park and Lake Loveland
- Few options for Station 2 expansion due to geographic constraints
- Current overlaps in coverage with Station 1, Station 3 and Station 5
- Known asbestos containing building
- Uncertainty for abatement costs for asbestos removal
- Cost prohibitive for Station 2 expansion
- Disruption for response with park and lake for various events
- Difficult and dangerous access for emergency response onto Taft

► **Map of Proposed New Fire Station Two-**

Department analysis has revealed that the most ideal location for fire station two, from a system-wide emergency response perspective, is near the intersection of 29th Street and Wilson Ave. The proposed station location can be seen in the map below (red star).





CITY OF LOVELAND

ECONOMIC DEVELOPMENT OFFICE

Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2304 • FAX (970) 962-2900 • TDD (970) 962-2620

AGENDA ITEM: 3
MEETING DATE: 1/31/2012
TO: City Council
FROM: Betsy Hale, Economic Development Director
PRESENTER: Betsy Hale, ED Director
Economic Development Working Group members

TITLE: City of Loveland Economic Development Strategic Plan and Incentive Policy Amendments

Recommended City Council action: Consideration and discussion. Staff is seeking direction to bring the strategy and the incentive policy to a City Council meeting for adoption.

DESCRIPTION: Consideration of the City of Loveland economic development strategic plan developed by a citizen working group, LBAN partners and city staff. Consideration of an amendment to the OCSD strategic plan metrics. Consideration of an amended City of Loveland Incentive Policy.

BUDGET IMPACT:

- Positive
- Negative
- Neutral or negligible

SUMMARY: Goal 13.1 of the City of Loveland comprehensive plan states, the City should, “periodically review and amend, as appropriate, and adopt the City’s economic development plan.” On June 15th, 2011 a team of eight business leaders began the task of developing a 5 year economic development strategy to guide the City’s efforts to grow a diverse economic base which offers ample employment and business opportunities to all. The working group met six times. The first two meetings focused on what was currently being done and the remaining meetings were spent refining a strategy which was brief and actionable. The draft has been reviewed by the working group and the City Council economic development subcommittee. The study session will focus on the plan’s four primary goals and the actions necessary for accomplishment.

The City of Loveland Economic Development Policy was first adopted in October of 2008. The policy describes the City’s multifaceted approach to economic development efforts ranging from small business development to economic incentives. Since the inception the policy has been amended once in 2009. That amendment addressed the City’s reluctance to provide economic incentives for jobs relocating from communities in the NFRMPO. This new amendment

changes the name of the policy from Economic Development Policy to Incentive Policy and it updates the current description of the City's Economic Development Department.

In December of 2010 the City Council approved a funding request to establish the Office for Creative Sector Development for a period of 36 months. The request included performance expectations for job retention and creation, event attendance and visitor spending. City staff would like to discuss the current status of the outcomes after the first nine months of the program and expectations for the remaining 27 months.

REVIEWED BY CITY MANAGER:



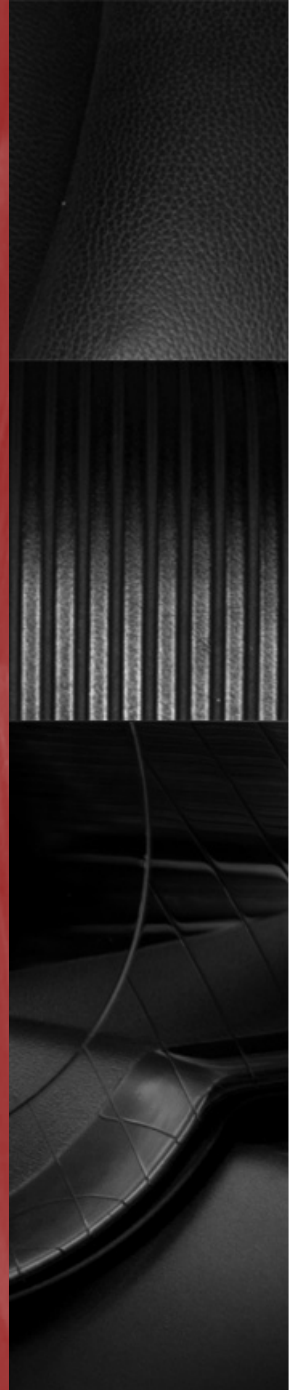
LIST OF ATTACHMENTS:

