

RESOLUTION 2015-106
OF THE COUNCIL OF THE CITY OF FORT COLLINS
MAKING LEGISLATIVE FINDINGS AND APPROVING A NON-SUBSTANTIAL
MODIFICATION OF THE NORTH COLLEGE AVENUE URBAN RENEWAL PLAN

WHEREAS, on January 5, 1982, City Council adopted Resolution 82-10 establishing with the City of Fort Collins, Colorado (the "City") the Fort Collins Urban Renewal Authority (the "Authority") and designating the Council to serve as the Authority's Board of Commissioners (the "Authority Board"); and

WHEREAS, on December 21, 2004, City Council adopted Resolution 2004-152 approving the "North College Avenue Urban Renewal Plan" dated December 21, 2004, (the "Original Plan") in accordance with the Colorado Urban Renewal Law, C.R.S. Sections 31-25-101 , et seq. (the "Act"); and

WHEREAS, the Original Plan was adopted to facilitate the elimination and prevention of blighted areas with the plan area established in the Original Plan (the "Plan Area) by promoting and assisting undertakings and activities within the Plan Area involving the development, redevelopment and rehabilitation of properties within the Plan Area as part of a single "urban renewal project," as this term is defined and used in the Act (the "North College Project"); and

WHEREAS, since adoption of the Original Plan, the Authority has provided assistance to several such undertakings and activities within the Plan Area as part of the North College Project (the "Existing Undertakings"); and

WHEREAS, in May 2015 the Colorado General Assembly adopted House Bill 2015-1348 ("HB-1348") which amended the Act to require, beginning January 1, 2016, that municipalities having an urban renewal authority must follow a negotiation and binding mediation process with other affected taxing entities for any proposed modification to an urban renewal plan that would add a new "urban renewal project" to the plan; and

WHEREAS, City Council adopted the Original Plan with the intent and expectation that it would describe and authorize only one "urban renewal project," as this term is defined in the Act, within which any number of undertakings and activities could occur, such as the Existing Activities; and

WHEREAS, these HB-1348 amendments to the Act have created considerable uncertainty as to when the City will be required to follow this negotiation and binding mediation process when in the future it is proposing to provide assistance to new undertakings or activities under the Original Plan and how this process might affect the Existing Undertakings; and

WHEREAS, City staff has therefore recommended to Council that the Original Plan be modify by amending language in the Original Plan to make clear that it identifies and authorizes only one "urban renewal project," that being the North College Project (the "Modification"); and

WHEREAS, pursuant to C.R.S. Section 31-25-107(7), City Council hereby finds that the Modification will not be a substantial modification of the Original Plan because the Modification does not result in any substantial change in the land area, land use, design, building requirements, timing or procedure as previously approved in the Original Plan and, therefore, that the notice and other requirements in Section 31-25-107 necessary for substantial modifications of urban renewal plans are not applicable to this Modification; and

WHEREAS, the changes proposed in the Modification have been made to the Original Plan resulting in the "North College Avenue Urban Renewal Plan" dated December 1, 2015, which is attached as Exhibit "A" and incorporated herein by reference (the "First Amended Plan"); and

WHEREAS, based on the Council's review of the First Amended Plan and the information provided to it, the Council hereby finds and determines that Council's approval of First Amended Plan is in the best interest of the City and its citizens, it is consistent with the purposes of the Act, and it satisfies all applicable requirements of the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the foregoing recitals are hereby incorporated as if fully set forth herein and the Council hereby makes and adopts all of the findings and determinations set forth in these recitals.

Section 2. That the First Amended Plan is hereby adopted and, as so adopted, intended to supersede and replace in all respects the Original Plan. However, Council Resolution 2004-152 approving the Original Plan and the Council's findings and determinations in it shall remain in full force and effect except to the extent this Resolution has modified the Original Plan by the adoption of the First Amended Plan.

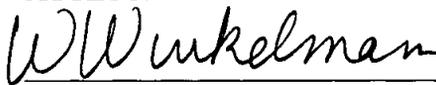
Section 3. That the City Clerk is hereby directed to promptly deliver a certified copy of this Resolution with the attached exhibit to the Larimer County Assessor as required by C.R.S. Section 31-25-107(10).

Passed and adopted at a regular meeting of the Council of the City of Fort Collins on this 1st day of December A.D. 2015.