1. Draft strategic plan
2. Draft Incentive Policy
3. Staff Report on the OCSD metrics
4. ED Strategy Presentation

City of Loveland Draft Economic Development Strategic Plan

City Council Study Session

January 31st, 2012





Thank you:

- Working Group Members
- LBAN Partners: NCEDC, LCBD, RM Innosphere, Chamber, others
- City Staff: Tracey Hewson, Mike Scholl, Marcie Erion, Andrea Tucker, Alan Krcmarik, Nikki Garshelis, Bill Cahill, Rod Wensing



Process and Outcomes

- 6 meetings starting in June
- 2 educational meetings
- 4 drill downs and discussions
- Ground Rules: Simple, brief, actionable and global
- Specific, Measurable, Achievable, Relevant, Time Based (SMART)
- Homework, Homework and lots of Homework
- Final meeting led to draft
- Vision, Mission, 4 goals and 22 actions : overarching
- Includes the OCSD Strategy, the Downtown Strategic Plan and the Destination Loveland Plan.



Vision: Started with the Comp Plan

- Loveland is a community with a growing and diverse economic base that offers ample employment opportunities to all.



Mission

- Grow employment and business opportunities to sustain the economic health of Loveland and the Northern Colorado Region



Goal # 1:

- Make Loveland the Heart of Innovation and Creativity in Colorado
 - ✓ **Action:** Make the Agilent/HP campus redevelopment a long term economic success for the community
 - ✓ **Action:** Carry out the work of the Office of Creative Sector Development Strategic Plan

- 
- **Goal #2: Make Loveland a Destination which attracts Businesses, Visitors, and Consumers**
 - ✓ **Action-** Establish a Destination Management Position and carry out the work of the Destination Loveland Plan
 - ✓ **Action** - Build a new terminal at FNL airport
 - ✓ **Action-** Make improvements at the GA and FBO facilities
 - ✓ **Action-** Establish a Science and Cultural Facilities District
 - ✓ **Action** - Carry out the actions of the Downtown Strategic Plan
 - ✓ **Action-** Partner with the private sector on the recruitment and retention of retail throughout the City



Goal # 3: Make the right investment easy to come, stay and grow

- ✓ **Action:** Continue to streamline and improve the “speed” at which building permits and site plans are reviewed
- ✓ **Action:** Continue to provide lower cost utilities and the Key Accounts program
- ✓ **Action:** Continue to use the City of Loveland Incentive Policy



Goal # 3 Continued:

- ✓ **Action:** Develop a business retention plan that includes:
 1. Mentoring programs
 2. City Council outreach activities
 3. Quarterly CEO networking events
 4. A business leaders blog
 5. Economic Development newsletter from the City
 6. Apprenticeship programs
 7. Recognition Program
 8. Annual Business Appreciation Event



Goal # 3 Continued

- ✓ **Action:** Use local companies and suppliers for City purchases when possible
- ✓ **Action:** Work with the LBAN partners to communicate the services they provide to the business community and reduce duplication of effort
- ✓ **Action:** Continue the ombudsman/liaison position



Goal #4: Make the right connections

- ✓ **Action**-Coordinate all economic development efforts and strategies of the City in a single department
- ✓ **Action**-Create a sister city with a likeminded city in another country
- ✓ **Action**- Improve the economic development website
- ✓ **Action**- Create a rapid response team of business leaders
- ✓ **Action**- Utilize social media and You Tube to attract businesses, visitors, and consumers to Loveland
- ✓ **Action**- Create meaningful and productive relationships with other Northern Colorado communities, the Thompson School District, Larimer County and the State of Colorado to address economic development issues



Next Steps

- Discussion/Direction
- City Council Meeting formal adoption
- Plan the work and work the plan!

City of Loveland



Incentive Policy

February 2012

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Introduction

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.”*

Vision

Loveland is a community with a growing and diverse economic base that offers ample employment and business opportunities to all.

Mission Statement

Grow employment and business opportunities to sustain the economic health of Loveland 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 supports assistance programs for small business development, creative entrepreneurship and technology incubation and acceleration.

Conditions

Any economic incentive or other commitment of City funds must be set forth in a written agreement approved by City Council, funding must be budgeted, appropriated and otherwise made available, and must not constitute a multi-year fiscal obligation. Further, any economic incentive or other commitment under this Policy must serve a public purpose, as determined by City Council in its discretion, including but not limited to providing significant cultural, social, and/or economic benefits to the citizens of Loveland.



Economic Development Department

The City of Loveland has a full service Economic Development Department. The Department has 5 full-time staff engaged in primary employer attraction, expansion and retention, downtown redevelopment, retail recruitment and retention, visitor attraction, destination marketing, and creative sector development. A part-time employee offers market research assistance to business owners seeking demographic and consumer trend information.

The City maintains strategic partnerships with local, regional and state business assistance providers. The Loveland Business Assistance Network (LBAN) meets quarterly and is a forum for members to report status of projects and seek partners to leverage financial and staff resources. The LBAN partners include but are not limited to:

Primary Employment Attraction, Retention and Expansion:

Colorado Office of Economic Development and International Trade (OEDIT)
Northern Colorado Economic Development Corporation (NCEDC)
Larimer County Workforce Development Center

Small Business Development and Entrepreneurship/Incubation:

Office for Creative Sector Development (OCSD)
Loveland Center for Business Development (LCBD)
Rocky Mountain Innosphere and Innovation Initiative (RMII)
Loveland Chamber of Commerce

Destination Marketing:

Engaging Loveland
Loveland Hospitality Association
Larimer County

Economic Incentive Fund

The Loveland City Council has created an Economic Incentive Fund which is budgeted annually at \$250,000. The Council considers requests on a case-by-case basis in accordance with the guidelines which follow. Companies interested in applying for possible incentives should contact:

For Primary Employers

Betsey Hale
Economic Development Director
haleb@ci.loveland.co.us

*For Downtown Redevelopment and / or
Retail Projects*

Mike Scholl
Economic Development Administrator
scholm@ci.loveland.co.us

For the Creative Sector

Marcie Erion
Business Development Specialist
erionm@ci.loveland.co.us

For all other requests

Dawn Wirth
Business Services Coordinator
wirthd@ci.loveland.co.us
or 970-962-2316

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:

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:

1. Meet with the City of Loveland Economic Development Director to discuss the project and determine if the company meets the definition of a primary employer.
2. Review the City of Loveland Primary Employer Checklist of Requirements with the Economic Development Director. A copy is attached to this policy.
3. 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 estimates 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.
4. The results of the Economic Impact Analysis must show a positive net new revenue impact to the City of Loveland.
5. The applicant must submit a Letter of Intent to request incentives from the City of Loveland.
6. 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 or Loveland Center for Business Development or the Office for Creative Sector Development.



7. The business must offer an employee health plan where the employer pays at least 80% of the employee only premium.
8. The business must offer group health insurance to the employee dependents at the employee cost.
9. The company must provide the City a copy of the project budget for relocation and/or expansion.
10. 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 For Primary Employment

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 (not County) Construction Materials 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 percentage of Larimer County Average Annual Wage at the time of application for the incentive.

Cash incentives are only available for jobs which pay 120% or more of Larimer County Average Annual Wage. As of December 2011, the minimum would be \$46,800.

Average Annual Wage Company Wide	Possible Cash Incentive Per Job
120%	\$500
130%	\$1,000
140%	\$1,500
150% or >	\$2,000
(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 submit employment verification 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.

Enterprise Zone Tax Benefits: This program is intended to assist with the revitalization of economically distressed areas in 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 Enterprise Zone Benefits and the Loveland Enterprise Zone Map see the Larimer County Workforce webpage at www.larimerworkforce.org/business/enterprise-zone/.