Mayor

ATTEST:



City Clerk



North College Avenue Urban Renewal Plan



Prepared for:
City of Fort Collins and
Fort Collins Urban Renewal Authority

Adopted December 21, 2004

Amended: December 1, 2015 to Clarify that this Plan
Authorizes and Describes One Urban Renewal Project

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1. Preface and Intent

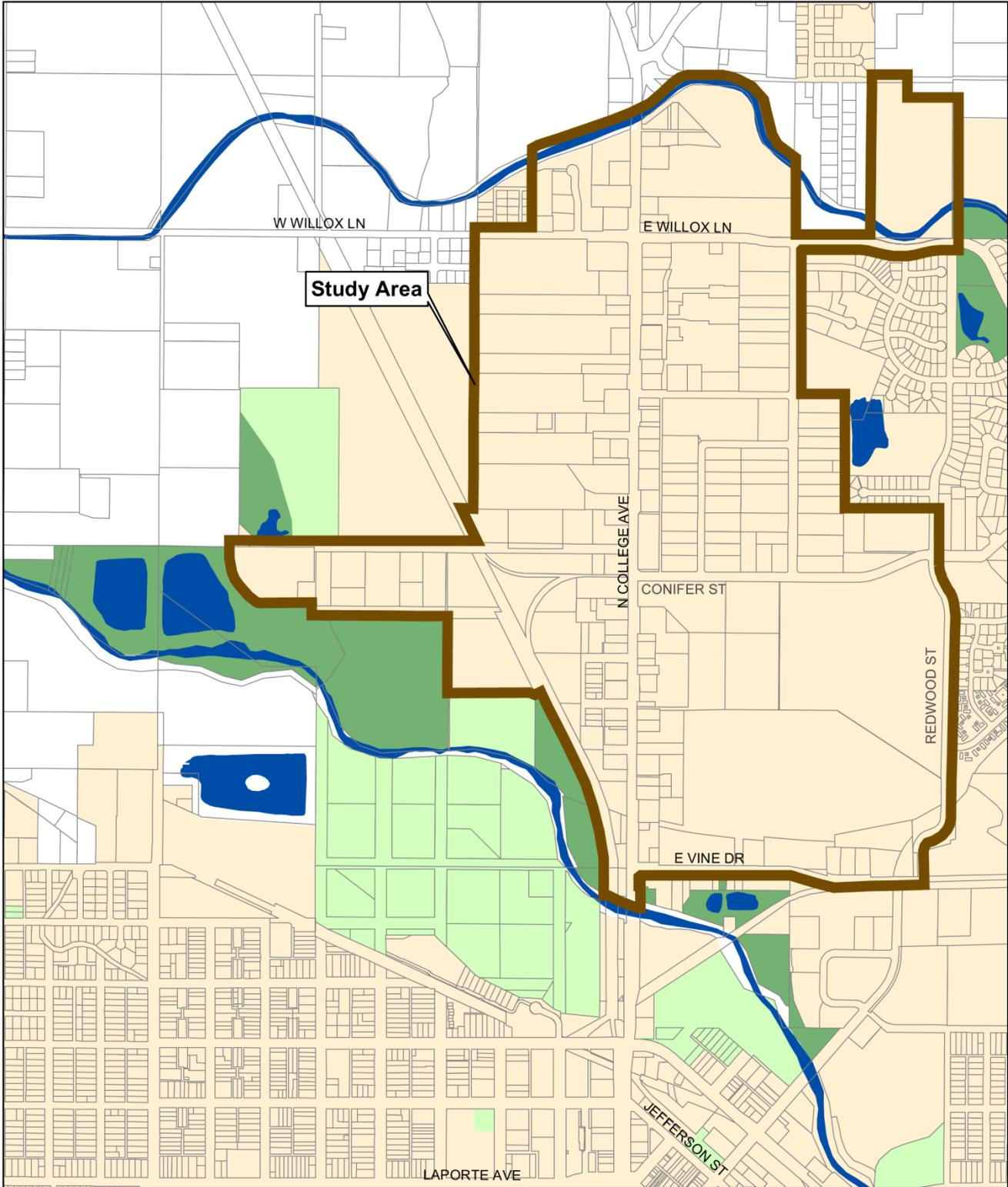
The North College Avenue Renewal Plan (Plan) is an Urban Renewal Plan prepared for the Fort Collins Urban Renewal Authority (Authority) and the City of Fort Collins (the City), pursuant to the provisions of the Urban Renewal Law, Colo. Rev. Stat. §§ 31-25-101 et seq. (Urban Renewal Law). Terms used in the Plan have the same meaning as in the Urban Renewal Law.