Aviation Development Zone Benefits: The Fort Collins-Loveland Municipal Airport received Aviation Development Zone designation in 2007. This designation provides a State of Colorado income tax credit of \$1,200 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.

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
- Market Research Assistance
- Fee Waivers: Exemption From Approximately 20 City Fees
- Parking Requirements for General Improvement District #1
- Others As Approved By Loveland City Council

For more information see the Economic Development 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 Economic Development Director for more information and a copy of the current policy at the time of application.



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 Economic Development Director or their designee.
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 Market Research Specialist. This model estimates 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. 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. The company will provide information requested by the City for monitoring of the performance agreement twice a year during the term of the agreement. 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 for Commercial and Retail Development

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
- 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 Economic Development Director for more information.

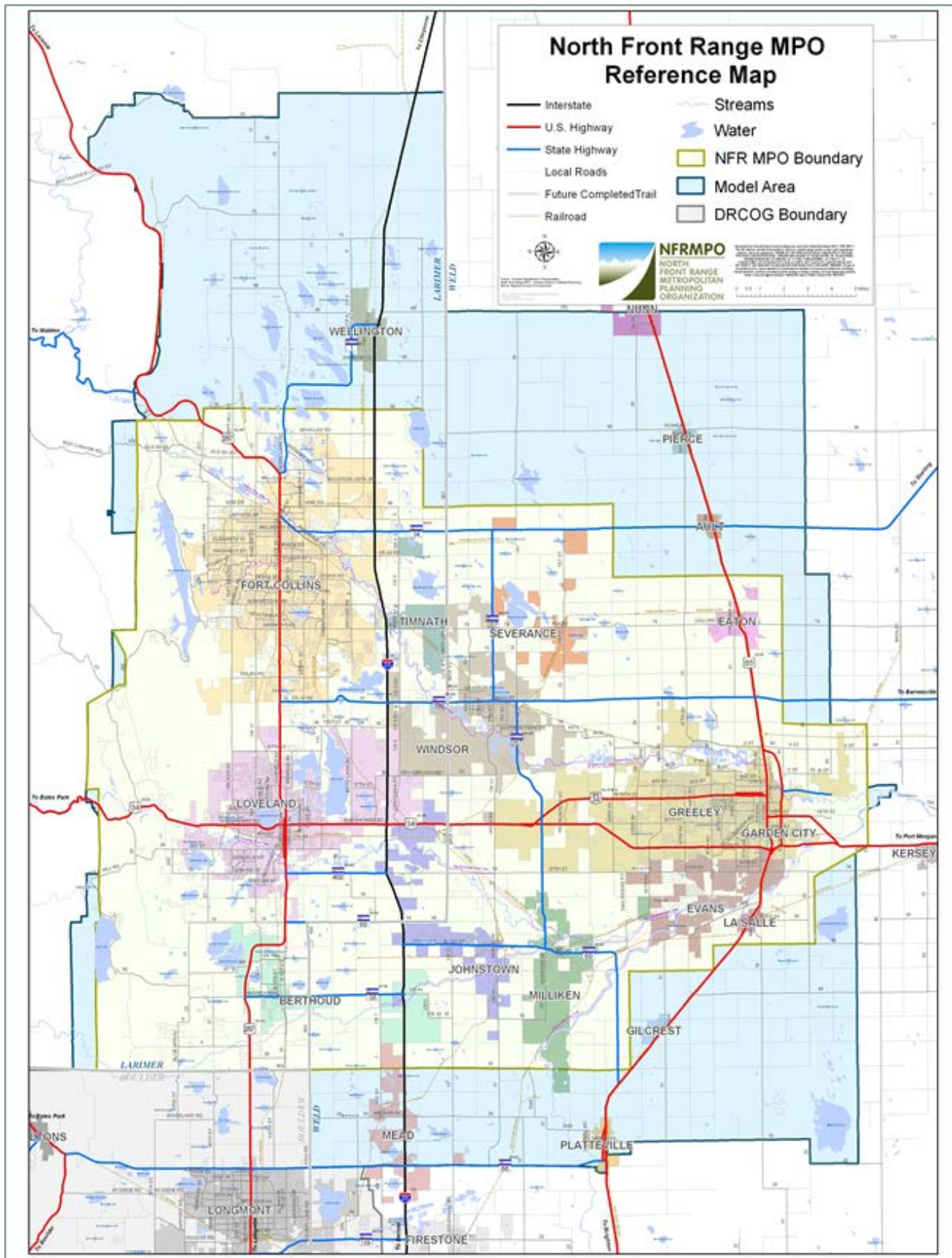
Economic Incentive Review Process and Restrictions