The jurisdictional boundaries of the Authority are the same as the boundaries of the City. Within the City boundaries there may be one or more urban renewal areas. This Plan describes the framework for certain public undertakings constituting urban renewal projects and other authorized activities under the Urban Renewal Law in the North College Corridor area, located in the City of Fort Collins, Larimer County, Colorado.

The boundary of the area to which this Plan applies generally includes those properties located within the area bounded by:

- The Cache La Poudre River on the south,
- the Larimer-Weld Canal on the north,
- an irregular line generally about a quarter mile from North College Avenue on the west,
- and irregular line generally extending to Redwood Street about a half mile from North College Avenue on the east.

The plan area is depicted on the Boundary Map on the following page. A legal description of the area is attached hereto as Appendix A (Renewal Area).



-  City Limits
-  Property Lines
-  Rivers, Streams and Lakes
-  Parks
-  Natural Areas
-  Study Area Boundary




Source: City of Fort Collins
Advance Planning Department
July 2004

This Plan was prepared for adoption by the City Council in recognition that the Renewal Area requires a coordinated strategy, with financing possibilities, to eliminate blight and prevent the spread of blight, and accomplish the City’s development objectives for improving the viability of the area.

This Plan is intended to describe and authorize the Authority, in cooperation with the City, to promote and assist renewal undertakings and activities within the Renewal Area involving the development, redevelopment and rehabilitation of properties within the Renewal Area as part of a single “urban renewal project,” as this term is defined and used in the Urban Renewal Law, consistent with the objectives and standards in this Plan (North College Project).

The Plan effort was originated in response to a request by existing property owners in the area. Owners reached consensus and requested the establishment of a renewal plan after years of involvement in public discussion. As a group, they recognize the problems with existing development, which is largely outdated and substandard, constituting blighted conditions, and they want to stay involved in solutions that fit the area.

The driving interest in establishing this Plan and implementing the North College Project under it is to begin offering tax increment financing as a tool to stimulate and leverage both public and private sector development (including redevelopment), to help eliminate blight and prevent the spread of blight. It is the intent of this Plan for any renewal undertakings and activities occurring as part of the North College Project and other implementation actions that they be done in a responsive manner, with full consideration for interests and concerns of property owners in the area.

The renewal undertakings and activities to be pursued under this Plan as part of the North College Project are anticipated to occur incrementally over a substantial period of time.

2. Finding of “Blight”

Based on the evidence presented at a public hearing, and in the North College Avenue Existing Conditions Study, dated September 29, 2004, a copy of which is attached as Exhibit “A” to City Council Resolution 2004-118, the City Council made a finding on December 21, 2004, in its Resolution 2004-152 that the Renewal Area was “blighted” as defined by the Urban Renewal Law, by the existence of the following ten factors:

- slum, deteriorated, or deteriorating structures;
- predominance of defective or inadequate street layout;
- faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- unsanitary or unsafe conditions;
- deterioration of site or other improvements;
- unusual topography or inadequate public improvements or utilities
- the existence of conditions that endanger life or property by fire or other causes;
- buildings that are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidation, deterioration, defective design, physical construction, or faulty or inadequate facilities;
- environmental contamination of buildings or property;
- the existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements

The City Council also found that these factors, taken together, substantially impair the sound growth of the City, constitute an economic and social liability, and are a menace to the public health, safety and welfare of the community. Based on evidence of the “blighted” factors, the Renewal Area is appropriate for authorized renewal undertakings and activities of the Authority as part of the North College Project pursuant to the Urban Renewal Law.

3. Plan Objectives

The overall objective of this Plan is for the North College Project to remedy blight and prevent the spread of blight by assisting implementation of the relevant provisions contained in the following documents:

- *North College Avenue Corridor Plan*
- *North College Avenue Access Management Plan*
- *City of Fort Collins Master Street Plan*
- *Fort Collins Infill Infrastructure Report*
- *City Plan (The City of Fort Collins Comprehensive Plan)*
- *City of Fort Collins Master Transportation Plan*
- *Dry Creek Drainage Basin Master Plan*

To do this, this Plan is intended to stimulate private sector development in and around the Renewal Area. A combination of private investment, Authority financing, and public investment will assist progress toward the following additional objectives:

- To facilitate redevelopment and new development by private enterprise through cooperation among developers and public agencies to plan, design, and build needed improvements
- To address and remedy conditions in the area that impair or arrest the sound growth of the city
- To implement the Comprehensive Plan and its related elements
- To redevelop and rehabilitate the area in a manner which is compatible with and complementary to unique circumstances in the area
- To effectively utilize undeveloped and underdeveloped land
- To improve pedestrian, bicycle, and vehicular circulation and safety
- To ultimately contribute to increased revenues for all taxing entities
- To encourage the voluntary rehabilitation of buildings, improvements and conditions
- To facilitate the enforcement of the laws and regulations applicable to the Renewal Area
- To watch for market and/or project opportunities to eliminate blight, and when such opportunities exist, to take action within the financial, legal and political limits of the Authority to acquire land, demolish and remove structures, provide relocation benefits, and pursue redevelopment, improvement and rehabilitation projects.

4. Renewal Undertakings and Activities

To support progress toward the objectives, the Authority may undertake as part of the North College Project any of the following renewal undertakings and activities, as deemed appropriate for the elimination or prevention of blight factors within the Renewal Area, pursuant to the Urban Renewal Law:

- a. **Public Improvements.** The Authority may cause, finance or facilitate the design, installation, construction and reconstruction of public improvements in the Renewal Area. In order to promote the effective utilization of undeveloped and underdeveloped land in the Renewal Area, the Authority may, among other things, enter into financial or other agreements with the City of Fort Collins to provide the City with financial or other support in order to encourage or cause the City to invest funds for the improvement of storm drainage and street conditions and deficiencies in the Renewal Area.
- b. **Purchase of Property.** In the event that the Authority finds it necessary to purchase any real property for the North College Project to remedy blight factors pursuant to the Urban Renewal Law and this Plan, the Authority may do so by any legal means available, including the exercise of the power of eminent domain, pursuant to the Urban Renewal Law. If the power of eminent domain is to be exercised for the purpose of transfer of property to another private person or entity, the Authority's decision whether to acquire the property through eminent domain shall be guided by the following criteria, with the understanding that these guidelines shall not be construed to constrain the Authority's legal ability to exercise the power of eminent domain:
 - all requirements of the Urban Renewal Law, including eminent domain procedures, have been met;
 - other possible alternatives have been thoroughly considered by the Authority;
 - good faith negotiations by the Authority and/or the developer have been rejected by the property owner;
 - reasonable efforts have been undertaken to: (a) understand and address the property owner's position and his or her desires for the property and for any existing business on the site, and (b) work with the owner to either include the owner in the planning of the proposed development or purchase the property and relocate the owner in accordance with the Urban Renewal Law on terms and conditions acceptable to the owner.
- c. **Demolition.** The Authority may provide for the demolition of existing development and clearance of sites as part of a specific North College Project undertaking or activity.
- d. **Participation Agreements.** The Authority may enter into participation agreements with property owners or developers in the Renewal Area to facilitate participation and assistance that the Authority may choose to provide to such owners or developers. These may include provisions regarding planning, public improvements, financing, design, and any other matters allowed pursuant to the Urban Renewal Law.
- e. **Relocation Assistance.** It is not expected that the activities of the Authority will displace any person, family, or business. However, to the extent that in the future the Authority may purchase property causing displacement of any person, family, or business, it shall develop a relocation program to assist any such party in finding another location pursuant to the Urban Renewal Law, and provide relocation benefits consistent with the Urban Renewal Law. There shall be no displacement of any person or business without there being in place a relocation program, which program shall become a part of this Plan when adopted.

- f. Hiring. The Authority may employ consultants, agents, and employees, permanent and temporary, and it shall determine their qualifications, duties, and compensation.
- g. Legal Authority. The Authority may also exercise all other powers given to it under the Urban Renewal Law.