1. Applicant will meet with Economic Development Director or their designee.
2. Applicant must meet minimum criterion as set forth in policy unless otherwise agreed to. The City of Loveland Incentive Policy is subject to change or discontinuance at any time.
3. The Economic Impact Analysis Intake Form must be completed and submitted for an economic impact analysis. City of Loveland Economic 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 may include.
7. This staff recommendation will be submitted to the City Manager for consideration.
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 may be presented 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 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.

Project Checklist

Requirement	Completed	Date	Details
City of Loveland Incentive Policy Project Checklist			
Primary Employer Guidelines			
Company Name :			
Meeting with the Economic Development Director or designee			
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			
Creative Sector			
Rocky Mountain Innovation Initiative Client			

North Front Range Metropolitan Planning Reference Map





Presented by:

Economic Development Department

TO: Loveland City Council

FROM: Marcie Erion, Business Development Specialist

Office of Creative Sector Development (OCSD)

RE: Change of Metrics Proposal

The Office of Creative Sector had a very successful year launching not only a new physical space in connection with AIMS, but also a brand new program within the city government and the community. Work has been divided amongst the original goals set by City Council in 2010 as well as major efforts in “place-making,” the economic development piece of creating a place where people want to work, live and visit, using creativity as the basis. This portion of the job is extremely valuable, as I have been told by several employers, but harder to measure. We have recruited new entrepreneurs to the city, assisted with retention and have contributed to the vibrancy that is starting to be apparent throughout Loveland.

The initial goals set by City Council were lofty in expectation but will be difficult to achieve, particularly given that a three year timeline is narrow and the first nine months have been spent establishing our vision and mission in the creative sector and throughout town. Two years remain and there is much promise for the work that will be done and the projects that will be accomplished.

We propose changing a few of the metrics first associated with the office. Instead of the retention of existing jobs and addition of 1000 new jobs, we now propose to retain the existing 2345 jobs (2010 data) and add 250 jobs. The delay in the Agilent re-development has the OCSD a bit behind with the job creation at the new Rocky Mountain Center for Innovation and Technology but work is being done so that we can be off and running as our partners require. With a typical city reimbursement of \$2000/new job, the creation of 250 new jobs will have us well ahead of this standard.

In addition, we propose changing the event metric to the goal of bringing in 25,000 attendees, formerly 65,000, to events. The attendee event spending increase will be \$ 1.687 million formerly \$1.5 million. We recently hired Dr. John Loomis from CSU to help us assess the visitor spending from an arts/culture event. Out of town visitors spend on average \$107.00 per day. Resident attendees spend \$28.00 per day. The spending increase was calculated using the Loomis data which shows 63% of destination cultural event attendees are non-resident and all attendees spend on average \$67.50 per day.

In partnership with the CMC and Engaging Loveland, the OCSD will be programming major destination events which will bring in the new attendees with the events also being designed to increase length of stay and visitor expenditures. The OCSD is being received with great enthusiasm and appreciation and we look forward to partnering with City Council in this continuing success.

City of Loveland



Economic Development Strategic Plan

February 2012

INTRODUCTION

The Economic Development Department was created by the Loveland City Council for the purpose of supporting the ongoing economic growth and creating a climate for investment in Loveland. The Strategic Plan is intended to guide the actions of the Department over the next ten years and be used to inform decision making by the City Council. The Plan should be nimble enough to allow for new opportunities as they arise, while continuing to support growth and expansion of existing businesses and interests.