5. Development Standards and Procedures

Development within the Renewal Area shall be designed and processed in accordance with the City of Fort Collins Land Use Code and other applicable standards, in the City's standard development review procedures.

6. Conformance

URBAN RENEWAL LAW

This Plan is in conformity with and subject to the applicable statutory requirements of the Urban Renewal Law.

CITY PLAN

The City's adopted Comprehensive Plan, known as *City Plan*, describes desirable land use and transportation patterns, with goals and policies for those topics along with community appearance and design, the environment, open lands, housing, the economy, and growth management. In addition, the adopted *North College Avenue Corridor Plan* is a related *Element* of *City Plan*.

Briefly summarized, the land use pattern envisioned by these plans for the Renewal Area is a commercial corridor well-integrated with surrounding mixed-use and residential development. The Renewal Area is envisioned to evolve with improved community design and streetscapes, in an interconnected framework of streets and blocks. One of the purposes of this Plan is to implement the vision for the Renewal Area as a commercial corridor with mixed-use residential improvements.

This Plan is intended to provide mechanisms to facilitate implementation of *City Plan*, and therefore it is in direct conformance with *City Plan*.

The following excerpts from *City Plan* highlight the linkage between *City Plan* and this Urban Renewal Plan. These are representative excerpts, and not an all-inclusive listing of relevant statements:

- **PRINCIPLE GM-8:** The City will promote compatible infill and redevelopment in areas within the Growth Management Area boundary. SEE FIGURE GM-8.

- **Policy GM-8.1 Targeted Redevelopment/Infill.** Redevelopment and infill development will be encouraged in targeted locations. The purpose of these areas is to channel growth where it will be beneficial and can best improve access to jobs, housing and services with fewer and shorter auto trips. These targeted areas are parts of the city where general agreement exists that development or redevelopment is beneficial. A major goal is to increase economic activity in the area to benefit existing

residents and businesses and, where necessary, provide the stimulus to redevelop. These areas should be defined from *City Plan*, Subarea Plans, Zoning and locational criteria such as:

- a. Underutilized land
- b. Areas already undergoing positive change, which is expected to continue
- c. Areas where infrastructure capacity exists
- d. Areas where public investment is warranted from a policy perspective
- e. Areas with special opportunities, such as where major public or private investment is already planned
- f. Transportation opportunities:
 - Along travel corridors
 - Along enhanced travel corridors

■ **Policy GM-8.4 Remedy Infrastructure Deficiencies.** The City will consider opportunities to selectively correct infrastructure deficiencies in targeted areas, such as storm drainage and streets, so that infill development or redevelopment does not pay an infrastructure “penalty” to remedy past problems in existing developed areas.

■ **Policy GM-8.5 Public Investment.**

The City will consider opportunities, and the costs and benefits for targeted public investment in order to encourage redevelopment and infill development in appropriate locations.

■ **Policy ECON-1.5 Maintain and Expand City Revenue Base.** The City will ensure that commercial uses that generate the sales and use tax revenues which support the City’s financial base are maintained and expanded. The City will also explore other options to expand and diversify its revenue base, including targeted annexations of existing commercial corridors, such as the Mulberry Corridor, as well as revenue sharing agreements with other communities.

- a. The City will assist in identifying and preserving key undeveloped parcels in appropriate locations for additional commercial activity.
- b. The City will seek to strengthen existing commercial districts, such as the Downtown, North College, Campus West, and the Foothills Mall.
- c. The City will seek to maintain and enhance its attractiveness as a place to do business in order to maintain its share of the region’s sales and use tax base.

7. North College Project Financing

Specific North College Project undertaking and activities may be financed in whole or in part by the Authority, under the tax increment financing (TIF) provisions of CRS § 31-25-107(9)(a) of the Urban Renewal Law, or by any other available source of financing authorized to be undertaken by the Authority pursuant to CRS § 31-25-105 of the Urban Renewal Law.

The Authority is authorized as part of the North College Project to: (a) finance any renewal undertaking and activities within the Renewal Area with revenues from property tax increments, sales tax increments, interest income, federal loans or grants, agreements with public, quasi-public or private parties and entities, loans or advances from any other available source, and any other available sources of revenue; (b) issue bonds and incur other obligations contemplated by the Urban Renewal Law in an

amount sufficient to finance all or any part of a renewal undertaking or activity within the Renewal Area; and (c) borrow funds and create indebtedness in any authorized form in carrying out this Plan. Any principal and interest on such indebtedness may be paid from property tax increments, sales tax increments or any other funds, revenues, assets or properties legally available to the Authority. Such methods may be combined to finance all or any part of the North College Project undertakings and activities.

PROPERTY TAX INCREMENT

A fund for financing North College Project undertakings and activities may be accrued and used by the Authority under the property tax allocation financing provisions of the Urban Renewal Law. Under this method, property taxes levied after the effective date of the approval of this Plan upon taxable property in the Renewal Area each year by or for the benefit of any public body shall be divided for a period not to exceed twenty-five (25) years after the effective date of the adoption of the tax allocation provision, as follows:

Base Amount - That portion of the taxes which are produced by the levy at the rate fixed each year by or for such public body upon the valuation for assessment of taxable property in the Renewal Area last certified prior to the effective date of approval of the Plan or, as to an area later added to the Renewal Area, the effective date of the modification of the Plan, shall be paid into the funds of each such public body as are all other taxes collected by or for said public body.

Increment amount - That portion of said property taxes in excess of such base amount shall be allocated to and, when collected, paid into a special fund of the Authority to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans or advances to, or indebtedness incurred by (whether funded, refunded, assumed or otherwise) the Authority for financing or refinancing, in whole or in part, a specific project. Such increment amount shall also be used to pay for the Authority's financial obligations incurred in the implementation of this Plan.

Unless and until the total valuation for assessment of the taxable property in the Renewal Area exceeds the base valuation for assessment of the taxable property in the Renewal Area, all of the taxes levied upon taxable property in the Renewal Area shall be paid in to the funds of the respective public bodies.

In the event that there is a general reassessment of taxable property valuations in Larimer County, which are subject to division of valuation for assessment between base and increment, as provided above, the portions of valuations for assessment to be allocated as provided above shall be proportionately adjusted in accordance with such reassessment. Note that at the time of this Plan adoption, such a general reassessment occurs every two years, in the odd-numbered years.

When such bonds, loans, advances, indebtedness, and financial obligations, including interest thereon and any premiums due in connection therewith, have been paid, all taxes upon the taxable property in the Renewal Area shall be paid into the funds of the respective public bodies.

SALES TAX INCREMENT

The North College Project may also be financed by the Authority under the sales tax allocation financing provisions of the Urban Renewal law. The act allows that upon the adoption or amendment of

an Urban Renewal Plan, sales taxes flowing to the City may be "frozen" at their current level. The current level is established based on the previous twelve months prior to the adoption of this Plan. Thereafter, the City can continue to receive this fixed sales tax revenue. The Urban Renewal Authority thereafter may receive all, or an agreed upon portion of the additional sales taxes (the increment) which are generated above the base. The Authority may use these incremental revenues to finance the issuance of bonds, reimburse developers for public improvement costs, reimburse the City for public improvement costs and pay off financial obligations and other debts incurred in the administration of the Urban Renewal Plan. This increment is not an additional sales tax, but rather is a portion of the established tax collected by the City, and the sales tax increment resulting from redevelopment efforts and activities contemplated in this Plan.

TAX INCREMENT REIMBURSEMENT

Tax increment revenues may be used to reimburse the City and/or a developer for costs incurred for improvements related to a renewal undertaking or activity to pay the debt incurred by the Authority with such entities for those renewal undertakings and activities. Tax incremental revenues may also be used to pay bonded indebtedness, financial obligations and debts of the Authority related to any renewal undertakings and activities under this Plan.

8. Plan Advisory Group

To help tailor implementation of this Plan to unique circumstances in the area, a citizen advisory group shall be formed with strong representation of owners in the North College Corridor area to render advice to the URA Board of Commissioners (Board). Furthermore, to ensure effective communication, this Plan recommends that the group include one or two members from City Council and a member from the Planning and Zoning Board. The intent of this Plan is for URA Board of Commissioners to consult with the Advisory Group on all significant actions and decisions of the Authority regarding this Plan.

9. Modifications to the Plan

This Plan may be modified pursuant to requirements and procedures set forth in CRS §31-25-107 of the Urban Renewal Law governing such modifications.