THE PLAN

The plan was drafted over the course of 12 weeks with the input and direction from a number of key stakeholders and City staff including:

Stakeholders:

Marilyn Schock, CEO, McKee Medical Center
Terry Precht, President/CEO, Vergent Products
Troy Stromme, Vice President, Group Publishing
Karen Richardson, President/Owner Sculpture Depot
Doug Rutledge, Director of Construction Services, KL&A Engineering
Mary Bahus-Meyer, Owner, Full Circle Marketing
Chris Lombardi, Owner & Managing Broker, Velocity Real Estate & Investments, Inc.
Frank Roundy, Vice President, S.A. Composites

City Staff:

Bill Cahill, City Manager, City Manager's Office
Rod Wensing, Assistant City Manager, City Manager's Office
Betsey Hale, Director, Economic Development Department
Alan Krcmarik, Executive Fiscal Advisor
Mike Scholl, Economic Development Department
Andrea Tucker, Economic Development Department
Nikki Garshelis, Development Services Department
Dawn Wirth, Economic Development Department
Marcie Erion, Economic Development Department
Tracey Hewson, Water & Power Department

The plan includes a *Vision* and *Mission Statement* along with specific *Goals* and *Actions* that are intended to be both actionable and measurable. While the Plan proposes to build off of existing opportunities including the redevelopment of the former Agilent/Hewlett Packard Campus at the corner of Taft and 14th Avenue (now known as the Rocky Mountain Center for Innovation and Technology) and the City's strength as a premier art community, it also seeks to address critical business issues including infrastructure and the speed and ease with which businesses interact with the City. Most importantly, the Plan seeks to enhance our existing local partnerships to create a long-term culture of success in Loveland.

VISION

Loveland is a community with a growing and diverse economic base that offers ample employment and business opportunities to all.

MISSION STATEMENT

Grow employment and business opportunities to sustain the economic health of Loveland and the Northern Colorado Region.

Goal #1 - Make Loveland The Heart Of Innovation And Creativity In Colorado

ACTION – Make the Agilent/Hewlett-Packard campus redevelopment a long term economic success for the community.

- Work with partner groups and developers to facilitate the start of reuse of the campus before December 31, 2012.
- Establish a committee of business leaders to assist with the recruitment of tenant companies and relationship building with company executives.
- Communicate regularly with citizens about the activities of companies at the Park and continuing community support for the project.
- Create a Site Activation Coordinator position for the purpose of facilitating development review and act as a liaison from the City to the Park and the tenants.
- Use staff in Key Accounts, Economic Development and the Office of Creative Sector Development to research and recruit potential tenants.
- Support industry cluster organizations such as the clean energy cluster.
- Provide economic incentives for companies locating at the campus.

Lead Champion – Economic Development Department

Supporting Champions – Northern Colorado Economic Development Corporation, Office of Creative Sector Development

Completion Date – 2017

ACTION - Carry out the work of the Office of Creative Sector Development Strategic Plan and accomplish the goals as stated.

Lead Champion – Office of Creative Sector Development

Supporting Champions – Community Marketing Commission, Creative Sector Development Commission, Loveland Center for Business Development

Completion Date – 2014

Goal #2 - Make Loveland A Destination Which Attracts Businesses, Visitors, And Consumers

ACTION - Establish a Destination Management position which is responsible for carrying out the work of the Destination Loveland Marketing Plan.

Lead Champion – Economic Development Department

Supporting Champions – Engaging Loveland, Hotel Association, Community Marketing Commission

Completion Date – 2012

ACTION - Build a new terminal at the Fort Collins – Loveland Municipal Airport to handle more commercial flights.

Champion – Fort Collins - Loveland Municipal Airport

Supporting Champions – Economic Development Department, Public Works Department

Completion Date – 2020

ACTION - Make improvements to the General Aviation and Fixed Based Operations facilities to encourage corporate and private aircraft use.

Lead Champion – Fort Collins - Loveland Municipal Airport

Supporting Champions – Economic Development Department, Public Works Department

Completion Date – 2020

ACTION - Establish a Science and Cultural Facilities District to fund the development of infrastructure such as the museum and gallery expansion, downtown plaza and Rocky Mountain Center for Innovation and Technology (RMCIT) related projects.

Lead Champion – Cultural Services Development

Supporting Champions – Office of Creative Sector Development, Economic Development Department

Completion Date – 2014

ACTION - Carry out the actions of the Downtown Strategic Plan Action - Develop destination events and attractions.

Lead Champion – Economic Development Department

Supporting Champions – Cultural Services Department, Office of Creative Sector Development, Community Marketing Commission, Loveland Downtown Team

Completion Date – 2015 & Ongoing

ACTION - Partner with the private sector on the recruitment and retention of retail businesses throughout the City especially downtown, West Eisenhower and US 287.

Lead Champion – Economic Development Department

Completion Date – 2012 & Ongoing

Goal #3 - Make the Right Investment Easy to Come, Stay and Grow

ACTION - Continue to streamline and improve the “speed” at which building permits and site plans are reviewed.

Lead Champion – Development Services Department

Supporting Champions – Economic Development Department

Completion Date – 2012 & Ongoing

ACTION - Continue to provide lower cost utilities and the key accounts program.

Lead Champion – Water and Power Department

Completion Date – 2012 & Ongoing

ACTION - Continue the use of the City of Loveland Incentive Policy.

Lead Champion – Economic Development Department

Completion Date – Ongoing

ACTION - Develop a business retention plan that includes:

- Mentoring programs
- City Council outreach activities
- Quarterly CEO networking events
- A business leaders blog
- Economic development newsletter from the City
- Apprenticeship programs
- Recognition program
- Annual business appreciation event

Lead Champion – Economic Development Department

Supporting Champion – Northern Colorado Economic Development Council

Completion Date – 2012 & Ongoing

ACTION - Use local companies and suppliers for City Purchases when possible.

Lead Champion – Finance Department (Purchasing)

Supporting Champion – Economic Development Department

Completion Date – 2012 & Ongoing

ACTION - Work with Loveland Business Assistance Network (LBAN) partners to communicate the services they provide to the business community and reduce duplication of effort.

Lead Champions – Economic Development Department and LBAN Members

Completion Date – 2012 & Ongoing

ACTION - Continue the ombudsman/liaison position.

Lead Champion – Economic Development Department

Completion Date – Ongoing

Goal #4: Make The Right Connections

ACTION - Coordinate all economic development efforts and strategies of the City in a single department.

Lead Champion – Economic Development Department

Completion Date – 2012

ACTION - Create a sister city with a likeminded city in another state and country.

Lead Champion – Economic Development Department

Completion Date – 2013

ACTION - Improve the economic development website and use it to market the City to businesses, visitors and consumers and to recognize local businesses

Lead Champion – Economic Development Department

Completion Date – 2012 & Ongoing

ACTION - Continue to leverage resources with the organizations in the Loveland Business Assistance Network which includes: NCEDC, LCBD, the Chamber of Commerce, Engaging Loveland, and Larimer County, the State of Colorado, the Rocky Mountain Innosphere and others.

Lead Champion – Economic Development Department

Supporting Champion – Loveland Business Assistance Network

Completion Date – Ongoing

ACTION - Create a rapid response team of business leaders who can identify, establish and maintain relationships with targeted employers for attraction and retention efforts.

Lead Champion – Northern Colorado Economic Development Council

Completion Date – 2012

ACTION - Use social media and You Tube to attract businesses, visitors and consumers to Loveland.

Lead Champion – Economic Development Department

Supporting Champions – Office of Creative Sector Development, Public Information Officer

Completion Date – 2012 & Ongoing

ACTION - Create meaningful and productive relationships with other Northern Colorado Communities, the Thompson School District, Larimer County and the State of Colorado to address economic development issues.

Lead Champion – Economic Development Department

Supporting Champions – Thompson School District, Larimer County, State of Colorado

Completion Date – 2012 & Ongoing