10. Reasonable Variations

The Board shall have the ability to approve reasonable variations (as determined by the Board) from the strict application of these Plan provisions, so long as such variations reasonably accommodate the intent and purpose of this Plan and the Urban Renewal Law. Plan provisions may be altered by market conditions, redevelopment opportunities and/or the needs of the community affected by the Plan.

Appendix A - Legal Description

DESCRIPTION OF THE BOUNDARY OF THE NORTH COLLEGE URBAN RENEWAL PLAN AREA

The North College Urban Renewal Plan Area is located in Sections 35 and 36 of Township 8 North Range 69 West and in Sections 1, 2, 11 and 12 of Township 7 North Range 69 West all of the Sixth Principal Meridian, City of Fort Collins, Larimer County, Colorado, being more particularly described as follows;

Commencing at the northeast corner of the said Section 2;
THENCE westerly along the north line of Section 2 to the east one sixteenth corner on the north line of Section 2 and to the TRUE POINT OF BEGINNING OF THIS DESCRIPTION;
THENCE northerly along the west line of the southeast quarter of the southeast quarter of the said Section 35 to the north right of way of West Willox Lane;
THENCE easterly along the said north right of way, to the west line of Lot 21 of the Plat of The Re-subdivision Of The Goehring Subdivision;
THENCE northerly along the west line of Lot 21 and along the west line of Lot 3 of the K-D Park Subdivision to the northerly line of the North College Annexation to the said City;
THENCE northeasterly, northerly, easterly and southeasterly along the said northerly annexation line, to the east most line of the said North College Annexation;
THENCE southerly along the said east most line and along the east line of the Nauta North College Annexation to the said City to the north right of way of East Willox Lane;
THENCE easterly along the said north right of way, to the west line of the Willox Heights Annexation to the said City;
THENCE northerly along the said west line to the north line of the said Willox Heights Annexation;
THENCE easterly, southerly and easterly along the said north line, to the east line of the said Willox Heights Annexation;
THENCE southerly along the said east line and its southerly extension to the south right of way of the said East Willox Lane;
THENCE westerly along the said south right of way to the east right of way of Blue Spruce Drive;
THENCE southerly along the said east right of way to the south line of the plat of Replat of Coachlight Plaza;
THENCE easterly along the said south line to the east line of Block 5 of the plat of Replat No. 1 of Evergreen Park;
THENCE southerly along the said east line to the south line of the plat of Nokomis Subdivision;
THENCE easterly along the said south line and its easterly extension to the easterly right of way of Redwood Street;
THENCE southerly along the said easterly right of way and its southerly extension to the southerly right of way of East Vine Drive;
THENCE westerly along the said southerly right of way to the easterly right of way of North College Avenue;
THENCE southerly along the said easterly right of way to the southerly line of the said North College Annexation;
THENCE westerly along the said southerly line, its westerly extension and along the southerly line of the Griffin Addition to the said City to a line which is 75.00 feet (measured at right angles) westerly of and parallel with the centerline of the main track of the Union Pacific Railroad;

THENCE northerly along the said parallel line to the south line of the U.S. Department of Agriculture Forest Service, Canyon Lakes Ranger District Administrative Site;

THENCE westerly along the said south line to the west line of the said Canyon Lakes Ranger District Administrative Site;

THENCE northerly along the said west line and its northerly extension to the south right of way of Hemlock Street (4th Street);

THENCE westerly along the said south right of way to the north-south centerline of the said Section 2 and to the easterly line of McMurry Park;

THENCE northerly, westerly and northwesterly along the said easterly line of McMurry Park to the east-west centerline of the said Section 2;

THENCE easterly along the said east-west centerline to the west line of the plat of Lakewood Estates Mobile Home Park;

THENCE northerly along the said west line to the northerly right of way of Hickory Street;

THENCE easterly along the said northerly right of way to a line which is 25.00 feet (measured at right angles) northeasterly of and parallel with the said centerline of the main track of the Union Pacific Railroad;

THENCE northwesterly along the said parallel line to a line which is 328.50 feet (measured at right angles) north of and parallel with the south line of the north east quarter of the said Section 2;

THENCE easterly along the said parallel line to the west line of the east half of the said northeast quarter of Section 2;

THENCE northerly along the said west line of the east half of the northeast quarter to the Point of Beginning.